

Source: The Himalayan Times; 23 Nov 2015

## **Energy miseries in Nepal**

*Pramod Raj Pokharel*

The recent blockade completely tore apart Nepal's energy planning and policies. With a series of past blunders, Nepal presently finds itself in a fix. Nepal's mistake in pursuing highly unreliable low head HPP model and fantasizing about the mercies of huge Indian grid as its market as well as its back-up for its demand-supply reliability has become the main reason for its energy miseries. By relying on others, it's very rare to achieve energy independence, and it's a bitter fact.

Electricity as we know has a unique characteristic. Whatever may be the potential difference and availability of power, unless the loop is complete there is no current. This fundamental knowledge of electricity has answers to many of Nepal's problems. Unnecessary power and high potential influences can be subdued and avoided, provided one shows guts to disconnect the unnecessary loops. Indo-Nepal open boarder is one of such unnecessary loops that needs to be disconnected urgently. This simple fact has the biggest leverage point in pursuing Nepal's true independence.

Head and discharge in hydro-power equation are inversely proportional. Increasing head by 10 times, discharge automatically reduces to 1/10 for the same amount of power generation. This analogy is applicable anywhere and it gives us the clue how Nepal can control its currency drain and trade deficit through energy business. Nepal has simply two choices; either use maximum possible head or use maximum discharge. Unfortunately, Nepal so far allowed use of maximum discharge and the result of which we have witnessed already. It seems our low head attitude everywhere is the reason for our failures.

Water mass in a river belongs to nature first. Human beings can use portions of it for irrigation, drinking water and for energy purposes provided that significant amount is left intact to avoid ecological degradation and consequent biodiversity adversity. But using over 90 per cent of river water and giving dry rivers and unacceptable ecological degradation is a planned hydro scam legally by few of the mighty Nepalese exploiting national resources for their personal gains. This again takes us back to Nepali waters in bulk realization at different elevations and not individually in different segments of a river. This approach requires a few stable north-south corridors where reliable high head water-ways channels in bulk can be constructed.

Source: 24 Nov 2015

## **Import of 90 MW from India uncertain due to Madhes protest**

*PUSHPA RAJ KOIRALA*

The construction of Dhalkebar-Muzaffarpur cross-border transmission line to import 90 megawatts of electricity by December this year has been halted yet again.

The Nepal Electricity Authority (NEA) had planned to import 90 MW of electricity by installing conductor of 132 KVA capacity. NEA was hopeful that import of power from India would aid to reduce load shedding during the winter season.

“The work had resumed some time ago after seeking approval from agitating parties and contractor,” said Chief of Power Transmission Company Nepal (PTCN) Ashok Kumar Pandit, “But, excavator operators have denied working fearing attack from protesters.”

According to him, the work will resume again if situation normalizes in a day or two. Out of 113 transmission towers in Nepali side, only five are left to be constructed.

Source: The Himalayan Times; 23 Nov 2015

## **Govt urged to amend energy policies for rapid development of the sector**

Drawing the attention of the government to the immense crisis being faced by the energy sector of the country due to the unofficial economic blockade by India, stakeholders of the energy sector have demanded that the government amend the related policies for swift development of the sector.

In this regard, Energy Development Council (EDC) President Sujit Acharya had led a delegation that met Finance Minister Bishnu Prasad Paudel on Wednesday and submitted a 19-point memorandum related to ‘security of Nepal’s energy sector’, as per a press statement issued today.

EDC President Acharya said the government’s policies related to tax and customs need to be revisited for overall development of the energy sector. “The government needs to show flexibility in fixing customs and VAT rate, which are hindering the rapid development of energy sector,” he opined.

The Council has urged the government to reduce all forms of taxes on electric vehicles, induction cooking appliances and all energy related projects to 0.1 per cent. The Council believes that the government should provide financing facilities for the manufacture and sales of such electrical items and promote them as ‘assembled in Nepal’, the statement adds.

The Council has further said that all power purchase agreements (PPAs) on hydropower and energy projects should be based on ‘take or pay’ policy. Until now, Nepal Electricity Authority — the sole buyer of electricity produced by the private sector — has been inking PPA on the basis of ‘take and pay’, which entails the Authority to buy electricity only when it needs it. According to the Council, this policy has dissuaded the private sector players from investing in the hydropower sector.

Similarly, the EDC has also demanded that the government do away with the provision requiring hydropower projects generating up to 100 megawatts of electricity from having to conduct environmental impact assessment (EIA). “Such projects should only have to complete initial environmental examination (IEE).”

The Council has also asked for the government to announce PPA rate of reservoir-type projects and make provisions for the private sector to generate and supply electricity by fixing distribution rate.

Moreover, the EDC has said that the government should scrap the provisions that require the contract for expansion of transmission lines to be given to Nepali Army and also that one per cent of net profit to be given to the Ministry of Forest and Soil Conservation. It has also said that the rule that says the government should be compensated with land for using its land should be done away with.

EDC has also asserted the recommendations incorporated in the memorandum need to be adopted for successful implementation of Prime Minister KP Sharma Oli's announcement.

Accepting the memorandum, Finance Minister Paudel assured he would do his best in implementing the suggestions put forth by the Council. "The issues raised by the Council are valid during this crisis and these recommendations will provide both immediate and long-term benefits to the energy sector," the statement quoted Minister Paudel as saying.

EDC comprises of representatives from the government, private, non-governmental organisations and other organisations related to the energy sector.