

Source: The Rising Nepal; 15 July 2017

40 % complete in Rasuwagadhi hydropower project

At least 40 % of the construction of Rasuwagadhi Hydropower Project in northern Rasuwa has completed as of now.

According to project engineer Nagendra Gywali, the 111 Megawatt project has seen the construction of water dam, sand filter pond and tunnel and powerhouse side by side.

The project had resumed its works since November 2016 following the earthquake. The project to be completed within two years is expected to annually generate 644 million units of electricity.

Technicians involved in the project said that the project would generate annual income of Rs 3.5 billion.
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Source: The Kathmandu Post; 16 July 2017

NEA slashes industrial loadshedding by an hour

BIBEK SUBEDI

Nepal Electricity Authority (NEA), the state-owned power utility, has slashed industrial loadshedding by an hour with the rise in power generation in the country.

The state-owned power utility was cutting power supply to industrial clients for four hours per day since November. The power-cut hours were reduced to three effective from Friday.

NEA had started cutting power supply to industrial clients during peak electricity consumption hours to keep individual households free from loadshedding.

With the monsoon hitting its peak, the water level in majority of river basins where hydropower plants are located has increased. With this, electricity output has also gone up.

All hydroelectric projects in the country, except Kulekhani 1 and 2, are run-of-the-river, and their power generation increases with the rise in water level in river basins. In other words, run-of-the-river projects generate more electricity along with the rise in discharge of water in rivers.

Currently, domestic plants are generating just over 700 MW of electricity, up more than 50 MW compared to the total output a month ago, according to NEA. Domestic hydropower projects were producing less than 650 MW of electricity in mid-June. “As the electricity generation will further increase in near future, loadshedding

hours for industrial clients will be further reduced,” said NEA Spokesperson Prabal Adhikari.

With the surge in domestic power generation, NEA has also slashed down the quantum of electricity imported from India. The power utility is currently importing around 259 MW of electricity from India. In mid-May, NEA was importing around 300 MW of electricity using more than half a dozen cross-border transmission lines. This marks a drop of around 13 percent in electricity imports. The electricity import, according to NEA, will also decrease further in the near future as power generation increases in the country.

As hydropower generation in the country had plunged by almost 60 percent during winter due to fall in water level in most of the river basins, NEA was relying heavily on electricity imported from India to keep the Kathmandu Valley free from power cuts and minimise load-shedding in rest of the country.

Now, the power utility is planning to reduce imports gradually, as domestic output is expected to increase in the coming days. NEA, however, will not reduce imports from Dhalkebar-

Muzaffarpur and Tanakpur-Mahendranagar cross-border transmission lines as the electricity imported through these lines is cheaper with per unit purchase price standing at IRs3.60.

Instead, it will slash imports from Kataiya-Kushhawa and Ramnagar-Gandak cross-border transmission lines, among others, as electricity imported from these lines costs as high as IRs5.62 per unit.

The power utility is currently importing 135 MW of electricity from Dhalkebar-Muzaffarpur cross-border transmission line and up to 30 MW from Tanakpur-Mahendranagar cross-border transmission line.

Source: The Kathmandu Post; 17 July 2017

Two projects with 857MW installed capacity bag licences

Survey licences were awarded to Jagadulla Khola and Kimanthanka Arun hydropower projects

The Ministry of Energy has awarded survey licences of two hydropower projects with total installed capacity of 857 MW to the recently established Electricity Generation Company and is in the process of handing over similar permits for two other projects with installed capacity of 1,244 MW.

The ministry, last week, awarded survey licences to 307MW Jagadulla Khola and 450MW Kimanthanka Arun hydropower projects to the state-owned power generation company.

Likewise, the ministry is in the process of awarding survey licences of 617MW Bheri-1 and 627MW Lower Arun to the company.

“As the DoED is conducting the study of Lower Arun on its own, we will take some time to make a decision on that project,” said Dinesh Kumar Ghimire, joint secretary at the Energy Ministry. “However, we will soon award Bheri-1 to the generation company.” Although the Department of Electricity Development (DoED) had recommended that the Energy Ministry award survey licences of four hydropower projects to the state-owned generation company, the ministry awarded licences to two projects in the first lot.

Electricity Generation Company had applied for survey licences at the DoED in May. Survey licences for projects with installed capacity of more than 100 MW are extended by the Energy Ministry based on recommendation made by the DoED.

The ministry, however, is yet to dispatch official letter to the company.

“We held talks with Energy Ministry officials on Sunday,” said Mohan Pant, CEO of Electricity Generation Company. “They have asked us to visit the ministry to get the letter within a couple of days.” After getting the survey licence, the generation company will have to complete the survey works in two years. Earlier, the Energy Ministry had agreed in principle to award around 19 projects that are in DoED’s basket to the generation company, and it has already informed the DoED about the decision. The generation company is planning to identify the projects gradually and apply for licences at the DoED.

Electricity Generation Company was established under the Companies Act 2006. The company will offer 17 percent of the shares to the general public. The Energy Ministry and Nepal Electricity Authority (NEA) own 20 percent and 10 percent stake in the company, respectively. Likewise, the Ministry of Finance and the Ministry of Law each own 5 percent of the shares in the company, while the Employees Provident Fund and Nepal Telecom each hold 10 percent of the shares. The Citizen Investment Trust, Hydroelectricity Investment and Development Company and Rastriya Beema Sansthan own 5 percent, 4 percent and 2 percent of the shares in the company, respectively.

Besides the general public, 10 percent of the shares in the company will be extended to locals of districts affected by hydropower projects being developed by the company, and 2 percent will be allotted to highly impoverished people. The company has a paid-up capital of Rs300 million and an authorised capital of Rs20 billion.

Source: The Kathmandu Post; 17 July 2017

Hydropower producers appreciated for their contribution

The Government of Nepal and Independent Power Producers' Association Nepal (IPPAN) jointly conferred certificates of appreciation to Nepali hydropower producers for their contribution to the development of hydropower, on Sunday. The awardees include independent power producers that operate 58 power plants and Nepal Electricity Authority (NEA) that operates 14 plants.

All the power plants are now connected to the national grid, said Nabin Raj Singh, director general of Department of Electricity Development (DoED).

The program was organized on the 24th anniversary of the establishment of DoED. The department was formed after the government opened hydropower generation to the private sector.

The private sector has now an installed capacity equaling almost to that of the NEA, the government-owned power utility.

This was the first time the hydropower producers were collectively appreciated for their contribution, according to Dambar Nepali, an architect of the domestically-financed Chilime Hydropower Project.

"It's a matter of pride for us to see so many developers from the private sector engaged in hydropower generation in the country," said Nepali. He is aiming to finance and start a large-scale power plant in near future.

Subarna Das Shrestha, promoter of Sanima Hydropower Private Limited, expressed happiness about the recognition and pledged to make additional efforts to generate hydropower.

"The recognition is a motivation for us to further contribute in this sector," Shrestha said, adding that the recognition was a kind of compensation for efforts of his company. The company's three plants, with installed capacity of 31.6 megawatts, are in operation currently.

Shailendra Guragain, president of IPPAN, said that the private sector was now engaged in construction of power plants with 3500 megawatts of installed capacity, with a total commitment of Rs 700 billion.

"Construction of these plants will require digging 300-kilometer-long tunnels and constructing 1000-kilometer-long transmission lines," Guragain said.

Kishor Babu Aryal, former director general of DoED recounted resistance from different quarters to the DoED's efforts in its early days. There was a huge resistance from the World Bank, according to him.

"The establishment of power plants by the private sector itself has proved the success of the DoED," Aryal said.

Arbinda Kumar Mishra, member of the National Planning Commission, said that the plan for power generation should be based not in terms of megawatts, but in terms of demand and seasonal variation.

Director General Singh briefed about the fast track licensing services. "DoED is now focusing on the study of mega hydropower projects and enhanced supervision and monitoring of the works," added Singh.

Source: The Kathmandu Post; 18 July 2017

GMR seeks more time

Financial closure of Upper Karnali Hydropower Project

BIBEK SUBEDI

GMR Upper Karnali, the developer of the Upper Karnali Hydropower Project, has asked for more time to conclude financial closure citing delays by the government to provide forest land which have put off potential investors.

The company has around two months to arrange funding to build the 900 MW hydropower project in western Nepal. It has written to Investment Board Nepal (IBN) requesting an extension of the deadline.

“We have received a letter from the developer requesting an extension,” IBN CEO Maha Prasad Adhikari told the parliamentary Agriculture and Water Resources Committee. “The developer has pointed to the Nepal government’s failure to provide forest land required for the project as the major reason behind its inability to conclude financial closure.”

Although Adhikari didn’t reveal the length of the deadline extension sought by the Indian company, informed sources at IBN said it had asked for one more year to arrange capital to construct the project.

This is the second time the Indian developer has asked for an extension of the deadline for financial closure, and IBN is reluctant to grant another deferral.

As per the project development agreement (PDA) signed between IBN and GMR in September 2014, it was required to complete financial closure by September

2016. But IBN deferred the date to September 2017 following a request by the Indian company.

“We don’t want to provide another deadline extension,” said Adhikari. “But there is a problem from our side as recent guidelines on forest land clearance issued by the Forest Ministry have made it difficult for developers to acquire forest land to build infrastructure projects.”

The guidelines require the developer to provide compensation for the whole area affected by the project which conflicts with the provision stated in the PDA.

The PDA requires a developer to pay compensation only for the land where permanent structures like powerhouse and dam are built. According to the PDA, developers only had to pay a lease fee for the rest of the land affected by the project.

Similarly, developers are required to plant 25 trees for every tree that is cut down for the construction of the project. They also have to nurture the saplings for a period of five years, according to the guidelines.

However, before the introduction of the new rules, developers needed to plant only twice the number of trees that are cut down.

GMR has refused to comply with the recently issued guidelines saying they go against the PDA, leading to delays in forest land clearance and subsequently financial closure. The company needs to complete the land acquisition before financial closure.

IBN signed the PDA with the Indian developer as the Nepal government has authorized it to act as the project implementing agency.

As IBN has conceded that the provision inserted in the guidelines issued by the Forest Ministry conflicts with the PDA signed with the developer, it is planning to take a proposal to the Cabinet where the Indian developer will be allowed to acquire forest land as per the provision mentioned in the PDA.

Source: My Republica; 18 July 2017

Maoists for requesting China to generate 5,000 MW of hydropower

Rudra Pangei

Ruling coalition partner CPN (Maoist Center) has proposed to request Chinese government to build hydropower projects having combined capacity of 5,000 MW in any river basin in Built and Transfer (BT) model.

The proposal comes less than one and half months since the government led by the party's Chairman Pushpa Kamal Dahal signed an agreement to award the Budhigandaki Hydroelectric Project (1200 MW) to a Chinese state-owned company on EPCF (engineering, procurement, construction and financing) model.

The sudden and surprising decision to award the project to China Gezhouba Group Corp had drawn flak from all quarters with many claiming that the decision to award the project, which was being implemented by a state-owned entity, without any competition was an act of policy corruption.

Endorsing its policy paper on Water Resources and Energy on Monday, the party unveiled a plan to build different the hydropower plants in a fast-track mode or seek line of credit of US\$ 20 billion

(approximately Rs 2,060 billion) for the next ten years to build hydropower and irrigation projects.

The party has also said that the line of credits could be taken from different countries including China.

The party has not mentioned the name of India for soft loans.

The 88-page policy paper prepared by a team led by Lilamani Pokharel, the in-charge of the party's Water Resources and Energy Department, focuses on mobilizing internal resources to build hydropower of at least 500 MW. It has also proposed to award hydropower plants having capacity of up to 100 MW to the Nepali private sector.

CPN (Maoist Center) Chairperson Pushpa Kamal Dahal endorsed the document amid a function held at the party headquarters on Monday.

The policy document also has populist programs like distributing shares of hydropower projects to each Nepali, and allowing cooperatives to invest in hydropower projects.

Taking a leaf from the Indian blockade of 2015, the party has also suggested taking a number of policy measures for ensuring energy security. "Nepal should diversify its petroleum supplier mix, ending the current practice of importing only from India, and also build storage capacity that can meet domestic of at least three months," the policy document states Likewise, it has proposed to build power transmission line along the Rasuwagadhi-Kerung trade route and sign Power Trade Agreement (PTA) with China as well.

The party has taken an approach of becoming self-sufficient in energy by generating more electricity in the short-term and medium-term, and generating needful energy to boost economic activities in the long-term. It is also for introducing programs to use electricity for household cooking, and operating electric trains, trams and vehicles, among others.

"The government should waive off tax on import of equipment that can substitute import of LPG, and implement a seasonal and time of day tariff to encourage use of electricity at home," reads the policy paper.

This is the first time that a political party has come up with a comprehensive document focusing solely on energy.

The policy also states that the government should seek downstream benefits from reservoir type hydropower projects like Budhigandaki and Upper Seti. Similarly, it proposes forming a high-level committee among Nepal, India and Bangladesh to discuss modalities of sharing benefits from common rivers.

Source: My Republica; 19 July 2017

Power generation from Upper Madi increases

The Upper Madi Hydropower Project based in Sildujure of Kaski has increased its capacity to generate power.

The power generation of 25-MW capacity hydro project was reduced to 8 MW due to damage caused by the heavy rainfall on last June 26. With the operation of its two turbines, the power production has increased to 24 MW from the project, shared Project Coordinator Raj Kumar Baral.

He added that the power generated from the project has been linked to the national grid.

Baral further informed that the full-fledged power production has started on July 16 after maintenance of the rain-ravaged project.

The project construction which was primarily estimated to be the cost of around Rs 5.28 billion saw an increase of investment to Rs 8 billion due to trade blockade, earthquake and natural calamities.

The construction started from mid-December 2012 and completed at the end of December 2016. RSS

Source: The Himalayan Times; 20 July 2017

Power generation up in Upper Madi

The Upper Madi Hydropower Project based in Sildujure of Kaski has increased its power generation capacity. The hydro project with capacity of generating 25-MW was reduced to generation of only 8 MW due to damage caused by heavy rainfall last June. With the operation of its two turbines, the power production has increased to 24 MW now, said Project Coordinator Raj Kumar Baral.

He added that the power generated from the project had been linked to the national grid.

Baral further informed that full-fledged power production had started on July 16 after maintenance of the rain-ravaged project.

The project construction, which was primarily estimated to cost around Rs 5.28 billion, saw an increase in investment to Rs 8 billion due to trade blockade, earthquake and other natural calamities.

The construction started from mid-December 2012 and completed at the end of December 2016.

Source: My Republica; 19 July 2017

BPC receives 'Best-presented Annual Report Award'

Butwal Power Company (BPC) has been awarded with the Best-Presented Annual Report Award 2016. Issuing a statement, the company said that it was awarded by Institute of Chartered Accountants of Nepal (ICAN) for excellent presentation of its annual report. "Finance Minister Gyanendra Bahadur Karki presented the award to Ratna Sambhava Shakya amid a function held in Kathmandu on Monday," the company said in the statement, adding: "It is the 10th time that the company has received this award since 2005."