

Source: The Kathmandu Post; 26 Jan 2019

Transmission line talks stall over operational modality

BIBEK SUBEDI

A Nepal-India energy secretary-level meeting concluded in Pokhara on Thursday without reaching an agreement on the construction and operational modality of the New Butwal Gorakhpur Cross-Border Transmission Line Project.

During the conference that was held on Wednesday and Thursday, the Nepali delegation led by Energy Secretary Dinesh Kumar Ghimire had proposed to build the power line by forming a joint venture company.

According to Kulman Ghising, managing director of the Nepal Electricity Authority who was present at the meeting, the Nepali side proposed to establish the joint venture company with each country having a 50 percent stake in it. As per Nepal's proposal, the joint venture company will develop and operate the power line project which will generate revenue by imposing a wheeling charge on the electricity flowing through it.

"The Indian delegation didn't agree with our proposal although they were positive about developing the power line," said Ghising. The meeting directed the state-owned power utility Nepal Electricity Authority and the Central Electricity Authority of India to get together and come up with a modality agreeable to both parties within three months.

The two countries agreed that Nepal would build its portion of the 400 kV cross-border power line with its own resources, but they are yet to finalise the modality for the construction of the line falling within Indian territory.

The Energy Ministry is anxious to execute the project as Nepal has already arranged financing to build its portion of the transmission line. It is planning to implement the project with a grant provided by Millennium Challenge Corporation, 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 and operational modality for the agreement to become effective, as per the preconditions set by the corporation.

The bilateral meeting agreed to set up an energy banking mechanism between the two countries.

Energy banking involves exchanging electricity for electricity instead of cash. Under this mechanism, one country exports electricity to the other when it has a surplus, and imports back the same amount of energy when it has a deficit. Ghising told the Post that India agreed to finalise the rules to regulate such exchange of electricity between the two countries soon so that mechanism would come into operation. An energy banking mechanism is appropriate for a country like Nepal where power generation reaches full capacity during the monsoon and drops sharply during the dry season. Run-of-the-river hydropower projects in Nepal churn out a large amount of electricity during the rainy season when the water level in the rivers rises. Electricity output plunges more than 50 percent during the dry season when the rivers shrink.

As per the arrangement, Nepal can export surplus electricity during the wet season and import back the same volume of power during the dry season when there is a shortage of energy. The pattern of electricity generation in Nepal complements the demand and supply of electricity in India, making energy banking an ideal way to manage the fluctuation of electricity generation in the country, according to Ghising. When there is surplus electricity in Nepal during the monsoon, demand soars in the Indian states of Uttar Pradesh, Haryana and Punjab due to increased use by the farm sector.

Source: The Kathmandu Post; 27 Jan 2019

Power generation by domestic hydropower plants down 24pc

Country is importing 565MW from India to meet shortfall

BIBEK SUBEDI

Electricity generation by domestic hydropower projects has gone down significantly over the last month due to a sharp drop in water level in the river basins where the majority of the projects are located.

Power generation by domestic hydropower projects decreased by almost 24 percent in the last one and half months.

Although the total installed capacity of hydropower plants that are operating in the country stands at 1027MW, their electricity generation goes down significantly during winter when the water level in the major river basins across Nepal drops drastically.

On December 10, power plants in the country were generating 688MW of electricity during the peak hour when the demand of energy is highest in the country.

A month and half later on January 25, the electricity generation in the country during the same peak period stood at 525MW, a steep fall by 23.69 percent.

Currently, projects owned by Nepal Electricity Authority (NEA) are generating 331MW of electricity despite a total installed capacity of 507MW.

Similarly, privately owned hydropower plants are generating 194MW of electricity despite a total installed capacity of 520MW, according to the NEA.

The electricity generated from domestic hydropower plants is not even enough to meet half of the country's electricity needs, forcing the state-owned power utility to rely on electricity imported from India to meet the domestic demand.

The NEA on January 25 imported 565MW of electricity from India via more than a dozen cross-border transmission lines to meet the national demand during the peak hour, according to Prabal Adhikari, chief of power trading department at the state-owned power utility.

Electricity import from India has increased by more than 17 percent in the last one and half months. Six weeks ago, on December 10, the authority had imported 482MW of electricity during the peak hour.

As a majority of hydropower plants in the country are run-of-the-river types, their output fluctuates with the water level in the rivers on which they are located. Generation drops sharply during the dry season when there is less water in the rivers. The only power plants with a reservoir are Kulekhani I and II. These two projects generate a combined 92 MW.

Currently, NEA-owned 144 MW Kali Gandaki Hydropower Project, the country's largest plant under operation, is generating 59.2MW of electricity on average.

The 70 MW Middle Marshyangdi is generating only 29.8MW while the 69MW Marshyangdi is producing only 35.3MW of electricity.

Although the NEA had expected to cut power imports from India this winter, it didn't materialise due to delays in the construction of the much-awaited 456 MW Upper Tamakoshi Hydropower Project.

Electricity generation and import

	Dec 10, 2018	Jan 25, 2019
NEA's projects	445MW	331MW
Private projects	243MW	194MW
Total generation	688MW	525MW
Import from India	482MW	565MW

Peak demand 1170MW 1110MW

Source: My Republica; 28 Jan 2019

Locals affected by Kaligandaki 'A' Hydropower protest

The people affected by the Kaligandaki 'A' Hydropower at Beltari area in Syangja district have demonstrated by putting forth various demands. They have blocked the road leading to the project powerhouse.

Their demands include that they should be provided electricity generated from the project rather than others. Irrigation facility and concrete road from Beltari Chowk to Irikhola are other demands.

The locals also accused the concerned authority of cutting facilities provided to them by the Nepal Electricity Authority.

"We have lost our valuable lands to the project believing that the area will be developed. But we are deprived of even drinking water facility. The project is neglecting our woes," said a protestor Anish Neupane.

However, Project Chief Rajesh Pandey claimed that the affected locals have not so far put up their demands with the project in a formal way. He informed the Chairperson of Kaligandaki Rural Municipality where the project is set up, of the agitation, he said.

The Rural Municipality Chair Khim Thapa said the problem would be resolved through talks. RSS

Source: The Rising Nepal/My Republica; 28 Jan 2019

Local obstruction closes Mid-Modi hydro construction works

Locals have closed down the construction of mid-Modi hydropower project (14.5 MW) being carried out by Chaudhary Group (CG) at Modi rural municipality.

Locals of Modi rural municipality-2 have halted the project construction works for an indefinite period citing the project ignored compensating the loss caused to houses of local people while digging out tunnel for the project.

Local people have come up with protest when their houses based in Modi rural municipality-2 have started falling apart.

Struggle Committee Coordinator Sujan Pokharel said they had to resort to protest when the project remained apathetic to address victims' demands despite signing of agreements to that end several times.

"We have been deceived several times", he said, adding that, "The construction works would not be presumed until their demands are met".

The explosions made during the tunnel construction had caused damages to the houses of Ram Kumari Pokharel, Meghraj Dhungana, Sher Bahadur Khatry, Kham Bahadur Khatry, Meen Kumari Khatry, Maya Khatry, Sabitri Pokharela and Ram Bahadur Khatry.

The project has affected 49 houses while one house was completely broken down. Locals have demanded that the project should construct new and safe houses for the victims. RSS

Source: The Himalayan Times; 30 Jan 2019

Electricity generated by Upper Tamakoshi hydro project could go to waste

Umesh Poudel

Though the Upper Tamakoshi hydropower project will start production of electricity from next fiscal year, its production is likely to go to waste following the failure of the government to construct the transmission line that will connect the project to the national grid on time.

Construction of the Hetauda-Dhalkebar-Duhabi section of the high-voltage 220 kVA double circuit transmission line has been halted since the last two-and-a-half years due to issues related to deforestation along the path of the transmission line.

According to Nepal Electricity Authority (NEA), construction works of the transmission line has been intentionally halted by DharendraPratap Singh, head of the District Forest Office (DFO) in Saptari, who asked the project not to cut down trees along the transmission line's path that falls in the district.

"We have been in touch many times and are trying to coordinate with the DFO but they have refused to address our concerns. If we are unable to complete the transmission line project on time the electricity generated by the 456-megawatt Upper Tamakoshi hydropower project will go to waste," said Kul Man Ghising, managing director of NEA.

Ghising added that they are facing such problems in various places where DFOs have been obstructing the construction of high-voltage transmission lines. "We are trying to strengthen the country's transmission system but it is the government authorities themselves that are obstructing our works," he lamented. "In such a situation how can we expect to develop the electricity sector of the country."

As per NEA, Hetauda-Dhalkebar-Duhabi 220 kVA double circuit transmission line needs to be completed within a year.

If everything goes as planned, Upper Tamakoshi will start commissioning power from September-October. NEA plans to supply electricity generated by the project from Gongar of Dolakha where the project is located to New Khimti substation in Ramechhap and further to Dhalkebar substation in Dhanusa.

According to NEA, the transmission line on the eastern and western sides of Dhalkebar needs to be upgraded from 132 kVA to 220 kVA for proper supply of energy generated by Upper Tamakoshi project. Dinesh Kumar Ghimire, secretary of Ministry of Energy, Water Resources and Irrigation, informed the ministry is working to eliminate such problems related to forest areas and other issues for timely construction of projects. "We are in touch with National Planning Commission (NPC) for needed support to resolve issues related to our ministry."

Ghimire added that NPC member Krishna Prasad Oli and a team from the energy ministry are holding discussions to resolve the aforementioned issues.

Ganesh Neupane, spokesperson for Upper Tamakoshihydel project, said that they are going to finish the construction of New Khimti substation within this fiscal. "We have planned to operate all six units of the project simultaneously to start generation, however if the transmission line is not completed on time then we will have to operate only three units."

Source: The Kathmandu Post; 31 Jan 2019

Tanahu Hydro Project stalls over payment dispute

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The \$550 million Tanahu Hydropower Project sank deeper into limbo with one of the contractors refusing to expedite the construction work until it receives the advance amount.

Tanahu Hydropower Limited, the developer of the 140 MW storage-type project located in central Nepal, issued the commencement date on January 16 and directed the contractors—CMC Ravenna of Italy and Sinohydro Corporation of China—to mobilise workers for the project within 28 days, but the Italian contractor ignored the instruction.

Tanahu Hydropower is a subsidiary of state-owned Nepal Electricity Authority. According to Tanahu Hydropower, Sinohydro, the contractor for the hydro-mechanical and electro-mechanical works under the second package of the project, has started work. But CMC Ravenna, contracted to prepare a detailed design and construct the headworks under the first package, said it would not mobilise workers until the developer releases the advance payment.

Fate of Tanahu Hydropower Project uncertain

Tanahu Hydropower said it would not issue the advance payment until the Italian company produces a bank guarantee. “We released the advance payment to the Chinese contractor as it came up with the complete bank guarantee,” said Pradeep Kumar Thike, managing director of Tanahu Hydropower. “But the Italian contractor is yet to come up with the complete bank guarantee.” CMC Ravenna has submitted only a partial bank guarantee, according to Tanahu Hydropower.

The Italian contractor’s refusal to start work is likely to push back the completion date of the project. As the tasks of the two contractors are interrelated, the construction of the entire project will be hit if both of them do not mobilise workers at the project site.

CMC Ravenna got into serious liquidity problems after Tanahu Hydropower signed a contract with the Italian and Chinese firms for the two packages of the hydropower project respectively last October.

Tanahu Hydropower is doubtful CMC Ravenna will successfully execute the job, but it can’t fire the Italian company as it is bound by the contract. But if CMC Ravenna doesn’t mobilise workers within 28 days, Tanahu Hydropower plans to initiate the process to terminate the contract with the Italian company.

The Tanahu Hydropower Project will be one of the biggest reservoir-type projects in the country, with an estimated annual energy generation capacity of 587.7 gigawatt hours in the first 10 years of operation. The project can generate energy for six hours daily during the dry season.

Tanahu Hydropower is developing the project using a credit facility extended jointly by the Asian Development Bank, Japan International Cooperation Agency and European Investment Bank. The project is estimated to cost \$550 million.