

Source: The Kathmandu Post; 24 Dec 2017

## **Nepal takes a decade to build hydro project**

### 30 MW Chameliya Project

Chameliya Hydropower Project, one of the most delayed infrastructure projects and one of the most expensive hydro projects in terms of per megawatt installed capacity, is finally on the verge of generating electricity, as it began 'wet test' of hydro- and electro-mechanical equipments on Saturday.

The construction of the 30MW peaking hydropower project began a decade ago, but due to various disputes with the Chinese contractor, completion deadlines were pushed back time and again. The project based in Darchula in the far western part of country finally completed its civil and hydro- and electro-mechanical works recently and began wet test of the plant on Saturday afternoon. The test, according to the project office, will last for a couple of weeks before electricity is generated in full capacity.

During the wet test, water from the tunnel will be channelled into various hydro- and electro-mechanical equipments, including the plant's turbines. Technicians will then check if all the machines are functioning properly.

Korea Hydro and Nuclear Power Company, the electro- and hydro-mechanical contractor hired by Nepal Electricity Authority (NEA), the project's owner, on Saturday afternoon tested the turbine by operating it at 5 percent of its capacity. "The contractor will gradually increase the speed of the turbine and conduct wet test in full capacity by Sunday evening," said Ajay Kumar Dahal, NEA-appointed project chief of Chameliya.

The wet test was supposed to start a month ago. This would have enabled the project to generate electricity in full capacity by now. The test, however, could not begin early due to problem in one of the two radial gates located near the intake of the power plant.

The gate was later repaired by China Gezhouba Group Corporation, the civil contractor of the project hired by NEA, and handed over to the Korean hydro- and electro-mechanical contractor on Thursday.

After the successful wet test, one of the most troubled hydro projects, which saw significant time and cost overruns, will finally be completed.

The construction of Chameliya started in January 2008 and was originally scheduled to be completed by June 2011. But the completion date was pushed back repeatedly due to disputes between NEA and the Chinese contractor. Work at the site came to a halt in May 2014 after the government refused to make an additional payment of Rs1.09 billion for what the Chinese contractor referred to as "cost variance resulting from the squeezing of the tunnel".

The contractor agreed to resume work after being summoned to the Energy Ministry and told to do so immediately by then energy minister Janardan Sharma.

The Chinese contractor restarted construction in October 2016 after more than two years and completed civil works within the September deadline.

All these delays and problems have escalated the cost of building Chameliya to around Rs500 million per megawatt, including construction of transmission line, as against Rs150-200 million per MW for projects built by the private sector.

Source: The Rising Nepal; 26 Dec 2017

## **Himalayan Hydro Expo 2018 from January 5**

The Independent Power Producers' Association of Nepal (IPPAN) is set to organise the 'Himalayan Hydro Expo 2018' from January 5 to 17 at the Bhrikutimandap.

The first ever expo will be organised in collaboration with Expo and Event Management Service Pvt. Ltd. According to the IPPAN, the expo will feature more than 100 stalls of hydro power producers, hydro equipment producers, suppliers, designers, consultants, insurance companies, investors, and banks and finance companies.

"More than half of the stalls have been sold to foreign companies. Companies and stakeholders from China, India, Norway, South Korea, Germany, Austria, Bulgaria, Czech Republic, Italy, Sweden, the United Kingdom and Brazil will participate in the exhibition," said Shailendra Guragain, president of the IPPAN. Some of the foreign participants are CMC Italy, Voith Germany, Crystal India, Flovel India, Vaptech Bulgaria, Marvel Czech Republic, BFL India, Powerchina and CSEC China.

The organisers said that the event will help in expanding Nepal's hydroelectricity market and experience sharing.

They also claimed that the expo would also support to meet the government target to produce 17,000 MW of electricity in the next seven years.

There will be a seminar on the pertinent issues, such as hydro tunnelling, banking and insurance and hydropower.

Guragain said that a Hydro Product and Service Competition will also be organised during the expo.

Students and other individuals can present their discoveries and innovations that could contribute to the development and enhancement of hydropower at the expo and the three best products or services will be awarded with Rs. 55,555, Rs. 22,222 and Rs. 11,111.

The National Planning Commission, Ministry of Energy and Ministry of Population and Environment are the patron of the expo while Nepal Electricity Authority, Federation of Nepalese Chambers of Commerce and Industry, Confederation of Nepalese Industries, Nepal Chamber of Commerce, Nepal Banking Association, and Youth Community for Nepalese Contractors are supporting the event.

Source: My Republica; 25 Dec 2017

## **United Modi approves 5 percent cash dividend**

The third and fourth Annual General Meeting of United Modi Hydropower Limited has approved a proposal to offer 5 percent cash dividend (Rs 57.5 million) to its shareholders, a statement issued by the company on Friday said.

United Modi Hydropower Limited is the promoter of Lower Modi-1 Hydropower Project (10 MW). It has also received generation license of Lower Modi -2 Hydropower Project (10MW), according to the statement.

The AGM also nominated Narendra Ballav Panta in the vacant post of board directors from promoters group, while Subodh Bhattarai and Renuka Pandey were unanimously elected as representative of public shareholders in the company's board of directors. Company's chair Shakunta Lal Hirachan chaired the AGM held in Kathmandu, the statement added.

Source: The Kathmandu Post; 26 Dec 2017

## **SC upholds permit for Tamakoshi 3**

The Supreme Court on Sunday quashed its earlier stay order to suspend the survey licence awarded to TBI Holding for the Tamakoshi 3 Hydropower Project by the Energy Ministry.

The apex court's decision will allow TBI Holding to go ahead with the project. The company is owned by Bhaban Bhatta, recently elected president of the Non-Resident Nepali Association, Last November, the Supreme Court issued an interim order directing the Energy Ministry to put the permit on hold until it reaches a final decision and summoned both the ministry and TBI Holding to a hearing.

The Supreme Court had issued the order in response to a writ petition filed by lawyer Subash Budhathoki arguing that the government's decision to award the project to TBI Holding without competitive bidding was illegal. In the petition, Budhathoki had accused the Energy Ministry of violating the Public Procurement Act, Investment Board Act and Good Governance Act besides several constitutional provisions when it issued the permit to TBI Holding.

The company welcomed the court's order saying it would now initiate a detailed feasibility study of the project. "We are waiting for the court's written order," said Animesh Kumar Mishra, CEO of TBI Holding. "Once we receive the order, we will start the detailed feasibility study which will determine the project's installed capacity and other details."

Although the project had been originally designed to be built with an installed capacity of 650 MW, TBI Holding has indicated that the capacity will be cut by almost half.

"The project's installed capacity will be somewhere between 300 to 350 MW," said Mishra. "The project had been originally designed to generate more power during the wet season. However, since we are planning to produce electricity for domestic consumption, the project will be designed to generate a large amount of energy during the dry season when demand is high."

Initially, Statkraft of Norway had proposed to develop the project with an installed capacity of 650 MW with the aim of exporting electricity to India. After the Norwegian company pulled out in January, there have been talks about reducing the installed capacity to produce more energy during the rainless months and make the project suitable for domestic use.

Tamakoshi 3 is a run-of-the-river type project located in Dolakha and Ramechhap districts east of Kathmandu.

Source: The Himalayan Times; 27 Dec 2017

## **NEA CEO Ghising off to New Delhi to renew power pact**

A high-level team comprising Nepal Electricity Authority (NEA) Chief Executive Officer Kulman Ghising has left for New Delhi, India today with a mission of renewing the power purchase agreement with the southern neighbour.

The term of the agreement ends on December 31. The agreement relates to the purchase of 145 Megawatts power that Nepal has been importing from India through the inter-country Dhalkebar-Muzaffarpur transmission line. Nepal has been importing power from India at the rate of Indian Rs 3.60 (NPRs 5.76) per unit. The NEA delegation which left for India this morning comprises CEO Ghising and spokesperson Prabal Adhikari.

The delegation will hold talks with the officials of the Vidhyut Byapar Nigam, India's nodal agency for power trade, and renew the agreement.

The NEA said that further talks with the Nigam were needed as it has not replied clearly regarding continued power import and the term of the agreement too was coming to an end.

NEA has given importance to the Delhi meeting citing that possibility of power cuts and load shedding would increase if power could not be imported from India.

Nepal plans to purchase around 370 megawatt power from India for this winter.

Source: My Republica; 27 Dec 2017

## **Kulman Ghising leaves for New Delhi to renew power procurement deal**

A high level delegation led by Nepal Electricity Authority (NEA) Managing Director Kulman Ghising has left for New Delhi to renew power procurement deal.

"Managing Director Ghising leading a high level delegation left for New Delhi this morning to renew power procurement deal which is expiring on December 31", informed NEA spokesperson Prabal Adhikari told Republica Online.

The high level delegation has left for New Delhi to renew power procurement deal of 145 megawatt which is being imported through Dhalkebar-Muzaffarpur cross-border transmission line.

Ghising will hold talks with the officials of Vidyut Vyapar Nigam of India's Noddal Agency before signing the contract on the power deal.

The electricity imported from Dhalkebar-Muzaffarpur cross-border transmission line costs Rs 5.76.

Nepal is planning to import Rs 370 megawatt electricity during this winter season.

Source: My Republica; 27 Dec 2017

## **Himalayan Hydro Expo from Jan 5**

Independent Power Producers' Association, and Nepal Expo and Event Management Service Pvt Ltd are jointly organizing 1st Himalayan Hydro Expo 2018 in Kathmandu on January 5 to 7, 2018.

All the power producers, producers of equipment and machinery, suppliers, designers, consultant, insurance companies, investors and banks and financial institutions will showcase their products and services at the exhibition, according to a statement issued by the organizers.

"The expo will have a total of 100 stalls and half of them will be booked by foreign companies," the statement added. CMC (Italy), VOITH (Germany) CRYSTAL (India), FLOVEL (India), VAPTECH (Bulgaria), MAVEL (Czech Republic), BFL (India), Powerchina (China) and CSEC (China) are some of the foreign companies participating in the expo, according to the organizers.

"The exhibition is aimed at bringing all the stakeholders of the hydropower sector under one roof and make a coordinated efforts for achieving the government's target of generating 17,000 MW of hydropower in seven years," the organizers added in the statement.

Source: The Kathmandu Post; 27 Dec 2017

## **Himalayan Hydro Expo set for Jan 5 kick-off**

The first edition of Himalayan Hydro Expo is scheduled to kick off on January 5 at the Bhrikutimandap Exhibition Hall in Kathmandu, with an objective of promoting hydropower development of the country. The three day event is being jointly organised by Independent Power Producers' Association Nepal (IPPAN) -- the umbrella body of private sector developers in association with Event Management Services Pvt Ltd (EMSPL) under the patronage of National Planning Commission, Energy Ministry and Ministry of Environment and Population.

During a press meet on Tuesday, Shailendra Guragain, president of IPPAN informed that various stakeholders involved in the hydropower sector of country like developers, investors, equipment manufacturers and suppliers, banks and construction companies will be showcasing around 200 stalls in the event. Hydropower developers, equipment manufacturers and suppliers and investors from China, Czech Republic, India, Korea, Nepal, Norway, Germany and Austria and other countries are participating in the event. The major attraction of the event will be the participation of multinational companies like CMC Italy, VOITH-Germany, CRYSTAL-India, FLOVEL-India, VAPTECH-Bulgaria, MAVEL-Czech Republic, BFL-India, Powerchina-China and CSEC-China among others.

According to the organisers, the event will be beneficial for the expansion of the hydropower sector in Nepal as a significant number of large multinationals companies will be participating.

The organisers have dedicated the first day of the event for technical sessions where different participants will give live demonstration on hydropower related technologies and showcase hydropower related products and services. Similarly, the second day of the event will prioritise business sessions with banks and insurance companies exhibiting their products related to hydropower. On the third day, the organisers will host seminars and workshops on key hydropower issues.

The event, according to the organisers is being held at a time when government is planning to develop projects with a total install capacity of 17000MW within seven years. "The event will be of tremendous help to explore latest technologies and arrange funds for the development of large hydropower projects," said Guragain. "The event will create linkage between developers and other key stakeholders like product and service providers, investors and lending agencies among others."

Similarly, the organisers will also be hosting a hydro expo competition among the hydro-related products and services developed by students and the best innovator will be awarded cash prize of Rs 55,555. The second and third best innovators will receive cash prize of Rs 22,222 and Rs 11,111.

Source: The Kathmandu Post; 27 Dec 2017

## **NEA CEO Ghising off to New Delhi to renew power pact**

A high-level team comprising Nepal Electricity Authority (NEA) Chief Executive Officer Kulman Ghising has left for New Delhi, India on Wednesday to renew the power purchase agreement with the southern neighbour. The term of the agreement ends on December 31. The agreement relates to the purchase of 145 Megawatts power that Nepal has been importing from India through the inter-country Dhalkebar-Muzaffarpur transmission line. Nepal is importing power from India at the rate of Indian Rs 3.60 (N Rs 5.76) per unit.

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The NEA said that further talks with the Nigam were needed as it has not replied clearly regarding continued power import and the term of the agreement too was coming to an end.

NEA has given importance to the Delhi meeting citing that possibility of power cuts would increase if power could not be imported from India. Nepal plans to purchase around 370 megawatts power from India for this winter. RSS

Source: The Himalayan Times; 27 Dec 2017

## **Power purchase agreement with NVVN renewed sans changes**

Nepal Electricity Authority (NEA) has renewed the power purchase agreement (PPA) with NTPC Vidyut Vyapar Nigam (NVVN) today without any changes till next joint steering committee (JSC) meeting, which is popularly known as the energy secretary-level talks, is held. NEA Managing Director Kul Man Ghising confirmed that the electricity supply through Dhalkebar-Muzzafarpur, which is the lifeline for NEA to manage the dry season load, will be regular this winter.

The agreement between NEA and NVVN signed last year to purchase 145 megawatts of electricity through Dhalkebar-Muzaffarpur cross-border transmission line is going to be phased out from December-end.

In the earlier agreement, NEA and NVVN had agreed to renew the PPA during the energy secretary-level talks. However, the energy secretary-level talks have been postponed for indefinite period as Nepal is in the process of getting a new government with the new electoral mandate.

The PPA rate with the NVVN had been set at INR 3.60 (Rs 5.75) per unit, which will be continued till the energysecretary-level talks take any decision. NEA has been importing round-the-clock electricity through Dhalkebar-Muzzafarpur cross-border transmission line. The rate offered by NVVN is cheaper compared to the electricity that NEA imports from the state-level power utilities.

The electricity provided by India is critical for NEA to manage load in the country as the generation from the snow-fed rivers plunges to one-third of the rated capacity during dry season. Currently, demand of the electricity during peak hours is around 1,250 megawatts. However, NEA has capacity to supply optimum 964 megawatts. To manage the mismatch between demand and supply, NEA has been cutting power for three hours a day in industrial zones to ensure smooth and reliable supply to its domestic clients.

Source: My Republica; 28 Dec 2017

## **Power Purchase Agreement renewed**

The Nepal Electricity Authority (NEA) and Vidhyut Vyapar Nigam (NVVN) Limited of India signed a renewal agreement of power purchase up to 29 March 2018.

NEA Executive Director Kulman Ghising and NVVN Chief Executive Officer AK Gorg signed the power purchase renewal agreement at Energy Ministry in New Delhi of India today.

A high-level team headed by NEA Executive Director Ghising had left for New Delhi for signing the agreement this morning.

Executive Director Ghising shared information that the power purchase renewal agreement has been signed for coming three months.

Also discussed in the meeting attended by Executive Director Ghising, representative of Indian Energy Ministry and NVVN were import of energy and construction of inter-country transmission lines.