Source: The Kathmandu Post; 10 Dec 2017

Tanahu hydro project all set to hire contractor

BIBEK SUBEDI

Sinohydro Corporation, the Chinese hydropower engineering and construction company, is likely to be hired as the contractor to complete hydro and electromechanical works, which include construction of waterways and powerhouse, at the Tanahu Hydroelectric Project site.

Sinohydro Corporation is one of the companies that has been shortlisted as the potential contractor to execute hydro and electromechanical works at the project site. Another company that has been shortlisted is CMC Ravena of Italy.

Tanahu Hydro Limited (THL), a wholly-owned subsidiary of Nepal Electricity Authority (NEA) and the developer of 140MW reservoir project, is currently evaluating financial proposals of both the companies.

Sinohydro has quoted "$129.1 million and Rs6 billion" to complete hydro and electromechanical works, according to a highly placed THL source. CMC Ravena, on the other hand, has quoted "$153.8 million and Rs4.33 billion".

"Although we have opened envelopes comprising financial bid documents of both the companies, we need to verify the cost under individual headings before selecting the contractor," said the source. "We will complete the evaluation within a couple of week and forward the name of the preferred bidder to the Japan International Cooperation Agency (Jica), one of the agencies that has provided credit for development of the project." THL will enter into an agreement with the selected company upon getting no-objection letter from the Jica.

Although THL is all set to hire a contractor to execute hydro and electromechanical works, it is yet to select a contractor for implementation of the first package of the hydroelectric project, which includes formulation of the detailed design of the project and construction of headwork. This delay is taking place because the Asian Development Bank (ADB), another lender of the project, is taking "too much time" to evaluate the bid documents.

THL had forwarded technical proposals of three companies competing to grab the first package of the hydroelectric project to the ADB in July.

"We have requested the ADB time and again to complete the technical evaluation so that we could open envelopes containing financial proposals," said the source. "But the ADB has not responded, which is expected to delay project development."

THL was planning to appoint the contractor for the first package within October and start construction by December. In a recently held meeting with the Manila-based multilateral lender, NEA Managing Director and THL Chairman Kul Man Ghising had requested the ADB for early completion of bid evaluation.

So far, the project developer has almost completed pre-construction works and construction of access road in Tanahu where the project is being built. It has also provided compensation to over 80 percent of locals, who relinquished their property for development of the reservoir project.

Tanahu Hydroelectric Project will be one of the biggest reservoir projects in the country with an estimated annual energy generation capacity of 587.7 GWh in the first 10 years of operation. The project can generate energy for six hours daily during the dry season.

The project is being built using credit facility extended jointly by the ADB, the Jica and European Investment Bank (EIB).

Source: My Republica; 11 Dec 2017

IPPs equal NEA in terms of installed capacity

Rudra Pangeni

Both have installed capacity of 478 MW each

KATHMANDU, Dec 10: In what can be termed a landmark achievement in the country's hydroposer sector, Independent Power Producers (IPPs) are now at the same level with the Nepal Electricity Authority (NEA) in terms of installed capacity
of hydrpower projects.

With the beginning of commercial generation by Thapakhola Hydropower Project (13.6 MW) and Sardikhola (4 MW) from Sunday, independent power producers are now generating a combined 478 MW.

The installed capacity of the NEA is also 478 MW.

Mustang-based Thapakhola project is built by Mount Kailash Company, while the Sardikhola project in Kaski is developed by Mandakini Hydropower Company.

This is one of the landmark achievements in the hydropower sector by IPPs since the government opened hydropower sector to the private sector by bringing Electricity Act in 1991.

President of Independent Power Producers' Association Nepal (IPPAN), Shailendra Guragain, expressed satisfaction over the landmark achievement. "IPPs will soon surpass the NEA in terms of installed capacity as different projects having combined capacity of 3500 MW installed capacity are in different stages of development," said Guragain. "It took us (private sector) 26 years to arrive at this stage after the government adopted liberal economy."

IPPs say that their involvement in hydropower sector, which needs huge investments with long-term gestation period, was affected for over a decade due to Maoist insurgency.

NEA Spokesperson termed the achievement of the IPPs 'a historic moment' in Nepali hydropower sector.

Only two plants of NEA -- Kulekhani III (14 MW) and Chameliya (30 MW) -- are in the final leg of construction. But many projects promoted by the private sector like Arun Kabeli (25 MW) and Api Hydropower Project (8 MW) are starting generation within few months.

Likewise, projects like Upper Tamakoshi (456 MW), Khanikhola (40 MW), Kharekhola (25 MW), Singati Khola (25 MW) and different four projects in Dordi River having combined capacity of 118 MW and Khimti (12 MW) are likely to start generation within one and half years, according to Guragain.

"However, IPPs need more facilitation to materialize these projects. The government can encourage the private sector by implementing 99-point energy development plan announced in 2016," said Guragain.

The government unveiled the National Energy Crisis Reduction and Electricity Development Decade Plan (2016-2026) last year to address the country's energy crisis by generating more electricity and providing more support to developers.

Source: My Republica; 12 Dec 2017

Malaysian group plans to invest in Nepal's hydropower

A Malaysian investor, which employs over 400 Nepalis as security personnel in Malaysia, has announced its plan to invest US$ 400 million in Nepal.

Ludhiana Holdings Sdn Bhd, the Malaysian renewable energy company promoted by Malaysian investor Manjit Singh, has already applied to the Department of Electricity Development for a survey license of 303 MW Jawa Jumla Hydropower Project in Karnali. The company is awaiting a decision on the license.

The group's managing director Manjit Singh said that his company was working for an investment of more than $ 400 million in the form of private equity and bank financing for undertaking a couple of hydropower projects in Nepal over the next five years, according to a press statement issued by the company on Monday.

Singh, of Indian origin, was born in Malaysia. Corporate advisor of the company Tim Leonard claimed that they were probably the first Malaysian investors interested in investing in the hydropower sector in Nepal.

In addition to investing in the project, the company has also announced that it would bring in more Malaysian investments in the country, focusing particularly in the hydropower sector.

The company also opened a one-stop resource center for hydropower development in Bansbari of Kathmandu on Monday.

"The resource center will assist Malaysian companies to venture and invest in Nepal's hydropower sector," the company said in the press release. "All the necessary information will be available at our resource center and this will make the process easier for Malaysian companies and investors."

Singh said that he realized the importance of investing in Nepal's hydropower when he saw the country reeling under acute power crisis during his Nepal visit in 2016.

Four different security companies promoted by his group employ over 400 Nepalis as security personals in Malaysia.

Source: My Republica; 13 Dec 2017

Chameliya project completed after a decade

Bira Gadal

Chameliya hydroelectric project is finally ready to supply electricity, after 10 years of its inception. The project completed test production last week, and is planning to begin supplying within a month.

The project site is located at Balach, Shailya Shikhar Municipality-1 of Darchula district in far western Nepal.

According to project chief Ajay Kumar Dahal, they had targeted to complete the project within December but rains damaged the head-box, so production was delayed.

Chameliya project had started in the Fiscal Year 2006/2007 and was scheduled to be completed in 2011. However, the project was delayed by six years.

Nepal Electricity Authority (NEA) has said that the project was delayed due to several reasons such as misunderstanding with the contractors, technical barrier during the construction of tunnel, and transmission line problems.

Though the project investment was expected to be Rs 8.50 billion, a total of Rs 15.50 billion was invested in this project.

Project chief Dahal said that a test has been started on the substation of 132 KV transmission line that connects Balach of Darchula with Attariya of Kailali.

Civil work of the project was started in 2007 by Chinese company China Three Gorges Corporation and other works of electromechanical, hydro mechanical and transmission line were started in 2009 by Korea Hydro and Nuclear Power Company.

For immediate purpose, electricity produced by Chameliya project will be connected with the national transmission line via single circuit, project chief Dahal said.

He further said that the electricity produced by Chameliya will go to the market from January 2018. He however said that the construction of double-circuit transmission line will make it easier to connect electricity produced by Chameliya, West Seti Dam and other hydroelectric projects with the national transmission line.

Chameliya hydroelectric project is a project constructed with 100 percent investment of Nepali government.

Locals are delighted with the production of electricity at the project. Soban Singh Bohara, a local from Rudreshwor, Dilashaini Rural Municipality-3, said: “The project will now supply electricity to the remote areas that are out of the electricity access, that is why locals are very happy with this project.”

Source: The Kathmandu Post; 14 Dec 2017

Himalayan Hydro expo set for 2018 opening

Independent Power Producers' Association Nepal (IPPAN)—the umbrella body of private sector developers in association with Event Management Services Pvt Ltd (EMSPL) is organising 'Himalayan Hydro Expo 2018', an exhibition to promote the hydropower development in the country.

The three-day event is slated to take place from January 5 to 7 next year. The expo is being orgnaised under the patronage of the Nepal government with state agencies like National Planning Commission, Energy Ministry and Ministry of Environment and Population supporting the event. The expo will showcase stalls from hydropower developers, investors, equipment manufacturers and suppliers, banks and construction companies. The three-day event will bring together relevant stakeholders from China, Czech Republic, India, Korea, Nepal, Norway, Germany and Austria and other countries that are involved in hydropower development in Nepal.

According to the organiser, multinational organisations like VOITH, CRYSTAL, FLOVEL, VAPTECH, MAVEL and BFL have already confirmed their participation in the expo.

This event is expected to provide a common knowledge sharing platform for hydro-developers, hydropower equipment manufacturers and suppliers, designers, consultants, insurance companies, investors and banking institutions to showcase their expertise and synergize for betterment of hydropower development within the nation, according to the press release issued by the organiser.

"The event is being organised at a time when the government is planning to reach its target of producing 17,000 MW of energy within a decade," said Shailendra Guragain, president of IPPAN. "This event will provide a common platform for all interested groups to come together and join hands for hydropower development."

The organiser has confirmed three seminars and workshops on key hydropower issues as well as a student competition where they will showcase their innovations related to hydropower. "With a view to encourage youth generation and increase the interests of investors, hydro expo competition will be organised among the hydro-related products and services developed by students and the best innovator will be awarded cash prize of Rs50,000," read the press statement issued by the organiser.

Source: The Himalayan Times; 14 Dec 2017

Himalayan Hydro Expo preparations

The organisers of Himalayan Hydro Expo have confirmed three seminars/workshops on key hydropower issues.

With a view to encourage the youth and increase the interests of investors, a hydro expo competition will be organised among the hydro-related products and services developed by students and individual innovators and the best will be awarded cash prize of over Rs 50,000, as per a media release. National and multinational organisations interested in participating in the expo have already confirmed their engagement.

Independent Power Producers' Association, Nepal (IPPAN) and Expo & Event Management Services, are the organisers of the Himalayan Hydro Expo, which is slated to be held at Bhrikutimandap from January 5 to 7, under the patronage of Nepal government, National Planning Commission, Ministry of Energy and Ministry of Environment and Population.

Source: My Republica; 14 Dec 2017

Nepal to ask India for more electricity

The government is requesting India to increase electricity export to Nepal as well as resume supply affected by New Delhi's ban on pollutant sources that reduced power generation of captive power plants.

Nepal will formally make the request with India in the upcoming
Joint Steering Committee (JSC) meeting to be held in New Delhi on December 21 and 22, according to officials of the Ministry of Energy (MoE) and the Nepal Electricity Authority (NEA).

The JSC meeting, which will be co-chaired by energy secretaries of Nepal and India, will also renew the agreement for import of electricity via Dhalkebar-Muzaffarpur Transmission Line. JSC is a top-level authority to implement Power Trade Agreement (PTA) that Nepal and India signed in 2014.

Nepal is currently importing about 365 MW of energy from India. But import via Dhalkebar-Muzaffarpur transmission line and Tanakpur has come down by 25 MW and 30 MW, respectively, since November 17 after India's Supreme Court banned use of pet coke and furnace oil in industries in three states including Uttar Pradesh which borders Nepal. Electricity supplied via these routes is generated by cement factories which were using pet coke and furnace oil.

NEA's spokesperson Prabal Adhikari said that they will request India to supply 470 MW - the maximum capacity that the system supports.

However, import of additional energy via Dhalkebar as planned is not going to happen because of delay in construction of sub-station at Dhalkebar.

With the onset of winter season, NEA is under pressure to manage electricity supply. If import from India does not increase as planned, it might have to cut power to industries for two hours in the peak hours, according to officials of the energy utility.

The other key agendas to be discussed in the meeting are to find the financing modality to build second cross-border transmission line linking New Butwal and Gorakhpur. The Detailed Project Report of the project has already been prepared.

Source: The Kathmandu Post; 14 Dec 2017

Pancheshwar to spend Rs19.4b to cut impacts

Pancheshwar multipurpose project

The cost of minimising the environmental and social impacts caused by the construction of the Pancheshwar Multipurpose Project is estimated to amount to Rs19.4 billion, said the Pancheshwar Development Authority (PDA) which is overseeing the hydropower-cum-irrigation scheme being built on the Mahakali River on Nepal's western border with India.

According to a detailed environmental management plan for the project which is being jointly developed by India and Nepal, the PDA will be spending the money under 10 headings.

The PDA on Wednesday unveiled the 10 plans which include conservation and management of the construction site and nearby areas, conservation and management of forests and wildlife and management of pollution during the construction and operation of the mega project.

Likewise, the multipurpose project is planning to introduce other plans like aquaculture, tourism development and agricultural promotion with the aim of promoting the livelihoods of the affected locals. The PDA will also be conducting a Pancheshwar support project which will consist of improving health and sanitation, improving education and culture, introducing income generating activities and and building rural infrastructure.

Launching the aquaculture plan will incur the highest cost of Rs6.36 billion while the conservation of the construction site and nearby areas is estimated to require expenditure of Rs6.03 billion, the PDA said. Similarly, the PDA will have to spend around Rs2.51 billion under the Pancheshwar support project.

"These plans are crucial for the successful implementation of the project," said Ajay Bhakta Mathema, representative of Shah Consult International, the company hired by the PDA to prepare a detailed environmental management plan. "These
plans will reduce the environmental and social impacts of the project during the construction and operation phase of the project."

The PDA has to conduct these plans over a period of 13 and a half years, the estimated time required for the completion of the multipurpose project which will generate 6,720 MW of hydroelectricity and irrigate huge swathes of farmland in Nepal and India.

However, the implementation of the Pancheshwar Multipurpose Project remains stalled as Nepal and India have not been able to finalise its detailed project report (DPR).

WAPCOS, an Indian state-owned company hired by the PDA to prepare the DPR of the project, has submitted the report to both governments but they have shown little interest in approving it.

Even though an agreement was signed to expedite the much-delayed project during Indian Prime Minister Narendra Modi's visit to Nepal in August 2014, it is yet to get off the ground.

Source: The Kathmandu Post; 15 Dec 2017

4 hydro projects set to be delayed

lack of motorable bridge

AASH GURUNG

The construction of four hydropower projects on the Dordi River has been pushed back due to the delay in construction of a motorable bridge over the bridge.

The construction of the bridge to connect Beshi Sahar Municipality with Dordi Rural Municipality began six years ago and is yet to be completed.

The developers of the four hydropower projects—54MW Super Dordi Hydroelectricity Project-B, 25MW Upper Dordi A, 27MW Dordi Khola and 12MW Dordi 1—are finding it difficult to transport the construction material to the project site thereby pushing the completion date of the project.

The project developers have been placing RCC spun pipes on the river for the movement of the truck loaded with the construction material. However, moving loaded cargo truck on such temporary structure is proving difficult, according to the project developers.

"During monsoon, we are not able to move ourcargo through such pipes due to massive flooding," said Keshav Bahadur Rayamajhi, promoter of Supper Dordi Hydroelectric project. "Even during winter the temporary structure is not reliable as it often breaks down".

The delay in construction of the projects has escalated the development cost. Dordi Khola project which should have come online five months ago has completed only 50 percent construction work. Likewise, Super Dordi which has a target date of August 2019 for generating electricity is looking unlikely to meet its deadline, Rayamajhi added.

Similarly, Upper Dordi A which is supposed to complete the construction of the project within next four months will also miss its completion deadline, according to Rajendra Wosti, promoter of the project. Work on Dordi 1, on the other hand is yet to begin.

The developers have said it would be difficult to complete the projects without motorable bridge on the river.