

Source: My Republic; 8 July 2018

Nepal not to accept proposed rates for electricity from India

Nepal has refused a proposal to increase price of electricity imported from India by 20 percent. India had tabled the proposal during a meeting of Nepal-India Power Exchange Committee (PEC) meeting held in New Delhi on Thursday and Friday. Officials of Nepal Electricity Authority (NEA) told Republica that the proposal tabled by India's North Bihar Power Distribution Company.

"We have informed officials of the Indian company that Nepal won't accept price hike proposal as the imported electricity is already expensive, Kulman Ghising, managing director of NEA, told Republica. Officials of North Bihar Power Distribution Company had argued in the meeting that price of electricity exported to Nepal is cheaper than the consumer price in India.

Nepal and India has fixed price of energy imported via 132 KVA and 33 KVA transmission lines at IRs 5.55 per unit (NRs 8.88) and IRs 6 per unit (NRs 9.6), respectively. The Nepali side wants to keep the tariff unchanged.

The fifth Joint Steering Committee meeting led by energy secretaries of Nepal and India also decided that Nepal will build Butwal Gorakhpur 400 KVA transmission line in Nepal's territory on its own, while the transmission line in Indian territory will be constructed in government to government model.

The transmission line, which is expected to be completed within four years, will be used to export Nepal's electricity to India.

Source: The Kathmandu Post; 10 July 2018

Cabinet okays electricity commission regulation

The commission will fix the electricity tariff after holding a public hearing

The Cabinet on Sunday approved the draft Electricity Regulatory Commission Regulation prepared by the Ministry of Energy Water Resources and Irrigation (MoEWRI). The go-ahead has paved the way for the establishment of the Nepal Electricity Regulatory Commission (NERC). The regulation is required for the operation of the powerful body which will manage the country's energy sector. The MoEWRI sent the draft regulation to the Cabinet more than a month ago. It plans to initiate the process of establishing the commission as soon as it gets the official letter. According to MoEWRI spokesperson Dinesh Kumar Ghimire, they are yet to receive an official letter from the Cabinet regarding the approval. "As soon as we receive the official letter, we will start the process of setting up the NERC," said Ghimire.

The first item on the agenda for the MoEWRI is to appoint a chairman by calling for applications from interested candidates. The applicants have to submit a proposal to a committee led by the energy secretary.

According to the ministry, the committee will recommend a candidate for the chairman's post after reviewing the proposals.

The ministry will appoint other members of the commission after they are approved by the Cabinet before hiring other staff. The appointment of the office bearers of the NERC, according to the ministry, will not take more than a month after the Cabinet approves the regulation.

The NERC will supersede the existing Electricity Tariff Fixation Commission and set the charges that customers will have to pay to the Nepal Electricity Authority (NEA), the state-owned power utility. The commission will fix the electricity tariff after holding a public hearing. The commission, according to the regulation, will also establish a code that various entities under its jurisdiction will have to follow.

The code will specify standards for the construction of hydropower plants, transmission lines and distribution networks. It will also determine the voltage that will be supplied to customers by the utility.

The commission will even have the authority to determine the power purchase rate for the state-owned power utility. Currently, the NEA is the sole buyer of electricity in Nepal, and it has been fixing the rate it pays to hydropower projects.

Although the plan to form the NERC was floated a decade ago, Parliament only endorsed the Electricity Regulatory Commission Act in August 2017, opening the way for its establishment. President Bidya Devi Bhandari signed the bill into law 91 days later.

However, the process of establishing the commission was held up again with the Law Ministry taking almost four months to give its approval to the draft regulation.

Source: The Kathmandu Post; 11 July 2018

NEA signs PPA with Ilep Khola hydel project

Nepal Electricity Authority (NEA), the state-owned power utility has signed a power purchase agreement (PPA) with Ilep Khola Hydroelectric Project to purchase 23.6 MW of electricity generated by the project. As per the PPA, the hydroelectric project located in the Ruby Valley of Dhading district has to complete the financial closure within a year and start commercial generation by December 2024.

According to the power purchase guidelines, the project will get Rs8.40 for a unit of electricity during the dry season lasting from December to May and Rs4.80 for a unit of electricity during the wet season lasting from June to November. Jagadishwor Man Singh, deputy managing director at the NEA and Tilak Lama, chairman of the project signed the PPA on behalf of their respective organisations.

Source: The Kathmandu Post; 11 July 2018

Water logistics: Sinohydro concerned by proposed hydro project

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Sinohydro Sagarmatha, the developer of the 50 MW Upper Marshyangdi-A Hydropower Project, has sought assurances from the government that its project will not be affected by another plant planned to be developed upstream.

The Chinese joint venture company wrote to the Department of Electricity Development (DoED) claiming that the 600 MW Upper Marshyangdi-2 Hydroelectric Project will have a negative impact on its electricity generation, and has asked for assurances from the department that it will not happen. The letter claimed that the peaking run-of-the-river scheme like the Upper Marshyangdi would change the hydrology of the river, affecting the operation of run-of-the-river type projects downstream. "Considering the fact that the Upper Marshyangdi-2 Hydroelectric Project (600 MW) being proposed as a peaking scheme, which will definitely change the hydrology of the Marshyangdi River and thus hamper the operation of downstream projects, especially designed as a run-of-the-river type," Sinohydro said in the letter, a copy of which was obtained by the Post.

Sinohydro has asked the department to take necessary action to ensure the smooth operation of the existing project located downstream of the proposed Upper Marshyangdi-2. "We would like to be assured from your good office that when the Upper Marshyangdi-2 is under construction and in operation, it will not affect the revenue generation of our project," Sinohydro said.

The DoED confirmed that it received Sinohydro's letter around 10 days ago. It said that the letter would be forwarded to Investment Board Nepal (IBN) with another letter asking the board for its opinion. Director General Nabin Raj Singh said the department was started talks with IBN, which is facilitating the development of the Upper Marshyangdi-2 Hydroelectric Project, on the issue a couple of days ago.

"As IBN is looking after Upper Marshyangdi-2, we have asked it to address the concern of Sinohydro. We are yet to hear from them," said Singh. He also said that it was too early to decide whether projects downstream would be affected.

"As Upper Marshyangdi-2 is yet to get a generation licence, it is too early to say that projects operating downstream will be affected," said Singh. "Nevertheless, we have recorded the concern of the developer, and it will be addressed while issuing the generation licence for the project to be developed upstream on the Marshyangdi River."

In 2008, Himtal Hydropower Company received the survey licence for the project, and it has done a detailed project report (DPR) and environmental impact assessment (EIA). However, the company is yet to sign a project development agreement with IBN.

Located in Lamjung and Manang districts in western Nepal, the Upper Marshyangdi-2 scheme is an export oriented run-of-the-river project with a peaking capacity of 3.1 hours at the minimum. As per the DPR of the project, the hydropower plant will have four generating units of 150 MW each giving a total installed capacity of 600 MW. The design energy per year is 2,282 gigawatt hours, and the construction is expected to take seven years.

Source: The Kathmandu Post; 12 July 2018

Nalsing Gadh hydro project likely to secure int'l financing

Nalgad Hydropower Company, the subsidiary of state-owned Vidhyut Utpadan Company and the developer of much talked about Nalsing Gadh Hydropower Project is likely to secure international financing for the development of the 410MW reservoir type project.

The company management is in talks with Japan International Corporation Agency (Jica) which has shown interest in financing the storage project in mid-western Nepal.

The Japanese state-owned agency has proposed to provide loan assistance of \$500 million for the construction of the project although official decision has not been made on that regard, according to the company.

As per the discussion between Jica and the company, the financial assistance will be a soft loan with interest rate of 0.1 percent.

It has also proposed to arrange additional funds required for the project development via commercial financing. "As per Jica's proposal, some of the infrastructure of the project like access road, transmission line and dam will be built using the soft loan while hydro and electromechanical works will be executed with the commercial loan," said Narendra Singh Bhandari, CEO of the company who claimed that further details about the financing of the project will be made public only after an official agreement with Jica.

Currently, the detailed project report (DPR) of the storage is being prepared by SMEC MWH Uday, the consultant appointed by the company.

It is scheduled to submit the DPR by May 2019. But, the consultant has promised to provide updated feasibility report of the project by the end of August, according to Bhandari. The company is planning to start construction as soon as it gets the updated feasibility report of the project.

The 410 MW project in Jajarkot district had been identified as one of the potential storage-type hydropower projects by the Identification and Feasibility Study of Storage Projects conducted in 1999-2001. But the project was delayed after the government decided to scrap Nalsing Gadh Development Committee and build the project under company model in April. The likelihood of the project commencing— which had been been stuck in limbo after being mired in delays — is high, with Jica showing interest in financing the project. Nalsing Gadh is important as it can produce electricity round the year. Other attractive factors for the project include the low number of households needing to be displaced, stable river flow, less land acquisition and deforestation. Tasks like construction of vital infra around the reservoir and embankment have already been concluded. The Rs100-billion project will displace 588 households and acquire 300 hectares of cultivable land and 300 hectares of forest area.

Source: The Rising Nepal/ My Republic; 13 July 2018

Power generations from Trishuli, Devighat stations stopped

A technical team comprising over 15 people from the Nepal Electricity Authority (NEA) has been working to repair damages caused by a fire to two hydropower stations based in Nuwakot district.

The Trishuli Hydropower Station and Devighat Hydropower Station suffered infrastructure damages by a fire last Tuesday. The team needs one week more to complete the restoration of damaged infrastructure.

Power generations from the 21-megawatt Trishuli Station and 14-megawatt Devighat Station have been stopped since the incident. According to Trishuli Station's Chief Taradutta Bhata, both stations have now remained shut.

The details of the losses are being collected. Firefighters were also used to put out the fire as fire extinguishers available at the time were not enough to take the situation under control and the use of water in dousing the fire may have caused additional physical losses. The preliminary investigations have put the loss at Rs 10 million.

Source: The Kathmandu Post; 13 July 2018

Power output soars due to rain-swollen rivers

Incessant rain in the last few days has raised the water levels in the rivers, allowing domestic hydropower plants to boost production and help the Nepal Electricity Authority (NEA) slash power imports from India. The state-owned power utility, which was importing just over 406 MW of electricity from India during peak hours until a month ago, has slashed imports by around 9 percent. Currently, imports have come down to 374 MW during peak hours while imports stand at 300 MW on average. The NEA said it would keep on decreasing electricity imports from India as power generation by domestic hydropower plants is expected to rise further in the near future as the major rivers on which they are located start to swell. A majority of the hydroelectric plants in the country are of the run-of-the-river type, and power generation goes up when there is more water in the rivers.

The continuous rainfall has raised the water levels in the rivers, increasing electricity generation by around 7 percent compared to a month ago. Currently, domestic plants are generating 797 MW of electricity, up 52 MW from a month ago, according to NEA statistics.

Domestic hydropower stations were producing 745 MW as of mid-June.

While NEA-owned hydroelectric projects are generating up to 410 MW, almost equal to what they were generating a month ago, private developers have boosted output by 48 MW to 387 MW. In mid-June, power plants owned by private developers were producing only 339 MW of electricity.

The NEA said power generation would increase with the monsoon peaking. The total installed capacity of domestic power projects stands at 1,018 MW with NEA-owned projects producing 507 MW and privately-owned plants churning out 511 MW.

All the hydroelectric projects in the country except Kulekhani 1 and 2 are run-of-the-river types, and their generation increases with a rise in the water level in the rivers. Similarly, output drops with a fall in the water level in the rivers where the hydropower plants are located.

After energy generation plunged almost 60 percent due to a fall in the water levels in most rivers, the NEA had to rely heavily on electricity imported from India to save the country from power cuts. The power utility imports electricity from India over more than a dozen cross-border transmission lines.

State of electricity generation

	Mid-June 2018	July 11, 2018
Electricity from NEA projects	406 MW	410 MW
Electricity from private projects	339 MW	387 MW
Imports from India	406 MW	374 MW
Total peak demand	1162 MW	1168 MW

Source: Nepal Electricity Authority