

Source: The Rising Nepal, February 11, 2019

Foundation stone for Upper Trishuli 3B laid

Nuwakot, Feb 10 (RSS): Minister for Energy, Water Resources and Irrigation Barsha Man Pun today laid the foundation stone for the construction of Upper Trishuli 3B at Kispang Rural Municipality in Nuwakot.

Speaking on the occasion, he said the country should be self-reliant on energy to reduce country's current trade loss and achieve government's two digits economic growths goal.

The county at present needs 10,000 megawatts electricity for internal consumption, he said. "We need a hydropower project that produces 15,000 mw to generate 10,000 mw electricity in winter," Minister said. He also said the campaign of 'Nepal's Water People's Investment' is being implemented effectively.

Nepal Electricity Authority (NEA) executive director and the project promoter Kulman Ghising was of the view that the completion of the project before the deadline would greatly support the country making the power supply reliable and regular. He spoke of the need for support and cooperation from every quarter to complete the project before the deadline.

Lawmakers Hit Bahadur Tamang and Narayan Prasad Khatiwada urged the project management not to overlook the contribution of locals who provided their private land for the purpose of project. The project based in the border of Nuwakot and Rasuwa districts in the cascade of NEA's under-construction 60-MW Upper Trishuli 'A'.

Main investors of the project are the Nepal Electricity Authority (NEA) and the Nepal Telecommunications Company Limited. The NEA and Nepal Telecom have a 30 percent share each in the project. The remaining investment is shared by local governments in Rasuwa and Nuwakot, financial institutions, locals, NEA and Telecom employees as well. The estimated cost of the project is Rs 7.44 billion. The investment in the project shall be made through the co-financing formed on the initiative of the Nabil Bank. The project promoter and the Bank had signed an agreement to this end on last August 20.

Source: My Republica, February 11, 2019

Energy Minister Pun lays foundation stone for 37-MW Trishuli 3B hydroproject in Nuwakot

HIMNATH DEVKOTA/BHAGWATI LAMA

RASUWA, Feb 10: Minister for Energy, Water Resources and Irrigation Barshaman Pun laid foundation stone for the 37-MW Trishuli 3B hydroelectric project to be built in Rasuwa and Nuwakot districts, on Sunday.

Amid a function held at Kispang rural municipality-5 in Nuwakot, the minister directed the authorities to complete the construction of the project within the stipulated time and given budget. The project is expected to start generating power in the next two years.

The Nepal Electricity Authority and Nepal Telecom are the major investors for the project, having 50% share each. The project, to be built in Engineering, Procurement and Construction (EPC) model, is expected to be completed in next two years.

An agreement has already been signed with Sichuan NHI Hydroelectric Engineering of China to build the project in the EPC model, according to officials. The main tunnel of the project is 3800 meters long. As many as 13 hydroelectric projects are being built in Rasuwa district alone.

Source: The Kathmandu Post, February 12, 2019

Tanahu Hydropower: Italian contractor may be fired for being no-show

- BIBEK SUBEDI,

Tanahu Hydropower Limited, the developer of the Tanahu Hydropower Project, is mulling to fire Cooperativa Muratori e Cementisti di Ravenna for being a no-show. The Italian contractor was supposed to send workers to the construction site and start work by February 11, 2019, but it has not done so.

Tanahu Hydropower Limited, a wholly owned subsidiary of the Nepal Electricity Authority, is considering terminating the contract signed with Cmc di Ravenna which was appointed to implement an important component of the \$550 million plant located in central Nepal.

Managing Director Pradeep Kumar Thike of Tanahu Hydropower said their next move would be to send a 'notice to correct letter' to Cmc di Ravenna and provide it a reasonable amount of time to start work.

"If it fails to mobilise the workforce within the time frame mentioned in the letter, we will terminate the contract," said Thike. "We are holding talks within the company and with our parent company and the Asian Development Bank, the financier of the project, about issuing the letter to the contractor."

Tanahu Hydropower will provide Cmc di Ravenna extra time of a week or two through the 'notice to correct letter', according to Thike. The project developer has held talks with the Italian contractor. "During our discussions, the contractor said that it would not mobilise workers until we released the advance payment," he said. "So we asked them to come up with a complete bank guarantee for the advance payment, but they did not do so."

Cmc di Ravenna has submitted only a partial bank guarantee, according to Tanahu Hydropower. Another Tanahu Hydropower official, who declined to be named, told the Post that the Italian contractor had no intention of starting work. "Although we

are convinced that Cmc di Ravenna will not start work, we have to go through the entire process to terminate the agreement due to contractual obligations,” said the source.

The Italian company’s refusal to start work is likely to push back the completion date of the project which has been divided into two components with a contractor for each package. 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 di 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.

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.

Source: The Himalayan Times, February 12, 2019

Nepal Infrastructure Bank gets operating licence

Nepal Infrastructure Bank Ltd has received the operating licence from Nepal Rastra Bank to conduct financial transactions. The bank was established with joint investment from the government along with various commercial banks, insurance firms, microfinance companies, private businesses and a group of entrepreneurs.

As per a press statement released by the bank, it received the operating licence as a national level infrastructure development bank from the central bank today.

The bank has authorised capital of Rs 40 billion, issued capital of Rs 20 billion and paid-up capital of Rs 12 billion. The investment proportion of the bank includes 10 per cent from the government and 90 per cent from the private sector.

The bank has been established with an objective to play a vital role in the infrastructure development of the nation, more specifically in the areas of construction and development of transportation, agriculture, energy, tourism, special economic zone, advanced urbanisation infrastructure and information technology along with other areas of infrastructure.

The press statement adds that the bank will do its best to bring together the public and private sector in order to achieve its core objectives of infrastructure financing, sourcing of long-term funds from international and domestic capital markets, and investing in shares of companies operating in infrastructure development and other services offered by the bank.

Source: The Himalayan Times, February 12, 2019

Govt brings hedge fund rules to attract FDI

The government has introduced the Hedge Fund Regulations, 2075, in order to attract foreign direct investment in hydropower sector.

The Hedge Fund Regulations aim to bring in FDI in convertible currency. The regulations were issued by the Council of Ministers meeting on February 4, according to Minister for Communications and Information Technology Gokul Prasad Baskota.

Speaking at a regular press meet held today to share the cabinet decisions, Baskota said that the government has also granted endorsement for the use of forest area for construction of the 220 kV Chilime-Trishuli transmission line. Similar permission was granted to Mahakali irrigation project, 14.3-megawatt Upper Mailung hydel project, 10MW Kamarigad hydel project, Tamghar Gorusinghe 132 kV substation and to BS Cement Industries to extract limestone.

The cabinet meeting also approved the National Strategy for Data Development; Herbs Development Grant Procedures, 2075; National Forest Policy, 2075; NGO Federation Nepal Statute, 2074; and the Procedures to Provide Forest Land for Resettlement and Relocation of the Earthquake Survivors, 2075.

According to Minister Baskota, the government has approved the Private House Reconstruction Grant Distribution (second amendment) Procedures, 2075, the Madan Bhandari Science and Technology University Infrastructure Development Committee (formation) Order, 2075 and the formation order relating to survey of land in the name of the Korala Customs Office in Mustang district, 2075. The government has also consented to table the bill designed to provide for federal financial procedures and financial accountability in the Federal Parliament.

Meanwhile, the government has appointed Madhusudan Adhikari as the executive director of Alternative Energy Promotion Centre.

Likewise, Jiulal Chaudhary has been appointed chairperson of the Board of Directors of Nepal Water Supply Corporation, while Sangita Bhattarai Regmi and Ram Bahadur Thapa have been appointed as members.

Likewise, the meeting also decided to provide 75 per cent of compensation amount to those people who had all their land occupied by the East-West railway, and 66 per cent to those whose land was partially occupied.

Source: The Himalayan Times, February 12, 2019

RE financing: Need for paradigm shift

DEVENDRA ADHIKARI

The major thrust now should be on strengthening and enhancing the capacity of the provincial and local governments to plan and deliver the finance effectively in the renewable energy sector, considering their specific development needs

Nepal has a long history of renewable energy (RE) financing, dates back to 1968. The Agriculture Development Bank of Nepal (ADBN) was providing credit and channelling government subsidies to RE technologies, mainly micro-hydropower, biogas and solar systems. Bank credit mixed with the government subsidy made the RE sector very attractive for the private sector service providers and rural people.

So far, RE financing has been guided by policy provisions of the government and institutional setup, mainly the Alternative Energy Promotion Centre (AEPC) and later the banking sectors organised under the Central Rural Energy Fund (CREF). Additionally, some funds are also channelled to the RE sector outside the AEPC financing framework.

The Subsidy Policy and Subsidy Delivery Mechanism were promulgated for the first time in 2000. These two documents were amended from time to time, and the latest versions were made available in May 2016 and November 2016 respectively. AEPC instituted the CREF to channel the subsidy and credit funds to promote RE activities in 2013.

The Subsidy Policy recognises that the past subsidy could not effectively mobilise private investment or commercial credit into Nepal's RE sector. Rather dependency on subsidy has increased. It was inferred in the policy document that communities were striving to get subsidies from multiple sources. One of the reasons for it was related to energy tariffs in rural areas, which were not sufficient to recover the initial investment costs of the system. But this was not the only reason.

The latest subsidy policy (2016) focusses on replacing subsidies with credit in the long run and achieving universal access to clean, reliable and affordable RE solutions by 2030.

The key determinants of subsidy are based on (i) remoteness and geographical region, (ii) subsidy, credit and equity ratio – generally 40%, 30% and 30% respectively, (iii) cost competitiveness (least cost) and (iv) social, economic and technological appropriateness (best available technology). Based on these criteria, the policy has come up with the subsidy amounts to be given for different technologies, such as mini/micro-hydropower, improved water mill, solar energy, biomass including biogas, wind energy and the like.

On top of this, a provision of additional subsidy has also been made for some technologies, such as mini/micro-hydropower. Additional subsidy is allocated to the targeted beneficiary groups by counting the number of households which are served by the project.

The subsidy policy provides equal thrust to mobilising credit, at least 30%.

Some of the government programmes are targeted towards specific groups, such as earthquake victims and ultra-poor. Some programmes address the market areas and can have a commercial operation, such as urban solar and streetlight, and irrigation. Subsequently, some of these programmes can be executed without subsidy at all or a little subsidy based on innovative financing provisions. For some programmes, especially targeting special groups, such as ultra-poor and remotely-located settlements, the traditional subsidy cannot be completely ruled out.

Apart from these, AEPC has received a grant from the Asian Development Bank (ADB) to implement the South Asia Sub-regional Economic Cooperation (SASEC) Power System Expansion Project. The off-grid component of SASEC intends to increase access to renewable energy for improving the livelihoods of the people and creating employment opportunities, especially in rural areas. The project is consistent with the ADB Country Partnership Strategy.

For the project, there is a provision of a credit line of \$5 million from the ADB's Special Funds to user communities/developers for mini-hydropower plants and \$11.2 million grant from the Strategic Climate Fund (SCF) administered by the ADB.

The Scaling-up Renewable Energy Programme (SREP) is supporting the Extended Biogas Project. It aims to promote large off-grid biogas energy generation in Nepal through technical assistance and financing of investments (partial capital cost buy-down of biogas sub-projects through subsidy payment).

Financial flow mechanisms for these programmes are based on the bilateral agreement between the Government of Nepal and the respective funding organisation.

Though AEPC aims to promote a single programme modality, there still exist multiple programme modalities and financial flows. In such a context, a flexible framework, which can accommodate all development partners and government money flow, is needed.

In the present context of federal set up, these approaches need to be aligned considering the mandates of the provincial and local governments that have a major stake in developing renewable energy. There is a need for a new modality that is compatible with the federal, provincial and local governments. The major thrust now should be on strengthening and enhancing the capacity of the provincial and local governments to plan and deliver the finance effectively in the RE sector, considering their specific development needs.

Adhikari is an energy economist

Source: My Republica, February 12, 2019

India proposes to construct lower Arun Hydro

NEW DELHI, Feb 12: The Government of India has proposed for the construction of Lower Arun Hydropower Project bearing the capacity of 400 MWs.

In a meeting with Minister for Energy, Water Resource and Irrigation Barshaman Pun at New Delhi on Monday, Indian Minister of State for Power Raj Kumar Singh put forth a proposal that the new project can be developed adopting the same model of 900-MW Arun 3rd project.

"A proposal has been made from Indian side to develop the Lower Arun on the same model being adopted by Indian Company while constructing the Arun 3rd. Nepal has put its stance for further discussion observing the progress on the construction of Arun 3rd", Minister Pun said.

Minister Pun noted the government would make a proper decision whether or not to award the construction of lower Arun to Indian side seeing the progress in Arun 3rd.

Minister Pun has arrived in the Indian capital city, New Delhi, to participate in the International Sustainable Development Conference beginning on Monday.

It may be noted that the Energy Ministry had scrapped the license of the lower Arun project as per the directive of the Commission for Investigation of Abuse of Authority (CIAA) when the Brazilian Company 'Brass Power' failed to perform according to the conditions stipulated in the license.

The Brazilian Company did not make any progress on the project during 15 years since the license was awarded.

The project investment is estimated to be over Rs 100 billion. Energy Ministry has estimated that the project would be of around 1000 MW capacity if it is designed in a way to export power to India.

The Department of Electricity Development is carrying out the project feasibility and detail study. India has put forth the proposal to build lower Arun by keeping all conditions stipulated in Arun 3rd. RSS

Source: My Republica, February 12, 2019

Nepal Infrastructure Bank gets operating license

KATHMANDU, Feb 12: Nepal Rastra Bank (NRB) has issued operating license to Nepal Infrastructure Bank Ltd (NIBL).

NIBL, which has been established to invest in infrastructure sector, is the first specialized bank to meet the need for investment in infrastructure sector. It is jointly promoted by Government of Nepal and various commercial banks, insurance companies, micro finance institutions, private companies and a group of business entrepreneurs. With this, the dream of establishing an infrastructure bank, which shall provide long-term loan maturity period needed by term gestation projects including hydropower and mega projects, since over a decade, has become a reality.

The bank has authorized capital of Rs 40 billion, issued capital of Rs 20 billion and paid-up capital Rs 12 billion. The government owns 10 percent shares in the bank, while remaining 90 percent of the shares are held by the private sector.

Issuing a press release, NIBL said that the prime objective of the bank is to play a vital role in Nepal's Infrastructure development, specifically in the area of construction and development of transportation, agriculture, energy, tourism, Special Economic Zone (SEZ), advanced urbanization infrastructure, information technology along with other areas of infrastructure.

“The bank shall strive to bring both public and private sector together in order to achieve its core objectives, including infrastructure financing, sourcing of long-term funds from international and domestic capital market, investing on shares of the companies operating in infrastructure development and other services offered by the bank,” the release added.

Though the central bank has officially stopped issuing new license to banks, the central bank had issued a separate licensing policy only for the infrastructure banks two years ago.

Caption:

Nepal Rastra Bank Governor Chiranjibi Nepal hands over operating license of Nepal Infrastructure Bank Ltd to the bank's chairman Anuj Agrawal in Kathmandu on Monday. Agrawal is also a director of Vishal Group.

Source: The Kathmandu Post, February 13, 2019

Nepal Infrastructure Bank receives operating license

- RAJESH KHANAL

Nepal Infrastructure Bank, the first bank established as a public-private partnership, received its operating licence from Nepal Rastra Bank on Monday. The financial institution aims to fill the infrastructure funding gap, and is expected to come into operation by June.

The central bank issued the operating licence to Nepal Infrastructure Bank by creating a separate directive. As per Nepal Rastra Bank rules, Nepal Infrastructure Bank needs to go into business within six months of receiving the operating licence. Chief Executive Officer Anil Gyawali of Nepal Infrastructure Bank said they planned to throw open their doors before that date.

The government moved to set up Nepal Infrastructure Bank with the objective of financing infrastructure projects. It will own 10 percent of the bank's stock, and the rest of the capital will be put up by the private sector.

The central bank has relaxed the rules for Nepal Infrastructure Bank, and it will be allowed to issue loans up to 90 percent of its credit to core capital and domestic deposits ratio. The ceiling for commercial banks is 80 percent. Nepal Infrastructure Bank is permitted to accept fixed deposits of a minimum of Rs10 million, and the minimum maturity period is five years. As an A class financial institution, it needs to maintain a capital adequacy ratio of 11 percent. Gyawali said Nepal Infrastructure Bank would focus on issuing long-term loans to construct infrastructure projects. "Other than collateral based financing, we will be offering credit to large projects via a public-private partnership model under which government agencies and the private sector will stand guarantee for the loans," he said.

The bank will have an authorised capital of Rs40 billion, issued capital of Rs20 billion and paid-up capital of Rs12 billion. According to the bank, it will be investing in infrastructure development, particularly in construction, transportation, agriculture, energy, tourism, special economic zone, urban development and information technology. Nepal Infrastructure Bank will play an active role in managing funds

required by large infrastructure projects from both domestic and foreign sources, it said. It will also invest in credit instruments issued by large projects. Gyawali said they would focus on infrastructure projects that ensure higher value addition. “We also aim to invest in social and economic overheads such as opening new tracks, bridges, irrigation systems, water supplies and markets in rural areas,” he added.

Nepal Rastra Bank has fixed the interest rate spread of the bank, or the difference in borrowing and lending rates, at 4 percent. Gyawali pledged to offer equitable interest rates on both loans and deposits. “We will focus on providing good returns to depositors while offering loans at competitive rates.”

Nepal is in dire need of capital for infrastructure to reach the targets set out by the Sustainable Development Goals by 2030. As per National Planning Commission estimates, the country requires Rs1,770 billion in investments annually to meet the targets. The government is organising the Investment Summit from March 29-30 in a bid to attract foreign capital.

Source: The Himalayan Times, February 13, 2019

IPPAN flays bombings in Arun III hydel project

The Independent Power Producers' Association – Nepal (IPPAN) has condemned the serial bombings that have taken place in the construction site of the 900-megawatt Arun-III hydropower project.

An unidentified group had exploded three improvised explosive devices (pressure cooker bomb) serially near the powerhouse of the under-construction hydropower project in Sankhuwasabha district on January 21.

Similarly, on February 9, an unidentified group had again blasted a pressure cooker bomb at the project site, which damaged a diesel generator set and boomer.

The project is being developed by India's state-owned Satluj Jal Vidyut Nigam Power Development Company.

In a press statement released today, IPPAN has urged the government to form a highlevel independent investigation committee to look into the incidents. "These types of incidents that are repeatedly happening is not good for foreign direct investment and we urge the government to secure the hydropower projects being funded by both national and international companies," the statement reads.

IPPAN has also asked the government to establish an immediate response mechanism for such kinds of incidents.

The Nepal Police have said that they are looking for the unidentified group/s who were involved in carrying out the explosions. The government has deployed security personnel from Nepal Police and Nepali Army at the incident site following the bomb blasts.

The project is scheduled to be completed within the next five years.

Source: The Himalayan Times, February 13, 2019

Construction of 37MW Upper Trishuli III B hydel starts

With the major stake of Nepal Electricity Authority (NEA) and Nepal Telecom (NT), the construction works of the 37-megawatt capacity Upper Trishuli III B hydropower project has formally started.

In a formal programme organised in Kispang Village Municipality of Nuwakot where the hydropower project is located, Minister for Energy, Water Resources and Irrigation Barsha Man Pun laid the foundation stone of the project today.

Speaking at the programme, Minister Pun directed the project officials to complete the project within the stipulated time. “The project is located close to the capital city and will help ease the increasing demand of electricity in the Valley.”

Managing Director of NEA and Chairman of the project Kul Man Ghising, said that the project will be completed within three years. “We have already signed the contract agreement with a Chinese company called Sichuan Hydraulic and Hydroelectric Engineering to build the project under the engineering, procurement and construction, (EPC) model,” he informed.

As per the contract agreement, the contractor company has been assigned the responsibility to build the entire project, which includes not only the design of the project but also completion of all civil, electromechanical and hydromechanical works. The contractor is also responsible for connecting the power generated by the project to the national grid.

The Trishuli Hydro Power Company Ltd — developer of the project — and Nabil Bank had signed an agreement to provide necessary loan to the project on August 22 last year.

Nabil Bank along with Hydropower Investment and Development Company Ltd (HIDCL), Citizen Investment Trust (CIT) and Nepal Bank have agreed to provide a loan of Rs 5.76 billion to the project.

As per the agreement, Nabil Bank will be providing loan worth Rs two billion. Similarly, HIDCL and Nepal Bank have agreed to provide Rs 1.50 billion and Rs 1.10 billion, respectively.

CIT will also be providing loan worth Rs 1.16 billion.

Though the actual construction cost of the project stands at Rs 7.44 billion, the total cost of the project will stand at Rs 8.22 billion including interests of Rs 780 million. Of the total investment, 30 per cent or Rs 2.46 billion has been managed through equity.

Both NEA and NT have 30 per cent share each in the project while five per cent is owned by the rural municipalities and municipalities of Rasuwa and Nuwakot districts. A further five per cent share has been allotted to local financial institutions of Rasuwa and Nuwakot and 10 per cent to the locals of the two aforementioned districts. Meanwhile, 15 per cent share has been allocated to the general public and five per cent to NEA and NT employees.

The Upper Trishuli III B is a cascade project of the Upper Trishuli III A project.

Source: The Himalayan Times, February 14, 2019

Govt to allot hydel shares worth Rs 102.28bn to public

UMESH POUDEL

The government has said it will allot shares worth Rs 102.28 billion to the public to raise funds for constructing hydropower projects with total installed capacity of 3,479 megawatts. The Ministry of Energy, Water Resources and Irrigation stated that it planned to build 19 hydropower projects under its flagship programme — Nepal's Water, People's Investment.

According to the ministry, they have finalised all the details and will launch the programme on Thursday so that all Nepalis have a certain share in the country's hydropower projects.

Minister of Energy, Water Resources and Irrigation Barshaman Pun had unveiled a white paper on July 1 with plans to develop hydropower projects, instal transmission lines and generate 15,000 megawatts of electricity within 15 years.

The ministry stated that as per the agenda of Nepal's Water, People's Investment, it had selected hydropower projects in all provinces on the basis of proportional representation so that people from all provinces got the opportunity to buy shares of hydropower projects.

According to Dinesh Kumar Ghimire, secretary at MoEWRI, the public will have 49 per cent investment in the projects the ministry has selected. As per the plan drafted by the Hydroelectricity Investment and Development Company Ltd, the remaining 51 per cent investment will come from the government and other companies that the government has established to develop the energy sector.

As per the government's plan, a total investment of Rs 698.80 billion will be required to construct the 19 selected projects. Of the total cost, Rs 208.74 billion will be realised through equity investment with the public receiving 49 per cent shares.

Chabi Pokharel, chief executive officer of HIDCL, said the government would give 10 per cent share to people directly affected by the projects and the remaining 39 per cent would be allotted to the general public.

The government plans to collect 51 per cent investment through different sources. It will collect Rs 22.46 billion from HIDCL, Rs 35 billion from Nepal Electricity Authority and its subsidiary

companies, Rs 14 billion each from Electricity Generation Company, Nepal Telecom and Citizen Investment Trust and Rs 7 billion from Rastriya Beema Sansthan as equity.

Moreover, as per the HIDCL's plan, the government will collect Rs 35 billion from Employees Provident Fund, Rs 42 billion from CIT, Rs 35 billion from HIDCL, Rs 21 billion from NT, Rs 14 billion from Rastriya Beema Sansthan, Rs 7 billion each from Nepali Army, Nepal Police and Armed Police Force, Rs 21 billion from the public and Rs 42 billion from government treasury as loan.

The government also has plans to manage the remaining Rs 37.70 billion through issuance of bonds and debentures and could seek investment from non-resident Nepalis as well.

The government, meanwhile, has yet to select three hydropower projects with capacity to generate 649 megawatts in Province 7.

Selected hydel projects	
Project	Capacity (MW)
Upper Arun	725
Kimathanka Arun	482
Arun 4	372
Budigandaki Prok 2	240
Chainpur Seti	210
Seti 3	163
Budhigandaki Prok 1	100
Tamakoshi 5	96
Budhigandaki 'Ka'	75
Ghunsa Khola	72
Simbuwa Khola	70

Budhigandaki Gwar Khola	60
Upper Seti	50
Bheri Babai	48
Trushuli 3 B	37
Ikhuwa Khola	30

Source: My Republica, February 14, 2019

Govt mobilizing people's money for hydropower development

Prime minister launching program today

KATHMANDU, Feb 14: The government is launching a program to mobilize funds of general public for hydropower development.

Prime Minister Khadga Prasad Oli is inaugurating the program amid a function in Kathmandu on Thursday, coinciding with the first anniversary of the formation of the government.

The program is being launched at a time when the government has failed to expedite hydropower projects like Upper Tamakoshi, Kulekhani III and Budhigandaki, among others, being implemented by its entities.

Organizing a press conference on Wednesday, Minister for Energy, Water Resources and Irrigation, Barshaman Pun, said that the government has make all necessary arrangements, including formulation of laws and preparation of program document, to start the program. "This is an attempt to mobilize scattered resources of the general people in hydropower projects for people's socio-economic transformation," he added.

Different government entities, including Nepal Electricity Authority and Hydroelectricity Investment Development Company Ltd, will implement the project. They will encourage people to invest in such projects, according to the ministry.

The government has unveiled plan to build 19 projects, including Tamakoshi-5 (96 MW), Upper Arun (725 MW), Trishuli 3B (37 MW)) and Bheri Babai (48 MW), by

mobilizing resources from general people. The energy ministry had floated the program in its white paper for the electricity sector issue earlier.

“This program makes a big shift in hydropower investment sector of Nepal. Now, we are becoming capable enough to invest even in big hydropower projects. Earlier, we had to look at foreign investors for the same,” Pun said in the press meet.

Financial need to implement all 19 projects will be in tune of Rs 600 billion, according to the ministry. However, the ministry has not categorically specified how people will be able to invest in those projects.

Pun’s predecessor at the ministry, Janardan Sharma, had announced a similar program of seeking investment commitment from general public. However, the program was aborted midway after collecting investment commitments from general public.

Source: The Kathmandu Post, February 15, 2019

Dordi Khola Hydropower project on pace to generate electricity by August

- AASH GURUNG, LAMJUNG

Dordi Khola Hydropower Project being developed by Himalyan Power Partner in Lamjung district is scheduled to start generating electricity in the next seven months, according to the company. The project office has claimed that around 80 percent of the project's construction work has been completed, putting the 27MW project on track to start commercial electricity production by August, 2019.

According Guru Parsad Dhakal, managing director of the company, construction of the dam, tunnel and power house of the project is at the final stage.

“We have to install gates at the dam and the power house needs some work,” said Dhakal. Similarly, the project has completed digging 2.27-km of the 2.77-km long tunnel which will be used to channel water from the Dordi River to the power plant.

The company started construction of run-of-the-river type hydropower project four years ago with an aim to complete the project by April, 2018. However, the project missed its completion deadline due to a number of reasons including the earthquake, trade blockade by India, flooding during the monsoon season and technical difficulties among others, according to Dhakal.

The project has built its dam at the Dordi River in Dordi Rural Municipality while its power house is under construction at the bank of the Marshyangdi River in Besisahar Municipality. According to Dipak Gyawali, engineer of the project, three turbines have been installed at the powerhouse—each with the capacity to produce 9MW of electricity.

The project office claims that it will generate 147.69 gigawatt hours of electricity annually.

It plans to sell 142.31 gigawatt hours of electricity to Nepal Electricity Authority (NEA)—the state-owned power utility. The company expects to lose the remaining

electricity as transmission leakage. The company will get Rs4.80 per unit of electricity during the wet season while Rs8.40 per unit during the winter.

The project which is being developed with an investment of Rs4.23 billion, received investment from non-residential Nepalis, IME Group, project affected locals and the general public. A consortium of eight banks led by Prime Commercial Bank covered 65 percent of the construction costs.

Although the project is on the verge of completion, the project developer is worried due to delays in construction of the transmission line project by NEA, which is must to evacuate the electricity generated from the scheme to the national grid.

The power utility has yet to construct the 132kV Dordi Corridor Transmission Line for the evacuation of the electricity generated from the project, according to Dhakal.

“In absence of the power line, we have to pull a 3-km long electric cable to the nearby substation,” said Dhakal.

Source: My Republica, February 15, 2019

Govt launches program to mobilize public fund for hydropower development

KATHMANDU, Feb 14: The government has launched a program to mobilize funds of general public for hydropower development.

Prime Minister KP Sharma Oli inaugurated the program amid a function at City Hall in Kathmandu on Thursday, coinciding with the first anniversary of the formation of the government.

The program has been launched at a time when the government has failed to expedite hydropower projects like Upper Tamakoshi, Kulekhani III and Budhigandaki, among others, being implemented by its entities.

Earlier, organizing a press conference on Wednesday, Minister for Energy, Water Resources and Irrigation, Barshaman Pun, had informed that the government had made all necessary arrangements, including formulation of laws and preparation of program document, to start the program. “This is an attempt to mobilize scattered resources of the general people in hydropower projects for people’s socio-economic transformation,” he added.

Different government entities, including Nepal Electricity Authority and Hydroelectricity Investment Development Company Ltd, will implement the project. They will encourage people to invest in such projects, according to the ministry.

The government has unveiled plan to build 19 projects, including Tamakoshi-5 (96 MW), Upper Arun (725 MW), Trishuli 3B (37 MW)) and Bheri Babai (48 MW), by mobilizing resources from general people. The energy ministry had floated the program in its white paper for the electricity sector issue earlier.

“This program makes a big shift in hydropower investment sector of Nepal. Now, we are becoming capable enough to invest even in big hydropower projects. Earlier, we had to look at foreign investors for the same,” Pun said in the press meet.

Financial need to implement all 19 projects will be in tune of Rs 600 billion, according to the ministry. However, the ministry has not categorically specified how people will be able to invest in those projects.

Pun’s predecessor at the ministry, Janardan Sharma, had announced a similar program of seeking investment commitment from general public. However, the program was aborted midway after collecting investment commitments from general public.