

Source: The Kathmandu Post; 1 Oct 2016

Upper Marshyangdi-A shut down at NEA's order

AASH GURUNG

The Nepal Electricity Authority (NEA) has ordered the Upper Marshyangdi-A Hydropower Project to shut down production four days after the plant started generating electricity, project officials said.

Energy Minister Janardan Sharma had announced the commencement of commercial operation at a special programme organised in Kathmandu on Monday while lawmaker Bhisma Nath Adhikari had inaugurated the plant amid a ceremony at the project site in Bhulbhule, Lamjung.

“The state-owned utility ordered the project to stop producing power which had been fed to the national grid saying that the starting date of commercial generation was yet to be decided. According to the NEA, the project is scheduled to begin commercial power generation in mid-October,” said Karna Adhikari, public relations officer of the project.

However, NEA Managing Director Kulman Ghising claimed that the authority had given no such instruction. “To my knowledge, the project is still in the test generation phase, and it has stopped generating power to resolve some technical difficulties that have arisen,” said Ghising. Another project source confirmed that the plant had been shut down to sort out a few technical issues that surfaced after it came online. The dam sluice gates have been fully opened to divert the water into the river so that maintenance work can be carried out.

A joint-venture of China's Sino Hydro and Sagarmatha Power Company, the run-of-the-river project was started in 2012. Sino Hydro holds a 90 percent stake in the project while Sagarmatha Power Company owns the rest of the shares.

Upper Marshyangdi-A is the first hydropower project built with foreign direct investment. According to project officials, the total cost of the project stands at Rs16 billion. The construction of the project was largely affected by last year's earthquakes and border blockade. The 50 MW project has two turbines, each generating 25 MW of electricity. The powerhouse is located at Bhulbhule-3 and a 6.5-km-long tunnel has been constructed to deliver water to the powerhouse from the dam site located at Bhulbhule-5.

The NEA is yet to construct a transmission line to evacuate all the electricity generated by the project. After the NEA failed to build the power line, the project itself erected a single circuit transmission line to evacuate power. However, it lacks the capacity to transmit all the power generated by the plant.

Due to the absence of an appropriate transmission line, only 25 MW of the power generated can be fed into the national grid. The project has been complaining about the NEA's tardiness in building the transmission line.

“Due to the NEA's incompetence, only half of the total power generated is connected to the national grid,” said the project source.

The electricity produced by the second turbine will be added to the national grid after three months, according to the project. When the plant goes into full production, it will generate 317 million units of electricity annually.

Source: My Republica; 3 Oct 2016

Construction of lower Modi project's tunnel resumes

The construction of a tunnel for the 20-megawatt lower Modi Hydropower Project based in Parbat that was halted due to workers' strike has resumed.

An agreement on a new payroll contract reached between the South Asian Infrastructure Pvt Limited, the tunnel developer, and

the agitating side paved the way for the resumption of the tunnel construction from today.

Project employees and workers were on a warpath, demanding a 25 per cent increase in their payroll.

The company agreed to increase remunerations of its staffs and workers by 10 per cent.

The project has over 200 staffs and workers. Of 4021 meters long tunnel of the project, construction of only 438 meters has been left. The company has a plan of completing it by the next nine months, according to company project Manager Dhruva Mishra. RSS

Source: The Kathmandu Post; 3 Oct 2016

Chameliya slated for Sept '17

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China Gezhouba Group Corporation (CGGC), the civil contractor for the Chameliya Hydroelectric Project, has finalised the work schedule and set the completion date for September 2017.

Yuan Zhixiong, country representative of CGGC, told the Post that the construction of the 30 MW hydro project located in Darchula district in western Nepal would be completed within a year.

“We have already resumed the construction work,” said Zhixiong. “The project is progressing on a war footing, and the construction will be finished by September 2017.”

The owner of the project, Nepal Electricity Authority (NEA), confirmed that it had received the work schedule from the contractor. “We have received the schedule from CGGC. They have pledged to complete the civil works by the end of September 2017,” said Ajay Kumar Dahal, project chief of Chameliya. “We have forwarded the schedule to the Energy Ministry.” Once the civil works are completed, testing and commissioning of the power plant will begin, and it will take another 70 days, he added. According to Dahal, the project will start generating electricity by December 2017 if it doesn’t run into any snags.

Energy Minister Janardan Sharma had directed the contractor to finish the construction of the project by July 2017, but CGGC has set the completion date for September 2017 in the work schedule.

Sharma had directed the contractor and the consultant to resume work immediately and complete the construction by the end of the fiscal year during a meeting at the ministry on September 22.

Highly placed sources at the NEA said that it would be impossible to meet the deadline given by the minister. “The work schedule presented by CGGC is practical and achievable,” said the source. “Now, we should make sure the contractor sticks to the timetable and completes the job on time.” Project Chief Dahal said the NEA would be monitoring the contractor’s performance on a daily basis and try to advance the completion date.

No construction work has been done at the project since May 2014 after the government refused to make an additional payment of Rs1.09 billion as demanded by the contractor for budget variance occurring due to the squeezing of the tunnel.

NEA MD authorised to sign PPA

KATHMANDU: Nepal Electricity Authority (NEA) has authorised its managing director (MD) to sign power purchase

agreements (PPA) for hydropower projects of up to 100 MW capacity. A board meeting of the authority held last week agreed

to let the MD make such decisions. The Energy Ministry said the move was aimed at expediting the signing of PPAs with

a number of projects

owned by private power developers. (PR)

Source: The Kathmandu Post; 3 Oct 2016

MoE forms high-level mechanism to address electricity users' complaints

The Ministry of Energy (MoE) has formed a high-level mechanism meant to address complaints of electricity users. Electricity consumers are requested to contact with the mechanism if they face any disturbance in power supply to their homes or offices and are not responded well by the 'No Light Section' staff.

The MoE decided to form a separate mechanism to address the consumers' complaints about disturbances in power supply as public grievances regarding 'rude' and 'unresponsive' attitude of the employees of no light section increased.

Besides, the decision has been made as the ministry seeks to check sluggishness in the performance of authorities concerned, possible irregularities and power leakage.

Energy Minister Janardan Sharma urged people to inform the mechanism if power supply to their locality or residence has been disrupted for long due to transformer explosion or electric pole collapse or other defects and they are facing power outage exceeding the load-shedding schedule or are not provided an electricity metre on time (within a week of the submission of a formal application).

Multiple means of communications such as e-mail, SMS and telephone services can be used to contact with the mechanism and register the complaints. The NEA consumers are requested to contact at 01421606 or 986166366 if they have any grievances regarding the NEA services.

NEA Executive Director Kulman Ghising expressed hope that the new provision would help win consumers' hearts.

Source: My Republica; 5 Oct 2016

'Company model' for Budhigandaki Hydropower project: Energy Minister

Energy Minister Janardan Sharma says the Budhigandaki Hydropower Project will be developed using a 'company model', in place of its current development committee modality.

The company modality will be more efficient and less susceptible to influence from political intervention and the company will operate independently, the minister said.

The Detailed Project Report for the reservoir project with 1,200 MW capacity was completed last year but the development modality has not been decided yet. A resettlement plan for families that would be displaced by the reservoir has also not yet taken shape.

"The government will invest in the project and also collect investment from the people affected by the project as well as the general public," Sharma told media persons on Tuesday.

Downstream benefit of the reservoir project is important and India will benefit at least in two ways -- control of flow will help protect from flooding and there will be more water during dry months for irrigation.

Sharma says development of the project should continue while at the same time diplomatic initiatives should be taken with India to increase benefit-sharing as a large area inside Nepal will be submerged by the reservoir. Sharma recently visited locals in the proposed area and assured that land-acquisition and compensation-payment will be done soon.

The model to develop Nalsing Gad Hydropower project, another important reservoir plant in the plan, will be public private partnership, Sharma said, adding that the project should be upgraded to 1,200 MW. A Detailed Project Report for this project is under way.

Two reservoir projects are important particularly for addressing the gap in energy supply between dry months and wet months.

Recently, the Ministry of Energy took an initiative to set up separate company models to build hydropower projects. As per the plan, Nepal Electricity Authority (NEA) will develop at least six projects using a separate company owned by NEA.

NEA's board on Sunday decided to develop the 335-MW Upper Arun, 200-MW Tamor, 300-MW Uttarganga, 300-MW Dudhkoshi, and the 87-MW Tamakoshi V by setting up separate companies. MoE also has a separate plan to establish Bidyut Utpadan Co Ltd to build mega-hydropower projects.

Source: The Himalayan Times; 6 Oct 2016

220 KV Chilime-Trishuli transmission line construction begins

The construction of the 220 KV Chilime-Trishuli Transmission Line project has been launched recently. This joint undertaking of the European Union, German Development Cooperation/KfW, European Investment Bank and the Nepal government will construct the 27-km-long Chilime-Trishuli transmission line at a cost of about 65 million euros, according to the press statement issued by the Delegation of the European Union to Nepal. During the launch programme, Minister for Energy Janardan Sharma underlined that the construction of this state-of-the-art 220 kV double circuit line is an excellent example of a strong partnership and collective efforts of Nepal government, the German Development Cooperation/KfW, the EU and the European Investment Bank.

“In a holistic approach, the project focuses both on power generation and transmission from the Trishuli river basin,” the statement has quoted Minister Sharma as saying. As per the statement, Minister Sharma stressed the importance of completing the project in a timely manner for the benefit of Nepali people.

Similarly, speaking in the programme, Ambassador of the EU Delegation to Nepal Rensje Teerink said that accelerated development in Nepal needs to keep clean energy as a top priority. “With a real sense of urgency, collective efforts should transform enormous potential into tangible reality. In this context, the construction of the Chilime-Trishuli transmission line is an important pilot contribution to the national grid. It will bring light and energy to homes, households and school children across the country,” the statement has quoted the ambassador as saying. “The South Asian region as a whole would benefit from the supply of clean energy if regional cooperation projects could be put in place to harness this potential.”

Also speaking in the function, Deputy Chief of Mission and Head of Cooperation at the German Embassy, Jacqueline Groth highlighted Germany’s continued commitment to the Nepali energy sector. Apart from its contribution to the transmission line project, German Development Cooperation will also support the upgrading of the Load Dispatch Centre in Kathmandu.

The upgrading will result in increase of supply of electricity fed into the national grid. It will reduce transmission losses and increase the reliability of the grid. As a result, the framework conditions for economic activities in Nepal will be improved especially for the industrial sector and small and medium enterprises, as per the statement.

With an investment of 65 million euros, the 220 KV Chilime-Trishuli Transmission Line project will include the construction of the 220/132 kV Trishuli 3 B Hub Substation, the construction of the 220/132 kV-Chilime Substation and the construction of the Chilime-Trishuli 220 kV double circuit Transmission Line (27 Km).

The transmission line project will be complemented by the construction of the Samundratar-Trishuli 3B Hub Transmission Line and Substation, at a cost of 270 million euros to which the EIB will contribute 95 million euros.

Source: My Republica; 7 Oct 2016

Bidyut Utpadan Company finally comes into being

Bidyut Utpadan Company Ltd has finally come into being.

The plan to form a separate company for hydropower generation was first unveiled through Hydropower Development Policy in 2001.

The company will translate the plan to eradicate energy crisis announced in February last year into action as well as implement both long-term and short-term energy generation plans, the Ministry of Energy said in a statement on Thursday after the cabinet decided to form the company.

The new company is expected to make power generation more effective compared to Nepal Electricity Authority (NEA) which also distributes energy and manages transmission lines.

The Bidyut Utpadan Company Ltd has paid-up capital of Rs 300 million initially. Its authorized capital is Rs 10 billion. Its promoters have already pledged Rs 2 billion worth of equity investment. According to the company profile, it will form subsidiary companies to develop mega projects, including storage projects.

The formation of Bidyut Utpadan Company Ltd has ended confusion on hydropower development modality as it will take initiative to develop storage type projects like Nalsing Gad, Budhigandaki, Naumure and Chisapani, among others.

At present, Budhigandak and Nalsing Gad projects are overseen by development committees which are often regarded as slow institution that often come under political influence.

Speaking at a press meet on Tuesday, Minister for Energy Janardan Sharma had said that the company will focus on large scale projects while a separate company that will be set up with majority investment from NEA will build hydropower plants of medium scales.

Bidyut Utpadan Company Ltd has allotted 17 percent of shares to general public while another 10 percent is earmarked for project's affected community and another 2 percent for the under privileged families, according to the press release.

This is probably the first time that share allotment has been made for under-privileged families.

Employees Provident Fund will also be promoter of the company, holding 10 percent stakes. The recent amendment to the Employees Provident Fund Act allows the fund to be equity investor of infrastructure projects.

Source: The Kathmandu Post; 7 Oct 2016

GMR signs land acquisition accords

-Upper Karnali hydropower project

The developer of the Upper Karnali Hydropower Project has sealed land acquisition deals with residents of Achham and Dailekh districts, completing the process of pooling around 75 percent of the private land required for the scheme.

GMR Upper Karnali Hydropower Project signed the agreements last week after landowners of two village development committees (VDCs) accepted its offer of a compensation amount of Rs805,000 per ropani. The much-awaited 900 MW hydroelectric project is spread over Surkhet, Achham and Dailekh districts in western Nepal.

As per the deals, locals who will be displaced by the project will transfer ownership of around 750 ropanis of land located in Bhairavsthan VDC of Achham and Sigaudi VDC of Dailekh to the project developer. GMR has agreed to make payment in the next nine months.

“The developer has promised to release the payment by mid-June 2017,” said Bam Bahadur BC, a local leader involved in the negotiations. “We are very happy and satisfied with the deal, and we hope the developer will fulfill its commitment.”

During a meeting held in August, locals had demanded Rs1 million per ropani while the project developer had offered Rs760,000. However, a deal was struck a month later after the developer hiked the offer by Rs45,000 and locals toned down their demand by Rs195,000.

Meanwhile, GMR still needs to acquire another 250 ropanis of land in Sattalla VDC of Dailekh district after which the private land acquisition process for the project will be completed.

Landowners in Sattalla are demanding Rs1.55 million per ropani, but the developer is not willing to offer more than what it has agreed to pay in the other two VDCs. The two parties have decided hold the next round of meetings in mid-November and finalise the deal, according a local involved in the negotiations. The progress achieved on the land acquisition front has come as a respite for GMR as acquiring private land has been one of its major headaches, and it needs to be completed before financial closure.

The government and GMR signed a project development agreement (PDA) in September 2014 which states that financial closure should be completed by September 2016. The company failed to arrange the required financing within the deadline, and it cited inability to acquire land as one of the reasons behind the failure.

GMR will give 27 percent of the shares in the Upper Karnali Hydropower Project to the government, and the country will also receive 12 percent (108 MW) of the total energy produced for free.

Similarly, the project is expected to provide more than 2,000 jobs and the government is expected to earn Rs300 billion in financial benefits. The project will also be acquiring 207.75 hectares of government-owned land. It will affect an estimated 239 households.