

Source: The Himalayan Times; 30 March 2019

## **India to work as transit hub for Nepal's power export to third countries**

**UMESH POUDEL**

India has said it would allow Nepal to use its power transmission backbone to export electricity to countries like Bangladesh and Myanmar, in a major boost to foreign investors who express concerns about lack of access to foreign markets for energy produced here.

“Nepal is a hub for hydropower electricity generation and it has great potential to recharge entire South Asia as a battery backup,” Sanoj Kumar Jha, secretary of the Central Electricity Regulatory Commission (CERC), a key regulator of power sector in India, told the Nepal Investment Summit in Kathmandu today. “India will provide necessary support to export Nepal’s power to Bangladesh and Myanmar (via its territory),” Jha said, adding, “India also needs more hydropower electricity to diversify its energy mix.”

India’s energy portfolio is heavily skewed towards coal-based thermal power, with hydropower accounting for only 26 per cent of total energy generation. India has set a target of increasing the share of electricity generated through hydropower projects in its total energy mix to 40 per cent.

Nepal is expected to become energy-surplus nation during wet season once 456-megawatt Upper Tamakoshi Hydropower Project and few others come into operation next year.

“We are searching for markets in South Asia and beyond to sell the excess power,” said Minister for Energy, Water Resource and Irrigation Barsha Man Pun.

The government is also seeking support of domestic and foreign investors to tap the country’s energy potential, which stands at over 80,000 MW, whereas installed capacity currently hovers around 1,270 MW.

“We are committed to reform the power sector and make sure that proper policy and legal instruments are in place to harness Nepal’s huge energy potential,” Minister Pun

said, adding, “We are creating a favourable environment so that concerns raised by all stakeholders are addressed properly and swiftly.”

The government is currently formulating an integrated water resources policy, which will guide the overall development of water resource-based projects in Nepal. It has also begun to develop river basin plans and a hydropower development master plan for holistic development of potential energy projects.

“Nepal needs to export electricity to fast growing economies like India and Bangladesh,” said Song Dongsheng, general manager of Power China. “China has more per capita electricity consumption in comparison to South Asian nations. But very soon energy consumption in South Asia will also go up and Nepal’s electricity will play a vital role in meeting the demand.”

Dongsheng said Power China was ready to provide necessary support to Nepal’s power sector. He also said Power China was ready to bring in investment and latest technology in Nepal’s hydropower sector.

Source: My Republica; 31 March 2019

## **Investment summit ends with 15 MoUs, announcements by investors**

Sagar Ghimire

### **17 projects receive investment applications**

KATHMANDU, March 31: The two-day 'Investment Summit 2019' concluded on Saturday with the signing of 15 memorandums of understanding (MoUs) with and among various investors, in addition to investment commitments to 17 various projects.

Most of the MoUs are for joint venture agreements between/among private companies and government agencies. These range from bringing in investments to mutual cooperation between the Investment Board of Nepal (IBN) and the Investment Board of South Korea, to verbal announcements on investments and development of hydropower projects.

Apart from the signing of MoUs, the government has received applications for over a dozen projects from both foreign and domestic investors. While the government had showcased 77 projects at the summit to attract investment, it was able to draw applications for investment only in 17 projects. Unlike at the investment summit of 2017, the government did not hype up the amount of investments these commitments will draw.

A total of 735 delegates from 40 countries representing 300 companies, in addition to 600 domestic participants from over 100 companies, took part in the summit, according to IBN.

Some notable deals signed at the end of the summit include a joint venture agreement between CG Corp Global and SkyPower Global for developing a 600-megawatt solar power in Nepal, an MoU between CG Corp Global and Sharaf Group headquartered in Dubai for the development of a multi-model logistics park in Nepal, and a deal between CG Infrastructure Pvt Ltd and the chief minister's office of Province 2 for the development of a solar photo-voltaic energy project.

Also notable were the announcement of financial investment confirmation of \$650 million for the 216-MW Upper Trishuli Hydropower Company by a Korean company and an agreement between the International Finance Corporation, IBN and the Special Economic Zone (SEZ) Authority of Nepal for the development of Shimra SEZ on a public-private partnership model.

Another commitment letter signed at the end of the summit between SJVN Arun-III Power Development Company (SAPDC), the State Bank of India and three Nepali commercial banks for the financing of the 900-MW Arun-III hydropower project will pave the way for financial closure for the development of the mega project. The Indian SBI Bank has made a commitment to provide Rs 65.6 billion while Everest Bank

Ltd (Rs 8.13 billion) and Nabil Bank Ltd (Rs 4.88 billion) will also contribute to the project estimated to cost Rs 112.28 billion.

Regarding commitments for investment in various projects pitched by the government, IBN CEO Maha Prasad Adhikari said they have received applications for seven projects in transport infrastructure, four in energy sector, three in agriculture infrastructure, two in education and health and one in logistics (bulk terminal). The government had pitched 77 projects worth nearly \$32 billion during the summit.

But it was not immediately clear which projects have drawn applications from investors.

The two-day summit also featured a number of sideline events on themes of business climate, future of venture capital in Nepal, and women entrepreneurship, along with 36 bilateral meetings with the prime minister and other ministers, over 39 business to government meetings and over 30 business to business meetings, according to IBN.

Amid concerns over the post-summit efforts of the government to translate those MoUs and investment commitments into reality, IBN CEO Adhikari said the government will set up a robust follow-up mechanism to take the signed deals into implementation.

## **MoUs/Announcements**

- Chaudhary Group and Sharaf Group for the development of multi-model logistics park
- Chaudhary Group and SkyPower for the development of 600-MW utility-scale solar projects
- CG LifeCell and Turkcell for 5G Mobile Network Service
- Province 2 govt and CG Infrastructure for the development of Solar Photovoltaic Energy
- SAPDC (Sutlej Nepal) and State Bank of India, Everest Bank and Nabil Bank for financing 900-MW Arun-3
- Yunnan Xinhua Water Conservancy and Hydropower Investment, Hydro Solutions and Shanghai Investigation, Design and Research Institute for development of 164-MW Kaligandaki Gorge
- IBN, IFC and SEZ Authority for development of Simara SEZ
- Sincere Consulting and Resources Himalaya Boutique Village Resort for development of Himalaya Boutique Village Resort (Banepa)
- NRNA and Ministry of Industry for setting up of Rs 10 billion fund
- National Collateral Management Services and Nepal Warehouse Company for development of Grain Ware House
- FCAN and Myanmar Licensed Contractors' Association for infra-development cooperation
- Financial Closure of \$650M for development of 216 MW Upper Trishuli - 1 by KOSEP
- Investment of Rs 399m by Muthoot Finance, India on United Finance
- IBN and Investment Board, South Africa for mutual cooperation
- Api Power and Kandel Group, UK for development of energy projects

Source: My Republica; 30 March 2019

## **Bangladesh wants to import 9,000 MW from Nepal while India agrees to facilitate**

KATHMANDU, March 30: India and Bangladesh have expressed their commitments to work together on importing Nepal's energy, with India willing to allow transmission of electricity to Bangladesh via its territory.

Bangladesh has already made an announcement that it would import electricity from Nepal to meet its energy deficit, in the country's drive to spur high and sustained growth. Speaking at the Investment Summit on Friday,

Sanoj Kumar Jha, Secretary of Central Electricity Regulatory Commission of India, said that India's guideline on energy exchange with its neighbors issued last year has set grounds for energy exchange, and that India was ready to facilitate exchange.

Motibubun Rahman, chief engineer of Bangladesh Power Development Board, said that they needed 12,000 MW of electricity to graduate to a middle-income country by 2021.

"Out of that we want to purchase Nepal's 9,000 MW electricity to sustain high but continued growth in the coming years," Rahman said.

Power purchase agreement (PPA) with GMR, developer of Upper Karnali Hydropower Project of Nepal, is also underway to import 500 MW immediately, according to Rahman. It is believed that the finalization of PPA is expected to pave the way for signing financial closure in the project.

Nepal and Bangladesh have also signed an agreement of energy cooperation and also announced a plan to build electricity transmission line via India. Bangladesh has also been seeking Indian support in bilateral and multilateral talks to import energy.

SAARC Energy Framework Agreement signed in 2014 had laid the foundation of energy cooperation and exchange, which paved the way for further cooperation in energy transfer among the South Asian countries.

Jha said that India also wanted to import renewable energy as it has not started any major hydro power plant in the last five years.

Source: My Republica; 30 March 2019

## **Nepal Investment Summit 2019: 'Energy for Economic Prosperity'**

KATHMANDU, March 29: Minister for Energy, Water Resources and Irrigation, Barshaman Pun, has said that the government has put energy in top priority as the sector is the major basis of country's economic transformation. Addressing a session on 'Energy for Economic Prosperity' in the ongoing Nepal Investment Summit 2019 here today, Minister Pun said that the government has set a target to produce 15,000-megawatt power within next 10 years and export 5,000 MW.

He said that the government has created an investment-friendly environment by making policy-level reforms. Sharing that the government has started people's hydropower programme with a target to construct some projects with local investment, Minister Pun said that the government has been taking initiatives to bring in foreign investment in big projects.

Minister Pun clarified that projects like Dhalkebar-Mujjaffarpur transboundary transmission line have been forwarded while urging the foreign investors to invest in hydropower sector of Nepal as it is the important foundation for the development of South Asia.

National Planning Commission member Dr Krishna Prasad Oli stressed the need for constructing watershed hydropower projects to reduce impact of climate change. Stating that a bilateral mechanism has been set up for exchange of cooperation among neighbors China, India and Bangladesh, he said efforts were underway to export Nepal's electricity to the regional market.

Executive director of the Nepal Electricity Authority Kulman Ghising said efforts were afoot to achieve the government's goal to produce 3,000 megawatts electricity in next three years, 5,000 MW in five years and 15,000 MW in 10 years.

He also said projects of 16,000 MW are at various phases of construction.

Chief Engineer of Bangladesh Power Development Board Mohabubur Rehman said that the country had been importing 15 per cent of its total demands from neighboring countries and that Nepal could be an appropriate source for it.

He shared that Bangladesh targeted to import 9,000 MW of power from Nepal by 2040 and that 500 MW was being purchased from the Upper Karnali Hydropower Project.

General Manager of Power China Sang Dong Sen said China is looking forward to invest in Nepal under the one belt one road initiative, as well as in the energy sector of the country.

Likewise, Secretary of Central Power Regulatory Commission of India Sanoj Kumar Jha said that India had developed a master plan on transborder power trade for the development of power in Nepal, Bangladesh and Bhutan. RSS

Source: The Himalayan Times; 31 March 2019

## **Power China to build 679MW Lower Arun hydel**

Chinese state-owned company, Power China, has announced that it will construct the 679-megawatt Lower Arun hydropower project in Nepal. The company made this announcement during the Nepal Investment Summit here on Saturday.

Speaking at the summit, Song Dongsheng, general manager of Power China, had said that the company will also build the 102MW capacity Upper Trishuli II hydropower project. The Chinese firm has already established a company called Hydro China Corporation for the purpose and received licence to construct Upper Trishuli II project.

Speaking to The Himalayan Times, Song said that the company has already applied for a licence at the Department of Electricity Development (DoED) through the Lower Arun Hydro Electricity Development and Investment Company for the Lower Arun project.

He further said that Power China and Investment Board Nepal (IBN) have already signed a memorandum of understanding for the project.

During Prime Minister KP Sharma Oli's official visit to China in June last year, Power China and the Ministry of Energy, Water Resources and Irrigation had held discussions to build the Lower Arun hydropower project.

Later in October, Power China had also held consultations with officials of the Nepali Embassy in Beijing regarding the hydropower project.

Earlier, Power China had shown interest to develop the 450MW Kimathanka Arun hydropower project but since the project is still in the study phase, it decided to build the Lower Arun project.

Song further said that the company has already deployed their technical personnel to conduct further study of the Lower Arun project. "We have already built the 50MW Upper Marshyangdi hydropower project and plan to utilise state-of-the-art Chinese technology for the Lower Arun project too."

Meanwhile, Power China expressed its dissatisfaction after the government showcased the Lower Arun project at the investment summit even though a memorandum of understanding had already been signed by the company with IBN to develop the project.

In another development, the Indian government had proposed to construct the Lower Arun hydropower project in February but at a reduced capacity of 400 megawatts.

In a meeting with Minister for Energy, Water Resources and Irrigation Barshaman Pun in New Delhi, Indian Minister of State for Power, Raj Kumar Singh put forth a proposal that the new project could be developed adopting the same model as that of the 900-MW Arun III project.

In 2016, government had revoked licence of Vidhyut Utpadan Company, a company under the Ministry of Energy, Water Resources and Irrigation, and decided to keep the project in the government basket.

Source: The Rising Nepal; 31 March 2019

## Nepal, Bangladesh power cooperation vital for connectivity, says Pun

Kathmandu, Mar. 31: Minister for Energy, Water Resources and Irrigation Barshaman Pun said on Thursday that cooperation between Nepal and Bangladesh in power sector is a vital component of connectivity between the two neighbouring countries.

Addressing the 3rd Nepal-Bangladesh Business Forum, Minister Pun said that the need for cooperation in power sector between Bangladesh and Nepal was realised long time ago. "The energy ministerial level visits between the two nations in 2014 and 2016 had laid the foundation to frame cooperation in power sector between the two nations,"

Ever since the establishment of diplomatic relations in 1972, the relations between the two countries have been based on cordiality, goodwill, mutual understanding and cooperation that spread across political, economic, tourism and education arenas, Minister Pun told the participants after inaugurating the Forum, which was jointly organised by the Embassy of Bangladesh in Kathmandu and the Asian Institute of Diplomacy and International Affairs (AIDIA).

The 3rd Nepal-Bangladesh Business Forum had the theme, 'Navigating the Next Phase with Socio-Economic Cooperation.'

"We both countries share common understandings that sub-regional, regional electricity connectivity are necessary for balancing energy supply and demand in the region," Pun said, adding that exploiting resources available in the region should be done to enhance sustainable energy development in the region.

Stating that Nepal has shared electricity transmission lines with India, and Bangladesh has transmission lines with India, he said that both Nepal and Bangladesh could utilise these transmission lines share power between them.

**Minister for Energy, Water Resources and Irrigation Barshaman Pun, centre, and Bangladesh Ambassador to Nepal Mashfee Binte Shams, left, stand for a photograph at the 3rd Nepal-Bangladesh Business Forum, in Kathmandu, Thursday. (Photo: TRN)**

The commitment of both Nepal and Bangladesh in achieving the common goals of sub-regional and regional electricity connectivity was displayed through their willingness to collaborate on interconnection among the member states of BIMSTEC through the memorandum of understanding, he said. Bangladesh ambassador to Nepal Mashfee Binte Shams said both Bangladesh and Nepal had been going through a rapid social, economical and political transformations.

"In this context, we need to cooperate together and workout our synergy regarding where we can cooperate and support each other," she said adding that such seminar could help stakeholders of both nations find where they could cooperate for mutual benefit.

Energy is one of the critical areas for cooperation between BD and Nepal is moving ahead successfully, ambassador Binte Shams said, adding that the extensive discussions among stakeholders of both the nations would enable them to identify more areas of cooperation.

Sunil KC, CEO of AIDIA, said that the Forum had aimed at bringing together businessmen and media persons of two countries to help realise socio-economic development of Nepal and Bangladesh.

KC said that Nepal and Bangladesh could gain mutual benefits by cooperating in electricity trade. He further said that the Bangladeshi Ambassador Binte Shams helped set up Nepal-Bangladesh Business Forum and the previous two Forum meeting held in 2016 and 2017 were huge success.

He also informed that Bangladesh would soon construct a monastery in Lumbini which showed the country's commitment in boosting Buddhism pilgrimage site at the birthplace of Lord Buddha.

The 3rd Nepal-Bangladesh Forum had two sessions- the first being, 'Strong Media Cooperation for Enhancing Bilateral Ties' and the second session was, 'Expanding Multimodal Connectivity for Mutual Economic Growth.'

Former UN Ambassador Madhu Raman Acharya was the keynote speaker in the first session chaired by former Minister for Information and Communication Mohan Basnet. Dr. Golam Rasul, Chief Economist, ICIMOD was the key note speaker in the second session chaired by Madhusudan Adhikari, Secretary, at the Ministry of Physical Infrastructure and Transport.

Source: The Rising Nepal; 30 March 2019

## PM secures 20 units of share of Trishuli III B hydropower project

Kathmandu, March 28: Prime Minister KP Sharma Oli has got 20 unit shares of the Trishuli III B hydropower project launched under the government's 'People's Hydropower Programme'.

Likewise, his spouse Radhika Shakya also secured 20 units. The information was made public amid a programme held today at the Ministry of Energy, Water Resources and Irrigation to allocate the project's shares to the applicants. Both of them had applied for 10,000 units of share each.

Likewise, Energy Minister Barsha Man Pun got 20 shares, while former Speaker Onsari Gharti got 20 and secretary of the ministry Dinesh Kumar Ghimire got 20.

Of the total applicants, 50,267 have got 30 units of shares each, and 145,559 received 20 units of shares, said Paras Mani Dhakal, chief executive officer of Global IME Capital, the sales promoter. The total 67 applications were cancelled. The project's promoter, Trishuli Hydropower Company had issued over 3.7 million units of share in initial public offering.

Source: My Republica; 2 April 2019

## **Electricity supply restored in urban areas**

KATHMANDU, April 2: Electricity supply has been restored in urban areas of Parsa and Bara through alternative supply system. However, it won't be possible to immediately resume power supply to rural areas, according to Nepal Electricity Authority (NEA).

NEA officials say power supply to hospitals, drinking water offices and other essential services have already been restored using alternative supply

Electricity supply is essential in hospitals which are crowded with people injured by the deadly storm.

Grid network for power supply in rural areas has been swept away by Sunday's storms. Not a single electricity pole is standing in around Kalaiya. "Transformers have been broken into pieces," Kulman Ghising, managing director of NEA, told Republica.

According to NEA, at least four supply systems are fully or partially damaged. There is no power supply in Parwanipur-Birgunj 66 kVA double circuit line, while Birgunj-Kalaiya 33 kVA transmission line is also damaged. Similarly, Raxaul-Parwanipur Cross-border Transmission Line 132 kVA, which is used to import electricity from India, and Raxaul-Birgunj 33 kVA transmission line are also non-functional.

Kalaiya substation has suffered the most damage. "Some 1,500 electricity poles have fallen and cables snapped. It is not possible to resume supply without rehabilitation of the whole infrastructure," added Ghising.

NEA's preliminary assessment says a total of 2,000 poles and dozens of transformers have been damaged. Some Rs 100-150 million might be needed to restore the entire supply system, according to NEA officials.

Lack of power supply has also affected services of mobile phone operators in some areas. "Twenty percent of mobile towers were affected due to lack of power supply. We have arranged generators to bring some of them into operation, while some are still out of operation," Pratibha Vaidya, the spokesperson for Nepal Telecom, said. She, however, did not give specific number of towers affected by Sunday's storm.

Source: The Himalayan Times; 2 April 2019

## **Rasuwagadi, Sanjen hydels to issue 15.4 million shares to public**

*BOTH HYDROPOWER PROJECTS HAVE BEEN INCLUDED IN 'NEPAL'S WATER, PEOPLE'S INVESTMENT' PROGRAMME*

The government has included the 42.5-megawatt Sanjen and 111MW Rasuwagadi hydropower projects in the government's programme titled 'Nepal's Water, People's Investment' today.

The Ministry of Energy, Water Resources and Irrigation has decided to include both the projects in the programme. The meeting of the programme's coordination committee has also decided to issue extra 15.4 million units of shares for both the projects. However, the committee is yet to decide on the number of shares that will be issued for each project.

Earlier, Sanjen and Rasuwagadi projects had each issued 25 per cent shares as initial public offering to the public. Of the total shares allotted, 15 per cent had been allocated to the general public and 10 per cent to the project-affected locals.

Both the projects are in the construction phase and have completed more than 50 per cent of the physical works. The projects are being developed by subsidiary companies of Nepal Electricity Authority – Rasuwagadi Hydropower Company Ltd and Sanjen Jalavidyut Company Ltd.

Prabin Aryal, joint secretary and spokesperson for the ministry, informed that the decision to include both the hydropower projects in the 'Nepal's Water, People's Investment' programme was made so as to increase the participation of people in hydropower shares.

“Both the projects are in the construction phase and will be completed on schedule, so we decided to include them in the programme.”

The government had launched the 'Nepal's Water, People's Investment' programme on February 13 with an aim to raise Rs 102.3 billion through equity shares from the public to build over one-and-a-half dozen hydropower projects.

The programme aims to generate 3,479 megawatts of electricity by investing Rs 698.8 billion in 19 hydropower projects.

As per plan, the government had earlier issued shares of the 37MW Upper Trishuli III B hydropower project located in Nuwakot district.

Source: The Rising Nepal; 4 April 2019

## CMEC submits proposal to invest Rs. 250b under EPCF model

China Machinery Engineering Corporation (CMEC) has submitted a proposal of intent to the Office of the Prime Minister and the Council of Ministers to bring more than Rs. 250 billion foreign investment in drinking water, hydropower, roads and tunnel projects in Nepal.

The CMEC in its proposal submitted to the Prime Minister has proposed to invest in these projects based on engineering, procurement, construction and finance (EPCF) model, according to the Ministry of Water Supply.

The CMEC made this proposal after attending the two-day Nepal Investment Summit 2019 held on March 29 and 30 in Kathmandu.

The five projects proposed by the CMEC include Tokha-Nuwakot Chhahare Road and Tunnel Way, 756 MW Tamor Hydropower Storage Project and five drinking water projects.

The five drinking water projects proposed by the CMEC are Narayani Wholesales Distribution, Karnali-Babahi Wholesale Distribution, Bheri-Surkhet Valley Pumping, Patukhola Drinking Water Project in Dang and Mahadev Khola Drinking Water Project in Bhaktapur districts.

The feasibility study of these five drinking water projects has already been completed. The total cost of these projects is estimated to be Rs. 90 billion.

According to the Ministry, around 6 million people are expected to benefit from these drinking water projects.

As per the proposal, the detailed project report (DPR) of the drinking water projects will be prepared by the company itself and it will also manage concessional loan from China Axim Bank in coordination with the government of Nepal and China, said Biswas Khatiwada, Nepal representative to the CMEC.

As right to safe drinking water is one of the fundamental rights guaranteed by the Constitution, he said, adding that the government should forward these projects by declaring them national priority projects.

Similarly, the CMEC has also proposed to construct the Tokha-Nuwakot Chhahare Road and the Tunnel Way project in a concessional loan assistance from the Government of China.

This road which will be a milestone to link Nepal and China, should be developed by according top priority from the government, he said. The total cost of this road is estimated to be Rs. 27 billion.

The CMEC has also proposed to develop 756 MW Tamor Storage Hydropower Project by managing finance for the project. The estimated cost of the project is Rs. 150 billion. The CMEC is a company owned by the Chinese government. Established in 1978, the company falls under top 10 engineering companies in China. The company is currently constructing drinking water, energy, transport and other infrastructure projects in around 150 countries.

Source: My Republica; 5 April 2019

## **Sluggish construction of mid-Bhotekoshi hydropower project calls attention of people's reps**

SINDHUPALCHOK, April 5: The sluggish construction of the mid-Bhotekoshi hydropower project has drawn the attention of the people's representatives, who have started putting pressure for its completion within the extended deadline.

The project has extended two year's time for its completion following its failure to meet the first completion target of 2017. Located at the border of Bhotekoshi rural municipality and Bahrabise municipality in Sindhupalchok district, the 102 megawatts project started in 2013.

Now the extended deadline for the project's completion is June 2019. But only 50 percent of the construction has been completed so far as only four months remain to reach the deadline. The project's estimated cost has also increased to over Rs 20 billion from approximately Rs 13.5 billion in the beginning.

"Local level has been concerned with the delay. As a result, the locals, who have a portion of the investment in the project, have been affected," said Raj Kumar Poudel, chairperson of the rural municipality in a statement. He accused the project of delaying the construction under various pretexts.

RSS