

Source: The Rising Nepal; 20 Dec 2015

Butwal power company earns more than Rs 470 million in a year

The Butwal Power Company has made a net profit of Rs. 479.8 million in the fiscal year 2071/72.

The details were shared at the 23rd annual general meeting of the Company here today. The profit this year is more by Rs. 303 million in compared to the previous year.

The company runs the 12 MW Jhimruk and 9.4 MW Andhikhola hydropower project. Furthermore, it is working to run the 37.6 MW capacity Kabeli A and 30 MW Nyadi hydel project through its auxiliary and affiliate companies.

Butwal Power company is also currently carrying out a study of the 100 MW capacity lower Manang Marsyangdi Hydrel project and 8.5 MW Chino Khola project.

Source: My Republica; 20 Dec 2015

Fuel shortage halts reconstruction of quake-hit hydel projects

Reconstruction of four hydropower projects affected by the April 25 earthquake and Jure landslide has come to a halt due to shortage of fuel.

Reconstruction of 45 megawatts Upper Bhotekoshi Hydropower Project has been halted in lack of fuel. Earlier, the project suffered a closure twice due to the landslip and quake.

Narendra Prajapati, Executive Director of the Bhotekoshi Power Company, said that initiations had been taken to urge the government for ensuring smooth supply of fuel and that the reconstruction would be completed by July, 2016 in case of smooth supply of fuel.

Likewise, reconstruction of 2.6 megawatts Sunkoshi Small Hydropower Project has also come to an end due to fuel shortage.

The project officials said that around Rs 280 million is estimated to cost the reconstructions of projects damaged by the disasters.

They said that Energy Ministry has been requested to make smooth supply of fuel and that the reconstruction would be completed by mid-January.

Likewise, reconstruction of 3.1 megawatts Bhairabkunda Small Hydroelectric Project and 4.2 megawatts Baramchi Khola Hydropower Project has been halted due to fuel shortage. RSS

Source: The Kathmandu Post; 20 Dec 2015

Limiting power cuts to 70 hours 'not easy'

- SANJEEV GIRI

The Nepal Electricity Authority (NEA) has said it will limit load shedding to 70 hours per week (up to 11 hours a day) during winter, but doing so might not be so easy.

NEA plans to import 90MW of additional energy through the Dhalkebar-Muzafarpur cross-border transmission line by completing its construction within a month to prevent any hike in

load shedding hours. But the bad news is it is the only plan the NEA has.

NEA says erection of five towers in Dhanusha and Mahottari districts is left for the completion of the project, and it will complete the job by the next 15-20 days. However, chances of the plan materialising are slim, with the Samyukta Loktantrik Madheshi Morcha on Friday deciding to intensify their protests and stating they would not allow government officials to work in the Tarai region.

“If we get to work, we can make this transmission line functional within 15-20 days. In fact, we aim to start importing additional energy from India by mid-January 2016,” said Kanhaiya Manandhar, deputy managing director and head of transmission directorate at NEA. “Almost all the platforms are ready. We just need to complete a small portion of the task on the Nepali side of the border. Everything on the Indian side has been completed.”

However, when asked whether NEA had any alternative plans, Manandhar said: “We do not have.”

NEA Managing Director Mukesh Raj Kafle too expressed confidence about the completion of the project in the next 15-20 days, but he conceded the disturbances in the movement of trucks carrying construction materials would make things difficult.

Even under-construction hydropower projects that are close to completion have been halted due to the shortage of fuel and construction materials, while the combined generation capacity of operational run-of-the-river projects have come down to around 340MW due to a decrease in the flow of water in rivers.

Projects developed by Independent Power Producers' (IPPs) generate around 150MW, while Indian imports stand at 220MW. With the NEA-projected the demand remaining at around 1,250MW, Nepal will face a power deficit of 550MW. The deficit is likely to increase, with the generation capacity expected to decrease further as winter advances.

Also, the NEA system faces a shortage of 75-80MW electricity due to damage to project caused by the April 25 earthquake and subsequent aftershocks. Repair works on the projects have been affected due to the shortage of fuel and construction materials, according to NEA.

Moreover, the electricity demand has increased significantly, with the rise in the use of electric appliances amid unavailability of cooking gas and other petroleum products.

“On one hand, we have power shortage, and on the other, we have weak a distribution mechanism,” said head of NEA's distribution directorate Ram Chandra Pandey. He added the focus should be more on strengthening the distribution mechanism.

The dramatic rise in the electricity use is evident with the fact that explosions of transformers due to overload has become common in the country, especially in the Valley. The demand is

expected to rise further as the winter sets in when people are more dependent on electricity for various purposes such a heating. Moreover, shorter days mean more use of electricity for lighting up their homes and offices.

Source: My Republica; 20 Dec 2015

BPC plans to complete Kabeli 'A', Nyadi projects by 2020

RUDRA PANGENI

Butwal Power Company (BPL) has planned to bring at least two projects into operation by 2020 to make up for the deficiency of revenue after 50 percent of shares in Khimti Hydropower Project are transferred to the government.

Speaking at the company's 23rd Annual General Assembly on Sunday, Uttar Kumar Shrestha, CEO of BPC, said the new projects will make the company's income stable after 50 percent of the shares in Khimti Hydropower Project are transferred to the government in 2020.

BPC holds 16 percent stake in the company which is developed by Himal Power Limited. Major chunk of BPC's revenue come from dividend from the shares that it holds in Khimti Hydropower Project. The company received Rs 429.4 million as dividend payment from Himal Power Limited in 2014/15.

The amount is 89.5 percent of BPC's annual net profit of Rs 479.8 million generated in the fiscal year.

“Our shareholding in Khimti Hydropower Project will be reduced after 50 percent of shares in the project are transferred to the government after 2020.

This will also hit our profit,” Shrestha said.

Concession period of Khimti Hydropower Project is 50 years, starting 2000.

“We have started works to develop Kabeli 'A' Hydroelectric Project (37.6 MW) and Nyadi Hydropower (30 MW). They will start generation by 2020 and will make up for deficiency in our earnings,” he added.

However, BPC shareholders are worried as returns on investment in hydropower projects do not bring sizable return during debt service period that generally spans from eight to 12 years.

Construction work of Kabeli 'A' will begin from the first quarter of 2016. It is expected to start generation from September, 2019.

BPC is investing in Kabeli 'A' through its subsidiary company Kabeli Energy Limited. IFC, a private sector lending arm of World Bank, has already signed agreement to lend US\$ 38.6 million to the project. Similarly, the World Bank is funding an additional \$40 million in the project through Hydropower

Investment Development Company Limited (HIDCL), according to BPC's annual report released on Sunday.

“We finalized draft of loan agreement document for Kabeli 'A' and forwarded it to the Ministry of Finance for final approval last week,” Deepak Rauniyar, CEO of HIDCL, said. “We will soon sign the loan agreement.”

Shrestha said BPC has already selected civil and electro mechanical contractors for the Kabeli A project. “We will mobilize contractor and release funds for them immediately after the project achieves financial closure,” he added.

Similarly, BPC officials say the contractor selection process for Nyadi Hydropower Project has already started. The plan is to start the project by mid-2016, the annual report states.

Meanwhile, the annual general meeting approved the company's proposal to provide 20 percent cash dividend to BPC shareholders.

BPC Chairman Padma Jyoti told shareholders that the company has not issued bonus and right shares as the company is in need of huge amount of money to invest in the two projects. “When we need fund, we will collect it from shareholders by issuing right shares,” he said, adding, “BPC is a company of long-term investments; our shareholders need to show patience.”

BPC earned Rs 523 million from the sale of electricity in bulk and retail as well as other services in 2014/15, according to annual report. Jhimruk Khola Hydropower Project (12.5) and Andhikhola Hydropower Project (9.4MW) are the company's major projects in operation.

Meanwhile, detailed project report for Lower Manang Marshyangdi (100 MW) is in the final stage of preparation. BPC has already applied for generation license of the project located in Manang district.

Government of Nepal, United Mission to Nepal, NIDC Development Bank, Nepal Electricity Authority jointly own 13 percent share in the company, while Shangri-La Energy Limited and IKN Nepal AS hold 75 percent shares in the company. Remaining 12 percent of shares are held by general public.

Source: The Kathmandu Post; 22 Dec 2015

Fuel crisis, quake stall hydel projects

[Krishna Thapa](#)

Hydropower projects under construction in Rasuwa have been badly affected by fuel shortages and the April 25 earthquake. As a result, their completion is expected to be delayed by one and a half years, according to project officials.

The construction work of the 111 MW Rasuwagadhi Hydropower Project has been at a standstill since the earthquake.

The project has not been able to operate its compressor, dozers, excavators and other equipment due to lack of gasoline, officials said.

“No work except maintenance has been done,” said Kiran Shrestha, chief of the project.

The project had planned to complete the construction work by 2016. “It will take another one and a half years to finish it,” he added.

According to the project, workers are presently engaged in installing power lines, constructing housing and storage wards and batching and crusher plants besides rebuilding the damaged road.

Project officials said problems had been created by shortages of various materials and spare parts.

According to Shrestha, they lack fuel to operate the excavators. “These machines are standing idle as we have no gasoline,” said Shrestha.

The contract for the Rs13.67-billion project has been received by a Chinese company China International Water and Electric Corporation. It has so far finished digging 2.9 km of an 8-km tunnel.

The Chilime Hydropower Project is engaged in constructing four hydropower projects.

This is the second largest project promoted by Chilime. The others are the 102 MW Bhote Koshi, 14.8 MW Upper Sanjen and 42.5 MW Lower Sanjen.

Source: My Republica; 22 Dec 2015

PM told to focus on hydropower projects

A parliamentary committee has expressed dissatisfaction with Prime Minister KP Sharma Oli for prioritizing solar and wind power, neglecting the ongoing hydropower projects.

Gagan Thapa, chairman of Agriculture and Water Resources Committee, said the government should focus first on hydropower projects which are at the final stage of construction.

"Government's intervention can help expedite these projects. Fancy proposals on solar and wind power are not going to help us," he said at a discussion on ongoing hydropower projects organized by the committee on Tuesday.

Thapa was taking a dig at Prime Minister KP Sharma Oli who recently said the government should harness alternative energy sources like solar and wind to end energy woes within a year as it takes several years to build hydropower plants.

He also urged the government to make rationale, practical and cost-effective plans to address the ongoing energy crisis.

Investment Board Nepal (IBN) on Sunday decided to conduct feasibility study for generating 300 MW within a year by harnessing wind power. About two months ago, the government had unveiled plans to install 200 MW solar plants within a year. But nothing has been done in this direction so far.

Thapa said that the government can generate 1,095 MW within two years if proper coordination and intervention is made in time.

The committee also decided to ask the Ministry of Energy to explain the rationale behind prioritizing solar and other energy sources and technical aspects like connecting solar and wind energy to national grid and size.

Source: The Kathmandu Post; 23 Dec 2015

Rahughat set for capacity upgrade

[Ghanashyam Khadka](#)

The Rahughat Hydropower Project is set for a fresh contract with a plan to upgrade its installed capacity to 40MW from the previous 32MW.

Works at the project have come to a halt after the Nepal Electricity Authority cancelled the contract with Indian contractor IVRCL over construction delay. According to project officials, the project would be upgraded by an addition 8MW after reviewing the financial and technical feasibility. Besides, the project has proposed to the NEA to convert itself into company modality.

Ishwor Singh Bohara, site in-charge of the project, said they were working on redesigning of the project. "The project will be developed based on Engineering Procurement Construction (EPC) modality," he said, adding that the consultant company, WAPCOS, has started revising alignment of the project's tunnel construction.

While the restructuring of the project has been initiated for a fresh contract, the NEA is yet to decide on the issue of compensation as demanded by the penalised contractor. After the Appellate court scrapped its plea, the contractor has filed another writ against the project office, demanding compensation.

Bohara said they had not received a copy of the court's verdict. "As soon as the compensation issue is finalised, the construction work will resume," he said. The Indian contractor has been demanding Rs140 million in compensation from the NEA.

The project officials said the Indian company had blamed the NEA for delay, arguing that the authority only hired the project consultant only after two years. Similarly, the company also blamed WAPCOS for delaying to issue "notice to proceed" as a consequence the construction works were halted for two years. The feasibility study carried out six years ago had estimated the project to cost Rs6.7 billion, which is expected to soar due to the delay.

Although the NEA has set the target to bring the project into operation in the next 42 months, only 12 percent of the work has been completed so far.

Source: The Rising Nepal; 23 Dec 2015

Khanal inspects Sanima Mai Hydropower Project in Ilam

Senior leader of the CPN (UML), Jhalanath Khanal, has today inspected the Sanima Mai Hydropower Project constructed at Danabari and Chisapani VDCs.

On the occasion, Khanal said that country's energy need should be met through the development of hydroelectricity and stressed the need of achieving economic prosperity through it.

On a different note, the former Prime Minister said that the new constitution has ensured equal rights to all communities, adding that amendment could be made in the new constitution if someone has dissatisfaction over it.

He further said that India would be compelled to withdraw the border blockade. The CPN (UML) senior leader also directed the contractors to complete the undergoing development construction projects at Danabari soon.

Source: The Kathmandu Post; 24 Dec 2015

Century-old Pharping hydro to be resumed

PRITHVI MAN SHRESTHA

The government has planned to bring the Pharping Hydropower Project, the first electricity plant in the country and the second in Asia, back to life.

The Cabinet has decided to fire up the century-old relic from the Rana period in an attempt to boost morale with the country reeling under severe load-shedding and a fuel crisis.

Necessary studies and preparations will be made to put the historical 500 kW power station and other small hydel projects back into operation within two years under the government's Two Year Immediate Action Plan.

Established in 1911 during the time of Prime Minister Chandra Shamsher Jang Bahadur Rana, the Pharping plant was humming as late as the 1990s.

King Prithvi Bir Bikram Shah had inaugurated the powerhouse by turning on electric light bulbs during a programme held at Tundikhel, Kathmandu. In 2010, it was declared a Living Museum by the government and opened to visitors.

Gokarna Raj Pantha, assistant spokesperson at the Ministry of Energy, said that the government had planned to operate the historic plant occasionally as a demonstration more than as a way to supply regular power.

The government has also planned to establish a Public Power Production Company as a holding company to enhance the capacity of the public sector to develop power projects. As per the action plan, the government is preparing to announce its concept.

"The Cabinet has already agreed in principle to establish a separate Public Power Production Company under which major projects such as the Naumure Hydropower Project will be developed, and the production unit of the Nepal Electricity Authority (NEA) will be brought under its fold once the NEA is unbundled," said Pantha.

"The hydropower projects developed by the private sector under public-private partnership will also come under its fold once the private sector returns them to the government after 30 years of operation."

The action plan has stated that the government will establish an Electricity Trading Company within a year to trade electricity.

It will also establish a National Energy Efficiency Centre to reduce unnecessary consumption of energy and ensure a balance between demand and supply. The government said that work had already begun on this front.

The action plan has incorporated various schemes to be implemented by various ministries and agencies within the next two years. A senior official at the Prime Minister's Office said that the measures proposed in the action plan had been identified as being doable by the respective ministries.

Meanwhile, in the face of acute shortage of liquefied petroleum gas (LPG), the government has planned to establish bulk storage tanks in Janakpur, Kathmandu and other appropriate locations. The reserves are designed to ensure regular supply of LPG during the winter season when demands increases sharply.

According to Nepal Oil Corporation (NOC), demand for LPG surges by 30-40 percent during the winter as people use LPG not only for cooking but also to heat water. The country's monthly

LPG requirement amounts to 23,000 tonnes.

As per the plan, the government will also install 10 new petroleum storage tanks with a capacity of 70 kilolitres each by the next fiscal year 2015-16. Currently, Nepal's petroleum storage capacity stands at 71,622 kilolitres, or enough oil for 20 days.

In the absence of adequate storage facilities, the country has been hit by an acute oil shortage following India's trade embargo which has lasted since September 22.

The three-month-long embargo has led to shortages of essential goods, and the action plan has stated that the government will prepare an immediate working plan to ease the crisis once the blockade is lifted.

1. As per this scheme, the government will also fix the maximum retail price (MRP) of domestically produced goods. The MRP regulation is currently applied only to imported products including vehicles, electronic goods and surgical instruments.

Source: The Kathmandu Post; 25 Dec 2015

7MW power to be added to national grid in Jan

The Mai Cascade Hydropower Project will be feeding 7 MW of electricity to the national grid within a month, said Sanima Mai Hydropower Company. It added that a dry test of the power had been completed successfully.

In October, the Mai Khola Hydropower Project began feeding 22 MW to the national grid. The Mai Cascade Hydropower Project will be using the same platform used by Mai Khola to evacuate power.

“We are expecting to evacuate power to the national grid within a month,” said Subarna Das Shrestha, chief executive officer of the company. “We will be conducting a wet test for three weeks and then start the process of power evacuation.”

The addition of 7 MW of energy in the national grid is expected to provide some respite to the Nepal Electricity Authority (NEA) to manage the load in the Eastern Region.

According to the NEA, there is a big issue related to voltage in the eastern part of the country. The 22 MW of power from Mai Khola which was recently added to the national grid has helped NEA manage the load and voltage, and the coming 7 MW will provide further leeway.

According to Shrestha, the project will be connected to the national grid within the stipulated time as there is no issue related with the transmission line for power evacuation. “In fact, we could have completed the project by now. Several snags like shortage of fuel and equipment due to the blockade in the Tarai have caused some delay,” Shrestha said. The 22 MW is being evacuated through a 132 kV transmission line built under the first phase of the Kabeli corridor project. The corridor will feed 90 MW of electricity generated by nine projects into the national grid. The Kabeli corridor, which was expected to be completed by July last year, has encountered time overruns due to various problems.

Sanima Mai had constructed an 11-km-long power line on its own to evacuate the energy while the NEA erected a 34.5-km transmission line to transfer the energy to its Ilam substation. The NEA had been planning to complete the first phase of the transmission line by December 2014, but it took another nine months to complete the project.

According to the project, 70 percent of the financing came from non-resident Nepalis, 10 percent from locals and 20 percent from the general public through an initial public offering. The feasibility study of the Mai Hydropower Project was undertaken by Sanima Hydropower in June 2006. The project was proposed as a daily peaking run-of-the-river project with an installed capacity of 22 MW.

The construction of Mai Hydropower started in January 2011. Likewise, work on the Mai Cascade Hydropower Project began in July 2013.

Source: My Republica; 25 Dec 2015

Khimti-2 hydel project to be built at a cost of Rs 7.5 billion

The People's Hydro Cooperative Ltd, New Baneshwor, Kathmandu, is going to construct Khimti-2 Hydropower Project at a cost of Rs 7.50 billion.

The company shared the information at a programme organised at Jiri in Dolakha district. Jiri Municipality and Hawa VDC as well as Rasnal VDC in Ramechhap district would be affected by the hydel project going to be constructed at Jiri Municipality-8.

The construction task of the project would be completed by 2077 BS in five years if no any obstruction surfaced. The project would start generating from 2078 BS, it is learnt. The project would produce 48.8 Megawatts electricity. RSS

Source: The Rising Nepal; 23 Dec 2015

PAC directs Energy Ministry, NEA to speed up construction of Chameliya project

The Public Accounts Committee (PAC) under the Legislature-Parliament has directed the Energy Ministry and Nepal Electricity Authority (NEA) to speed up the construction of the 30-megawatt Chameliya Hydropower Project in Darchula district and not to halt it again under any pretexts.

At PAC meeting today, the committee also suggested releasing the budget only after carrying out an investigation on the incident, wherein negligence was committed on the construction, thus leading to the shrinkage of the 843 meters long tunnel of the project.

However, of the total meters of the tunnel, 611 was reconstructed after its shrinkage while the PAC also directed concerned authority to repair the rest of the tunnel soon, PAC President Janardan Sharma said.

The PAC also drew attention of the Energy Ministry, the NEA and concerned authorities to take action against those found to be involving in corruption and end the tendency of blaming other for any wrongdoings just to cover up own's shortcomings.

In response, Deputy Prime Minister and Energy Minister Top Bahadur Rayamajhi said budget would be released and the tunnel would be repaired only after reviewing disputed issues of the project.

He added that the government was working to resolve problems revolving the project and that it was committed to complete the project and take action against those found to be involving in corruption at the project.

Energy secretary Suman Prasad Sharma said that the project would be completed within 10 months right after the investigation into the shrinkage of the tunnel would come out.

He said that other works on the project were going on.

Although the Rs 15.6 billion project at Shikhar VDC-4 in Darchula that was started in 2006 aimed to be completed in 2011, but it is yet to be completed due to various reasons.

Source: The Kathmandu Post; 26 Dec 2015

Teams to explore ways to rush energy projects

Dec 26, 2015- The government has planned to declare a state of energy crisis in mid-January, and accordingly the Ministry of Energy (MoE) has formed six taskforces to study and recommend a course of action to deal with the crisis. Based on their recommendations, the government will prepare a bill to address the problems impeding the development of energy projects.

MoE Joint Secretary Sanjaya Sharma is heading the taskforce assigned to look after grid solar and the power purchase agreement (PPA) rate as well as power trade. Another Joint Secretary Samir Ratna Shakya has been named as the head of the taskforce in charge of hydro bonds and project prioritization and investment management.

Director General of the Department of Electricity Development (DoED) Dinesh Ghimire has been given the responsibility of coordinating the taskforce dealing with institutional reform that also covers the issue of licensing hydropower projects and structural reforms.

Deputy Director General of the DoED Nabin Raj Singh will study and recommend measures related to forest and environmental clearance, land acquisition, social issuance and issuance of shares to locals.

Likewise, Deputy Managing Director of the Nepal Electricity Authority (NEA) Ram Chandra Pandey heads the taskforce that will recommend policy measures on electricity distribution management and reforms. Another Deputy Managing Director of the NEA Surendra Raj Bhandari has been tasked to look into procurement issues and managerial reform.

“The taskforces have also incorporated other government agencies such as the Investment Board of Nepal and university scholars,” said Gokarna Raj Pantha, assistant spokesperson at the MoE. “These taskforces will identify the problems and recommend measures to be taken during the crisis period.” According to ministry officials, the taskforces have been given two weeks to submit their reports.

With the country facing a severe energy crisis due to lowered energy production from hydropower plants and the trade embargo by India that has lasted more than three months, the government has planned to declare a state of energy crisis for the third time in seven years. The Maoist-led government in December 2008 and the Jhulanath Khanal-led government in March 2011 had also declared energy emergencies. When the energy emergency was declared in 2011 for four and a half years, the government had planned to generate 2,500 MW of electricity within the crisis period and formed a powerful three-member Energy Crisis Control Commission. The plan also included setting up thermal plants and reducing power leakage by 20 percent within six months.

However, there was not much progress in the development of hydropower projects. The installed capacity of all the hydropower projects currently stands at 787 MW, but output drops by half in

the winter due to reduced water flow in the rivers. Nepal's peak hour demand for energy presently stands at nearly 1,500 MW.

With the country failing to produce enough energy despite declaring an energy emergency on the last two occasions, the government this year has planned to introduce a law to fast-track land acquisition and environmental clearance.

“The government could not adopt a fast-track mechanism to process land acquisition and environmental clearance in the past which delayed many projects,” said Suman Sharma, secretary at the MoE. The government had planned to introduce the law in 2011 too, but the scheme failed.

According to Pantha, a bill was drafted but nothing further was done. “We had planned to take the bill to Parliament but failed to do so,” he added. The government had also aimed to set up an Energy Crisis Mitigation Commission, but that did not happen either.

Beside land acquisition and environmental clearance, long administrative procedures have been problematic for hydropower development, according to the parliamentary Agriculture and Water Resource Committee. A potential hydropower developer has to make the rounds of seven ministries and 23 departments, and comply with 36 different acts to launch a project.

According to the committee, there are a number of projects with a combined capacity of 1,055 MW that can be completed within two years. The DoED has stated that 21 projects with a total capacity of 205.59 MW can be finished within the fiscal year 2015-16, and another batch with a combined capacity of 848 MW by the fiscal year 2016-17.

Source: My Republica; 27 Dec 2015

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Source: My Republica; 27 Dec 2015

PAC tells MoE to re-evaluate Chameliya variation payment

Parliament's Public Accounts Committee (PAC) on Sunday held a meeting again on a controversial variation payment made under the Chameliya Hydroelectric Project and issued a fresh directive to carry out a re-evaluation of the payment. The committee held discussions with Energy Minister Top Bahadur Rayamajhi and bureaucrats concerned and directed the government to pay the contractor accordingly and expedite the project.

Over a year has elapsed since construction of the project following the controversial decision of the Nepal Electricity Authority (NEA) board to make the payment to the civil contractor. Following the payment decision, PAC in September last year had directed that the variation payment for the 30 MW project be stopped, and later, following a probe report, it also directed the Ministry of Energy (MoE) to investigate and take action against those involved in the decision.

The NEA board had decided to pay Rs 1.09 billion to the civil contractor, China Gejuwa Group of Power Company (CGGC), for additional works occasioned by shrinkage in the project tunnel.

PAC also transferred its probe report to the Commission for Investigation of Abuse of Authority (CIAA) for further investigations. MoE, meanwhile, remained silent over the issue, saying the case was now under the CIAA scanner. "We could not proceed further in the case as it was also under investigation by the CIAA," said Gokarna Raj Pantha, assistant spokesperson at MoE. CIAA is said to be investigating the case but it has not yet filed any case in court.

At the meeting on Sunday, PAC omitted previous talk of taking action against those involved in the payment decision last year. PAC Secretary Surendra Aryal informed that the PAC has also asked MoE not to apportion any blame on the PAC but rather to take an approach of addressing the problem as soon as possible. "MoE was neglecting the previous directive on the issue," said Aryal adding that Energy Minister Rayamajhi had expressed commitment to a re-evaluation and sorting out of the problem. The controversial decision was made by the NEA board led by then energy minister Radha Gyawali.

Meanwhile, over 90 percent of project work has been completed so far and the government expects to complete it within 10 months under its Energy Development Work Plan - 2015, devised four weeks ago to address the ongoing energy crisis.

Multiple variations in expenditure on the project have nearly doubled the estimated cost as well as incurring time overruns.

Talking to Republica, Rajendra Kumar KC, a lawmaker who also headed the PAC's probe panel on the payment last year, said MoE should no longer delay re-evaluation of the payment.

Source: The Kathmandu Post; 28 Dec 2015

'Implement Saptagandaki Hydro Project to prepare base for prosperity'

Various speakers have voiced the need for the implementation of Saptagandaki Hydropower Project – that has been stalled since long – to prepare the base for economic prosperity in the region.

They said this at an interaction programme 'Prospects and Challenges of Saptagandaki Hydropower Project' organised jointly by Vijaya Development Resource Centre-Nepal (VDRC-Nepal), Gaidakot and Sahabhazi-Chitwan in Bharatpur, Chitwan on Sunday.

Presenting a working paper on the topic, hydropower expert and entrepreneur Gyanendra Lal Pradhan said that the Saptagandaki hydropower has immense opportunities not only to make the supply of power smooth in the region but also prepare a solid base for the economic prosperity.

Responding to the queries of participants on the occasion, Pradhan asserted that the development is not possible without destruction. "The ongoing unofficial border blockade by India and subsequent disruption of the supply of essential goods and services including energy has well exposed Nepal's true position. Therefore, we need to maximize the production and consumption of hydropower to slash dependency and manage such crisis", he said.

Lawmaker of Chitwan constituency no. 4 Ram Krishna Ghimire suggested the concerned sector experts and investors of the country to put in place campaign for the advancement of energy rather than blame the political leaders. "The Saptagandaki hydropower project will be the identity-marker of Chitwan and Nawalparasi districts", he added.

On the occasion, Chitwan Chapter Chairperson of Federation of Nepalese Chambers of Commerce and Industry (FNCCI) Kalyan Joshi underlined the need of making collective commitment for development and prosperity putting to an end the deep-rooted culture of protest limiting growth.

Presiding over the event, VDRC-Nepal's Immediate Past President Basanta Raj Lama underlined the urgency of devising collective efforts from people and community level to explore the potentials of hydropower when the state is grappling with crisis. "The event is a continuity of a policy debate 'Nepal's Prospects on LDC Graduation' earlier organized by VDRC that identified four key areas – hydropower, tourism, agriculture and physical infrastructure – for the meaningful graduation", he added.

Also speaking on the occasion, Sahabhazi-Chitwan's Executive Director Saligram Sharma said the public discussion has been organized to contribute to the state to take right decision for the development of energy – one of the most priority area of the country.

Notably, Japan International Cooperation Agency (JICA) had undertaken feasibility study of the project and recommended to put forward its implementation in 1983. At the moment, it was

stalled with strong resistance from local people who argued that the project would undermine the religious and historical values of Devghat area.

Also today, the participants had suggested to go for the implementation of Saptagandaki hydropower project bearing in mind the aesthetic beauty and value of Devghat pilgrimage site.

As many as 90 participants including lawmakers, hydropower experts, local organisations' representatives, government officials and private sector took part in the discussion programme.
RSS

Source: The Kathmandu Post; 28 Dec 2015

'Implement Saptagandaki Hydro Project to prepare base for prosperity'

Various speakers have voiced the need for the implementation of Saptagandaki Hydropower Project – that has been stalled since long – to prepare the base for economic prosperity in the region.

They said this at an interaction programme 'Prospects and Challenges of Saptagandaki Hydropower Project' organised jointly by Vijaya Development Resource Centre-Nepal (VDRC-Nepal), Gaidakot and Sahabhazi-Chitwan in Bharatpur, Chitwan on Sunday.

Presenting a working paper on the topic, hydropower expert and entrepreneur Gyanendra Lal Pradhan said that the Saptagandaki hydropower has immense opportunities not only to make the supply of power smooth in the region but also prepare a solid base for the economic prosperity.

Responding to the queries of participants on the occasion, Pradhan asserted that the development is not possible without destruction. "The ongoing unofficial border blockade by India and subsequent disruption of the supply of essential goods and services including energy has well exposed Nepal's true position. Therefore, we need to maximize the production and consumption of hydropower to slash dependency and manage such crisis", he said.

Lawmaker of Chitwan constituency no. 4 Ram Krishna Ghimire suggested the concerned sector experts and investors of the country to put in place campaign for the advancement of energy rather than blame the political leaders. "The Saptagandaki hydropower project will be the identity-marker of Chitwan and Nawalparasi districts", he added.

On the occasion, Chitwan Chapter Chairperson of Federation of Nepalese Chambers of Commerce and Industry (FNCCI) Kalyan Joshi underlined the need of making collective commitment for development and prosperity putting to an end the deep-rooted culture of protest limiting growth.

Presiding over the event, VDRC-Nepal's Immediate Past President Basanta Raj Lama underlined the urgency of devising collective efforts from people and community level to explore the potentials of hydropower when the state is grappling with crisis. "The event is a continuity of a policy debate 'Nepal's Prospects on LDC Graduation' earlier organized by VDRC that identified four key areas – hydropower, tourism, agriculture and physical infrastructure – for the meaningful graduation", he added.

Also speaking on the occasion, Sahabhazi-Chitwan's Executive Director Saligram Sharma said the public discussion has been organized to contribute to the state to take right decision for the development of energy – one of the most priority area of the country.

Notably, Japan International Cooperation Agency (JICA) had undertaken feasibility study of the project and recommended to put forward its implementation in 1983. At the moment, it was

stalled with strong resistance from local people who argued that the project would undermine the religious and historical values of Devghat area.

Also today, the participants had suggested to go for the implementation of Saptagandaki hydropower project bearing in mind the aesthetic beauty and value of Devghat pilgrimage site.

As many as 90 participants including lawmakers, hydropower experts, local organisations' representatives, government officials and private sector took part in the discussion programme.
RSS

Source: The Kathmandu Post; 28 Dec 2015

NEA gets PAC green light to resume Chameliya project

variation costs dispute

The Parliamentary Public Account Committee (PAC) on Sunday gave the greenlight to the Nepal Electricity Authority (NEA) to pay variation costs to the contractor of the Chameliya Hydropower Project, paving the way for early resumption of construction works at the project.

The 30MW project has been stalled for more than a year, with its contractor—Gezhouba Water and Power Company—suspending all construction works after being denied payment for the variation orders during the tunnel digging. Variation is created when the contractor has to do extra works not mentioned in the contract.

In July 2014, the PAC had ordered the NEA to halt payment, citing possible misuse of funds, and insisted that an investigation be launched before releasing the money to the contractor.

The NEA board had decided to make payment of more than Rs 1.09 billion in variation charges—the biggest among several variations at the project. The resultant cost overrun made Chameliya the most expensive hydropower project, with cost estimated to hit Rs500 million per megawatt.

The PAC meeting on Sunday directed the government to pay the variation charge to the contractor after proper evaluation.

Surendra Aryal, under secretary at the PAC, said that the House panel had taken the decision as it was considered as a hindrance to the development of the project located at remote Darchula district. The PAC has also instructed the government to accelerate the construction works to complete the project soon.

While the works at the Chameliya has stopped for more than a year over the variation costs, other hydropower projects being developed by the NEA are facing a delay due to the shortage of construction materials and fuel. With people increasingly using electricity now, the delay at the under-construction projects is likely to exacerbate the energy crisis in the country. Given the prolonged halt to the construction works, another parliamentary body—Agriculture and Water Resource Committee—has expressed concerns over the issue and sought amicable solution to the problem.

Speaking during Sunday's meeting, Deputy Prime Minister and Energy Minister Top Bahadur Rayamajhi welcomed the PAC decision, calling on the panel to cooperate in completing the project which is at its final stage.

Earlier, a PAC sub-committee headed by lawmaker Rajendra KC had concluded that there had been irregularities of Rs550 million at the project. The costs of construction materials, manpower and equipment were highly inflated, a PAC study had found out.

It also reported that the NEA board had approved the variation order 6 of the contractor, bypassing the Variation Review Committee under Project Development Department (PDD).

The NEA has already paid more than Rs 2.5 billion in variation orders to the project contractors. Consequently, the project cost has now spiralled to Rs 15.06 billion from the initial Rs 8.49 billion, according to the PAC.

Govt estimates 200MW can be added to grid this year

Nepal has turned to its flaunted hydro resources as a severe fuel shortage and lengthening power cuts threaten to bring life to a halt, with government agencies estimating that 200 MW can be added to the national grid this year if gasoline is provided to the stalled projects.

According to the Department of Electricity Development (DoED), the construction of as many as 20 small hydropower projects with capacities ranging from 25 to 50 MW and the Upper Marsyangdi Hydropower Project can be completed within this fiscal year to generate an additional 205.59 MW.

A report prepared by the DoED has stated that the construction of a majority of the projects has been delayed due to unavailability of fuel. Their diesel requirements range from 34 litres daily to 2,500 litres daily depending on their size. The DoED has stated that the construction of these stalled projects can be completed within one to seven months. Most of them are being developed by independent power producers (IPPs).

The 50 MW Upper Marsyangdi, 25 MW Upper Madi, 22.2 MW Upper Chaku, 14.9 MW Hewa Khola, 13.6 MW Thapa Khola and 9.98 MW Upper Mai, among others, have the prospect of being completed within six months. Fuel has become one of the major issues pushing back the completion date of these projects after a blockade imposed by India choked off the country's fuel supply for more than four months. Even though the government has stated that it is possible to connect 205.59 MW to the national grid within the current fiscal year, the Independent Power Producers Association of Nepal (Ippan) said it would be possible to connect only around 100 MW within the time stipulated by the government.

"We did a calculation and concluded that it is indeed possible to generate around 100 MW within the current fiscal year. However, we have to work fast," Ippan President Khadga Bahadur Bisht said. All the stakeholders will have to be serious to achieve this target within the next seven months, he added.

According to Bisht, gasoline and labour are the major requirements for the projects to be completed on time. "Apart from this, the government should work proactively to provide assistance as required by the projects," Bisht said.

The IPPs said that a severe shortage of manpower had occurred immediately after the April 25 earthquake as terrified employees refused to return to work. "Now the main problem is lack of fuel."

They also said that since all these projects had been started after concluding connection agreements with the Nepal Electricity Authority (NEA), they expect transmission lines to be in place by the time the construction work is finished so that the energy generated can be evacuated right away.

Projects on the verge of completion

Projects Diesel requirement (litres per day)

7 MW Mai Cascade	340
2 MW Chyangdi Khola	223
2 MW Khani Khola	78
4.36 MW Tongan Thosne Khola	78
2.5 MW Daram Khola A	34

3.75 MW Jhyangdi Khola 112
14.9 MW Hewa Khola A 400
5 MW Phawa Khola 375
3.75 MW Dwari Khola 500
9.98 MW Upper Mai 1500
6.1 MW Upper Mai C 1500
13.6 MW Thapa Khola 1000
4 MW Savha Khola 100
50 MW Upper Marsyangdi A 2500
25 MW Upper Madi 1500
22.2 MW Upper Chaku A 400
6 MW Daraudi A 500
4 MW Sardi Khola 600
10 MW Madkyu Khola 500
8 MW Mai Cascade 600
3.2 MW Gelun Khola 500
Total: 205.59 MW

Source: My Republica; 31 Dec 2015

Public hearing on Budhigandaki's EIA soon

Budhigandaki Hydroelectric Project Development Committee has decided to organize public hearing Dhading and Gorkha districts as part of Environment Impact Assessment (EIA) study for the 1,200-megawatt hydropower project.

The dates, however, have not been finalized yet.

Gopal Basnet, executive director of the committee, said they will share details of both positive and negative impacts of the project with the locals. He also said they will also present a conceptual idea on resettlement of project-affected people and proposed sites for resettlement.

Tractebel Engineering, a French consultant, has prepared EIA report along with detailed project report (DPR) of the reservoir project that is expected to bail the country out of the chronic power crisis.

According to the preliminary report, the reservoir of the project, which will be spread over 63 sq km, will be 15 times larger than the Fewa Lake. It will displace 3,560 households. Similarly, a total of about 45,000 people of 8,117 households will be affected physically and economically by the project.

“Feedbacks of local people on EIA will be collected during the public hearing,” added Basnet.

After incorporating feedbacks of the locals in the EIA, the project will submit it to the Ministry of Environment via Ministry of Energy for final approval.

Meanwhile, a separate team deployed in coordination with the Ministry of Land Reforms and Management is conducting verification of private land in both Gorkha and Dhading districts to prepare final record of land plots that will be inundated by the reservoir.

Sources say the consultant has already received comments from the committee and other government agencies on DPR. It plans to give final shape to DPR very soon submit its final report to the committee. The consultant also has prepared bid documents for three different packages of construction works.

Though progress in DPR and EIA is in the final leg, the government has not been able to finalize development modality to execute the project. Some say the project has to be executed by the committee itself, while other say a company with an efficient working modality should be formed for the purpose.

Committee's Chairman Laxmi Prasad Devkota said the indecision over development modality might affect works of the mega hydropower project.

Parliament's Agriculture and Water Resources Committee had, last week, directed the Ministry of Energy to decide on development modality at the earliest.

The estimated cost of the project is Rs 250 billion including land acquisition cost which has been calculated at Rs 58 billion.

Source: My Republica; 31 Dec 2015

The hydropower pipe dream

Nepal added mere 41 MW of hydropower in national grid in 2015. However, it was better compared to past years. Projects with combined capacity of 76 MW had come into operation in five years till 2014.

Though energy demand is increasing by the year, there is a yawning gap between demand and supply. While total generation stands at 759 MW, demand peaks at over 1,300 MW. The government plan of completing Chameliya (30 MW) and Kulekhani III (14 MW) in 2015 remained only in papers.

Six years ago, Nepal and Ethiopia were more or less at the same level in terms of hydropower generation. However, Ethiopia has harnessed 3,200 MW of hydropower so far. It is one of the fastest growing economies in the world, logging growth of above 10 percent in recent years. "Ethiopia was poorer than Nepal and had lower per capita income in 2009. But its per capita income is rising fast. One of the drivers of this growth forward is foreign investment in hydropower project," said former energy secretary Shital Babu Regmi.

Once the poorest country in the world, Ethiopia is now building a reservoir type Grand Renaissance Project (6,000 MW) on Blue Nile River. The project has already generated 700 MW in the first phase. The project, which is estimated to cost US\$ 4.6 billion, is slated to be completed by 2017. Ethiopia has hydropower potential of 60,000 MW compared to Nepal's potential 83,000 MW.

After development partners refused to finance development of hydropower project, the Ethiopian government issued remittance bond and imposed additional tax to collect fund from mobile phone users, among others, to arrange funds to develop hydropower projects.

Nepal has also prioritized hydropower development. It has also devised plans and policies for hydropower development. Unfortunately, they have not come into implementation. The 1,200-megawatt Budhigandaki project was identified back in early 1980s. But the government decided to develop it only in 2009 when energy crisis was at its peak. But very little has been done in terms of project development in the past six years.

Prime Minister KP Oli says very little has been done in Nepal's 104-year history of hydropower development. A 500 KW capacity hydropower project built in 1911 in Nepal's first hydropower project.

"Nepal was among the first countries in the region to harness hydropower. It is a matter of shame that we have the lowest hydropower generation and lowest per capita electricity consumption in our region," Oli told the meeting of Agriculture and Water Resources Committee of the parliament last week. Nepal's per capita electricity consumption of 128 units is the lowest among its neighboring countries.

Government officials and hydropower experts alike agree the funding is not a problem for Budhigandaki hydropower project which is estimated to cost Rs 250 billion. The problem is, development modality of the mega project has not been decided yet.

“We have repeatedly asked the Ministry of Energy to finalize development modality at the earliest,” said Gagan Thapa, Chairman of AWRC.

Budhigandaki Hydroelectric Project Development Committee is executing the project at present. But many believe the development committee modality is outdated and not fit to develop project of this scale as it cannot operate as an independent entity and collect fund from the general public.

AWRC Chairman Thapa, who is actively holding meetings with officials of Ministry of Energy and other line agencies, is frustrated with the work of government agencies.

Several hydropower projects are in different phases of construction. However, these projects are facing the same problems at present that they faced last year, Thapa said.

Energy sector always gets priority in and fiscal policies and periodic plans. But this priority is never translated into action. Country's annual export earning is far lower than the amount it spends to import fossil fuel. Fuel import is growing by 20 percent annually against economic growth of 3 to 4 percent.

“But staggering rise in fuel imports does not reflect in economic output as consumption goes only in non-productive sectors,” Amrit Man Nakarmi, Professor at Center for Energy Studies at Institute of Engineering, said. “Even in this situation of fuel crisis, the government's policy has remained only in papers. It seems that the governments have unwritten policy of doing nothing,” Nakarmi said.

Nakarmi claims hydropower can at least replace diesel and LPG worth Rs 50 billion, or 42 percent of total fuel consumption, annually.

In 2011, Natural Resources and Means Committee of parliament had directed the Ministry of Energy and line agencies to prepare national energy security policy for 25 years, incorporating issues like energy generation and consumption, energy trade, and energy security. But nothing has been done in this direction so far. Thapa's committee issued the same directive to the Ministry of Energy, Nepal Oil Corporation and other agencies soon after India's unofficial blockade affected supply of petroleum products.

“Ministry of Energy has been doing nothing. It only creates obstructions due to its indecisiveness,” Thapa told a meeting of AWRC, which was also attended by Minister for Energy Top Bahadur Raymajhi, last week.

The government hasn't added any hydropower plant in the electricity system since Middle Marshyangdi (70 MW) was connected to the national grid in 2008. However, independent developers have added 120 MW to the system since that time.

Indecisiveness of the government is also affecting hydropower projects being developed by the private sector. Independent power producers are suffering from multiple problems like refusal of Nepal Electricity Authority (NEA) to sign power purchase agreement. Power developers have to knock the doors of as many as 7 ministries and 23 different government agencies for licensing

and permissions.

“Government officials are not positive toward independent power developers. Our files remain undecided in government offices for no reason,” Khadga Bahadur Bisht, president of Independent Power Producers' Association, Nepal, said.

Hydropower Development Policy 2001 has envisioned splitting of Nepal Electricity Authority to make it more efficient and usher in reforms in the energy sector. But the policy has remained only in papers. - See more at: <http://myrepublica.com/economy/story/33997/the-hydropower-pipe-dream.html#sthash.aqAxtTnb.dpuf>

Source: The Kathmandu Post; 31 Dec 2015

Govt estimates 200MW can be added to grid this year

[SANJEEV GIRI](#)

Nepal has turned to its flaunted hydro resources as a severe fuel shortage and lengthening power cuts threaten to bring life to a halt, with government agencies estimating that 200 MW can be added to the national grid this year if gasoline is provided to the stalled projects.

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Total: 205.59 MW

Source: The Himalayan Times; 31 Dec 2015

Electricity development: Let us correct the price

Devendra Adhikari

It will help the private sector to get the price for stimulating further investments. It also helps NEA to operate in better financial health and to enhance electricity trade with Indian and other South Asian power markets. The supply of electricity is inadequate in Nepal. The situation is unlikely to improve for some more years, at least in the dry season. As per Nepal Electricity Authority (NEA), there will, however, be surplus of electricity in the rainy season three years from now. The cost of inadequate electricity is exorbitantly high for developing countries like Nepal. A large number of generator sets are imported to supplement electricity supply during load shedding hours. Consumption of diesel has gone up, further worsening the balance of payment situation. Cost has gone up for most of the products. All these have constrained economic growth and social well-being of the citizens.

Various factors have contributed to the inadequate electricity supply. Inability to develop sufficient generation projects, failure to plan and build enough transmission lines, and existence of considerable leakages in the power system are the main ones. Lack of sufficient generation is caused by many reasons. The most important are related to unfeasible power purchase rates, NEA's financial health to sign attractive PPA rate with the private developers, and lacking of proper planning and forecasting capacity within the government system. Furthermore, NEA is also involved in power generation and is also a sole buyer of electricity generated by the private sector. In the absence of an independent regulator, NEA for obvious reasons can impose artificial obstacles on the private sector entry into the electricity market considering them as its competitors.

NEA's poor health also affects transmission line expansion. NEA has, so far, been operating the national grid. An organization with a poor financial health cannot attract more funds for investment in transmission system expansion. The transmission system cannot become financially viable in the absence of proper power wheeling mechanism and rates.

The available evidence indicates that the situation is not going to improve in the future if the problems are not analyzed and addressed properly. One of the core problems, apart from the others, lies on the pricing of electricity; that relates to the cost of power generation, cost of supply and the price charged to the different consumer groups – that is the tariff rates.

Per unit cost of electricity generation varies across the technologies (hydropower, diesel or solar), types of plants (Run-of-the River, daily storage or storage), and types of ownership (NEA or private). The true cost of electricity is, however, not readily available in Nepal; at least to the general people. According to NEA's annual report, its average price of electricity is 8.14 Nepalese rupees per unit (kWh), whereas its average power purchase rate is 7.52 rupees per unit. Furthermore, NEA's reported loss in its system is around 24 per cent in the fiscal year 2014/15. NEA incurred a net financial loss of 6460.04 million Nepalese rupees, whereas it sold 3743.09 gigajoule electricity in FY 2014/15. The financial loss per unit of electricity sold comes to 1.72 Nepalese rupees per unit. For the obvious reasons, NEA may not have further incentives in increasing its supply of electricity at the present level of tariff and the power purchase

rate. When NEA has no incentive in increasing its supply, then it may not be willing to sign further power purchase agreements with the private developers, creating artificial restriction on the private sector entry into the electricity market.

The cost of generation of electricity is also expensive in Nepal compared to its immediate neighbor, India. If the cost of electricity is not competitive with the Indian market, then power trade with India may not become feasible, at least in the short run. Expansion of electricity sector is not feasible if Nepalese electricity market is not integrated with the Indian electricity market. The Nepali market, alone, is too small to achieve the full benefits of electricity trade and to harness the hydropower potential that exists in Nepal.

The solution rests on the committed efforts on making the generation cost competitive and ensuring the tariff established based on market principles but socially acceptable manner for the lifeline consumers. It helps NEA or power utility to operate at least at break even point. At the same time, measures for reducing possible cost of generation need to be explored with prime importance. Proper basin planning, selecting the right size and types of the generation plants and further strengthening regulatory functions through establishing a separate regulatory authority will be indispensable.

In conclusion, Nepal needs to take some bold steps to relieve the burden of inadequate electricity supply and further expand power trade with India. It needs to correct its electricity pricing mechanism in terms of PPA rates to be signed with the private developer and tariff rates to be charged to the different consumer groups. Efforts to reduce generation cost, to the extent possible, are inevitable.

This will help the private sector to get the price for stimulating further investments. It also helps NEA to operate in better financial health and to enhance electricity trade with Indian and other South Asian power markets. This should be done systematically considering a long term vision supported by plans and policies with proper institutional mechanisms put in place.

Adhikari is an energy economist

Source: The Himalayan Times; 1 Jan 2016

Nepal to import 90 MW more power from India

Nepal Electricity Authority (NEA), the state-owned power utility, is gearing up to import additional 90 megawatt (MW) of electricity from India by January end in view of easing off the power outage in the country.

The installation of Dhalkebar-Mujjafarpur inter-country transmission line is due to complete in a month and a technical test necessary for the same is in progress to bring in power to the country by the end of this month, according to Kanaiyalal Manandhar, Chief of NEA transmission line.

Currently, Nepal is importing a total of 235 MW electricity from the southern neighbour. The import of additional power owes to the Power Trade Agreement inked between Nepal and India in October last year.

The import of additional power is believed to comfort the public in the country to some extent who are bearing the brunt of 11-hour daily power outage in the dead of winter.

Although the domestic hydro electricity projects are currently producing 780 MW electricity, it is inadequate to meet the demand for the country is in need of 1,300 MW.

The decreasing water level in the rivers and the India-imposed unofficial border blockade on Nepal, among other factors, have adversely affected the production of electricity.

Source: The Kathmandu Post; 1 Jan 2016

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<http://bit.ly/1P4KgSS>