

Source: The Rising Nepal; 24 November, 2018

Mewakhola hydel power to be developed

A 49-megawatt hydro power project based in Mewakhola (stream) of Mikwakhola rural municipality, Taplejung is to be constructed. The Mewa Developers' Private Ltd has started basic-level works of the project.

The company plans to complete the mid-Mewakhola project within next five years. The estimated cost of the project is around nine billion. Detailed project report for the same is being prepared.

Works to widen the road are being carried out for the convenience of implementation of the project.

Purchasing of land and PPA have just completed, company's engineer Bhanu Pokhrel said.

The construction works in a full-fledged pace will start within a year.

Source: The Rising Nepal; 25 November, 2018

Lower Modikhola Hydropower to produce electricity by mid Jan

The Lower Modikhola Hydropower with the capacity of 20 MW is to come into operation from coming mid January.

Most of the construction works have been completed for the hydropower located at Kushma municipality-8 in Parbat.

Although it was said to be completed before last July, obstruction of the locals and natural disasters impeded the progress.

Public relation officer of the project, Surendra Belbase, said, "Finishing touch is being given to the power house, tunnel and head box." The natural disasters as landslides and land sinking around the hydropower during rainy season slowed the construction speed, he added.

"Even the election hindered the construction pace," said project chief Pavan Kumar Yadav, adding that the electricity would be connected to the national grid by coming mid January.

The project was initiated six year back. Although estimated for five years for the completion, it is getting delayed by two years. The earthquake was major hindrance in the initial years of the project, added Yadav.

The initial estimated cost of the project was Rs 3.60 billion. It is however increased as the completion missed the deadline. (RSS)

Source: My Republica; 25 November, 2018

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Source: The Kathmandu Post; 26 November, 2018

Kulekhani III to begin trial production in January

[PRATAP BISTA](#)

The Kulekhani III Hydropower Project is finally set to begin trial production in mid-January, more than 10 years after construction began. Subash Kumar Mishra, chief of the 14 MW project, said the plant would be completed in 50 days as more than 90 percent of the tasks had been completed as of Sunday.

“Work has been moving at a fast pace, and we expect to begin trial production by mid-January,” he said. According to Mishra, more than half a dozen technicians and 80 workers have been mobilized daily to complete the work on the stipulated date.

Trial production had been originally slated for mid-August, but the completion date had to be pushed back due to the slow progress of the Chinese contractor, Jheijian Jialin Company. The project’s completion deadline has been extended five times since construction began in April 2008. It was originally scheduled to be finished by 2012. Work started gathering pace after former prime minister Pushpa Kamal Dahal directed project officials to expedite the construction last December.

According to Mishra, 99 percent of the electromechanical works have been completed. Similarly, construction of a track and other related infrastructure to access the powerhouse has already been completed. The construction of a 129-metre bridge over the Rapti River, one of the key components of the project, was completed nine years ago.

The project will produce electricity by utilising the tailrace water from the Kulekhani II Hydropower Project and water from local rivers. The water will be channelled through a 4-km-long tunnel to the powerhouse to turn the turbines. According to the Nepal Electricity Authority, the electricity generated by the project will be fed into the national grid by extending a half-kilometre-long transmission line from the powerhouse.

The Kulekhani III Hydropower Project is being constructed with domestic investment. The project has encountered cost overruns due to delays, and the developer has spent double the amount of money originally estimated. The initial estimated cost of the project was Rs2.43 billion. It has now ballooned to Rs5 billion. In May 2014, the National Planning Commission declared Kulekhani III a troubled project. Initially, the project had estimated that the construction cost per megawatt of power would reach Rs173.6 million.

As per the revised estimate, it is expected to reach Rs310 million per megawatt.

Source: The Kathmandu Post; 27 November, 2018

Ministry of Energy, NEA clash over power purchase modality

BIBEK SUBEDI

The Ministry of Energy and the Nepal Electricity Authority are clashing over the modality of power purchase agreements (PPAs) for run-of-the-river type hydropower projects.

The ministry recently asked the state-owned power utility to convert all the PPAs it has signed with hydropower projects under the 'take and pay' modality to 'take or pay'. It has also told the NEA to sign PPAs under the 'take or pay' modality until their combined installed capacity reaches 5,250 MW.

The 'take and pay' model allows the NEA to buy energy from hydro projects as needed and pay accordingly. Under the 'take or pay' system, the NEA has to buy the contracted amount of electricity or pay a fine if it fails to do so, exposing the power utility to financial risk if it cannot evacuate and sell the energy produced. The NEA has so far signed PPAs for around 4,600 MW with various run-of-the-river type hydropower projects owned by its subsidiaries and independent power producers. Among them, the PPAs for a combined installed capacity of 1,247 MW are in the 'take and pay' format. The ministry has instructed the NEA to convert them to 'take or pay' and sign similar type of agreements for another 650 MW.

The power utility is reluctant to comply with the ministry's order as it would expose it to financial risk due to the absence of proper transmission lines to evacuate and distribute the electricity generated from these power projects.

"The 'take or pay' PPAs for 1,247 MW of electricity means an additional liability of Rs46.55 billion for us. Similarly, we will be exposed to an extra liability of Rs24.26 billion if we sign 'take or pay' PPAs for another 650 MW of electricity," said a senior NEA official.

"Considering our existing transmission and distribution lines, it is impossible to evacuate and distribute the electricity generated from these power plants. Hence, we will be exposed to an unbearable financial loss." According to the power utility, it will be able to comply with the ministry's decision only if the government comes forward with a guarantee to pay the power producers in case the NEA fails to do so. The Energy Ministry maintains that the NEA must sign PPAs with run-of-the-river type projects under the 'take or pay' modality until their combined installed capacity reaches 5,250 MW.

"As per the white paper issued by the ministry in May, our plan is to generate 15,000 MW of electricity in 10 years, and up to 35 percent of the total installed capacity will come from run-of-the-river type hydropower projects," said Dinesh Kumar Ghimire, spokesperson for the Energy Ministry.

"If the NEA signs 'take or pay' PPAs for up to that limit, the government will cover its losses arising from such agreements."

Senior NEA officials have approached the Finance Ministry for assurance as that's where the money will come from. "We are holding talks with the Finance Ministry," said the NEA official. "If the Finance Ministry pledges to cover our losses, we have no problem complying with the decision."

Source: The Rising Nepal; 28 November, 2018

Ghalemdi Hydropower Project in final stage

The construction works of Ghalemdikhola Hydropower Project have progressed around 90 per cent of the total physical infrastructure. The project of 5.5 megawatt capacity is likely to come into operation within four months, the officials said.

Secretary of Ghalemdi Hydro Limited Bimal Rijal said that development of intake, tunnel, penstock, pipe installation and powerhouse has reached in the final stage adding that test transmission would be done most probably by April 2019.

The project was initiated some four years ago from the industrialists and business leaders of Myagdi district but the project was delayed due to Gorkha Earthquake, India's economic blockade on Nepal, geographical remoteness and Baisari landslides in the Kaligandaki River.

Total cost of the project is estimated around Rs 1.15 billion.

Likewise, the company is preparing to issue initial public offering (IPO) of 1.55 million units of share.
(RSS)

Source: My Republica; 28 November, 2018

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Source: The Kathmandu Post; 30 November, 2018

Nepal, Bangladesh to talk power trade, investment

BIBEK SUBEDI

Officials of the energy ministries of Nepal and Bangladesh will explore the possibility of energy trade and Bangladeshi investment in Nepal's hydropower sector during their first meeting scheduled for next week.

Meetings of the Joint Steering Committee, co-led by the energy secretaries of Nepal and Bangladesh, and the Joint Working Group, co-led by the joint secretaries, will be held in Kathmandu from December 3-4. According to the Energy Ministry, the major items on the agenda are exporting electricity to Bangladesh using Indian power lines, and attracting Bangladeshi investment in Nepal's hydropower sector.

Nepal is expected to produce surplus electricity in a few years, and ministry officials and the Nepal Electricity Authority (NEA) are scouting for markets for the extra energy in Bangladesh. "We will try to figure out ways to export surplus electricity from Nepal using Indian transmission lines," said Gokarna Panta, under-secretary at the ministry. The NEA plans to export electricity generated by several hydropower projects in the eastern region to Bangladesh using India's transmission infrastructure.

The state-owned power utility is expected to sign separate memorandums of understanding with Indian and Bangladeshi authorities to make this happen.

Energy-hungry Bangladesh promises to be a lucrative market for hydroelectricity produced in Nepal.

It plans to import electricity from neighbouring countries to sustain the high economic growth rate that it has been achieving for the last few years.

The seasonal complementarities of demand and supply of electricity that exist in Nepal and Bangladesh will make electricity export highly viable, according to the NEA.

Bangladesh requires massive amounts of electricity in the summer when power generation reaches its peak in Nepal.

Demand plunges in the winter coinciding with a sharp drop in production in Nepal when the water discharge is low in the snow-fed rivers where a majority of the power plants are located. This pattern makes the two countries perfect partners for power trade, officials said.

The Nepal-Bangladesh meeting will also discuss the possibility of developing two hydropower projects with a total installed capacity of 1,600 MW with Bangladeshi investment. "Bangladesh was interested in financing the 1,110 MW Sunkoshi II and 536 MW Sunkoshi III located on the Sunkoshi River in central Nepal," said Pant.

Nepali officials participating in the meeting will also take stock of the progress made by Bangladesh in its plan to import electricity generated by the 900 MW Upper Karnali Hydropower Project being developed with Indian funding.

"We are open to any proposal our Bangladeshi counterparts may present at the meeting," said Panta.