

Source: The Kathmandu Post; 9 Jan 2016

NEA delaying decision on West Seti JV agreement

PRITHVI MAN SHRESTHA

Nepal Electricity Authority (NEA) has been delaying decision on signing a joint venture agreement with China's CWE Investment Corporation to develop the 750MW West Seti Hydropower Project.

As per the memorandum of understanding (MoU) signed between the IBN and the Chinese company in August 2012, the latter will hold a 75 percent stake in the joint-venture, while Nepal will hold the rest. The government has decided that NEA will hold Nepal's stake.

NEA officials said they received the draft JV agreement some six months ago, but they were yet to take a decision. "We are still not clear how we will invest in the project in which we will have 25 percent stake," said NEA Managing Director Mukesh Kafle. "We don't have resources to invest ourselves."

The project is estimated to cost \$1.6 billion. The Finance Ministry in April 2014 had written to the Chinese government seeking \$400 million in soft loans to invest as an equity partner and to build a transmission line to evacuate power. But there has not been any headway on this front.

NEA said it did not have the guidelines to sign power purchase agreement with a storage-type project. Almost all of Nepal's hydropower projects are run-of-the-river type.

It said it was also not clear about the actual electricity demand in the country. As NEA is the sole power buyer, it worries about possible losses due to surplus electricity.

Meanwhile, IBN officials said drilling machines brought by CWE Investment had been stuck at the Rasuwagadhi customs point for nearly three months as the customs office refused to let the goods in, stating the importer was not registered in Nepal. "There was no clarity about the importer because the supposed joint venture company has not been registered yet," said Ghan-ashyam Ojha, senior manager - communications and political affairs at IBN. "But the machines are now being transported to the project site under a different importer."

However, customs officials said they were unaware about the imported machines. Kedar Paneru, chief customs officer at Rasuwagadhi Customs Office, said some goods imported by a hydropower company were cleared, but added he was unaware about the company importing the goods. "We do not stop goods clearance as long as the importer declares the products," he said.

IBN officials say the delay in registering the JV company could delay construction work. The Chinese company has already started collecting necessary data and construction of housing facilities to staffers. In April 2015, IBN had approved CWE Investment's investment proposal three years after signing the MoU. Endorsing the proposal, the IBN board had also decided to form a joint venture between CWE and the Nepal Electricity Authority (NEA) for the development of West Seti and gave permission to the Chinese company to conduct geological studies.

GMR-ITD proposes two options

GMR-ITD Consortium, developer of 900MW Upper Karnali Hydropower Project, has assured it will either construct the regulating dam or close the turbines, according to Investment Board Nepal (IBN). The Indian developer, while signing project development agreement (PDA) in September 2014, had agreed to build a re-regulating dam itself to ensure no hamper to downstream irrigation projects. After studying possible impacts on downstream projects as per the PDA, the developer is now holding talks with the Department of Irrigation on the matter, according to IBN officials. It has pledged it will not hesitate to cut power output to ensure the downstream projects are not affected, said IBN CEO Radhesh Pant. "It, however, is yet to submit its report about its study on possible impact on the downstream projects." Ranijamara Kulariya of Kailali

is among the irrigation

projects that could face shortage of water following the development of the project, according to government officials. (PR)

Source: My Republica; 10 Jan 2016

Forest clearing provision impractical: Arun III officials

An existing provision that requires development projects to plant trees equivalent to trees uprooted for project development has emerged as a stumbling block for Arun III hydropower project, according to officials of Indian-firm Satluj Jal Vidyut Nigam Limited.

The project with capacity of 900 MW has to 117 hectares of land, including 85 hectares of government forest. “It is impossible for us to buy such a huge land plot and plant trees there,” Hare Ram Subedi, local representative of the Indian developer, told media persons at a press meet organized by Investment Board Nepal on Friday. “Our project cannot be viable without reviewing this provision.

The provision came into force after Ministry of Forest and Soil Conservation issued a guideline as per the directive of parliamentary Natural Resources and Means Committee two years ago.

Hari Krishna Upreti, senior community relation officer of Investment Board Nepal, also said the obligatory provision was creating difficulty for big projects like Arun III. “Private land of this size is not easily available. Even if it is available, the price is very expensive,” added Upreti. He also said even wasteland without any tree has been categorized as forest.

“The government should take a practical approach of planting trees in project area,” he added.

As per the existing provision, projects have to register private land in the name of District Forest Offices to get permission for forest clearance.

“Arun III is not the only project that has suffered due to this provision enforced with a view of keeping forest area intact while carrying out development activities,” Khadga Bahadur Bisht, president of Independent Power Producers' Association, said. “We are waiting for the government to change this provision and switch to the previous provision that required projects to make plantation anywhere in the project-affected district.”

Source: The Kathmandu Post; 10 Jan 2016

Arun III 'facing difficulties' in acquiring forest land

Investment Board Nepal (IBN) has said the 900MW Arun III Hydropower Project is facing difficulties in acquiring forest land.

Natural Resource Committee under the previous Parliament had directed the government to put in place a legal provision for not making available forest land for purposes other than forest. "If the forest land has to be used for any other purposes, the acquirer should return an equivalent forest area to the government," it had stated.

The Shanta Chaudhary-led committee had also directed the government to adopt a provision that the acquirer could provide equivalent area of private land in areas surrounding the acquired forest land, according to the IBN.

The government has asked the developer—India's Satluj Jal Vidyut Nigam—to follow the House committee's orders, but Satluj has been complaining about difficulties in providing private land to the government in return of the acquired forest land.

HR Subedi, resident representative of Satluj said project has so far acquired 5.01 hectares of forest land, for which it has already handed over an equivalent area to the government. "But we need to acquire an additional 84 hectares of forest land for the dam site. So if we have to purchase private land in surrounding areas in return of the acquired forest land, we have to remove the settlements there, which is not possible," he said.

Ghanashyam Ojha, senior manager—communications and political affairs at IBN, said as private land is expensive and there is no certainty about the availability of private land in surrounding areas, they raised the issue at the Agriculture and Water Resource Committee.

The committee members, who are currently visiting the West Seti project site, are scheduled to visit Arun III

and Upper Karnali project sites take account of the situation, he said.

Satluj had signed project development agreement with the government in Nov 2014. It has already prepared the details about the private land to be acquired.

Spokesperson for the Ministry of Forest and Soil Conservation Krishna Prasad Acharya said the ministry was acting as per the Cabinet decision, under which projects that damage forest land permanently should return similar land elsewhere.

Source: The Kathmandu Post; 11 Jan 2016

Works on big development projects resume

PRAKASH ADHIKARI

Works on big development projects in Dailekh, including two hydropower projects and a Mid-Hill Highway section, have resumed after the government made available necessary fuel.

The government has made available fuel to 20 hydropower projects in different parts of the country that can be completed within a year, including 3.75MW Dwarikhola and 4.2MW Lohorekhola in Dailekh.

Mohan Bikram Karki, director of Bhugol Energy Private Limited, the promoter of Dwarikhola, said the project has sped up the construction works for the past month. He said the project has been receiving 3,000 litres of diesel every week in coordination with Energy and Supply Ministries.

Construction of the powerhouse is in final stages, while 300m out of 3,400m pipeline has been laid, he said, adding the pipeline works would complete in the next six months. "Except for the turbine, almost all other equipment have been transported to the project site."

Lohorekhola project has also resumed works on dam and powerhouse. Siddhi Shahi Prakash Construction, the contractor, said almost all the preliminary works, including land compensation distribution and environment impact assessment, have been completed.

Besides hydropower, construction of a bridge on the Karnali River has also restarted. The bridge that connects Acchham and Dailekh districts falls along the Mid-Hill Highway and is a national pride project.

The work was halted due to the shortage of fuel after India imposed a trade embargo on Nepal.

"As Nepal Oil Corporation (NOC) has started supplying fuel, we are carrying out the works with an aim of completing the project within this fiscal year," said Hari Prasad Dhakal, a representative of Kalika Sapana Joint Venture, the project's contractor.

Source: My Republica; 12 Jan 2016

Sanjen's IPO plan in limbo as Chilime employees protest share allotment

RUDRA PANGENI

Chilime Hydropower Company has not been able to launch initial public offering (IPO) of its subsidiary companies due to protest over share allotment by its employees.

Officials of Sanjen Jalvidhyut Company Ltd (SJCL) are planning to apply at the Securities Board of Nepal (Sebon) to float public shares worth Rs 1.78 billion as soon as the share allotment process is completed. They see collecting interest-free cash from IPO as a better option than securing loan from Employees Provident Fund.

SJCL is developing two projects with combined capacity of 57.3 MW. The two projects were expected to start generation by December, 2015, but missed the deadline.

The company has already invested over 51 percent of the equity investment received from Nepal Electricity Authority, Chilime Hydropower Company and funds of local government including Rasuwa Development Committee.

Milap Bahadur Pandey, general manager of SJCL, said that they were waiting for the share allotment dispute to be resolved.

Employees of both Chilime and Nepal Electricity Authority have equal rights to apply for 3.5 percent of public shares. Chilime employees have been demanding that primary shares should be allotted in proportion to the promoter shares ownership.

Chilime owns 38 percent of promoter shares in SJCL, while NEA owns only 10 percent. If primary shares are not allotted in proportion to the promoter shares ownership, Chilime employees fear they will get few shares as Chilime has less than 100 employees compared to NEA's more than 10,000.

Biplav Khadka, a leader of employees' union at Chilime, said that they have launched protest at Chilime's Dhumbarahi-based office since last week. "We have the rights for larger stake as Chilime holds more promoters share in its subsidiary companies than NEA.

NEA has 51 percent ownership in Chilime.

The two projects are estimated to cost Rs 7.24 billion. According to Chilime officials, 50 percent of the project cost will come from equity investment and remaining will come from debt financing. Chilime, NEA, and project affected DDCs/VDCs own 51 percent of the equity investment. Of the remaining 49 percent, 15 percent will be issued to general public, 10 percent to project-affected locals, 19.5 percent to depositors of Employment Provident Fund, one percent to Employees of EPF and 3 percent to employees of promoters.

A committee led by Sher Singh Bhat, deputy managing director of NEA, has been formed to settle the issue. But the committee has not come up with a solution yet.

Source: The Kathmandu Post; 13 Jan 2016

Norway's Statkraft pulls plug on Tamakoshi-III

Norwegian company Statkraft has notified the Investment Board Nepal (IBN) of its decision to discontinue the development of the Tamakoshi-III Hydroelectricity Project.

Issuing a statement on Tuesday, the company said that its decision follows of a thorough assessment of all aspects of the project, including commercial, technical and regulatory factors. "These factors include a lack of viable power off-take option, lower electricity price forecasts, insufficient transmission capacity for power evacuation and absence of necessary policies and regulatory framework for operationalising power sales," said Sandip Shah, Vice President and Country Director Nepal for Statkraft. "It also reflects the increased bureaucratic hurdles for foreign investments, a fragile political situation and a geo-political situation leading to a non-conducive project development environment." In its notification to the IBN, the company had expressed concerns, including on operationalisation of power trade agreement with India signed in 2014, operationalisation of regional market as per the agreement signed during the Saarc Summit, lack of progress in power sector reforms, uncertainty over federal structure, share demands for locals and negotiation fee for project development. The Statkraft had notified its decision to IBN on January 5.

The statement added that Statkraft is still interested in further power development in Nepal, but the projects need to demonstrate attractive returns on investment and stable long-term conditions in which to operate. Tima Utne Iyer, Senior Vice President at Statkraft and Chairperson of Himal Power Limited, said, "As majority owner of Himal Power Ltd (HPL), Statkraft has a long-term commitment to Nepal, as the license agreement for the 60-MW Khimti hydropower plant runs until 2045." She added that the decision is purely linked to the Tamakoshi-III Project and does not influence Statkrafts' other activities in South Asia.

Statkraft obtained a survey license for the Tamakoshi-III project in 2007 and conducted both Feasibility Study and Environmental and Social Impact Assessment of the project.

Based on the requirements of the Integrated Nepal Power System, export possibilities to the Indian electricity market and to other countries of the South Asian region, the project was optimised to be developed as a peaking run-of-river project with an installed capacity of 650 MW.

Source: My Republica; 13 Jan 2016

Two Sanjen projects pushed back by at least two years

RUDRA PANGENI

Delay in construction of transmission lines

Delay in construction of transmission lines between Chilime VDC of Rasuwa and Matatirtha of Kathmandu has pushed back generation date of two hydropower projects in Sanjen Khola by at least two years.

Unofficial calculation shows Sanjen Jalvidhyut Company Limited (SJCL), the developer of Upper Sanjen Hydroelectric Project (14.8 MW) and Sanjen Hydroelectric Project (42.5 MW), will suffer revenue loss of Rs 4.95 billion due to delay in the projects. The calculation, however, excludes possible cost overrun due to inflation and other reasons.

Commercial operation date of Upper Sanjen has been revised to July 2017, while Sanjen is now expected to start generation from January 2019. The projects were expected to complete in July 2014 and December 2015, respectively.

Milap Bahadur Pandey, general manager of SJCL, said they chose to push projects' works back to align with the new schedule of the transmission line project so that energy do not go to waste" "Also we would have pay interest on loans without generating any incom", he added.

Nepal Electricity Authority (NEA) is the developer of 220 kV transmission line project which is divided into two segments -- Matatirtha to Trishuli of 48 km and Trishuli to Chilime of 26.5 km. The project is said to be a key to evacuate energy generated by several upcoming projects like Trishuli 3A being developed by NEA.

Chilime-Trishuli 3B Transmission Line is being built with assistance of US\$ 35 million from the European Investment Bank and German-based Bank KfW. But the project is not making satisfactory progress. Kedar Raj Silwal, manager of the project, said they were at the final state of selecting consultant for the project. According to Silwal, it may take another year to prepare detailed project report (DPR) and awarded the tender. Plan is to complete the project within three years, he added" "The project got delayed after locals, dissatisfied with compensation for land acquired for the project, field a writ petition at the Supreme Cour", he said, adding other factors have also affected the project.

Phanindra Joshi, manager of Matatirtha Trishuli Transmission Line Project, told Republica that they need revise their schedule. The project was earlier expected to be completed by June this year.

The project is being developed with soft loan from China Exim Bank. "

"Land acquisition process has already been completed. Work to fell trees in community forests

have already begun," Joshi said, adding that equipment and components of transmission pylons are stuck at Raxaul due to border disruptions.

Meanwhile, Giri Raj Adhikari, project chief of Sanjen, said delay in getting approval for forest clearance and arrangement of explosives, among others, also affected the project. He also said tunnel works and excavation for construction of power house is going on at present.

SJCL is a subsidiary company of Chilime Hydropower Company. The company also has a contingency plan to bring Upper Sanjen Project into operation by July 2017 even if the new transmission line is not built. It plans to evacuate energy partially in wet months and fully during dry months to a substation connected to Chilime Hydropower.

Source: My Republica; 13 Jan 2016

Norwegian company Statkraft quits Tamakoshi-3 Hydropower Project

Norwegian company Statkraft has decided to walk out from Tamakoshi-3 Hydropower Project (650 MW), citing different commercial, technical and regulatory factors.

Issuing a statement on Tuesday, the company said it decided to quit the project because of lack of viable power off-take option, lower demand electricity price forecasts, insufficient transmission capacity for power evacuation, and absence of necessary policies and regulatory framework for operationalizing power sales.

Sandip Shah, Statkraft's country director for Nepal, said increased bureaucratic hurdles for foreign investments, fragile political situation, and geo-political situation leading to a non-conducive project development environment were the other factors.

The company has already notified Investment Board Nepal about its decision to walk out from the project.

“Statkraft is still interested in further developments in Nepal, but projects need to demonstrate attractive returns on investment and stable long-term conditions in which to operate,” the statement added.

Source: The Rising Nepal; 13 Jan 2016

Ending Power Outage: Bhimsen Thapaliya

As the capital city is without electricity for over 13 hours daily, people are having less trust on the government's touted plan to end load shedding within a year. The prime minister's remark is positive, but it will turn out to be just another false assurance if there is no concrete action to back it. People need to know a solid basis for seeing the lofty goal come true.

Private sector hydropower developers say that total power generation may reach 1,000 megawatts by the end of fiscal year 2073-74 B.S. However, work at the power projects is being severely hit by the Indian blockade and Madhesi agitation. Hydropower projects under construction are said to be facing serious hurdles as they are unable to get the required fuel.

For instance, the Upper Tamakoshi Hydropower Project, one of the nation's pride projects, requires 12,000 litres of fuel per week to carry out its works smoothly. Works, however, are being hampered as the project manages to get only half the required fuel amount. According to a news report published in the Gorkhapatra, this paper's sister publication, works have faced problems in the past five months due to the fuel crisis.

Hydropower projects being implemented by Nepal Electricity Authority and its associated companies are said to be demanding over 50,000 litres of petroleum fuel per week, but less than half this amount is being currently supplied.

Intensive deliberations are needed to materialise the government plan to end the regular power outages the consumers are currently facing. Concerned people at all levels have to work hard and communicate effectively in order to make the grand plan a success.

Projects of all scales - small, medium and large - have to be implemented with due priority and seriousness, which is not happening.

As uninterrupted supply of fuel and other construction materials are vital for completing hydropower projects and building important infrastructure like roads and transmission lines, the government should first resolve the issue related to the fuel crisis. Proper diplomatic initiative is needed to win Indian support to end the unofficial blockade.

Political issues need to be addressed by the government and the parliament to reach an agreement with the Madhesi leaders who are obstructing highways along the Nepal-India border points with various demands. However, this should not be made an excuse to change the government. That only invites instability.

Until the fuel crisis and hurdles in the transportation of construction materials are solved, investors will continue to face a hard time. When construction works come to a standstill for months, it will push the project completion time further away. Such delay will cause losses for the investors who have taken bank loans to carry out the projects. Potential investors get naturally repulsed if such a crisis situation lingers. The prime minister's plan to end load shedding should be based on a concrete plan of action. Nobody should get the impression that the pledge was only for public consumption.

Source: The Himalayan Times; 13 Jan 2016

Statkraft pulling out of 650MW Tamakoshi-3

Statkraft, Europe's largest generator of renewable energy, has formally announced its decision to pull out of the 650-megawatt Tamakoshi-3 Hydroelectric Project, identifying the lack of viable power purchase option, lower electricity price forecast, insufficient transmission capacity and absence of necessary regulatory framework to implement Nepal-India power trade deal as deterrents.

The decision was taken after assessing all aspects of the project, including commercial, technical and regulatory, says a statement issued today by Statkraft.

“These factors include a lack of viable power offtake option, lower electricity price forecast, insufficient transmission capacity for power evacuation and absence of necessary policies and regulatory framework for operationalising power sales,” the statement quotes Sandip Shah, vice president and country director Nepal for Statkraft, as saying.

Other reasons for departure from the project, according to Shah, are: increased bureaucratic hurdles for foreign investment, a fragile political situation and a geo-political situation that has created a non-conducive project development environment.

Statkraft had obtained the survey licence for \$1.5-billion Tamakoshi-3 Project in 2007 and has since conducted a feasibility study and Environmental and Social Impact Assessment of the project.

The peaking run-of-river project has the capacity to generate 2.43 terawatt-hour, or around 2.43 billion units, of electricity per year.

Initially, the project developer was intending to sell this electricity in Nepal — although it was sceptical about Nepal Electricity Authority's ability to purchase all the power.

Amidst this uncertainty, the government signed Power Trade Agreement with India, which provided Nepal access to the vast Indian power market. This was encouraging news for Statkraft and the company had even started exploring the option of selling power in India.

But now it has finally decided to abandon the project and has formally notified the Investment Board Nepal, which was holding negotiations with Statkraft, about its decision.

Yet, Statkraft, in the statement issued today, has said ‘it is still interested in further developments in Nepal’. “But projects need to demonstrate attractive returns on investment and stable long-term conditions in which to operate,” adds the statement.

Statkraft has also said its departure from Tamakoshi-3 Project will not affect its other projects in Nepal and South Asia.

“As a majority stakeholder in Himal Power Ltd, Statkraft has a long-term commitment to Nepal, as the licence agreement for the 60MW Khimti hydropower plant runs until 2045. Our decision

is purely linked to the Tamakoshi-3 Project and does not influence our activities in South Asia,” the statement quotes Tima Utne Iyer, senior vice president at Statkraft and chairperson of Himal Power, as saying.

Source: The Kathmandu Post; 14 Jan 2016

Construction of hydel projects in Lamjung stalls

AASH GURUNG

The construction of hydropower projects in the district has ground to a halt after running out of fuel due to the trade embargo by India, and no work has been done for the last three months since the blockade began.

As a result, only two schemes, the Upper Marsyangdi A and Chhyangdi Micro Hydropower Project, are likely to complete their construction work by the end of this fiscal year. These two projects have a combined capacity of producing 52 MW of electricity.

If there are no further hitches, the Upper Marsyangdi A is expected to be finished in five months and the Chhyangdi Micro Hydropower Project in the next two weeks.

Although the government has announced providing fuel to projects that are at the final stages of their construction, Upper Marsyangdi A and Chhyangdi have not received any.

Arjun Gurung, information officer of Sino Hydro Resources, the contractor for Upper Marsyangdi A, said the construction work had been disrupted due to delays in cement supply. According to him, they have received three tanker-loads of fuel from the government.

“Only minor work is being done due to the shortage of cement, and a major part of the workforce is on leave,” he said. Gurung added that they had completed 85-90 percent of the construction work which was scheduled to be finished by December.

Lal Bahadur Thapa, proprietor of the Chhyangdi Khola Project, said they expected to finish the construction work by January-end. “We are expecting to receive the construction materials that are stuck at Nepal-India border soon,” said Thapa.

According to him, the finishing touches are being put as they have almost completed the construction work. “We were delayed almost five months due to the April 25 earthquake and Indian blockade,” Thapa said.

Likewise, there are another four hydropower projects under construction in the district. They are expected to start production in the next four years.

The 25 MW Upper Dordi A has complained of obstructions by the local people due to the fuel shortage. The promoter of the project, Liberty Energy Hydropower, has targeted completing the construction work by mid-April 2018.

Rajendra Wasti, board member of Liberty Energy, said the local people had been obstructing the construction work for the last week. “Although we arranged the fuel by ourselves, locals have been getting in the way demanding that we first build a road to their village.

Similarly, the 27 MW Dordi Khola Project promoted by Himalayan Power Partner has been at a standstill for the last three months.

According to the project, it managed to procure 6,000 litres of diesel which was still inadequate to keep the construction work running smoothly.

Guru Prasad Dhakal, board member of the Dordi Khola Project, said they would miss the deadline if the government did not provide them fuel. The project is scheduled to be completed by mid-June 2017.

Likewise, the 49.6 MW Super Dordi B promoted by People’s Hydropower has stalled. The construction of the 3 MW Midim Khola-Karapu promoted by Union Hydro, 10.3 MW Dordi 1 and 30 MW Ngadi have also come to a halt after the Indian blockade.

Source: The Rising Nepal; 14 Jan 2016

Energy Crisis: Government's Listlessness Largely To Blame: Uttam Maharjan

The energy crisis in Nepal has assumed menacing proportions. Now, the Nepalese are forced to accept 12 hours of loadshedding a day. It is feared that the loadshedding hours may go up to 18 hours a day in the near future. Despite the horrendous situation hovering above the people, neither the government nor the Nepal Electricity Authority (NEA) has shown any willingness to end, or at least reduce, the loadshedding hours.

Cooking problem

The ongoing Madhes protests and unofficial trade sanction by India on the country have complicated the energy sector. With a scarcity of cooking gas and kerosene in the market, the people have procured electric appliances for cooking purposes in the hope that electricity will be available during the cooking hours in the mornings and evenings. As a point of fact, the NEC officials announced the other day that electricity would be available in the mornings and evenings so that the people would be able to use electric heaters, induction heaters or rice cookers.

In contradiction to what the NEA officials have assured to the people, the NEA has been changing loadshedding schedules every few days in such a manner that the people are virtually deprived of using electric appliances during the cooking hours. On the one hand, the people have been deprived of cooking gas and kerosene, whereas on the other electricity is not available. So the people are literally between Scylla and Charybdis.

This situation has arisen not only due to the blockade but also due to the flourishing of black marketing of petroleum products apparently under the protection of the government itself. The other day, Deputy Prime Minister Kamal Thapa said in public that the black marketeers were supporting the government. It is reported that the black marketeers have become millionaires in a short span of two or three months. Arresting a handful of black marketeers will not extirpate the scourge of black marketing. It is unfortunate that an underground economy is now flourishing alongside a legitimate one.

Now, the NEA claims that the surge in the demand for electricity has reached up to 1,800 megawatts against the current production of 300 megawatts due mainly to the excessive use of electric appliances for cooking purposes. The problem of loadshedding has turned the life of the people topsy-turvy to such an extent that the people's thoughts have now concentrated on how to cook meals.

There are several hydel projects waiting to be completed during this fiscal year. But the apathy of the government towards completing such projects has ensured that the problem of loadshedding will be more formidable in the coming days. The NEA has even bruted it abroad, rather misleadingly, that after 2017, much of the electricity generated during the rainy season at that time will go down the drain. This is one of the reasons the NEA is not willing to go ahead with the 750 MW West Seti Hydropower Project to be constructed with Chinese assistance.

The past governments were busy announcing ambitious plans for generating much electricity not only for domestic consumption but also for export. There were talks of generating 5,000 MW in five years, 10,000 MW in 10 years and even 25,000 MW in 20 years. All these assurances were confined to speeches only. Nothing was done to generate hydropower to eliminate the problem of loadshedding.

The NEA added 70 MW to the national grid from the Madhya Marsyangdi Hydel Project in 2065 B.S. and no hydroelectric project has since been completed.

Against such a bleak backdrop, the government is planning to declare an energy emergency and work towards eliminating the energy crisis. Now, the focus of the government seems to be on solar energy. The government has also announced that it will be mandatory for new public buildings and certain residential buildings to install solar energy systems. The government is also talking about generating electricity through wind power.

Installation of solar energy systems is a costly proposition. A solar energy system that can support the operation of electric or induction heaters may cost from Rs. 200,000 to Rs. 400,000, depending upon the type of system. Further, solar panels and batteries are not produced in Nepal; they have to be imported from abroad. This means an outflow of the capital of the country. Further, the batteries may have to be replaced in two or three years, which will again entail an additional expense. Therefore, not all the people can afford the solar energy system. Viewed thus, the government's dream of eliminating loadshedding within one year by having recourse to the solar energy system may not be viable.

If the government is really serious about promoting solar energy as an alternative to hydropower, there should be a provision for handsome subsidies in place. The current provision for a subsidy of Rs. 15,000 is like peanuts vis-à-vis the huge cost of installation. Some commercial banks have come up with a solar energy loan scheme at 2.25 per cent interest. But this is not enough. The cost of living of the people will definitely go up if the people are to fall back on the solar energy system to meet their energy needs.

Rhetoric only

As long as the government and the NEA are not serious about generating more and more power by completing the ongoing hydel projects, launching the ones in the pipeline and starting new hydropower projects by eliminating the corruption prevalent in the hydropower sector, the government's ambitious plan of making the country loadshedding-free will be confined to rhetoric only.