

Source: The Himalayan Times; 23 April 2018

Mid-Bhotekoshi hydro asked to maintain deadline

A high-level team of the Ministry of Energy, Water Resources and Irrigation (MoEWRI) and Nepal Electricity Authority (NEA) has directed the Mid-Bhotekoshi hydropower project to complete the construction works within June next year. After the field visit of the 102-megawatt capacity project in Sindhupalchowk district, the high-level government officials directed the project to complete the construction works within the aforementioned deadline.

Minister of Energy, Water Resources and Irrigation Barshaman Pun, Secretary at MoEWRI Anup Kumar Upadhyay and Managing Director of NEA Kulman Ghising, held consultations with the project management team, consultant and the contractor of the project during the visit. They urged the concerned parties to finish all related works within the scheduled time.

“The government wants to complete this project on time and all the concerned authorities must work earnestly to do so,” Minister Pun said. He added that the project construction has been delayed for too long and concerned officials must now prioritise and focus on the deadline.

Similarly, Ghising said that the Mid-Bhotekoshi hydropower project is a priority of NEA. “The construction process of the project has not been satisfactory,” he stated. “All the related works should be completed in a parallel manner.”

It has been reported that Gwangxi Hydroelectric Construction Bureau of China, which is the contractor for the hydromechanical works of the project, has been delaying its works due to which also the project has been delayed.

The project had initially set a target to complete the construction process within 2017. However, only around 60 per cent of the total works has been completed till date. The construction works of the project were apparently affected by the landslide in Jure in 2014 and the earthquakes of 2015. The project had thus changed its target and set a new deadline to complete construction works within June 2019.

The project was initiated by Chilime Hydropower Company when Ghising was the managing director of the company. Along with Chilime, NEA, investment companies, depositors of Employees Provident Fund (EPF) and the general public of Sindhupalchowk district have made investments in the project.

Meanwhile, EPF has also provided a loan to the project. The project is estimated to cost Rs 12.28 billion when it is completed.

Source: The Kathmandu Post; 23 April 2018

NEA, Tanahu Hydro sign power purchase accord

The Nepal Electricity Authority (NEA) signed a draft power purchase agreement (PPA) with Tanahu Hydropower Limited on Friday to buy the electricity generated by the Tanahu Hydropower Project. The deal needs to be endorsed by the board of directors of the state-owned power utility. Pradip Kumar Thike, managing director of Tanahu Hydropower Limited, a wholly owned subsidiary of the NEA, said the accord would become a legally binding contract after it is approved by a meeting of the NEA board slated to be held soon.

The 140 MW Tanahu Hydropower Project is a storage type plant planned to be built on the Seti River in Tanahu district in central Nepal.

As per the power purchase guidelines issued by the Energy Ministry and approved by the NEA board, storage projects like Tanahu Hydropower will be paid Rs12.40 per unit during the dry season which lasts from December to May, and Rs7.10 per unit during the wet season which lasts from June to November. The guidelines also state that if the energy output during the dry season drops below 50 percent of the installed capacity, the payment rate during the wet season will be reduced by the percentage point of the decline.

For example, if electricity generation during the dry season falls to 36 percent of capacity, or a drop of 14 percentage points below the threshold, the NEA will pay 14 percent less for the power produced during the wet season. This means the purchase rate for the energy produced during the wet season will be Rs6.10, which is 14 percent less than the fixed rate of Rs7.10.

Tanahu Hydropower Limited has sealed a power purchase deal with the NEA, but the construction of the power station is in limbo due to delays in appointing contractors. The company has signed a memorandum of understanding with Sinohydro Corporation to implement the hydro and electromechanical works of the Tanahu Hydroelectric Project, but it is yet to sign the actual contract. Likewise, there has been no progress in appointing a contractor for the first package of the project which includes the preparation of a detailed design and the construction of the headworks. Tanahu Hydropower Limited has forwarded the proposals submitted by two companies to the Asian Development Bank (ADB), which is one of the financiers of the project, for its approval.

The ADB has not given its go-ahead. Tanahu Hydropower Limited had planned to appoint both contractors for the project by October 2017 and start construction by December 2017, but it did not happen due to delays in the procurement process.

The 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 a credit facility extended jointly by the ADB, the Japan International Cooperation Agency (Jica) and European Investment Bank (EIB).

Source: The Himalayan Times; 23 April 2018

Meeting of Pancheshwar governing body kicks off

The governing body of Pancheshwar Development Authority (PDA), the developer of 4,800-megawatt Nepal-India Pancheshwar Multipurpose Project (PMP), started its sixth meeting here today. The two-day governing body meeting, which is being led by the Joint Secretary at the Ministry of Energy, Water Resources and Irrigation Prabin Aryal and his Indian counterpart Akhil Kumar, is expected to iron out the contentious issues that have stalled the mega project since over two decades.

According to Mahendra Gurung, CEO of PMP, the meeting of the governing body would finalise the agenda of the PDA for the energy secretary-level discussion. "The meeting is aimed at coming up with policies and programmes to take the project forward."

Stating that various aspects of the project were discussed during the meeting today, Gurung said, "We are trying to come up with a feasible solution to detailed project report (DPR) issue of the PMP."

Nepal and India have been at odds regarding the DPR since long. The Indian side has been laying claim to the water in lower Sharada dam, while Nepal has been demanding that it should get 50 per cent of the water based on the principles of equal-sharing.

Prime Minister KP Sharma Oli's recent visit to India was expected to resolve the dispute. However, the issue was not discussed at that time.

The project is located at the Mahakali River, which is the border of Nepal and India in western side of Nepal. The talks of the project were initiated at least 23 years ago, but there has been lack of progress due to various issues.

This is the sixth meeting of the governing body and the fourth meeting of energy secretaries of the two countries. The last meeting of the PDA governing body was held on December 22, 2016. Gurung informed that Anup Kumar Upadhyay, secretary at Ministry of Energy, Water Resources and Irrigation, and Ajay Kumar Bhalla, secretary at the Ministry of Power, India, will lead the secretary-level meeting. Gurung said the joint committee meeting would also set the date for the next meeting.

Source: My Republica; 26 April 2018

Oli, Modi to lay foundation stone for 900-MW Arun III

Prime Minister K P Sharma Oli and his Indian counterpart Narendra Modi are scheduled to jointly lay the foundation stone of the Arun III hydropower project during the latter's two-day state visit to Nepal beginning May 11.

According to senior government officials involved in preparations for Prime Minister Modi's visit to Nepal, the two prime ministers will jointly inaugurate the 900 MW hydropower project, pressing a switch from Kathmandu. Investment Board Nepal and the Ministry of Energy are jointly making the preparations for this.

A plan to lay the foundation stone for the project worth Rs 104 billion during Prime Minister Oli's visit to India was cancelled at the eleventh hour after differences emerged within the CPN-UML over inaugurating a project on Nepali territory from India. As per the suggestions of UML leaders, Prime Minister Oli had asked to remove the function from his agenda and proposed instead to do the inauguration from Kathmandu during Modi's visit here.

A Project Development Agreement (PDA) for Arun III was signed with India's state-owned Satluj Jal Vidyut Nigam on November 25, 2014 in the presence of then Prime Minister Sushil Koirala and visiting Indian Prime Minister Modi.

The Arun III project was canceled in the 1990's over environmental objections, misgivings over already high power tariffs, questions of whether or not such a huge project was needed, and the negative impact of the approach road. The World Bank withdrew its financing from the project in 1995.

According to UML leader Rajan Bhattarai, Indian Prime Minister Modi is also scheduled to inaugurate the Nepal Police Academy to be built with Indian assistance at Panauti, Kavrepalanchowk. The construction of the Police Academy has remained stalled for years due to procedural delays, although the foundation laying ceremony was already held when Modi last visited Nepal during the premiership of the late Sushil Koirala.

During his visit to Nepal, Prime Minister Modi is scheduled to visit the two holy places of Janakpur and Muktinath. Modi's planned visit to the shrines was canceled at the eleventh hour, citing security reasons. Preparations are underway to take Prime Minister Modi to Muktinath and Janakpur via special army chopper.

In Janakpur-the birthplace of Goddess Sita, who was married to Lord Ram, Prime Minister Modi shall be accorded civic felicitations. Chief Minister of Province 2 Lalbabu Raut has said that they have already begun preparations for the civic felicitations for the visiting Indian prime minister, who is scheduled to offer prayers at the Janaki temple.

Speaking at an interaction organized by Reporters Club Nepal Wednesday, UML leader Bhattarai, who is also a member of the Eminent Persons Group (EPG) formed by Nepal and India to review a whole gamut of bilateral issues and recommend measures to improve relations, said the Modi visit shall be a state visit rather than a religious and cultural one. "This is the third time Modi is visiting Nepal as prime minister. I have confidence that the visit will help remove all sorts of mistrust and confusion that exist between Nepal and India," he said.

Source: My Republica; 27 April 2018

Nepal, India direct panel to settle contentious issues of Pancheshwar

The PDA meeting on Thursday decided to direct a sub-committee formed earlier to settle the contentious issues of water allocation and power purchase to finalize the DPR of the Pancheshwar Multipurpose Project.

Nepal and India have resumed fresh negotiations to give life to the long-stalled Pancheshwar Multipurpose Project in far-western Nepal.

The sixth meeting of the governing body of the Pancheshwar Development Authority (PDA) held in Kathmandu on Thursday reached an understanding to direct a sub-committee formed earlier to settle the contentious issues of water allocation and power purchase to finalize the Detailed Project Report (DPR) of the ambitious project. The project will generate 6,480 MW of electricity.

The project conceived under the Mahakali Treaty between Nepal and India in 1996 got a fillip during the visit of Indian Prime Minister Narendra Modi to Nepal in 2014, paving the way for the formation of PDA to finalize the project.

Indian delegation led by Water Resources Secretary UP Singh arrived in Kathmandu to hold the key meeting with Nepali side led by secretary at Ministry of Water Resources and Irrigation Dr Sanjay Sharma. “Apart from other issues, there has been an agreement to expedite finalization of the DPR of the Pancheshwar Project to ensure its early implementation,” said a senior Nepali official participating in the meeting that followed a meeting of experts from both the countries.

Apart from generating electricity, the project will provide irrigation to 0.24 million hectares of land in India and 0.13 million hectares in Nepal in addition to other incidental benefits including flood protection. The project will have two dams for India and Nepal working in tandem.

Nepal and India had signed in an agreement to this effect during the visit of then Prime Minister Sher Bahadur Deuba to India back in 1996. Although the two countries agreed to finalize the project DPR within six month and complete construction works within eight years, Nepal and India have failed to finalize the DPR till date due to dispute over sharing water and the benefits accrued from the project.

Although Rs 295 million budget was allocated to expedite the project works, only 20 percent of the budget was spent in the year 2017.

Indian Embassy in Kathmandu said the meeting between the Indian and Nepali delegations had productive discussions. “Productive discussions held at the Sixth Meeting of the Governing Body of Pancheshwar Development Authority,” wrote the embassy on its official twitter account. According to Joint Secretary at Ministry of Energy, Water Resources and Irrigation Dinesh Ghimire, the meeting held between Indian and Nepali delegations dwelled on the regulation of the staffers working with the PDA, finalization of budget for the year 2018, rehabilitation and resettlement of the people living in the catchment areas of the project.

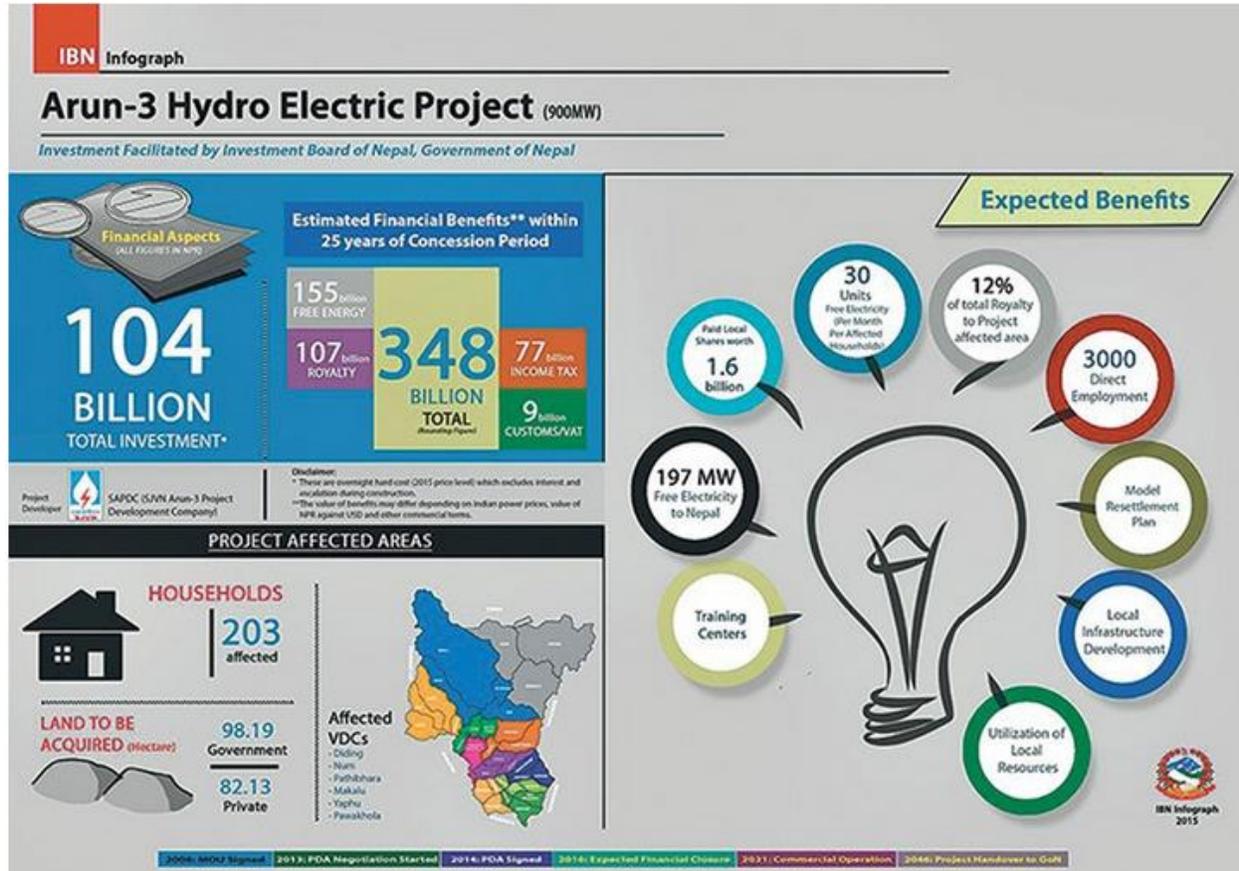
The project is likely to submerge 11,600 hectares of mountain area out of which 4,000 hectares fall in Nepal and the rest fall in three districts of the Indian state of Uttarakhand.

Source: The Kathmandu Post; 27 April 2018

SJVN to get Arun-3 generation licence

BIBEK SUBEDI

Investment Board Nepal (IBN) is ready to grant the generation licence for the Arun-3 Hydroelectric Project to Indian firm SJVN Arun-3 Power Development Company. The 900 MW run-of-the-river scheme is located in Sankhuwasabha district in north-eastern Nepal. IBN said SJVN would receive the permit well before Indian Prime Minister Narendra Modi's planned two-day visit to Nepal which starts May 11. Modi and Prime Minister KP Sharma Oli will jointly lay the foundation stone for the hydropower plant remotely.



"We have completed all the preparations to award the licence to the Indian developer," said Uttam Bhakta Wagle, joint secretary of IBN. "We will issue the licence soon."

The foundation stone laying ceremony had been originally planned to be held in April when Prime Minister Oli visited New Delhi.

The ceremony was put off after Nepal said that preparatory work remained to be done. According to multiple sources, Nepal asked for a postponement as the generation licence for the project had not been issued.

IBN's 29th board meeting held on March 9 decided to direct its CEO to issue the licence to the Indian developer. Subsequently, IBN published a 35-day public notice stating its intent to award the licence to the Indian firm. As there was no claim or concern against the development of the project during the 35-day period, IBN obtained the authority to issue the generation license.

SJVN applied for the generation licence for the project around one and a half months ago. It has hired a contractor to implement the first package of the civil works that includes construction of a dam, diversion tunnel, headrace tunnel and intake tunnels.

The contractor has already mobilised a team to the dam site. The project developer is in the process of hiring contractors to build a powerhouse and transmission lines, and to execute the electro- and hydro-mechanical works.

In November 2014, IBN signed an agreement with Indian government-owned SJVN for the development of the Arun-3 Hydroelectric Project. The plant is slated to come online by 2020 as per the accord. But the deadline is unlikely to be met as the financial closure deadline has been pushed back twice by one year and six months respectively. The project has completed major tasks like acquisition of private land and is in the process of acquiring public forest land.

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