

Source: The Himalayan Times, March 16, 2019

IBN approves 63 projects for investment summit

The 35th board meeting of the Investment Board Nepal today approved 63 projects to be showcased at the upcoming Nepal Investment Summit scheduled for March 29 and 30.

The meeting chaired by Prime Minister KP Sharma Oli approved the projects prepared by IBN to be presented before investors — both foreign and domestic — at the investment summit.

The projects are related to transportation, tourism, agriculture, education, health and other sectors.

The approved projects include Kathmandu Bus Rapid Transit, Ramgram-Tilaurakot Bus Rapid Transit, West Seti Hydel Project, Second International Airport in Nijgadh, Warehouse and Processing Centres, Sunkoshi-2 and Sunkoshi-3 Hydel Projects, Madhya Kaligandak Hydel Project, Special Economic Zone (Simara), Hetauda Smart City, Waste Management Project (Butwal), Dhulikhel Medicity and Pokhara Technical School.

Meanwhile, the IBN board meeting also decided to extend the financial closure deadline of Arun-III Hydropower Project till June 30.

It also approved foreign investment worth Rs 10.5 billion from South Korean firm Motrex Co Ltd to set up a vehicle manufacturing and assembly plant in Nepal.

Source: The Kathmandu Post, March 17, 2019

Kulekhani-3 project fails to pay workers; construction halted

- PRATAP BISTA, HETAUDA

Workers deployed at the construction site of the Kulekhani-3 Hydropower Project have halted construction work of the project which recently entered the testing phase. The labourers halted their work at the project site after the local contractor working for Jheijian Jialian, the Chinese contractor executing the hydro- and electro-mechanical works of the power plant failed to pay their wages for three months.

According to a project official, around 60 workers deployed by Hulas Company, the local contractor, have not received their pay cheques for three months. Such an irresponsible behaviour of the contractor during the testing phase is likely to push back the construction date of the project which has been already been hit hard by the lackadaisical attitude of the contractor, according to the official.

“We were aiming to produce electricity by mid-July. But, if the halt continues, it will be difficult to produce electricity by the targeted date,” the official said.

Sharad Golchha, the manager of Hulas, however, said that they were unable to make payment to the workers as the Chinese contractor has not doled out the funds to them.

Meanwhile, the workers said that they will not be working unless their wages are paid. The workers have not been working for the past six days. The adjustment work of six gates and finishing works of the office and power house have stalled, said an official.

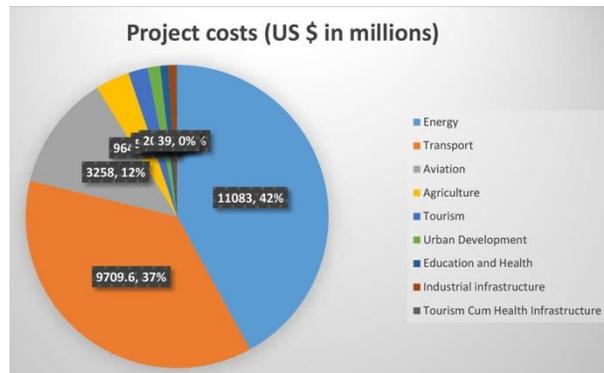
It has been a decade since the 14MW project began construction. The construction of the project began in April 2008 with the aim of completing it by 2012. The project encountered cost overruns due to delays, and the developer has spent double the amount of money originally estimated. The initial estimated cost of the project was Rs2.43 billion. It has now ballooned to Rs5 billion.

In May 2014, the National Planning Commission declared Kulekhani-3 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.

The project will produce electricity by utilising the tailrace water from the Kulekhani-2 Hydropower Project and water from local rivers. The water will be channelled through a 4-km 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.

Source: My Republica, March 17, 2019

Energy tops government's FDI priority for investment summit



Transport, aviation are second and third priorities in terms of project costs

KATHMANDU, March 17: Energy projects top the government priority for foreign direct investment (FDI) in terms of investment amount, according to the Investment Board Nepal (IBN).

Transport and aviation sectors come in the second and third places respectively, according to project lists and costs made public by the board for the upcoming investment summit.

Eighteen projects including West Seti and Tamor Reservoir, worth US \$11.08 billion or 42 percent of the total targeted FDI inflow, will be showcased in the summit scheduled on March 29 and 30.

Sources said energy is given the top priority to prevent energy crisis in future similar to that the country saw for over a decade till 2016. The government has also embraced a policy of building 15,000 MW of electricity in the next ten years for energy security.

With the opening of Indian market for Nepal's energy through recent policy guidelines by the Government of India, Nepal is also more optimistic toward generating more hydropower.

Minister for Energy Barshaman Pun has also recently asked independent power producers (IPPs) to build power plants, assuring them of market guarantee.

The private sector wants to bring FDI in 11 such projects.

Likewise, total 6 transport projects including Kathmandu Ring Road of Bus Rapid Transit worth US \$9.7 billion will be tabled at the two-day event.

This year, the country is hosting the investment summit with hopes to attract more foreign investments. Nepal is one of those countries where FDI is lowest in proportion to the GDP.

Aviation is the third priority for this summit, with a target of US \$ 3.25 million, or 12.3 percent, of FDI.

The government is laying red carpet for foreign investors in Nepal and showcasing a total 63 projects worth US \$26.38 billion.

The other projects in the government list are related to tourism, which includes cable car, hospital tourism products, and hotels at the provincial level.

Industrial infrastructure is another important sector in the government's list, aiming to reduce imports.

As part of the country's efforts to build conducive environment for investment, bills related to project development in PPP model as well as foreign direct investment and technology transfer are in the making in the parliament.

IBN's CEO Maha Prasad Adhikari said the government was committed to get those bills endorsed before the date of investment summit.

The country had also organized a similar summit two years ago and received commitment worth US \$13.51 billion, but most of committed projects are yet to start and investments yet to come.

Foreign direct investment in Nepal averaged about US \$33.74 million from 2001 until 2017, reaching an all time high of US \$13.50 million in 2017, according to Nepal Rastra Bank statistics. Nepal received only 0.01 percent of total FDI in the world, while the South Asia region received 3.1 percent in 2016, according to another study of Nepal Rastra Bank.

Source: The Himalayan Times, March 17, 2019

Govt will be unable to produce 3,000 MW power in three years

The government has said that it will not be able to meet its target to generate 3,000 megawatts of electricity within three years. According to data released by the Ministry of Energy, Water Resources and Irrigation (MoEWRI), it will be unable to meet the target in the stipulated time. In fact, report states that the target will not be achieved in four years too.

The ministry had released a white paper mentioning that it would generate the aforementioned quantum of electricity on May 8 last year.

As per data, the government and independent power producers collectively will be able to generate only 2,400 megawatts of power in four years.

Releasing the annual progress report today, Minister for Energy, Water Resources and Irrigation Barsha Man Pun, mentioned that the country will be able to connect only 2,400 MW of electricity to the national grid in four years.

The ministry, on May 8, had unveiled a plan and had set a target to generate 3,000 megawatts of electricity within three years and connect it to the national grid. Likewise, the MoEWRI had also stated that it would generate 5,000 MW of energy within five years and 15,000 MW of electricity within 10 years.

The government had then also announced that it had marked the years 2018 to 2028 as the 'Decade of Energy and Hydropower' to realise the dream of 'Prosperous Nepal, Happy Nepali'.

As per the annual review, the ministry has said that it will be able to generate 1,269 megawatts of electricity until fiscal year 2019-20. The MoEWRI has said that the much-awaited 456-megawatt Upper Tamakoshi Hydropower Project will start commissioning power by next fiscal year.

At present, the state-owned Nepal Electricity Authority (NEA) and independent power producers have generated only 1,015 MW of electricity.

As per NEA, only 39 MW of electricity will be added to the national grid within April 13.

However, it has plans to connect 287 MW of electricity in the current fiscal year.

“We have put in continuous efforts to complete projects so that they will be able to generate electricity within the stipulated time, but we have been facing some difficulties in the construction of transmission lines,” Minister Pun said, adding the government will do its best to overcome the problems.

Meanwhile, the independent power producers have accused the government of only being involved in setting targets but not seriously working towards fulfilling those plans.

Source: The Rising Nepal, March 18, 2019

Repair work of Upper Marshyangdi-A hydel project begins

Lamjung, Mar. 18: Two years after its completion, repair work on the the 50 MW Upper Marshyangdi-A hydro power project has begun.

According to the project, detail maintenance on the unit 2 of the project has begun two years after its construction.

Among the two Francis turbines on it, the hydropower project started maintenance on unit-2, and preparations are underway to repair the unit 1.

All hydropower projects are supposed to maintain in every three years after their construction, but the Upper Marshyangdi Hydro Project has started its maintenance in two years, said information officer of the project Karna Adhikari.

According to Adhikari, the hydropower project has started its regular maintenance for the first time after its construction. He said, "It is a regular maintenance task. We have not faced any problem, but want to update it for better performance."

He said that the maintenance task in the unit 2 reached the final stage while the project was preparing to initiate maintenance in the unit 1.

Maintenance work in the unit-2 has begun on February 15 and it was expected to complete in 45 days.

Now, 25 MW electricity is being produced from the unit 1 and the unit 2 will produce the same amount during the maintenance of the unit-1, Adhikari said.

According to the project official, 15 engineers and technicians and three Chinese experts have been mobilised for the maintenance.

The maintenance team had replaced old turbines with new one and the old would be placed in the same place after maintenance. "Run of river power project has some minor damages on it because of flood." Adhikari added.

Construction of the Upper Marshyangdi-A had begun in 2013 and its commercial production began in January 2017.

The cost of the project was Rs. 16 billion. It was built by the Chinese company Shinohydro Corporation and Sagarmatha hydropower. Nepali company, Sagarmatha hydropower, had 10 % share in the project and the Chinese company 90 per cent share in the project.

Source: My Republica, March 18, 2019

Energy minister has little to show after a year in office

Rudra Pangei

KATHMANDU, March 18: The Ministry of Energy has failed to achieve most of the targets that it had set when incumbent Minister for Energy, Water Resources, and Irrigation Barsaman Pun assumed office a year ago.

The ministry unveiled a 51-page progress report in Kathmandu on Sunday, outlining progress made under Pun.

After visiting Upper Tamakoshi project site along with Prime Minister Khadga Prasad Oli in April last year, Pun had said that the national pride project will be within the current fiscal year or mid-July 2019. But the project management has already extended the deadline by six months to December 2019. Project officials say it will still difficult to meet the new deadline.

The project is important for the country's energy security. Delay in project completion has led to cost overruns. The project cost has increased by at least Rs 20 billion, according to a recent report submitted to the project management.

The estimated cost of the project has jumped to Rs 70 billion from initial estimation of Rs 35 billion. While the project is losing revenue of Rs 25 million per day, it is forced to pay Rs 15 million a day to pay interest on bank loans.

"There were initial delays in fitting vertical penstock shafts and steel lining. But the contract has now been rearranged to Andritz Hydro and the project will start generation from the next fiscal year," the ministry's report reads. However, no specific time has been given for generation.

Upper Tamakoshi is not the only project that has seen delay. The ministry has failed to settle non-performing contractor's issue in Kulekhani III Hydropower Project. Interestingly, the project is missing from the ministry's progress report.

Pravin Raj Aryal, the spokesperson for the energy ministry, said that the minister is trying to sort out the issue to expedite the 'sick project'.

Upper Trishuli 3A (60 MW) is another project that has stalled since long. Its completion deadline has been extended multiple times. Aryal claims that the project will be completed soon as the ministry has already settled differences with the Chinese contractor.

Aryal, however, could not provide any specific deadline for project completion.

After assuming office last year, Pun had told media persons that he would award Budhigandaki Hydropower Project through a competitive bidding process. But few months later, the government re-awarded to project to China Gezhouba Group without any competition.

The main canal of Sikta Irrigation Project collapsed this year, throwing the multi-billion-rupee project into uncertainty. But the ministry did not take the issue seriously. Though the ministry formed a probe committee after months of confusion, it did not take any strong measures to correct wrongdoings in the project. Dozens of officials of the ministry as well as the contractor are being tried for corruption.

The minister has said that it is not time yet to measure achievements of the energy ministry under his leadership. Pun, however, argued that he has laid grounds for achievements.

“We have drafted necessary policies and laws as well as made bilateral and multilateral diplomatic efforts for promotion of investment in water and energy projects. These are our achievements,” the report states.

Aryal cites the amendment to Indian guidelines for energy trading, which opens Indian market for hydropower generated in Nepal, as well as energy banking with India as one of the major achievements of the ministry.

The ministry has cited lack of manpower due to transfer of 28 percent of its workforce to sub-governments as one of the factors that affected its performance.

Pun has won praises from independent power producers (IPPs) by announcing that the government will sign more power purchase agreement (PPAs) with the private sector who want to build run over river projects. The ministry has extended the target of power generation by run of river projects in the next 10 years to 15,000 MW as the installed capacity of 10,000 as part of energy mix plan endorsed in 2016 has already been met. Though he made the private sector happy, it is sure to affect the government’s policy of building peaking and reservoir plants for energy security of the country.

Earlier in February, the government announced ‘people’s hydropower’ program in February, inviting people to invest in 19 hydropower projects. However, the government is still to form Electricity Regulatory Agency which is a key to protect investment of general public in hydropower sector and curb other anomalies in the sector, even though the Electricity Regulatory Bill was endorsed by the parliament six months ago.

The private sector does not seem impressed with Minister Pun. Shailendra Guragain, president of Independent of Power Producers’ Association, Nepal, say that only a few things promised by the ministry have been implemented. “Energy banking agreement with India and lobbying with the southern neighbor to revise its guideline on electricity trading were the major achievement of the ministry,” Guragain said.

Guragain added that IPPs had expected the government to take needful decision to ease the process of getting forest clearance and to expedite transmission line projects to evacuate energy generated by different hydropower plants, among others.

Source: The Kathmandu Post, March 19, 2019

Electricity output slated to double in next fiscal year

- *The expected increase in energy generation is almost equal to annual production of 1,027 MW*

- SANGAM PRASAIN, Kathmandu

Nepal's electricity output is slated to double in the next fiscal year 2019-20 when another 983 MW will be fed into the national grid, the Energy Ministry said on Monday. The expected increase in energy generation is almost equal to the maximum annual production of 1,027 MW.

The country's electricity requirement totals 1,200 MW, and with a bevy of power plants poised to churn out more than 2,200 MW from next year, the bad old days of load-shedding will be permanently gone, according to analysts.

Energy Secretary Dinesh Kumar Ghimire told the parliamentary Finance Committee on Monday that 23 projects, including the 456 MW Upper Tamakoshi, were on track to come into operation by the next fiscal year and put out 983 MW. The Upper Tamakoshi is expected to come online by November and will fulfil Nepal's energy requirement during the dry season, Ghimire said.

This fiscal year, 18 privately funded hydropower projects are scheduled to roar into life. According to him, 287 MW will be added to the national grid by this fiscal year ending mid-July. This energy will come from the 60 MW Upper Trishuli 3A, 14 MW Kulekhani-3 and 22 MW Bagmati Hydroelectric and other projects. Three projects have already entered the testing phase. Ghimire told lawmakers that his ministry had achieved 36 percent of the capital expenditure target as of the second quadrimester.

Madhusudan Adhikari, secretary of the Ministry of Physical Infrastructure and Transport, told the House panel that they would require more than Rs42 billion to prepare detailed feasibility studies of two proposed railway projects in the next two years.

Adhikari said they would need Rs35 billion over two years to prepare a detailed feasibility study of the Kathmandu-Kerung railway. A detailed feasibility study of the Birgunj-Kathmandu railway will cost around Rs7 billion.

He told lawmakers that pre-feasibility studies of both rail project had been completed. Last December, the National Railway Authority of China handed over the pre-feasibility study report of the Kathmandu-Kerung railway to Nepali officials.

Adhikari said that capital expenditure of the projects under the ministry had reached 38 percent as of the second quadrimester.

“During the winter, the physical progress of road projects are not visible as asphalt repairs and paving projects are not undertaken. With the beginning of summer, we expect expenditure to rise significantly,” he said, adding that the ministry was expected to achieve 100 percent capital expenditure by the end of this fiscal year.

Financial Comptroller General Surya Prasad Gautam said that Rs91 billion out of the Rs313 billion capital budget had been spent in the second quadrimester. This represents 29 percent progress and is not bad if past capital expenditure is taken into account, he said. Gautam said that during the second quadrimester in the last fiscal year 2017-18, capital expenditure was 30 percent.

Finance Secretary Rajan Khanal told parliamentarians that the government was optimistic about achieving 85 percent progress in capital expenditure this fiscal year. “We have never achieved 85 percent progress in spending before. If the target is met, it will be the highest ever capital budget expenditure,” he said. “Based on the progress reported by different ministries, we are on track to meet the target,” he said. “Khanal said that the highest capital expenditure recorded was in 2012-13 when the country achieved 83 percent progress in capital budget spending.

Source: My Republica, March 19, 2019

Kabeli transmission line awaits completion, contractor seeks deadline extension

Giriraj Baskota

PANCHTHAR, March 19: Even after the passing of the fourth extended deadline, the Kabeli Corridor Transmission Line which was to connect the electricity produced in the eastern hilly districts to the central grid still awaits completion. The latest deadline was February 7 this year.

The Indian construction contractor of the project, Jaguar Overseas and Ester JV, is demanding yet another deadline extension.

However, according to the project office, works have reached the last phase and only a final date of completion remains to be fixed.

The contract for construction of 132 KW transmission line between Lakhanpur and Panchthar was finalized nine years ago. Connection from Lakhanpur to Godhak had finished two years ago but work remains to be done on the line from Godhak to Amarpur.

Twelve hydropower projects are being constructed in Panchthar and Taplejung districts, and the power produced by these projects need to be connected to the central grid.

Lower Hewa, Kabeli B1, and Iwakhola hydropower projects have almost reached the final stage of construction and are expected to start generating power soon. If the transmission line is not completed on time, the power produced will go wasted.

Even in the past, electricity produced by Hewa A Hydropower Project was not connected to the central grid.

"We are hopeful that the cables will be installed on time," project chief Dipendra Dwivedi said, adding, "Deadline hasn't been extended yet."

According to him, the plan is to complete construction by the next three months. "Of the total 127 towers between Godhak and Thapatar sub-stations, 125 have already been installed. Only some kilometer wires are left to be joined. Likewise, 31 of the total 93 towers from Thapatar to Amarpur have also been installed."

"Wire is left to be installed along three kilometer distance here. The finishing work of the towers is yet to be done," Dwivedi added. According to him, the contractor company has not deployed adequate equipment, which has halted work.

Madhu Babu, director of Jaguar Overseas and Ester JV, claimed the work will finish in two months' time. He said the transmission lines up to Thapatar will be installed in the coming week.

However, looking at the current pace of work, the locals are not very hopeful. Even the work of cutting 121 trees in the community forest is yet to be done.

The work on the corridor began in the Fiscal Year 2009/10. The initial plan was to complete the work by 2014/15. A budget of Rs 1.30 billion was allocated for developing the corridor. Sub-stations have been constructed in four places: Lakhapur, Godhak, Amarpur, and Thapatar.

According to the project office, approximately Rs 1 billion has been spent so far.

Source: The Kathmandu Post, March 20, 2019

Upper Trishuli 3A slated to begin generation in April

- *On April 30, the first turbine will be switched on to produce 30 MW and the second turbine on June 30*

The Upper Trishuli 3A Hydropower Project is slated to begin production next month, the Nepal Electricity Authority said on Tuesday. The power plant located in Rasuwa and Nuwakot districts north of Kathmandu is equipped with two turbines, each with a capacity to generate 30 MW.

On April 30, the first turbine will be switched on to produce 30 MW, according to the authority. The second turbine will begin generating electricity on June 30, and the plant will be operating at its full capacity of 60 MW, the state-owned power utility said.

On Monday, a project management meeting led by Nepal Electricity Authority Managing Director Kulman Ghising and participated in by the project consultant and the developers constructing the transmission lines decided to set April 30 as the start date. “The developers have pledged to complete the work by the deadline,” said Ghising.

Phanindra Raj Joshi, project manager of Upper Trishuli 3A, said that dry and wet tests of the main tunnel and other infrastructure would be completed by April 15. “Currently, the project is testing the electro-mechanical and hydro-mechanical equipment installed in the power house.”

He said that the developer of the transmission line had been directed to complete the project before April 30. The Trishuli-Kathmandu 220 kV double-circuit line will evacuate 60 MW of electricity generated by Upper Trishuli-A to Kathmandu. The total transmission line length is 45 km. Of the total length, 1,309 metres is being constructed underground. Project Chief Phanindra Raj Joshi said that 127 out of the 140 towers had been erected so far.

China International Water and Electric Corporation is executing the \$22.6 million transmission line project. Work began on the power line in 2011.

The Nepal Electricity Authority is building the hydropower project with a concessional loan of \$114.7 million from the Export-Import Bank of China.

The foundation stone of the project was laid in November 2011 with the completion deadline set for May 2014.

The project sank into uncertainty after the contractor, China Gezhouba Group Company, halted work citing heavy damage to the access road and dam during the 2015 earthquake. The contractor resumed work after a hiatus of more than two years after the government had the access road repaired by the Nepal Army. The power production deadline was then revised for April 2019.

Nepal's electricity output is slated to double in the next fiscal year 2019-20 as another 983 MW will be added to the national grid, the Energy Ministry said on Monday. The expected increase in energy generation is almost equal to the maximum annual production of 1,027 MW.

The country's electricity requirement totals 1,200 MW, and with a bevy of power plants poised to churn out more than 2,200 MW from next year, the bad old days of load-shedding will be permanently gone, according to analysts.

Energy Secretary Dinesh Kumar Ghimire told the parliamentary Finance Committee on Monday that 23 projects, including the 456 MW Upper Tamakoshi, were on track to come into operation by the next fiscal year and put out 983 MW. Upper Tamakoshi is expected to come online by November and will fulfill Nepal's energy requirement during the dry season, Ghimire said.

Source: The Kathmandu Post, March 19, 2019

Electricity output slated to double in next fiscal year

- *The expected increase in energy generation is almost equal to annual production of 1,027 MW*

- SANGAM PRASAIN, Kathmandu

Nepal's electricity output is slated to double in the next fiscal year 2019-20 when another 983 MW will be fed into the national grid, the Energy Ministry said on Monday. The expected increase in energy generation is almost equal to the maximum annual production of 1,027 MW.

The country's electricity requirement totals 1,200 MW, and with a bevy of power plants poised to churn out more than 2,200 MW from next year, the bad old days of load-shedding will be permanently gone, according to analysts.

Energy Secretary Dinesh Kumar Ghimire told the parliamentary Finance Committee on Monday that 23 projects, including the 456 MW Upper Tamakoshi, were on track to come into operation by the next fiscal year and put out 983 MW. The Upper Tamakoshi is expected to come online by November and will fulfil Nepal's energy requirement during the dry season, Ghimire said.

This fiscal year, 18 privately funded hydropower projects are scheduled to roar into life. According to him, 287 MW will be added to the national grid by this fiscal year ending mid-July. This energy will come from the 60 MW Upper Trishuli 3A, 14 MW Kulekhani-3 and 22 MW Bagmati Hydroelectric and other projects. Three projects have already entered the testing phase. Ghimire told lawmakers that his ministry had achieved 36 percent of the capital expenditure target as of the second quadrimester.

Madhusudan Adhikari, secretary of the Ministry of Physical Infrastructure and Transport, told the House panel that they would require more than Rs42 billion to prepare detailed feasibility studies of two proposed railway projects in the next two years.

Adhikari said they would need Rs35 billion over two years to prepare a detailed feasibility study of the Kathmandu-Kerung railway. A detailed feasibility study of the Birgunj-Kathmandu railway will cost around Rs7 billion.

He told lawmakers that pre-feasibility studies of both rail project had been completed. Last December, the National Railway Authority of China handed over the pre-feasibility study report of the Kathmandu-Kerung railway to Nepali officials.

Adhikari said that capital expenditure of the projects under the ministry had reached 38 percent as of the second quadrimester.

“During the winter, the physical progress of road projects are not visible as asphalt repairs and paving projects are not undertaken. With the beginning of summer, we expect expenditure to rise significantly,” he said, adding that the ministry was expected to achieve 100 percent capital expenditure by the end of this fiscal year.

Financial Comptroller General Surya Prasad Gautam said that Rs91 billion out of the Rs313 billion capital budget had been spent in the second quadrimester. This represents 29 percent progress and is not bad if past capital expenditure is taken into account, he said. Gautam said that during the second quadrimester in the last fiscal year 2017-18, capital expenditure was 30 percent.

Finance Secretary Rajan Khanal told parliamentarians that the government was optimistic about achieving 85 percent progress in capital expenditure this fiscal year. “We have never achieved 85 percent progress in spending before. If the target is met, it will be the highest ever capital budget expenditure,” he said. “Based on the progress reported by different ministries, we are on track to meet the target,” he said. “Khanal said that the highest capital expenditure recorded was in 2012-13 when the country achieved 83 percent progress in capital budget spending.

Source: The Himalayan Times, March 19, 2019

Upper Trishuli 3A to generate power by April

Nepal Electricity Authority (NEA) has said that construction works of the 60-megawatt Upper Trishuli 3A hydropower project are about to be completed and the electricity generated by the project will be connected to the national grid by April.

As per NEA, the project will be able to commission the first unit — 30 megawatts — of electricity by April and the second unit by June 30.

A meeting that was held today between Kul Man Ghising, managing director of NEA, concerned project officials, consultant firm, project contractors and transmission line contractor has decided to commission the generated electricity from next month.

“We faced many hassles during the construction of Upper Trishuli 3A project including delays caused by the earthquake and blockade in southern border in 2015. However, we have able to meet the extended deadline to commission the electricity,” said Ghising.

According to him, the power generated by the project will help manage the demand and supply situation of Kathmandu Valley. “Moreover, it will help other hydropower projects being constructed in the Trishuli basin as they will be able to commission power through the transmission line built for the project,” Ghising added.

As per Phadindra Raj Joshi, project chief of Upper Trishuli 3A, project will start operating sediment management system by March 25. After that the project has plans to test the main tunnel, headrace tunnel, various equipment, barrage of the pond, and dry and wet test system by the end of March.

“At present, engineers are working on the electromechanical and hydromechanical components.”

The Upper Trishuli 3A project located in Nuwakot was earlier surrounded in uncertainty after the contractor, China Gezhouba Group Company, halted all works citing heavy damage to the access road and dam during 2015 earthquake. The Chinese firm resumed works after the government had the access road repaired by the Nepali Army.

Source: My Republica, March 20, 2019

First unit of Upper Trishuli 3A to begin generation by April-end

KATHMANDU, March 20: The first unit of Upper Trishuli 3A Hydropower Project is starting generation by April 30.

A meeting of project management, consultant and civil contractors held on Monday decided to start power generation from the first unit of the 60-megawatt project within the revised deadline. The unit will generate 30 MW of hydropower.

Kulman Ghising, managing director of Nepal Electricity Authority (NEA), informed that the meeting decided to start power generation from the first unit from April 30 and second unit from June 30.

The project's initial deadline was May 2014.

"The project management and contractors have made commitment to start generation within the revised deadline. This became possible because of needful initiation taken by the Ministry of Energy, Water Resources and Irrigation particularly, particularly settling issues raised by the contractors, Ghising added.

The commitment came two days after Minister for Energy, Irrigation and Water Resources Barsaman Pun unveiled the progress report of his first year at office. Few days ago, Minister Pun had visited the project site and instructed the project management to complete start power generation within the revised deadline.

The project's generation plant is located on the border of Rasuwa and Nuwakot districts. Given the plant's proximity to Kathmandu Valley, the project will be instrumental in managing supply and demand, according to NEA officials. Construction of transmission line to evacuate power generated by the project is also in the last leg. The contractor of the transmission line has also expressed commitment to complete work within deadline.

The 220 kV transmission line from the project site to Matatirtha in Kathmandu is being built by China International Water and Electric Corporation.

According to project officials, testing of the settling basin -- a structure built for filtration of sedimentation before flowing water to tunnel -- dams and gates at the dams began from Friday. All tests will be completed by the end of this week, while testing of other structures, including main canal, is expected to be completed by mid-April, they added. The project plans to test generator, tail race tunnel and its structures that flow water out of power house between mid-April and April-end.

"Work to install hydromechanical and electromechanical equipment are going on at present," Fanindra Raj Joshi, manager of Upper Trishuli 3A Hydropower Project, said.

The project contract was handed over to China Gezhouba Group in Engineering Procurement and Construction (EPC) model with a completion deadline of May 2014. The contract was worth US\$ 89.1 million. However, the cost has escalated to \$125.8 million now.

Dispute with the Chinese contractor over increasing the project's capacity to 90 MW delayed the project by nearly five years. The project's deadline was first extended to 2016. However, it was revised to April 30, 2019, as the project was affected by the 2015 earthquakes and the subsequent Indian blockade.

Source: My Republica, March 19, 2019

Kabeli transmission line awaits completion, contractor seeks deadline extension

Giriraj Baskota

PANCHTHAR, March 19: Even after the passing of the fourth extended deadline, the Kabeli Corridor Transmission Line which was to connect the electricity produced in the eastern hilly districts to the central grid still awaits completion. The latest deadline was February 7 this year.

The Indian construction contractor of the project, Jaguar Overseas and Ester JV, is demanding yet another deadline extension.

However, according to the project office, works have reached the last phase and only a final date of completion remains to be fixed.

The contract for construction of 132 KW transmission line between Lakhanpur and Panchthar was finalized nine years ago. Connection from Lakhanpur to Godhak had finished two years ago but work remains to be done on the line from Godhak to Amarpur.

Twelve hydropower projects are being constructed in Panchthar and Taplejung districts, and the power produced by these projects need to be connected to the central grid.

Lower Hewa, Kabeli B1, and Iwakhola hydropower projects have almost reached the final stage of construction and are expected to start generating power soon. If the transmission line is not completed on time, the power produced will go wasted.

Even in the past, electricity produced by Hewa A Hydropower Project was not connected to the central grid.

"We are hopeful that the cables will be installed on time," project chief Dipendra Dwivedi said, adding, "Deadline hasn't been extended yet."

According to him, the plan is to complete construction by the next three months. "Of the total 127 towers between Godhak and Thapatar sub-stations, 125 have already been installed. Only some kilometer wires are left to be joined. Likewise, 31 of the total 93 towers from Thapatar to Amarpur have also been installed."

"Wire is left to be installed along three kilometer distance here. The finishing work of the towers is yet to be done," Dwivedi added. According to him, the contractor company has not deployed adequate equipment, which has halted work.

Madhu Babuy, director of Jaguar Overseas and Ester JV, claimed the work will finish in two months' time. He said the transmission lines up to Thapatar will be installed in the coming week.

However, looking at the current pace of work, the locals are not very hopeful. Even the work of cutting 121 trees in the community forest is yet to be done.

The work on the corridor began in the Fiscal Year 2009/10. The initial plan was to complete the work by 2014/15. A budget of Rs 1.30 billion was allocated for developing the corridor. Sub-stations have been constructed in four places: Lakhanpur, Godhak, Amarpur, and Thapatar.

According to the project office, approximately Rs 1 billion has been spent so far.

Source: The Himalayan Times, March 19, 2019

Investment meet should assess investors' needs

As the country is set to host the Nepal Investment Summit with much fanfare on March 29 and 30 in a bid to promote Nepal as a promising investment destination, experts have said that the event should primarily focus on assessing the needs of investors over merely showcasing project ideas and policy frameworks.

Experts have stated that if such summits are organised after assessing the needs of investors and the projects they seek then such summits will have a bigger impact rather than just calling on investors to compromise with the available policies and projects with the country.

“Studying investors’ requirements prior to developing projects and formulating policies are crucial to bring in investors. Though we have formulated a number of investment-related policies in recent times and cited that they have lucrative provisions for investors, we do not know whether or not our available legal provisions match the demand of investors,” said Radesh Pant, former chief executive officer of Investment Board Nepal (IBN).

According to him, the government should focus on matching the needs of investors and the country’s policies and available projects at the summit rather than just showcasing available project ideas and policy reforms. “Investors look for properly studied and feasible projects along with other practical issues related to land acquisition, environmental issues and equity provisions in a project,” he said.

“The government should be able to ensure that potential investors at the summit get complete information on projects being showcased and assurance that the environmental and land issues are properly facilitated,” Pant added.

IBN has finalised 63 projects covering different sectors to be showcased at the summit. However, IBN has only carried out the pre-feasibility study (base study) of a majority of these projects and will be providing only basic information of these projects that includes the estimated cost, opportunities of the project and challenges, among others to potential investors at the summit.

Economic expert Biswo Poudel, opined that the government has not been able to promote that Nepal is ‘hungry’ for investment and various cases related to ‘Ncell’ and ‘Amul’ in the recent months have raised questions regarding favourable investment climate in Nepal lately. Though investment summits like these are necessary, the country seems to have failed to address different issues like making policies clear and bringing down the doing business cost in Nepal, which is crucial to encourage investors, as per Poudel.

“The government should first take note of what the foreign investors seek before investing in a country through embassies and other bilateral means and then address them through policies,” he mentioned.

Meanwhile, the country’s private sector believes that the government should first work on bringing down the doing business cost in the country, which is one of the highest in South Asia, to lure investors.

“Any investor looks for profit in a country before deciding to invest and profit is directly related to the doing business cost. The government’s clear intention to promote investment and promulgation of necessary laws is laudable. However, in the end investors look for low doing business cost and the government should work on it by ensuring necessary infrastructure and favourable labour laws, among others,” said Shekhar Golchha, senior vice-president of Federation of Nepalese Chambers of Commerce and Industry.

However, the government is pretty confident that the investment summit will help promote Nepal as a virgin land for investment. Instead of looking for investment pledges through the summit, the government believes that the event is an opportunity for the country to showcase potential areas of investment, projects that have been identified, laws that have been enacted to attract investment, and processes that have been developed to support investors.

Source: The Himalayan Times, March 20, 2019

Govt to launch 3,479MW scheme today

A massive government scheme that aims to raise Rs 102.3 billion from the public to build over one-and-a-half dozen hydropower projects will be launched tomorrow with the purchase of primary shares of a 37-megawatt hydroelectric project by Prime Minister KP Sharma Oli.

The scheme named 'Nepal's Water, People's Investment' aims to generate 3,479 megawatts of electricity by investing Rs 698.8 billion in 19 hydropower projects. Of this investment, Rs 208.7 billion will be in the form of equity and the remaining in the form of debt. The government is making equity investment of Rs 106.4 billion in the scheme, which is equivalent to 51 per cent of the total equity investment. The remaining equity investment will come from the public.

As per this plan, PM Oli will be purchasing shares of 37MW Upper Trishuli 3B hydropower project located in Nuwakot tomorrow as a public. The PM had earlier said he was keen on purchasing shares to encourage the public to take part in the government's flagship scheme.

The number of shares that PM Oli is purchasing, however, has not been finalised, according to Prabin Aryal, spokesperson of the Ministry of Energy, Water Resources and Irrigation.

The PM has opened two demat accounts in Global IME Capital and Nepal DP Limited to purchase the shares. The demat accounts enable electronic settlement of share transaction.

Although the government has launched the scheme by floating shares of the Upper Trishuli 3B hydropower project, it is not known when shares of other 18 hydropower projects will be available to the public.

Even in the Upper Trishuli 3B hydropower project, state-owned Nepal Electricity Authority and Nepal Telecom have 60 per cent stake. This is expected to create problems as the government has pledged to offer 49 per cent shares of the project to the public.

The Securities Board of Nepal, the securities market regulator, has said the project need not get an investment rating from accredited rating agencies as it is backed by the government.

The construction of Trishuli 3 B hydropower project formally began on February 10. The project is located at Ward No 5 of Kispang Rural Municipality of Nuwakot. “To drive up people’s interest in the project, we have decided to provide interest to public investors until the project starts generating returns on its own,” said MoEWRI Secretary Dinesh Kumar Ghimire.

The ministry said that 19 projects in the ‘Nepal’s Water, People’s Investment’ scheme are spread across all the provinces to ensure all the people get the opportunity to buy shares of hydropower projects.

Source: The Rising Nepal, March 20, 2019

Prime Minister Oli buys Trishuli III 'B' share

Kathmandu, March 21: Prime Minister KP Sharma Oli bought 10,000 points share of the Trishuli III 'B' hydropower project as part of the launch of 'people's hydroelectricity programme'.

PM Oli applied for the share at a programme organized by the Ministry of Energy, Water Resources and Irrigation at his residence, Baluwatar, this morning.

Similarly, his spouse Radhika Shakya and Energy Minister Barshaman Pun applied for 10,000 points of share each, while former Speaker Onsari Gharti applied for 2,000 points.

In the initial phase, for the share under this project, only 10 percent amount suffices. One can buy the share till March 25.

The programme named 'Nepalko Pani, Janatako Lagani: Harek Nepali Bidyutko Sheyardhani (Nepal's Water, People's Investment: Every Nepali's Share on Electricity) was officially launched on February 13 this year.