

Source: The Kathmandu Post; 19 November 2017

## **Budhi Gandaki hydro to compensate landowners in 2nd phase soon**

Financial resolution

*Hariharsingh Rathore*

Budhi Gandaki Hydropower Project is all set to start the second phase of programme to provide compensation to residents of Dhading and Gorkha districts affected by the 1,200-megawatt project.

A list of landowners who will receive compensation in the second phase is expected to be published by Sunday.

The national pride project is expected to affect over 8,000 households in Dhading and Gorkha districts.

The reservoir of the storage project will submerge 3,560 houses and partially affect 4,557 households. The government has decided to provide compensation ranging from Rs524,000 to Rs835,000 for each ropani of land that locals relinquish for the project.

However, compensation for land located in commercial hubs of Arughat and Khahare Bazaar has not been fixed yet.

In the first phase of compensation distribution programme launched in the last fiscal year, owners of around 8,000 ropanis of land had received compensation.

In the second phase, the project intends to compensate owners of 11,478 plots of land in Dhading and 11,462 plots of land in Gorkha. These land plots are located at Jyamrung and Chainpur villages in Dhading district, and Fujel, Namjung and Bungkot villages in Gorkha district.

A sum of Rs10 billion has already been released by the government to compensate landowners under the second phase of programme, according to Project Coordinator Krishna Karki. "We will also use savings of Rs340 million made from last fiscal year's compensation distribution programme to compensate landowners," Karki said. "If we work at this speed, we will be able to compensate all landowners within mid-July."

Karki also informed that the project has identified 44 locations where 3,560 households that will be displaced by the project can be resettled. Earlier, people living in the vicinity of Arughat in Gorkha had warned to boycott upcoming provincial and federal elections if the government delayed the process of extending compensation to them. They had complained that the ban imposed on transaction of land

selected for the hydro project had prevented them from selling the plots or pledging the asset as collateral to obtain loans.

The land to be acquired by the project has been classified into five categories by the government: paddy field, small farmland, land in market area, land adjoining a road and land near human settlements.

Paddy fields and small farmlands have been further classified into four grades, with the first grade commanding the highest compensation amount.

On top of the compensation fixed by the committee, it is offering 15 percent extra to those who own less than 5 ropanis of land, and 10 percent extra to those who own less than 10 ropanis of land.

The government in May had hired China Gezhouba Group Corporation (CGGC) to build the mega project under the engineering, procurement, construction and finance (EPCF) model. However, parliamentary committees later directed the government to scrap the decision to hand over the project to CGGC. The committee had said the government had breached the Public Procurement Act, as the contractor was selected without initiating a competitive bidding process.

Based on this decision, the government earlier this week revoked the agreement with the Chinese company. It is not yet known how the government intends to build the project. The project is touted as the key to making Nepal self-reliant in energy generation and paving the way for the country to become net exporter of electricity.

Source: The Kathmandu Post; 19 November 2017

## **Kabeli B1 hydro project to be completed in mid-Feb**

*SHAHI MAN RAI*

Kabeli B1 hydropower project is scheduled to start test production within three months as 95 percent of construction works has been completed, the project said.

The 25-MW project is located in between Panchthar and Taplejung districts. The project is being built at an estimated cost of Rs4.3 billion.

Arun Kabeli Power Limited, the promoter of the project, said that most of the civil works, hydro mechanical and electro mechanical engineering works like powerhouse, dam, penstock pipeline, surge tank and sedimentation reservoir have been completed.

Hastaman Rai, manager of the project, said they have set a target of mid-February to complete construction. According to him, they have constructed powerhouse and a surge tank in Tharpu and a 4-km-long pipeline that runs through Dahal Gaun to Piple.

Similarly, the project has installed six transmission towers out of 16 towers to connect the 132 kVA transmission line based in Amarpur.

At present, structures such as four intake gate, spill way gate-6, stop lock gate-6, descending basin gate-4, two sand exhaust gates, score valve, main hole, two draft tube gates and three tailrace gates are under construction. Similarly, installation of two generators with the capacity of 12.5MW, two turbines, two governors and two transformers are in progress.

The government-owned Hydroelectricity Investment and Development Company Limited along with a consortium of seven banks, including Nepal Investment Bank, Nabil Bank, Machhapuchhre Bank, Prabhu Bank, Laxmi Bank and Global IME Bank have a 70 percent stake in the project. 10 percent shares have been allocated for the local people of Panchthar and Taplejung while the rest of the shares is held by the promoter.

Dilli Ram Subedi, an information officer of Kabeli B1, said that the company has distributed 15 million units of shares to the local people. The project construction was initiated two years ago. Rai, however, said that the construction of 132 kVA transmission line from where the electricity would be evacuated to the national grid has been delayed.

After the project is completed, the power generated from this project will be evacuated from Mechi Koridor 132 kVA transmission line from Damak to Amarpur in Panchthar district. "If the transmission line is not completed in time, the electricity may be wasted." The company signed a connection agreement with Nepal Electricity Authority (NEA), Grid Department on 29th May 29, 2012 for the power evacuation from this project and signed power purchase agreement (PPA) with NEA on July 13, 2012.

According to Rai, NEA has planned to construct Kabeli B1 cascade project after the completion of the 25MW Kabeli B1. According to him, they have completed the detailed survey and are in process to conduct power purchase agreement with NEA for the proposed cascade project. The Kabeli B1 cascade project will be constructed at an estimated investment of Rs2.80 billion.

Source: The Kathmandu Post; 19 November 2017

## **Upper Tamakoshi hydro project achieves major milestone**

*RAJENDRA MANANDHAR*

The Upper Tamakoshi Hydropower Project achieved a major milestone on Sunday with the completion of digging of 8.4km headrace tunnel, which channels water diverted from the river to the power house where electricity is generated.

Energy Secretary Anup Kumar Upadhyaya and Nepal Electricity Authority Managing Director Kul Man Ghising were also present at the project site when the major breakthrough occurred.

The Dolakha-based 456-megawatt project had started tunnel excavation works before the 2015 earthquakes. However, the disaster, which was followed by Indian trade blockade, delayed tunnel construction works.

With Sunday's achievement, 92 percent of the project's work has been completed, according to project chief Bigyan Shrestha.

The national pride project is planning to bring the first unit of the plant into operation in mid-July following which 76MW of electricity would be added to the national grid. The project has a total of six units. The other five units will start generating electricity within five months of the first unit being switched on.

The energy produced by the project will be transmitted to a substation at Khimti via the 220 kV Gongar-Khimti transmission line which is currently under construction. The power evacuated to the Khimti substation will be transmitted to Kathmandu Valley and other energy-hungry neighbouring cities. After the Upper Tamakoshi roars into life, Nepal Electricity Authority (NEA) will be in a position to export electricity to neighbouring India. The state-owned power utility is one of the promoters of the project. During the wet season, surplus energy can be transmitted over the Khimti-Dhalkebar transmission line to the Dhalkebar substation and on to the Dhalkebar-Muzaffarpur cross-border transmission line for export to India.

The Upper Tamakoshi Hydropower Project has been expediting the construction of the 47-km Gongar-Khimti transmission line which will be used to evacuate the electricity generated by the plant.

The project needs to install 127 transmission line towers. "Around 90 percent of this work has also been completed," Shrestha said.

The national pride project was originally scheduled to be completed in mid-July 2016, but the earthquake, Indian trade blockade and various technical and social issues pushed back the completion date. Before the earthquake hit the country, the project had completed 79 percent of the civil works. It faced cost overruns due to the delays. The project is now expected to cost Rs42 billion, up from the previous estimate of Rs35.3 billion. The project is the first major hydropower project being developed with domestic financial resources and significant participation of project-affected locals and the general public. The government, financial institutions and public enterprises, including Nepal Telecom, Employees Provident Fund, Rastriya Beema Sansthan, and Citizen Investment Trust, have invested in the project. The project is preparing to float shares to the public, including locals in the project-affected areas, in December. It plans to issue 25 percent of the shares worth Rs2.64 billion at an initial public offering (IPO) and wrap up the share distribution process by March 2018.

Source: My Republica; 19 November 2017

## **Construction of main tunnel of Upper Tamakoshi Hydel Project completed**

The construction of main tunnel (8.2 kilometers) of Upper Tama Koshi Hydro Project of 456 Mw capacity has been completed. According to the project office, 90% of the project under civil sector has been completed.

Following the direction of Secretary Anup Kumar Upadhyaya of Ministry of Energy, the breakthrough of the tunnel was possible.

The project aims to complete the construction and to start generating electricity by mid-July 2018. The project will start its regular operation after six months, from December 2018 by which the remaining construction will be completed.

“Only 10% work of civil remains and the transportation of electromechanical tools to the project site is underway”, said Project Chief Bigyan Shrestha and added that the Department of Road has already started to blacktop the road from Khadichaur to Singati section.

He also said that it was tough to transport the heavy equipment at the site. According to him the connection at powerhouse is under process. The work of concrete is at pace following the day and night, along with the task of turbine and transmission line. Out of 146 transmissions pole, only 16 is left to elevate.

The total budget of the project is estimated at Rs 35.5 billion, according to Shrestha. Among which Employees Provident Fund has invested Rs 10 billion, Nepal Telecom Rs 6 billion, Citizen Investment Trust and Rastriya Beema Sansthan have invested Rs 2 billion each. The project plans to distribute the share to the locals after the election. The locals will be categorized into A, B and C group and share will be distributed accordingly.

Source: The Himalayan Times; 20 November 2017

## **Breakthrough in Upper Tamakoshi hydro-electric project**

The headrace tunnel of the Upper Tamakoshi Hydroelectric Project, a National Pride Project, was completed today after almost five years since the construction started in August, 2012. Headrace tunnel construction is a major segment of a hydropower project, as it connects the reservoir to the power station. Energy Secretary Anup Kumar Upadhyay was present on the occasion to encourage the project team to complete the project within the stipulated timeframe.

Along with the tunnel breakthrough, 92 per cent of the project has been completed and UTHEP is expected to start commissioning power after 10 months, according to Bigyan Shrestha, project chief of UTHEP.

“The completion of headrace tunnel is a major achievement for any hydroelectric project and we’ll be able to commission power after 10 months,” he said.

The civil contract of the project is with Chinese contractor, Sino Hydro.

When the project was initiated in 2011, it was supposed to have been completed by mid-July 2016.

However, the deadline was postponed to mid-July 2018, as the construction of the project was delayed by a few months in the initial stage and later the project work was stalled for one-and-a-half years after the devastating earthquake of April 2015. Dolakha, where the project is located, was badly affected by the quake.

Though the earthquake had not damaged the tunnel, the damage caused to the access road significantly delayed the project work. The devastating earthquake followed by trade disruptions in the southern plains of the country stalled the project work for almost two years, according to Ganesh Neupane, spokesperson for the project.

The length of the tunnel of UTHEP is 8.4 km, which is the longest among all hydropower projects that have been constructed so far.

The 456-megawatt UTHEP is the largest capacity hydropower project in the country being constructed through the country’s own resources.

The project is being financed by Nepal Electricity Authority, which has 41 per cent stake in Upper Tamakoshi Hydropower Ltd. Other shareholders include Nepal Telecom (six per cent), Citizen Investment Trust (two per cent), Rastriya Beema Sansthan (two per cent), public (15 per cent), locals of Dolakha (10 per cent), depositors of Employees Provident Fund and employees of NT, RBS, CIT and EPF (24 per cent).

According to the initial estimate, the project was expected to be completed at a total cost of Rs 35 billion but Rs 38.83 billion has already been spent. By the time the project is completed, its total cost is expected to hover around Rs 42 billion, added Neupane.

Source: The Kathmandu Post; 20 November 2017

## **Govt decision to scrap Budhi Gandaki project will be overturned: Oli**

CPN-UML Chairman KP Sharma Oli has claimed that the next government will overturn the government's decision to scrap the deal to build Budhi Gandaki Hydropower Project

The government on November 13 had scrapped the deal to construct the 1,200-megawatt project signed with China's Gezhouba Group Corporation (CGGC) citing 'instructions issued by parliamentary committees' in September. Chairman Oli remarked that the government meant to hold elections kept itself busy in scrapping and distributing licences instead of maintaining law and order situation for the polls.

"Either the project to construct Budhi Gandaki hydropower shouldn't have been awarded or the deal shouldn't have been scrapped after it was signed," said Oli, speaking at an interaction on national economic debate organised by Federation of Nepalese Chambers of Commerce. "Instead of focusing on law and order situation for the elections, the government has been granting and scrapping licences when it hardly has a month to hold the election. It is an unauthorised decision and the next government will correct it."

At the same programme, former Finance Minister and Nepali Congress (NC) leader Ram Sharan Mahat said the deal with the controversial Chinese company had to be scrapped as the project was awarded without a competitive bidding process. "The project contract can be awarded to any company based on proper bidding process. I am in favour of that. Budhi Gandaki project was granted to a doubtful Chinese company. It's good that it has been scrapped," said the NC leader.

The Sher Bahadur Deuba-led Cabinet has decided to take ahead the construction of Budhi Gandaki project through Investment Board.

Earlier in May, the former Cabinet under CPN (Maoist Centre) Chairman Pushpa Kamal Dahal had decided to award the contract to build the project located in Gorkha and Dhading districts to China CGGC. In June, the then energy minister Janardan Sharma and CGGC President Lv Zexiang had signed a Memorandum of Understanding (MoU) to build the project under the engineering, procurement, construction and finance (EPCF) model. The agreement was signed in the presence of the then PM Dahal and Chinese Ambassador to Nepal Yu Hong.

Source: My Republica; 20 November 2017

## **Upper Tamakoshi to start generation by 2018**

*Ramesh Khatiwada*

Sunday's breakthrough in digging the 8.4 km long tunnel of the Upper Tamakoshi Hydropower Project has almost ensured that the project will begin producing electricity by this time next year.

"We have set the target of completing the much-awaited project of 456 MW, the would-be biggest power plant in the county, by this time within 2018 if everything goes as planned," said Bigyan Shrestha, manager of the project.

On Sunday, officials and workers of the contractor as well as government officials from the Ministry of Energy celebrated the breakthrough of the main tunnel through which water will pass to the power plant. The digging of the tunnel which started from both ends of Lamabagar and Gongar some seven years ago completed on Sunday, marking the achievement of one of the key stages in project development, officials said. The dream project will be crucial to addressing the power crisis the country has witnessed for over a decade.

"Meeting the tunnel digging target is itself a big achievement and a major breakthrough and work progress of the project is 92 percent," Shrestha said. Energy Secretary Anup Kumar Upadhyay and Managing Director of Nepal Electricity Authority Kulman Ghising had reached the project site to celebrate the achievement.

"The remaining tunnel works include concrete lining of a 900-meter stretch of the waterway tunnel and fitting steel pipes in a stretch of 800 meters and other minor concrete works where there are hard rocks," said Shrestha.

The other major works the project has to complete are installation of the equipment and completing the transmission line.

The project has a total of 18.5 km long tunnels-- 11.5 km waterway tunnel and other additional tunnels and officials say they are yet to dig a total of 920 meters long tunnels in the project.

It was deemed impossible to finance the project requiring Rs 35 billion in 2010 through domestic resources but co-financing by the Employee Provident Fund, Nepal Telecom, Citizens' Investment Trust, and Rastriya Beema Sansthan made the project viable. Started in 2010, the project is regarded as one of the projects implemented in time despite some delays due to the earthquake of 2015 and the blockade thereafter.



Source: The Himalayan Times; 21 November 2017

## **Upper Tamakoshi to issue shares to public**

Upper Tamakoshi Hydropower Ltd has begun the process to issue shares to the public. After completing the construction of headrace tunnel of the Upper Tamakoshi Hydropower Project — a national pride hydropower project — the company has initiated the process of issuing shares to the public.

The company will issue 26.475 million units of shares to the public worth Rs 2.65 billion. The project submitted the application for issuing shares at Securities Board of Nepal (SEBON) — the capital market regulator — on November 16.

The project had announced the breakthrough of 8.4-kilometre-long tunnel on Sunday, which is the longest among hydropower projects in the country.

Among the aforementioned units of share, affected people from Dolakha district will get 10.59 million units worth Rs 1.059 billion.

“We have submitted our application at SEBON. If everything goes as per plan, the shares for affected people and other ordinary people will be issued in the first week and third week of January, respectively,” said Ganesh Prasad Neupane, spokesperson for the project.

The company has appointed Citizen Investment Trust Merchant Bank and Sunrise Capital as issue managers to issue the shares.

Government employees have already received certain share of the project, which was issued in July of 2015. Staffers of Employee Provident Fund (EPF), Nepal Electricity Authority, Citizens Investment Trust (CIT), Rastriya Beema Sansthan and those who have their savings in EPF and CIT had received the shares.

When the project was initiated in 2011, it was supposed to have been completed by mid-July 2016. However, the deadline was postponed to mid-July 2018, as the construction of the project was delayed by a few months in the initial stage and later the project work was stalled for a year-and-a-half after the devastating earthquake of April, 2015.

Source: My Republica; 21 November 2017

## **NOC collects Rs 13b for Budhi Gandaki project from consumers**

*Dilip Poudel*

Nepal Oil Corporation (NOC) has collected Rs 13 billion from consumers for the Budhi Gandaki Hydropower Project in the past 16 months.

The NOC has been collecting infrastructure tax of Rs 5 on each liter of diesel, kerosene, petrol and aviation turbine fuel sold, according to Narendra Shah, executive director of NOC.

While announcing the tax, the government had said that the amount thus collected will be used to develop the 1,200-megawatt project in Budhi Gandaki River that flows between Gorkha and Dhading districts.

### **LOSS OF Rs 215 MILLION PER MONTH**

NOC will suffer loss of Rs 215 million this month as per the rates forwarded by the Indian Oil Corporation (IOC).

Though the NOC had made upward revision to fuel prices after IOC increased price of fuel, it was forced to rollback the decision on the direction of Prime Minister Sher Bahadur Deuba. The state-owned petroleum monopolist has already faced loss of Rs 175 million in just 15 days.

Before the IOC increased prices, NOC was enjoying profit on petrol, kerosene and aviation turbine fuel. NOC at present is facing loss of diesel and LPG. It is facing monthly loss of Rs 500.8 million on LPG, or Rs 237.67 per cylinder. Similarly, NOC is losing Rs 2.01 per liter or Rs 210.6 million per month on diesel. It, however, is profiting Rs 3.74 per liter of Rs 142.2 million per month on petrol. Similarly, NOC is making a profit of Rs 15 per liter on kerosene. The state-owned monopoly is profiting Rs 26.6 million per month on kerosene. Likewise in aviation turbine fuel, NOC is earning a profit of Rs 69.8 million and R 248.6 million per month on domestic and international flights, respectively.

Meanwhile, NOC is increasing stock of major petroleum products keeping in view the upcoming provincial and parliamentary elections. As Nepal-India border will remain closed for multiple days during elections, NOC is boosting its fuel reserves for the election days to 33,000 kiloliters from 29,000 kiloliters.

"We aim to increase supply of fuel in each of our depot across the country by 4,000 liters," NOC spokesperson Birendra Goit told Republica.

NOC has total storage capacity of 71,000 kiloliters in its 10 depots. Its reserves can meet demand for petrol, diesel and aviation turbine fuel of five, 19 and 20 days, respectively.

Source: My Republica; 23 November 2017

## **‘No power cuts in Valley, some cities this winter’**

Just like last year, there won't be any power cuts in Kathmandu and some other cities this winter, NEA officials said. The supply this year will be at least at the same level as last year in Kathmandu and a few other cities which were declared 'no power cut' zones.

"Though our efforts to increase supply have almost failed, during the upcoming dry months we will be able to supply electricity as last year, thanks to demand-side management and leakage control," NEA's spokesperson Prabal Adhikari told Republica on Tuesday.

NEA's plan to produce 25 MW electricity from solar plants, import additional electricity from India and save electricity through supply of energy-efficient LED bulbs have almost failed.

NEA has however achieved success to some extent in demand-side management, which has put it in a comfortable position for supplying electricity as last year.

Evening peak load demand on Monday was 1248 MW, just 8 MW more than the same day last year. This shows the peak demand has nearly stabilized and this is at variance with annual average demand growth rate of 10 percent.

Managing evening peak load demand is taken as the most challenging task but this has at least been resolved for the time being, and NEA officials attribute four factors to this achievement.

"Behavioral changes in electricity consumption, consumers who voluntarily switched to more efficient LED bulbs, zero or very little use of inverters and inefficient equipment, and leakage control are the reasons that helped in reducing the peak-hour demand," said Adhikari. Evening peak hours and morning peak hours in this season are 5:30 pm to 7:30 pm and 6:30 am to 8:30 am respectively.

"Consumers have listened to our pleas not to use appliances that consume a lot of electricity during evening and morning peak hours and they also switched to energy-efficient LED bulbs," said Adhikari.

"We estimate that the use of LED bulbs alone has saved around 100 MW," said Adhikari.

NEA officials are also thankful to consumers who have refrained from using high energy consuming appliances like water pumps and heaters during peak hours. NEA's solar plants plan failed after the then parliament's Public Accounts Committee ordered a retender for the solar plants contracts over allegations of corruption in the selection of contractors. Likewise, NEA two months ago had to terminate the contract awarded to a Chinese contractor for building the Dhalkebar substation, which could be instrumental to bring more energy from India. Nepal currently generates 676 MW of electricity while 272 MW is imported from India, so the power deficit stands at around 300 MW.

Source: The Kathmandu Post; 23 November 2017

## **Construction of Arun-3 hydro project to begin soon**

The construction of 900-megawatt Arun-3 hydroelectric project is expected to begin soon as the developer has hired a contractor to begin first phase of civil works.

SJVN Arun-3 Power Development Company (SAPDC), the developer of the hydro project, last week, signed an agreement with Jaiprakash Associates of India to kick start civil works in the dam area, a senior official of the Investment Board Nepal (IBN), which is overseeing implementation of the project, said on condition of anonymity.

This is the first civil works package for which a contractor has been hired by the project developer. Under this package, dam, diversion tunnel, intake, intake tunnels and head race tunnel will be built. "The contractor has already mobilised a team to the proposed dam site," the IBN official said. "We hope construction works will begin soon." The project developer will hire contractors to build powerhouse and transmission lines, and execute electro- and hydro-mechanical works in the coming days.

The IBN and SJVN signed an agreement for development of Arun-3 hydropower project in November 2014. The project was supposed to start energy generation by 2020 as per the agreement. But that deadline is unlikely to be met as financial closure deadline has been pushed back twice by one year and six months.

Yet the Sankhuwasabha -based project funded by an Indian state-owned agency has achieved important milestones like acquisition of private land. It is also in the process of acquiring public forest land.

"To expedite the construction of the project, we have initiated the process of establishing the liaison office on behalf of SAPDC," the IBN official said. "Also, process of acquiring explosives required for the project has been initiated."

According to the IBN, Nepal will receive Rs348 billion over 25 years from the project. The project developer will also provide 21.9 percent of the energy generated free of cost, which is worth Rs155 billion, plus another Rs107 billion in royalties.

Source: The Kathmandu Post; 23 November 2017

## **NEA mulling ways to hire contractor**

The Nepal Electricity Authority (NEA) has been mulling ways to hire a contractor to complete the stalled Dhalkebar substation since firing the original contractor, Central Power Grid International Economic and Trade Corporation of China, over delays.

The state-owned power utility is considering two options: Call for global tenders or appoint a contractor without competition after getting the government's go-ahead. The NEA favours selecting a contractor outright as this will be much faster, and the project can be finished in the time it will take to process global tenders, it said.

"If the construction work is carried out swiftly, the project can be completed within three months. It will take around three months just to appoint a contractor if it is done through a global tender," said a highly placed NEA source. "Therefore, we will request the Energy Ministry to submit the proposal to appoint a contractor without competition to the Cabinet."

The Dhalkebar substation is of strategic importance, so the government should allow the NEA to appoint a contractor through negotiations, the source added. The 220 kV substation will allow the NEA to boost electricity imports from India over the Dhalkebar-Muzaffarpur cross-border transmission line, and prevent possible power cuts during the dry season.

The power utility is prepared to call for global tenders if the Cabinet rejects its plan to hire a contractor without competition.

Last September, the NEA fired the Chinese contractor which has completed more than 90 percent of the construction work on the substation after being fed up with deliberate delays.

Central Power Grid International Economic and Trade Corporation has procured almost all the equipment needed for the substation. Officials said it might be difficult to find a new contractor as it would not be able to guarantee the quality of the equipment brought by its predecessor.

As per the deal signed between the NEA and the Chinese company in June 2014, the substation should have been up and running by September 2015. However, deliberate delays by the contractor led to the deadline being extended for the third time to May 31, 2017, but that deadline too passed after it halted construction without notification.

Former energy minister Mahendra Bahadur Shahi then extended the deadline to October, and directed the Chinese company to complete construction by that date, which led to work being speeded up and most of the goals being achieved.

However, the Chinese company started exhibiting defiance after the NEA terminated its contract for the Bharatpur-Bardaghat 220 kV Transmission Line Project signed almost seven years ago.

The contractor was originally supposed to complete the transmission line project in December 2013.

However, after it failed to finish the project even after the deadline had been extended for the third time till June 2017, the NEA scrapped the deal. Since then, the contractor has been repeatedly halting work on the Dhalkebar substation to express its displeasure.

Source: My Republica; 24 November 2017

## **BPC joins hands with three Chinese firms for hydropower development in Nepal**

Butwal Power Company Ltd (BPC) has announced partnership with three Chinese companies for hydropower development in Nepal.

Issuing a statement on Wednesday, the hydropower company said that it was tying up with Sichuan Provincial Investment Group Co Ltd

(SCIG), Chengdu Xingcheng Investment Group Co Ltd (CXIG) and Qing Yuan Engineering Consulting Co Ltd. BPC, in its statement, said that the partnership with these Chinese firms will start with Lower Manang Marsyangdi Hydroelectric Project (100 MW) located in Gandaki zone.

According to the statement, the partnership will be followed by a number of other ventures in the near future with an aim to develop at least 1,000 MW in next five years with investment of US\$ 2-3 billion.

Source: The Kathmandu Post; 24 November 2017

## **BPC, Chinese firms to launch 1,000 MW hydro projects in Nepal**

Butwal Power Company Limited (BPC) has partnered with three major Chinese companies to develop hydropower projects in Nepal with an investment of up to \$3 billion. The joint venture was launched in the Capital on Wednesday.

The three major Chinese companies are Sichuan Provincial Investment Group (SCIG), Chengdu Xingcheng Investment Group (CXIG) and Qing Yuan Consulting Co (QYEC). The joint venture between BPC and its Chinese partners will begin with the Lower Manang Marsyangdi Hydroelectric Project located in Western Nepal. The project will generate over 100 MW.

The joint venture is aiming to develop hydro projects that will add up to 1,000 MW to Nepal's electricity grid in the next five years with an investment of up to \$3 billion.

The three Chinese firms are based in Sichuan Province in Western China. Like Nepal, Sichuan is rich in hydropower and has successfully developed its hydropower capability, generating over 75,000 MW.

Of the 3 Chinese firms, SCIG and CXIG are state owned companies while QYEC is a private firm.

SCIG is a major player in China's hydropower landscape and has developed numerous projects. They own projects that generate 37,000 MW of electricity.

CXIG is another large state owned company with investments in many sectors. They played a big role in developing Chengdu City and own large assets in the city.

QYEC is the only Chinese class A engineering and consultancy company in the private sector. They also own hydropower plants in Sichuan.

According to BPC, they are a public limited company and recently celebrated their 50th anniversary by starting construction on two of their new projects: Kabeli A Hydro Electric Project (37.6 MW) and Nyadi (30 MW).

BPC has been operating 12MW Jhimruk and 9.4MW Andhikhola power plants and has invested in Khimti and Khudi plants.

BPC also distributes electricity to more than 50,000 households in Syangja, Palpa, Pyuthan and Arghakhanchi districts of western Nepal. Through its subsidiary companies, BPC is engaged in operation & maintenance of power plants, consulting engineering of hydropower and infrastructure projects, manufacturing and repair of hydro-mechanical and electro-mechanical equipment for power plants, reads a press release.

Source: The Kathmandu Post; 24 November 2017

## **Transmission line comes online**

### **132kv Blanch-Attariya**

*MANOJ BADU*

The 132 kV Blanch-Attariya transmission line which will connect the electricity produced by Chameliya Hydropower Project to the national grid, has been brought into operation. The timing has coincided with Chameliya Hydropower Project which is also about to start evacuating electricity soon.

Ajaya Kumar Dahal, project chief of Chameliya Hydropower Project, said the transmission line and substation were brought into operation by routing electricity from Kailali based Attariya Grid. "The transmission line has been charged to ensure that the line will be able to handle the flow of hydro electricity generated by Chameliya."

According to Dahal, Chameliya is likely to start production from the first week of December. Chameliya Hydropower Project, one of the largest hydropower projects in Province 7 had been delayed by almost five years, causing the cost of project construction to double.

Although the infrastructure including the tower has been built to support double circuits for Blanch-Attariya transmission line, currently only one circuit line has been brought into operation. According to Dahal, the authority has planned to connect the double circuit line by the end of this fiscal year.

The power line being developed with financial aid from the Korean government is vital for evacuating more than 200 MW of electricity being generated by different hydropower plants at various river basins in the far western region. 86 MW Chameliya Chhattisgad, 40 MW Upper Chameliya, 8.5 MW Naugad and 54 MW Kalangagadh are among the hydro projects that are under construction in the region.

The transmission line project was slated to be completed by 2014, but various factors, including problems in acquiring private and forest land, pushed back the completion date. The 131-km transmission line connects Darchula with the far western business hub of Attariya. It will be used to evacuate energy generated by the 30 MW Chameliya Hydropower Project which is likely to start its production in next two weeks.

Construction of the Chameliya Hydropower Project began in 2007. It was slated to come online by 2011, but this did not happen because of various factors like carelessness of the contractor and difficult terrain. As a result the construction cost of the project has been escalated to Rs15.6 billion from earlier estimated Rs8.50 billion.



Source: The Himalayan Times; 24 November 2017

## **Chameliya charges transmission line**

The Chameliya hydropower project has started the operation of its 133kV transmission line from Balanch of Darchula to Attariya of Kailali district. The project announced that it successfully brought the 131-kilometre-long transmission line into operation at 1:55pm today.

“Chameliya hydropower project transmission line was charged at 132kV this afternoon,” Energy Secretary Anup Kumar Upadhyaya informed.

As per its schedule, the project has targeted to generate electricity from December 12, if everything goes as planned. According to Ajay Kumar Dahal, chief of the 30-megawatt Darchula-based project, Chameliya aimed to charge the transmission line before generating energy.

Through this transmission, the generated electricity from the project will be connected to the national grid.

The project is set to test its tunnel in the next few days, Dahal said. “After completion of first phase of construction works, we will start the test operation of the project. It will take another 15 to 20 days to complete the whole construction process,” Dahal informed.

Chameliya hydropower project had suffered a long delay after its 843-metre tunnel caved in due to ‘technical fault’ followed by a dispute with the Chinese contractor China Gezhouba Group Corporation (CGGC). CGGC, the contractor of the Chameliya Hydropower Project, had reopened the tunnel that had caved in by mudslides in March first week. The works of reopening the 843-metre section of the tunnel that had caved in started on September 28, 2015.

The project had successfully tested its dam radial gates and intake gates in the first week of May.

The project, which was initiated in January of 2007, was supposed to be completed in May of 2011. But, it has already been six years since the initial deadline expired, which has caused revenue loss of around Rs two billion every year to Nepal Electricity Authority (NEA).

NEA has been bearing a huge loss not only in terms of revenue but also due to increase in foreign exchange rate owing to the project construction delays. Nepali currency has depreciated heavily vis-à-vis the US dollar from Rs 72 in 2007 to around Rs 104 at present. Roughly per megawatt cost of the Chameliya Hydroelectricity Project will be above Rs 500 million (including the cost of road connectivity to the project area, local electrification and transmission line), as per NEA officials. The cost is significantly higher than the normal cost of Rs 150 million per megawatt.