Source: My Republica; 24 March 2018

Seminar on Hydropower held at Embassy of Nepal in Beijing

A seminar on Investment Opportunities in Hydropower Projects in Nepal was held at the Embassy of Nepal, Beijing on Friday.

The program brought together prospective Chinese investors as well as senior officials of three hydropower-related companies of
the Government of Nepal for interactions on facilitating Chinese investments in Nepal's hydropower sector.

More than eighty participants including representatives of the National Energy Administration of the People's Republic of China, and public and private sector companies, as well as government officials and media persons, participated in the event, according to the Press Release issued by the Embassy of Nepal in Beijing.

The Minister for Energy, Water Resources and Irrigation of the Government of Nepal, Barsha Man Pun sent a message of good wishes for the success of the Seminar.

In his message, the Minister said that there are ample opportunities for investment and cooperation in power sector development in Nepal, and invited Chinese investors in the development of the country's hydropower projects.

In his opening remarks, Nepali Ambassador to China Leela Mani Paudyal said that the year 2018 is a year of new beginnings in Nepal after the successful conclusion of three tiers of elections, paving the way for political stability and good governance, reads the statement.

Highlighting the Government's policy of attracting foreign investment, he called on Chinese companies and entrepreneurs to utilize the opportunity for investing in Nepal's hydropower sector by taking full advantage of its enormous possibilities and the government's favorable industrial and investment policies.

The seminar featured presentations on various aspects of hydro-electricity development in Nepal, and the areas for potential investments in the generation, transmission and distribution of electricity in the country. Dr. Surendra Kumar Upreti, Board Member of Electricity Generation Company Ltd, introduced the government's policies and legal instruments for the generation, transmission and distribution of electricity, as well as on the financing requirements and modalities of hydropower projects in the country.

In his presentation, Dr. Netra P Gyawali, Chief Executive Officer of National Transmission Grid Company Ltd., focused on the investment potentials in the transmission networks to evacuate the power generated from hydropower generation stations in various parts of the country, and described the Government's Transmission Master Plan with a target of building 1500 Transmission Lines and 20 substations by 2025.

Similarly, CEO of Hydroelectricity Investment and Development Company Ltd., Chhabi Raj Pokhrel, outlined the strategies for resource mobilization and the company's business models for the development of hydro-electricity projects in the country.

The Seminar had constructive discussions on streamlining legal, institutional and procedural mechanisms for further attracting foreign investments in Nepal's hydropower sector.

Earlier, Binod Prasad Acharya, Minister (Economic) made a brief presentation on the prospects for investment in Nepal and shed light on the industrial and investment policies of the Government of Nepal.

Sushil K Lamsal, Minister and Deputy Chief of Mission, in his closing remarks, summarized the seminar's deliberations and said that the discussions indicated that Chinese investors have a lucrative outlet for investment projects in Nepal's hydropower sector.

He also thanked the participants for their constructive suggestions and assured that a comprehensive follow up would be made based on their suggestions to further facilitate Chinese investments in Nepal.

Press Release on the Seminar on Hydropower at Embassy of Nepal, Beijing

March 23, 2018

Press Release

A Seminar on *Investment Opportunities in Hydropower Projects in Nepal* was held at the Embassy of Nepal, Beijing today. The program brought together prospective Chinese investors as well as senior officials of three hydropower-related companies of the Government of Nepal for interactions on facilitating Chinese investments in Nepal's hydropower sector. More than eighty participants including representatives of the National Energy Administration of the People's Republic of China, and public and private sector companies, as well as government officials and mediapersons took part in the event.

The Minister for Energy, Water Resources and Irrigation of the Government of Nepal (GoN), Hon. Barsha Man Pun 'Ananta' sent a message of good wishes for the success of the Seminar. In his message, the Minister said that there are ample opportunities for investment and cooperation in power sector development in Nepal, and invited Chinese investors in the development of the country's hydropower projects.

In his opening remarks, Nepal's Ambassador to China Leela Mani Paudyal said that the year 2018 is a year of new beginnings in Nepal after the successful conclusion of three tiers of elections, paving the way for political stability and good governance. Highlighting the Government's policy of attracting foreign investment, he called on Chinese companies and entrepreneurs to utilize the opportunity for investing in Nepal's hydropower sector by taking full advantage of its enormous possibilities and the government's favorable industrial and investment policies.

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Embassy of Nepal
Beijing
23 March 2018

Source: The Kathmandu Post; 25 March 2018

75 percent of Gongor-Khimti transmission line completed

Upper Tamakoshi Hydropower Company, a subsidiary of Nepal Electricity Authority (NEA) and developer of much-talked about Upper Tamakoshi Hydropower Project, has completed construction of over 75 percent of the 220kV Gongor-Khimti Transmission Line Project.

The 47km transmission line is crucial to evacuate hydroelectricity generated by 456MW Upper Tamakoshi Hydropower Project which is slated to come online by the end of December.

The company has installed electricity cables on 18km stretch of the transmission line project. Out of 127 power transmission towers that are needed, 109 have been erected. The company is installing 14 other towers and foundations of four towers are being laid.

"Foundations for four towers will be laid within one and a half months and the entire transmission line will be built well before monsoon," said Ganesh Raj Neupane, spokesperson of the company. If the company meets this deadline, construction of the transmission line will be completed before the hydropower project comes online.

The company has also started construction of a substation at Khimti where electricity produced by the project will be evacuated. "Our plan is to complete the construction of the substation by the end of December when the project is slated to come online," said Neupane.

Construction of the 456MW hydropower project is also moving ahead at a satisfactory pace with the company completing around 95 percent of construction work.

Currently, it is busy installing hydro- and electro-mechanical equipments at the power plant. However, due to the poor condition of road from Khadichaur to Charikot in Dolakha, the project office is facing difficulties transporting heavy electromechanical equipments that need to be installed at the site where the hydropower plant is being built.

The Upper Tamakoshi Hydropower Project has been identified as a strategic scheme as it is expected to end the country's power woes. After the Upper Tamakoshi roars into life, NEA will even be in a position to export electricity to neighbouring India. 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 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 pegged back the completion date. Before the earthquake hit the country, the project had completed 79 percent of 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.

Nevertheless, the project is considered to be a model project which is being developed with indigenous resources and significant participation of project-affected locals and the general public.

Source: The Kathmandu Post; 25 March 2018

‘Fickle policy holding back hydro sector’

Independent power producers have blamed inconsistent government policy for the country’s failure to tap its immense hydropower potential.

Speaking at an interaction programme organised by the Society of Economic Journalists (Sejon) on Friday, developers of privately owned hydropower projects said policy changes with every change in government had spread confusion among hydropower developers.

“If the incoming government gives continuity to the previous government’s policy instead of coming out with new rules, it will be better for the energy sector,” said Shailendra Guragain, president of the Independent Power Producers’ Association of Nepal. “The trend of making new and unrealistic declarations by the energy minister after assuming office will not help the sector.”

Guragain was referring to the announcement by newly appointed Energy Minister Barsha Man Pun that a new policy would be unveiled to increase domestic electricity demand to 10,000 MW in 10 years. “If the new administration sticks to the plans made by the previous government, the country will see significant progress in the area of hydropower development,” he said.

Before him, former energy minister Janardan Sharma in the Pushpa Kamal Dahal administration had declared that 17,000 MW of hydroelectricity would be produced within seven years. Similarly, the CPN-UML and the Maoist Centre in their joint election manifesto had proclaimed that they would produce 15,000 MW of hydropower in the next 10 years.

Energy Minister Pun defended his statement saying that it was intended to assure potential power developers about domestic electricity demand.

“Instead of making declarations to increase electricity generation, the government will focus on increasing domestic demand for electricity,” said Pun. “The government will ensure the development of an adequate distribution network including the construction of new transmission lines and substations and other infrastructure to ensure increased demand for electricity.”

Currently, peak hour power demand is less than 1,400 MW, and most of the energy is consumed by private households. “In order to achieve economic prosperity led by the development of hydropower, we have to increase domestic demand by getting the industrial sector to consume more electricity,” said Pun.

According to the Nepal Electricity Authority (NEA), industrial consumption accounts for only 8 percent of the total electricity supply in the country while energy consumption of private households stands at 80 percent.

The state-owned power utility has been repeatedly pointing out that domestic demand for electricity needs to be increased as Nepal will be in a state of energy surplus within a few years.

After the 456 MW Upper Tamakoshi Hydropower Project comes online this year, the country will have surplus energy at least during the wet season.

Source: The Rising Nepal; 25 March 2018

Arun III Hydropower Project staff drowns

Gaurav Meghi Gurung who was working as the Senior Manager with the Arun III Hydroelectricity Project in Sankhuwasabha has died due to drowning.

The 35-year-old Gurung who hailed from Kinnaur district, Himachal Pradesh, India drowned in the Sabhakhola river at Khandbari Municipality-9 while swimming with his friends, police said.

A police team and locals rescued Gurung after he drowned in the river and took him to the Manakamana Hospital at Tumlingtar. He breathed his last at the hospital, the District Police Office, Sankhuwasabha said.

Source: My Republica; 25 March 2018

No power cuts except in industrial corridor: NEA

Power outage does not exist in any part of the country except in industrial corridor, the Nepal Electricity Authority has said.

Stating that power cuts due to technical problems cannot be called as load shedding, the NEA has said that power supply has been deducted for three hours in industrial corridors but there has been regular supply to individual homes.

"Power supply sometimes faces problem due to the technical problem including in the transmission and distribution system, which used to take place in the past as well," NEA Executive Director Kulman Ghising said. The NEA is working to address them as well as soon as possible. RSS

Source: My Republica; 25 March 2018

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Source: My Republica; 26 March 2018

Energy Minister announces 24/7 energy supply to industries from May

Minister for Energy, Water Resources and Irrigation, Barsha Man Pun, has announced to provide round-the-clock supply of electricity to industries after mid-May.

"It will be a gift of the New Year 2075 BS for the industrial sector," Pun said after making observation visit of Load Dispatch Center of Nepal Electricity Authority on Sunday.

If implemented, the decision will allow industries to run round the clock, seven days a week.

Power generation by run-of-the-river projects increased after mid-May as melting of snow will increase water level in rivers. It will allow NEA to provide uninterrupted power supply to industries.

Speaking on the occasion, Minister Pun said economic prosperity was only possible if there is industrial growth.

Similarly, NEA Spokesperson Prabal Adhikari said that the power utility will spare no effort to provide uninterrupted power supply to industries. "After mid-May, power generation by run-of-the-river type projects start to increase due to improvement in water flow. Also, we will take needful initiative for increasing energy imports," he added.

Current energy demand by industrial sector is about 300 MW.

NEA, however, can provide uninterrupted power supply to industrial sector only during wet months for the time being. It will be able to provide uninterrupted power supply to industrial sector only after Upper Tamakoshi Hydropower starts full-fledged power generation.

The project is expected to start generation from June, 2019.

Source: The Kathmandu Post; 26 March 2018

Talks of loadshedding rumours baseless: NEA

Nepal Electricity Authority (NEA) refuted rumours that the state-owned electricity utility body is continuing loadshedding anywhere in the country. In a press statement released on Sunday, it also confirmed that loadshedding will not happen anytime soon in the Kathmandu valley and across the country.

Kulman Ghising, managing director of NEA, said that power supply has been maintained to all customers except for a few hours of loadshedding a day to industrial customers. He said, "Customers should not misconstrue power cut resulting from technical issues for several hours as a loadshedding."

NEA informed that electrical supply was encountering technical issues such as tripping of transmission line and distribution caused by winds and dry season.

Although instances of tripping were frequent in the past during the time of loadshedding, customers regarded such power outage as loadshedding and disregarded it. NEA informed that teams of employees are ready across the country to solve such technical issues around the clock.

"Technical issues such as land cables affected by expansion of road and pipes of drinking water and shifting of poles and transformers had led to power cut in nearby areas," said Ghising.

Minister of Energy, Water Resources and Irrigation Barsa Man Pun had directed NEA to make the power supply regular by solving technical issues quickly and efficiently.

Prabal Adhikari, spokesperson of NEA, said that it is giving high priority to change conductors to make power supply reliable and increase the capacity of feeders and transformers to according to power demand to avoid tripping.

"Power cut could have resulted while repairing sub-station that faced overloads. NEA is active towards reducing maintenance time as much as possible resume power supply," said Adhikari.

Source: The Kathmandu Post; 29 March 2018

Energy Ministry to lobby for power line project

BIBEK SUBEDI

The Energy Ministry plans to make one last attempt to convince India to develop the New Butwal-Gorakhpur cross-border transmission line under the government-to-government financing model during Prime Minister KP Sharma Oli's upcoming visit to India.

As per the financing model proposed by Nepal, the two governments will build the 400 kV power line in their respective territories. Around 20 km of the 135-km long transmission line falls in Nepali territory.

The Indian side, which has not put forward its desired modality, has rejected Nepal's proposal and repeatedly questioned the project's commercial viability, raising doubts over whether the transmission line will be built at all.

Although the Nepal-India energy secretary-level Joint Steering Committee (JSC) meeting is the mechanism to finalise the development modality of the power line project, the Energy Ministry has requested the Prime Minister's Office to include the stalled project on the agenda for bilateral talks during Prime Minister Oli's forthcoming visit to India.

The ministry is of the view that if Prime Minister Oli can convince his counterpart during his visit, it will be easier for Nepali officials to push the government-to-government financing modality during the JSC meeting slated to be held in the near future.

"Given the current situation where India is very keen to welcome PM Oli, he has the leverage to bring India on board to finance the power line as desired by us," said an informed source at the Energy Ministry.

India, on the other hand, prefers the financing model used during the construction of the Muzaffarpur-Dhalkebar cross-border transmission line.

Under this modality, Nepal will be required to pay rent until the project recovers the investment as per a predetermined return on investment, according to the Energy Ministry official. The disadvantage of this scheme for Nepal is that it has to pay a fee even if the cross-border power line is not used to import or export electricity.

The Energy Ministry has prioritised the construction of the New Butwal-Gorakhpur transmission line as it can efficiently distribute imported power to high energy consuming cities like Bhairahawa, Butwal, Pokhara and Narayangadh. The power line can also be used to evacuate surplus energy produced in the Budhi Gandaki, Marshyangdi and Trishuli corridors where most of of the country's hydropower projects are located. The ministry is anxious to execute the project as Nepal has already arranged the funds to build its portion of the transmission line. It is planning to build the transmission line with a grant provided by Millennium Challenge Corporation (MCC), an independent US government agency. An agreement to this effect has been signed, but the Nepal government must get the Indian government's consent over the financial terms for the construction, as per one of the preconditions set by MCC.

Source: The Kathmandu Post; 29 March 2018

Minister Pun moves to resolve differences with IBN

BIBEK SUBEDI

Energy Minister Barsha Man Pun will use his mediation skills to try to resolve a long-standing row between the Energy Ministry and Investment Board Nepal (IBN) over who has the right to implement hydropower projects of 500 MW or more.

Pun spoke with IBN CEO Maha Prasad Adhikari on Tuesday and assured him of providing ample hydropower projects to be executed with private investment.

During the meeting held at the ministry, the two agreed to resolve the dispute between the two government agencies and work together to tap the country's immense hydropower potential, according to a highly placed source at IBN.

"As per the accord, the Energy Ministry will identify 500 MW-plus projects that need private investment, and send their details to IBN which will execute them by mobilizing private funding," said the source.

Meanwhile, Energy Ministry sources said they were close to reaching an agreement. "Minister Pun and IBN CEO Adhikari have agreed to end the dispute. We will have a deal after the right to implement 500 MW-plus projects is clarified," said the ministry source. "Both parties have agreed to hold another round of talks. The Energy Minister is also planning to hold talks with Prime Minister KP Sharma Oli over the issue."

The row between IBN and the ministry flared up recently after the board asked for the original files of all 500 MW-plus hydropower projects currently being monitored by the ministry.

On March 15, IBN wrote to the Energy Ministry asking it to submit the files within 15 days after getting the go-ahead from the 29th meeting of the IBN board held under the leadership of Prime Minister Oli. The board also asked the ministry to send the reports of studies of 500 MW-plus projects being carried out by the ministry, Water and Energy Commission Secretariat (WECS), Department of Electricity Development, Nepal Electricity Authority and other state agencies.

IBN and the ministry have been at loggerheads with each other over the implementation of hydropower projects with an installed capacity of more than 500 MW for a long time. Disagreements between the two started after the ministry issued a survey licence for the 650 MW Tamakoshi 3 Hydropower Project to TBI Holding in October 2017 even as IBN was preparing to invite international bids to build the much-awaited project.

Irked by the decision, IBN wrote to the ministry asking it to send the documents of the 688 MW Betan Karnali and 617 MW Bheri-1 hydropower projects whose survey licences were issued by the ministry.

The Energy Ministry decided to consult the Law Ministry before reaching a decision and forwarded IBN's letter to it. The Law Ministry said that the Energy Ministry had the sole authority to issue survey licences for hydropower projects, and that issuing such licences would not impinge on IBN's jurisdiction nor violate the provisions of the Investment Board Act.

Source: The Kathmandu Post; 29 March 2018

Right of way disputes delay power line plans

Task force failed to come out with a modality to relinquish their property

Construction of key transmission projects of the NEA is in limbo

BIBEK SUBEDI

A task force formed by the Energy Ministry to identify a suitable modality to acquire right of way (ROW) from private landowners to construct transmission lines is yet complete its assignment even though more than a year has passed.

ROW refers to the right to pass over property on which electricity transmission towers are erected. Project developers generally purchase land where structures like transmission towers and substations are built. But the land above which the electricity cables pass is leased from private landowners by acquiring ROW. In return, compensation worth 10 percent of the land's value is paid to owners as per the existing provision.

However, a majority of landowners who are required to transfer their land titles for the development of such projects are not satisfied with the existing provision and have demanded a higher rate of compensation. While a majority of landowners have demanded compensation amounts of more than 50 percent of the market value of their land, some have even asked for 100 percent of the market value.

As landowners can't build any infrastructure on the land after providing ROW to the transmission line project, they are not eager to settle for a low rate of compensation. They cannot plant trees on such land, and banks do not accept the property as collateral for loans. This leads to a drop in value of the land on which the transmission line project acquires an easement.

Although Energy Ministry officials agree that the existing provision of providing compensation worth 10 percent of the land's value is

not fair, the taskforce has failed to come out with a modality under which landowners will agree to relinquish their property.

"We have realized that the existing provision regarding compensation is not enough, and we are trying to come up with a suitable modality soon," said Pravin Raj Aryal, joint secretary at the ministry and the head of the taskforce formed to recommend a modality. "We are also seeking help from various stakeholders including USAID, the US government's aid agency, to come up with a modality to acquire an easement over

private land and build the power lines."

Due to the absence of a modality, the construction of key transmission line projects of the Nepal Electricity Authority (NEA), the state-owned power utility, has lain in limbo.

The construction of transmission lines like the 132 kV Thankot-Chapagaun, 220 kV Bharatpur-Bardaghat, 132 kV Kabeli Corridor, 132 kV second circuit of Middle and Lower Marsyangdi and 400 kV Tamakoshi-Kathmandu has stalled as the state-owned power utility has failed to secure ROW from private landowners to erect towers and pull electric cables.

The NEA management has said time and again that difficulties in acquiring ROW has been one of the major problems they have been facing while expanding their transmission line network.

Source: My Republica; 29 March 2018

China to construct Trishuli-Galchhi hydro project

China will provide financial assistant to construct Trishuli-Galchhi hydropower project. The project will be constructed with the investment of Dongfang Electric Corporation of Sichuan Province.

The MoU was signed between promoting company Siddhakali Power Limited Company and Dongfang Electric International Corporation on Thursday in the capital.

The construction of 75- Mw project is scheduled to begin from July-August and is expected to complete within 42 months. The total budget of the project, which will be constructed at the border of Dhading and Nuwakot, is estimated to be Rs 15.50 billion of which the Chinese company will invest Rs 9.83 billion whereas the local partner company will bear the rest of the expenses.

According to the MoU, the Chinese company will hand over the project after 2 years of operation.

Source: The Himalayan Times; 29 March 2018

Energy democracy: Ensuring electricity to all

Zulker Naeen

Energy access is a recognised key struggle for justice in the world. The concept of 'energy democracy' hence can be the next tipping point to improve the quality of life for the world's most disadvantaged and poor.

Around one-third of the global population does not have access to electricity. Still, the United Nations Sustainable Development Goal 7 – a call for action to improve "access to affordable, reliable, sustainable and modern energy for all" – is an aspiration. If we focus on extending the electrical grid, as we have in the past, we are not on track to meet the goal. So, energy access is a recognised key struggle for justice in the world, driven by a number of immediate causes, most obviously the rising bills, falling incomes and poor housing. Highlighting these key factors, we are struggling with the energy security, which is a link between national security and the availability of natural resources for energy consumption. In this backdrop, the concept of "energy democracy" can be the next tipping point to improve the quality of life for the world's most disadvantaged and poor.

Over the last half decade the concept of energy democracy has gained traction as many organisations have been expressing concern about generation and equal distribution
of energy.

Energy democracy means that everybody is ensured access to sufficient energy. This concept aims to make community residents innovators, planners and decision-makers on how to create and use energy that is local and
renewable.

Energy production must thereby neither pollute the environment nor harm the people. Making energy solutions more democratic means locals can make places environmentally healthier and reduce mounting electricity costs so that families can take better care of their needs and help mitigate the effects of climate change. This means that fossil fuel resources must be left in the ground, which means production needs to be socialised and democratised; and we must rethink our overall attitude towards energy consumption.

Energy democracy in action has traditionally been located at the small-scale through the distributed-energy technologies and the community renewable energy co-operatives. However, more recent years have opened up new possibilities for energy democracy at both the rural and urban level.

For example, micro-grids can provide an electricity-deprived citizen with power – and the ability to create income. This pathway to power delivery is a disruptive force that will forever change the relationship between electricity user and producer.

These decentralised energy systems give households the ability to negotiate directly with energy entrepreneurs and access electricity on a pay-as-you-go basis.

For example in Bangladesh, the solar home system is praiseworthy, where over four million solar home systems have been distributed over the last five years. About 150 megawatts of electricity is now going to close to 20 million people now; however, the aim was to generate 220 megawatts of electricity by 2017 through the solar home system program.

The use of solar energy in irrigation is also remarkable in Bangladesh. Already, over 600 solar irrigation pumps have been installed in Bangladesh and it plans to set up more than 1,500 pumps within 2018.

The concept of energy democracy in many places is also closely associated with the expansion of local initiatives, such as small-scale cooperatives, that generate and distribute electricity based on renewable sources.

Individuals can invest in the co-operatives to fund new renewable energy production or consumers who buy power from the co-operatives.

Energy generated is usually sold back to the national grid, although the possibility for local energy markets is now opening up. In countries where community energy has flourished, this has largely been due to “feed in tariffs”: subsidies to offer co-operatives a generous rate for the energy they sell to the grid.

Energy co-operatives are rapidly multiplying across the globe, allowing millions of people to become active producers of the energy they use.

Co-operatives are still, in a sense, a form of private control; while they often decide to re-invest substantial proportions of their revenues in social and environmental causes and the local economy. However, co-operatives remain one important alternative to corporate control.

Consequently, we need to prioritise more decentralised energy systems like microgrids amid the energy co-operatives to provide different levels of service for our unique needs.

In fact, the concept of energy democracy considers energy as both fossil fuels and renewables is not simply a commodity to be bought and sold. It is part of the commons – a precious global resource that must be respected, conserved and equitably shared.

We are yet to change our perception about energy access embracing the low-cost clean-energy solutions. However, the promises of energy sector decentralisation as a democratic force should neither be underestimated nor ignored for long.

A democratic energy system directs benefits and control back to local communities. Energy democracy hence is a concept that aims not only to stem the tide of climate change but also fight energy poverty by ensuring electricity to all in a cleaner manner.

Naeen, a communication graduate from University of Liberal Arts Bangladesh, is a freelance journalist at Climate Tracker

Source: The Himalayan Times; 30 March 2018

NEA renews PPA with NVVN for 15 months

Nepal Electricity Authority (NEA) has renewed the power purchase agreement (PPA) with NTPC Vidyut Vyapar Nigam (NVVN) of India, which was going to be phased out from March 31, for next 15 months. The NEA had earlier renewed the PPA for three months in December-end. NEA Managing Director Kul Man Ghising and Chief Executive Officer of NVVN Arun Kumar Garg inked the pact in New Delhi on Wednesday, as per the NEA.

NEA has been importing 120 megawatts of power from the Muzaffarpur-Dhalkebar cross-border transmission line and the latest PPA will be valid till June 2019. This means Nepal will be importing power from India till the beginning of wet season of 2019 even though the Upper Tamakoshi hydropower project is expected to be completed by end of this year.

NVVN has raised the tariff of the electricity by five per cent in the renewed PPA, and the cost of per unit electricity will be INR 3.98 or Rs 6.36. NEA will be purchasing round-the-clock electricity from NVVN. The initial PPA rate with NVVN was INR 3.44, which was gradually adjusted as per the local tariff to INR 3.60 before the latest renewal.

PPA rate of the electricity is decided during the Nepal-India energy secretary-level talks. However, the meeting that was supposed to be held in November last year was pushed back due to the elections back then. The government of India has appointed NVVN as the nodal agency for the cross-border electricity trade.

NVVN has raised the tariff citing that the power generation cost has gone up following the Supreme Court's decision to ban cheaper electricity generated from petroleum coke and coal to curb adverse impact on the environment. The electricity exchange average 'market clearing price' of per unit electricity in India is INR 4.19.

NEA has also been importing electricity from Bihar at INR 5.5, from Uttar Pradesh at INR six and from Uttarakhand at INR 6.45 per unit based on the tariff fixed by power exchange committee.

Source: My Republica; 30 March 2018

India ups price of electricity exported to Nepal

The new price comes into effect from April 1

KATHMANDU, March 30: India has raised the price of electricity that it exports to Nepal.

As per the new power purchase agreement by Nepal Electricity Authority (NEA) and India's NTPC Vidyut Vyapar Nigam Ltd signed on Wednesday, electricity imported from India will become costlier by 60 paisa. India will now sell electricity to Nepal at IRs 3.6 (Rs 5.76) per unit, up from IRs 3.98 (Rs 6.36).

The new PPA will come into effect after the existing PPA signed by the NEA and NTPC Vidyut Vyapar Nigam Ltd in December last year expires on March 31 (Saturday). According to the new PPA, the price rate will increase by 5 percent again after six months.

NEA officials told Rpeublica that the new PPA has ensured smooth supply of 120 megawatt of electricity via Dhalkebar-Muzzafarpur cross-border transmission line for 15 months.

Nepali officials say that India raised the price of electricity exported to Nepal as the southern neighbor has also increased electricity tariff in its domestic market. “We had maintained our stance during the negotiation with Indian side to supply electricity at the existing price rate. However, we have to agree on the increased tariff as they argued that they cannot must increase price rate due to rise in electricity tariff in Indian market,” Prabal Adhikari, chief of the Power Trade Department of NEA, told Republica.

He said that the NTPC, the nodal agency of Indian government in the business of power trading, increased the price rate, citing the rise in the cost of production of electricity in the Indian market. He said that average clearing price of electricity exchange is IRs 4.19 (Rs 6.7) per unit in India.

India has agreed to sell electricity to Bangladesh at 7.7 cent per unit for 15 years.

NEA has been importing electricity from India on commercial basis as well as based on power exchange, and Mahakali agreement. NEA imports electricity from Dhalkebar-Muzzafarpur cross-border transmission line on commercial basis and on power exchange basis from other routes.

The power utility imports electricity from Bihar, Uttar Pradesh and Uttarakhand states of India based on the tariff set by the Power Exchange Committee where there is representation of India and Nepal. The tariffs of electricity imported via these Indian states are IRs 5.55 (Rs 8.88), IRs 6 (Rs 9.6) and IRs 6.45 (Rs 10.32) per unit, respectively. Compared to the tariff via these states, the price rate of electricity imported via Dhalkebar-Muzzafarpur cross-border transmission line is still on the lower side.

Nepal started import of electricity via Dhalkebar-Muzaffarpur transmission line from February last year following the inauguration of the cross-border transmission line jointly by Prime Minister KP Sharma Oli and his Indian counterpart Narendra Modi.

Authorities say the import from Dhalkebar-Muzaffarpur transmission line has played a major role in reducing load-shedding in the country.

Though energy import from India has enabled the NEA to eliminate power cut, critics say there is no reason to be happy as electricity import is rising with each passing year. The country has been footing the electricity bill worth billions of rupees annually to India.