

Source: The Kathmandu Post; 29 April 2018

## **SJVN awarded generation licence for hydro project**

*900mw arun 3 run-of-the-river scheme*

The 30th board meeting of the Investment Board Nepal (IBN) held on Saturday has decided to award generation license for the Arun-3 Hydroelectric Project to Indian firm, SJVN Arun-3 Power Development Company. The same meeting also extended the project's financial closure deadline by six months following expiry of the previous deadline in March. The 900 MW run-of-the-river scheme is located in Sankhuwasabha district in north-eastern Nepal.

The meeting held under Prime Minister KP Sharma Oli, who is also the IBN chairman, decided to award the license to the Indian company before Indian Prime Minister Narendra Modi's two-day visit to Nepal beginning May 11. Modi and Prime Minister Oli will jointly lay the foundation stone of the hydropower plant remotely.

The foundation stone laying ceremony was originally planned for April when Prime Minister Oli visited New Delhi. The ceremony was put off after Nepal said that preparatory work had not been completed. According to multiple sources, Nepal sought to defer the scheduled programme as the project's generation licence, which allows the company to produce energy, had not been issued.

The IBN's 29th board meeting held on March 9 had decided to direct its CEO to publish a 35-day public notice stating the intent to award the licence to the Indian firm. No claim was filed or concern was expressed against the development of the project during the 35-day period, which paved the way for the IBN to issue the generation license. SJVN had applied for the generation licence around one and a half months ago.

SJVN has so far hired a contractor to implement the first package of the civil work that includes construction of a dam, diversion tunnel, headrace tunnel and intake tunnels.

The contractor has also 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, the IBN signed an agreement with Indian government-owned SJVN for development of the Arun-3 Hydroelectric Project. The plant is slated to come online by 2020 as per the accord.

But the timeline 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 the IBN, Nepal will receive Rs348 billion over 25 years from the project.

The project developer will also provide 21.9 percent of the energy free of cost, which is worth Rs155 billion, plus another Rs107 billion in royalties.

Source: The Kathmandu Post; 30 April 2018

## **Energy, Water Resources and Irrigation Ministry's directive**

The Ministry of Energy, Water Resources and Irrigation has directed the concerned agencies and companies to submit within 15 days information on the progress of the under-construction hydropower projects being undertaken by the government and non-government sectors.

The Ministry issued this directive saying it was dissatisfied with the current level of progress of the under-construction hydropower projects.

Minister for Energy, Water Resources and Irrigation Barsha Man Pun has directed Nepal Electricity Authority, its subsidiary companies and the private sector hydropower developer companies to submit the details of the progress of works of the under-construction and about to construct hydropower projects within 15 days.

The NEA too has started for progress report from the private companies following the Ministry's direction. It issued a notice to this effect today.

Minister Pun has been insisting on monitoring the under-construction hydropower projects being constructed by the NEA and the private sector, reasoning that the delay in the construction of these projects was hampering the development of the energy and hydropower sector.

He said there should be the same level of progress in the construction of the hydropower projects to meet the targeted goal of hydropower production, adding that now the Ministry would stringently monitor and follow-up on the progress of hydropower projects.

The Minister has also directed the NEA to pay attention to sustainable hydropower development, electricity transmission and increasing its reach.

Source: The Himalayan Times; 28 April 2018

## **High-level meeting extends deadline to prepare DPR of Pancheshwar to Dec**

The secretary-level meeting between Nepal and India has extended the deadline to prepare the detailed project report (DPR) of Pancheshwar Multipurpose Project (PMP) to December. The DPR of the project is being prepared by Water and Power Consultancy Services (WAPCOS) Ltd, an undertaking of the Indian government that falls within the purview of Ministry of Water Resources, River Development and Ganga Rejuvenation (MoWRRDGR).

As per Dinesh Kumar Ghimire, joint secretary and spokesperson for Ministry of Energy, Water Resources and Irrigation (MoEWRI), both nations have agreed to resume fresh negotiations to give life to 4,800-megawatt Pancheshwar Multipurpose Project, which is located in the far-western region of Nepal.

The sixth meeting of the governing body of the Pancheshwar Development Authority (PDA) was held here on Thursday to provide momentum and finalise the DPR of the project as soon as possible. The last meeting of the PDA governing body was held in New Delhi on December 22, 2016.

Mahendra Gurung, CEO of PDA, informed that the Nepali delegation was led by Sanjay Sharma, secretary at MoEWRI and the Indian delegation was led by Upendra Prasad Singh, secretary at the MoWRRDGR. "We must finalise the DPR of Pancheshwar project within this year, and we are committed to meeting the set deadline," Gurung stated.

Meanwhile, the meeting also fixed a budget of Rs 360 million for this year. Although a budget of Rs 295 million was allocated to expedite the project works last year, only 20 per cent of the allotted fund was spent.

Likewise, the governing body also emphasised on preparing the policy documents, final bylaws, administration policy and human resources policy of the PDA as soon as possible.

The meeting also decided to extend the tenure of the 'team of experts' till September this year. The tenure of the team of experts had expired in September last year. Meanwhile, it was also decided that a meeting of the team of experts will be held in May this year.

The meeting also directed the sub-committee that had been authorised to settle the contentious issues regarding water allocation and power purchase to speed up their works so that the DPR of the project could be finalised within the deadline.

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

Apart from generating electricity, the project will provide irrigation facility 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 an agreement to this effect during the visit of then prime minister Sher Bahadur Deuba to India back on February 12, 1996. Although the two countries agreed to finalise the project DPR within six months and complete construction works within eight years, Nepal and India have failed to finalise DPR till date due to disputes over water-sharing and the benefits accrued from the project.

According to Gurung, the meeting also finalised regulations of the staffers working at the PDA. "My tenure will be over in June and the next meeting of the team of experts will select the new CEO of PDA, who will be from India as per the agreement," he stated.

Source: My Republica; 1 May 2018

## **Hydropower projects told to furnish progress report within 15 days**

Nepal Electricity Authority (NEA) has asked all hydropower companies to furnish an updated report of construction works in their project site within 15 days.

Publishing a notice on Monday, the NEA said it cannot make projection about power generation if it does not receive updated reports from hydropower projects under different phases of construction.

The energy utility issued the notice as per the direction of Minister for Energy, Water Resources and Irrigation, Barsha Man Pun. According to NEA officials, only a few power plants are regularly submitting their reports to NEA.

As delay in construction works may affect the target of electricity generation set by the government, Minister Pun has been urging officials for monitoring of all works in project site.

As per the power purchase agreement that developers sign with NEA, hydropower developers must furnish periodic progress report to NEA.

In a meeting with officials of the ministry and NEA, Pun emphasized on construction of transmission line to evacuate power as well as building access roads to facilitate developers to reach to the project sites.

Pun recently said that he will monitor projects under construction so that they do not face delays. "Any attempt to delay the project works will be severely dealt with," Pun said during a visit to under construction power plants in Rasuwa district last week.

Source: The Kathmandu Post; 1 May 2018

## **Panel to fix payment for leaving projects**

The Energy Ministry has formed a committee to decide how to compensate the promoters of the Kabeli-A and Lower Hewa hydro projects which will be inundated by another larger plant that the Nepal Electricity Authority (NEA) plans to build on the same river. The panel was established during a tripartite meeting held between the ministry, power utility and project developers a few weeks ago. It includes NEA officials and representatives from the two projects.

“We have held a few rounds of talks, and we will soon sign an understanding with the private developers,” said Kulman Ghising, managing director of the NEA. “We have also forwarded a draft of the memorandum of understanding (MoU) to both the companies. We will sign it as soon as the boards of directors of the two companies approve it.”

The state-owned power utility has been mulling to build the Tamor Hydropower Project with an increased installed capacity of 762 MW, a big jump from its original design of 200 MW.

The project is located in eastern Nepal. If built at the increased capacity, it will inundate the 37.5 MW Kabeli-A and 21.5 MW Lower Hewa projects currently being developed on the Tamor River, and the NEA will have to compensate their owners to abandon them.

The Department of Electricity Development has given the NEA the go-ahead to build the Tamor project with an installed capacity of 200 MW. Now, the NEA is seeking a survey license from the department at the increased capacity. The department has asked the NEA to first get the consent of the two projects that face being submerged.

As the NEA has already called global tenders to appoint a consultant to prepare a detailed project report (DPR) for the project at the installed capacity, it needs to convince the private developers soon. It has even secured funds from the Asian Development Bank (ADB) for the study. Ghising said the NEA would wrap up the deal with the developers within a month.

In 1985, the Japan International Cooperation Agency (Jica) had proposed building a 696 MW hydroelectric project on the Tamor River by building a 153-metre-high dam. However, the government did not show much interest in the proposal at that time.

The NEA management is now very keen on developing the project with the increased installed capacity. It believes that upgrading the Tamor project by paying compensation to the smaller schemes is a better option. If the plan materialises, the country’s energy production will see a massive jump, helping it to become self-sufficient in electricity generation and a net exporter.

Source: The Kathmandu Post; 2 May 2018

## **China proposes teaming up for power line DPR**

*BIBEK SUBEDI*

China has proposed to Nepal that the two countries should collaborate in preparing a detailed project report (DPR) for a planned cross-border transmission line.

State Grid Corporation of China (SGCC), the Chinese government appointed focal institution for the development of the power line, has asked the Nepal Electricity Authority (NEA) about working together to prepare the DPR. The state-owned power utility has requested the Chinese state-owned company to send a written proposal.

“SGCC officials said that they would send the written proposal via the Foreign Ministry within a week,” said Komal Atreya, chief of the monitoring department of the NEA who has been appointed as the focal person to coordinate with the Chinese side. “While the power utility will look after the technical aspects of the project, the Energy Ministry will decide the construction modality.”

As a major part of the planned cross-border transmission line falls within Chinese territory, Nepal has asked SGCC to take the lead while preparing the DPR.

“Only 80 km out of the estimated 800-km length of the transmission line that will extend from Galchhi, Nepal to Shigatse, China lies within Nepali territory,” said Atreya. “Therefore, it is logical that the Chinese side take the lead in developing the project.”

The Nepali portion of the power line will stretch from Galchhi in Dhading district to Rasuwagadhi on the border with China in the north, according to the NEA. The NEA has finalised the alignment of the power line.

According to the NEA, the Chinese side is very keen on executing the project and has prioritized it.

SGCC officials visited Nepal in early 2017 to hold talks with the Energy Ministry and the NEA to build a 400 kV power line linking Rasuwagadhi and Kerung across the northern border.

During the meeting, NEA Managing Director Kulman Ghising asked the Chinese delegation to extend the

proposed transmission line further south up to Galchhi so that it could be linked with the Nepal-India cross-border transmission line proposed to be built in Rupandehi district. SGCC officials were positive about Ghising’s proposal.

As the transmission line is necessary to supply electricity to the railway service which China plans to build up to Kathmandu, the northern neighbour is very eager to developing it.

China has already erected a high voltage transmission line up to Shigatse, and if the Nepal government shows adequate commitment, they have agreed to extend it to Kerung within one and a half years, and ultimately connect it with the power line in Nepal, according to the NEA.

Source: My Republica; 3 May 2018

## **Budhigandaki compensation: 7 affected individuals receive Rs 1.47 billion**

The compensation distribution to the locals of affected area under the Budhigandaki National Pride Project has been at a snail's pace. The project has deposited the compensation in respective bank accounts four months after the locals of affected area filed applications. "We have deposited Rs1.47 billion in the bank accounts of 702 affected families based on their land certificates," Krishna Karki, chief of Budhigandaki Hydro Project, told Republica Online.

The verification of 350 landowners' certificates in Fujel is underway. The project is also planning to provide compensation to the affected locals of Namjung VDC. The project will hand over the compensation for the house, sheds and plants and trees in the next stage.

There has been a hassle in the compensation distribution due to delay in work in the land revenue office of Dhading," said Karki. " We will finish distributing Rs 10 billion by the Nepali month Jestha.

The process has it that the compensation will be deposited in the affected family's account only after the verification of the land certificate. The affected families should first submit their land certificates at the land revenue office before being registered in the name of the project. Then the certificate should be sent to the project after through verification by the survey office. The staffers are taking a long time to carry out this work, thereby delaying the process.

Some staffers complain that the project itself is dillydallying to send the compensation.

According to project Chief Karki, the process is getting delayed since he has to coordinate with various parties including district administration, survey office, land revenue office and land owners.

The project has not finalized the compensation details in Arughat, Arkhet, Khahare of Dhading, yet.

Budhigandaki Project has halted the land-related transaction such as trading of land, transfer of rights and construction of structures in the project area to be affected by Budhigandaki hydropower project.