Source: The Kathmandu Post, May 5, 2019

Trishuli-Kathmandu transmission line to come online this week

The 220 kV double circuit Trishuli-Kathmandu transmission line — Nepal's first partially underground power line — built to evacuate electricity from hydroelectric plants in the Trishuli River basin is all set to come online this week, said project officials.

Construction crews have finished installing the 45-km-long power line and are ready to test run it as per the electricity authority's plan to evacuate 60 MW of power to Kathmandu from the Trishuli 3A hydel plant.

"Although the power lines are ready to relay power, minor works related to gantry structures at the Trishuli 3A power house are yet to be completed," said Phadindra Raj Joshi, chief of the project. "The power plant contractor is working to finish the structure within two days and after that we will be able to bring the transmission line online." Gantry structures are used to connect the nearest tower near a substation to electrical equipment in the substation.

The Trishuli-Kathmandu power line is expected to evacuate 30 MW from the Upper Trishuli-3A plant by May 15 and another 30 MW from June.

Officials also plan to connect under-construction Rasuwagadhi, Sanjen, Trishuli 3B and other small and medium scale hydropower projects to the national grid via the Trishuli-Kathmandu transmission line.

According to Joshi, both the transmission line and Trishuli hydel plant project once commissioned will serve as a lifeline to the Kathmandu Valley and maintain the demand-supply equilibrium, particularly during the dry season when power demand is high.

Power will be evacuated from Trishuli 3A powerhouse to Trishuli 3B hub through a 132 kV line and then relayed to Matatirtha sub-station through the 220 kV double circuit line.

Construction of the power lines and underground facility in Matatirtha started in 2012 but was halted multiple times following natural disasters and forest clearance issues.

According to officials, the Trishuli 3A hydropower project will supervise and manage the power lines that will relay power from the Trishuli corridor to the national grid via Matatirtha sub-station.

Out of the total length, 1,309 metres has been constructed underground with a substation in Matatirtha that can house 24 electricity cables.

“The Matatirtha substation is ready to relay power from Trishuli while works are ongoing to connect it to the grid via Bharatpur,” said Joshi.

Both the transmission line and Trishuli 3A hydel plant were built with concessional loan amounting to $114.7 million from China’s Exim bank.

China International Water and Electric Group undertook the transmission line project and raised 140 towers, mobilising around 300 workers to bring the power line online within the revised deadline after the 2015 earthquake.

Earlier, the project had also faced issues in clearing trees at Mahalaxmi Matatirtha Community Forest, and was given the green light to proceed after Minister for Energy, Water Resources and Irrigation Barsha Man Pun made an onsite visit last August.

Source: The Kathmandu Post, May 5, 2019

Independent power producers seek measures to ease electricity trade

- PRAHLAD RIJAL

Nepali delegates (left) attend a meeting with Bangladeshi energy authorities in Dhaka.Photo courtesy: IPPAN

The Independent Power Producers' Association-Nepal urged the government to take measures to ease power trade between Nepal and Bangladesh via India which they say will resolve market access issues currently being faced by private hydroelectricity producers.

Fresh from talks with energy authorities in Dhaka, Bangladesh, association officials requested the government to come up with a clear plan on exporting electricity to Bangladesh using Indian transmission lines.

"There is high demand for electricity in Bangladesh while Nepali independent power producers are struggling to find new markets for lack of government initiatives to build regulations to facilitate planned energy trade through tripartite agreements with Bangladesh and India," said Kumar Pandey, vice-president of the association. "The

government should announce a concrete plan with export quantity and timelines, and also make the necessary amendments paving the way for private producers to capitalise on this highly favourable opportunity."

According to Pandey who also attended the meeting in Dhaka, Bangladeshi authorities have planned to import 9,000 MW from Nepal over the next 10 years. The independent power producers have also asked the government to clarify whether it will export energy under a government-to-government (G2G) model or also facilitate tripartite energy trade allowing independent power producers to play a part in the process.

The move by independent power producers follows the relaxation of energy trading provisions by India in March allowing private entities in Nepal to develop, operate and maintain a dedicated transmission system from Nepal to the pooling station in India for power trade with India or Bangladesh.

"In line with the Indian government's policy on allowing export of electricity produced in Nepal through the existing transmission lines or by developing a new dedicated system, the private hydroelectricity sector is ready to invest in building such infrastructure if there is a government-level understanding," the association said.

Earlier, India had allowed only state-owned hydropower projects or companies with a minimum 51 percent Indian stake to trade power with India or other countries using its transmission lines.

The independent power producers have also asked the government to table the power trade proposals of private hydropower companies at the next meeting of the Joint Working Group of Bangladesh and Nepal, and initiate discussions with Indian authorities on the use of power lines in India.

According to officials, independent hydropower projects are hamstrung as they have not been able to sign power purchase agreements with the electricity authority in the absence of a fully functioning electricity regulatory commission to fix the purchase rates.

“Access to the Bangladeshi market will resolve the issues as private producers are eager to capitalise on this opportunity, and the authorities there are also eager to import electricity from Nepal as soon as possible,” said an official present at the discussions.

According to the Nepal Electricity Authority, as many as 80 independent power projects are currently producing 552 MW while another 39 private projects with a combined installed capacity of 525 MW are expected begin commercial operations in the next fiscal year.

Last August, Nepal and Bangladesh signed a cooperation agreement in the energy sector paving the way for the export of surplus electricity that Nepal is expected to produce within a few years.

Bangladesh has also repeatedly shown interest in importing power from Nepal via India, and has raised the issue at the meetings of the sub-regional BBIN (Bhutan, Bangladesh, India and Nepal) Initiative which was signed by the four countries to facilitate regional trade and business.

Bangladesh has already signed a memorandum of understanding with India’s NTPC Vidyut Vyapar Nigam to import electricity generated by the Upper Karnali Hydropower Project being developed in Nepal with Indian investment. As per the understanding, it will import 300-500 MW of energy from the project.

A 14-member delegation of the Independent Power Producers’ Association-Nepal led by its President Shailendra Guragain recently concluded a three-day visit to Bangladesh where they held talks with the Bangladeshi state minister for energy, chairman of the power development board, president of the regulatory authority, infrastructure development company, private power producers and consultants.

Source: My Republica, May 5, 2019

One stop service center to come into operation from May 15

KATHMANDU, The much-awaited one-stop service center for investors and entrepreneurs is scheduled to come into operation from May 15.

Issuing a notice in the Nepal Gazette, the government has announced the establishment of one-stop service center as envisioned in the Industrial Enterprises Act, 2016, and recently introduced Foreign Investment and Technology Transfer Act, 2019.

The opening of the one-stop service center also got featured in the policy and programs for the upcoming Fiscal Year 2019/2020 which was presented by President Bidhya Devi Bhandari in the federal parliament on Friday.

“All services required for investors will be made available promptly from this May 15 from a single window,” said President Bhandari, in her statement delivered to the parliament.

The one-stop service center will provide services ranging from registration to operation to exit of an industry from a single window, ending hassles for investors to run from pillar to post for starting, running and shutting down their business.

The one-stop service center will not only implement all decisions on providing facilities, incentives and other subsidies to investors, enterprises and industries, but also facilitate in providing electricity, water, land and other infrastructures needed for any industry.

The one-stop service center will be set up at the Department of Industry (DoI). Binod Prakash Singh, director general at the DOI, told Republica that works are at a full swing to bring the one-stop center into operation by May 15.

“We are currently busy on setting up infrastructure, managing human resources and drafting policy and procedures. The center will start providing services from May 15,” added Singh.

Though the one-stop service center was introduced in the Industrial Enterprises Act, it was not established yet. However, the government has given an impetus to the process of setting up the center, following the 'Investment Summit 2019' held in March.

However, not all businesses, enterprises or industries will be able to enjoy the services from the one-stop service center. According to the DoI, those enterprises or industries with capital above Rs 100 million and foreign direct investments up to the limit of Rs 6 billion will be provided services from this center.

Foreign investors with investment up to the limit of Rs 6 billion will get all services including approval of investment, labor permit, visa facility, environmental impact assessment and approval of foreign exchange, according to the officials of the DoI. The investment above Rs 6 billion will be dealt by the Investment Board of Nepal.

The functioning of the one-stop service center will also help the ease of doing business in Nepal, according to leaders of private sector.

Source: My Republica, May 4, 2019

Upper Trishuli 3 A to go for test transmission from Sunday

KATHMANDU: The 220-KW Upper Trishuli 3 A Hydropower Project is to go for test transmission from Sunday.

According to the Nepal Electricity Authority (NEA), the test transmission would be undertaken along the transmission line from Kispang rural municipality of Nuwakot to Matatirtha of Kathmandu from Sunday. The NEA has also cautioned people not to go to the periphery of 15-20 metres from the transmission tower during the test operation.

In order to avert possible electrical accidents, the NEA has called for the public to adopt safety measures in the stipulated area. The hydropower was constructed at the joint investment of the Nepal government and NEA with subsidy loan from China government. RSS

Source: My Republica, May 5, 2019

Phase II of Kabeli Corridor Transmission Line ready

Test transmission began from Saturday: NEA

KATHMANDU, May 6: Second phase of Kabeli Corridor Transmission Line Project has been completed. Test transmission of the transmission line began from Saturday itself, according to Nepal Electricity Authority (NEA).

The 42.88-kilometer section of the 132 kV transmission line, which stretches between Phidim of Panchthar and Soyak of Ilam, connects power generated in the Kabeli corridor to the national grid. There are 126 pylons in the transmission line.

The project was scheduled to be completed by FY2012/13. It faced various hurdles form locals. First the locals demanded 100 percent compensation for land on right of way of the project. They also piled pressure on the project authority to change the route of transmission line. The hurdles were removed after NEA's Managing Director Kumlan Ghising himself stepped in and pacified the locals.

"The project had turned sick due to hurdles of locals and delay in getting permission to cut down trees on the right of way. However, local administration and representative of local bodies helped us to find a way out," said Ghising,

The completion of the transmission line means energy produced by independent power producers in the region will no more go to waste. NEA had to make some temporary arrangement to connect power generated by some producers in the region to the national grid due to delay in transmission line construction.

According to NEA officials, the transmission line is crucial to general power from hydropower projects located on Kabeli, Hewa, Mai rivers. NEA plans to complete works of the third phase -- laying cables from Phidim to Amarpur -- by Mid-July.

The total length of the transmission line is 91 kilometers. It spans from Amarpur of Terhathum district to Lakhanpur of Jhapa. The first phase of the transmission line -- Lakhanpur-Godak section of 35 km kilometers -- came into operation in October 2015. All the four substations on the transmission line --

Damak, Godak, Thapatar (Phidim) and Amarpur have already come into operation.

NEA had to make temporary arrangement to evacuate power generated by Hewakhola A Hydropower Project (14.9 MW) due to delay in completion of the transmission line. Similarly, power generated by Lower Hewakhola (22.1 MW), which is on the last leg of construction, can now be directly connected to the transmission line.

Project manager Dipendra Raj Dwivedi told Republica that works to install pylons in the third phase, or the remaining 13.33 kilometer stretch, are nearing completion. "We have already fitted cables on the towers in the 7-kilometer stretch. We are hopeful of completing all works by mid-July," added Dwivedi.

According to project officials, power generated by under-construction projects on rivers can be connected to the national grid upon completion of the third phase of the project.

Source: The Himalayan Times, May 6, 2019

Kabeli transmission line to be completed by this fiscal year

Despite facing hurdles from various government entities and locals, the construction of the 42.88-kilometre-long 132 kVA double circuit Kabeli Corridor transmission line project is expected to be completed by the end of this fiscal year.

Nepal Electricity Authority (NEA), which is responsible for constructing the aforementioned transmission line project, informed about the latest development today.

The construction of the transmission line has been divided into three sections.

The first section stretching from Lakhanpur in Jhapa to Godak in Ilam has been completed and the third section extending from Phidim to Amarpur in Panchthar is about to be completed. Meanwhile, even though there were delays due to the protests of the locals, the construction work of the second section from Godak to Phidim has also been completed.

As per NEA, construction of the second section that stretches from Godak to Phidim has been completed and the power utility started a test transmission today.

Kul Man Ghising, managing director of NEA, informed that the transmission line from Godak to Phidim has been further divided into two segments — one segment of the transmission line will be charged at the Godak substation and the other will be charged at the Lakhanpur substation.

“After continuous negotiations with local level representatives regarding issues raised by the locals and the local community forest we are finally close to completing the construction of the transmission line,” said Ghising. “There were issues related to land compensation too, which have been resolved now.”

He further said that the third section that extends from Phidim to Amarpur will be completed by the end of the ongoing fiscal year.

After the completion of the Kabeli Corridor transmission line, hydropower projects that have been constructed in Kabeli Khola, Hewa Khola and Mai Khola will be able to transmit the generated electricity to the national grid.

The corridor will help integrate the electricity produced in the eastern hilly districts like Panchthar, Taplejung and Ilam.

Source: The Himalayan Times, May 6, 2019

NEA plans to set up 10 electric vehicle charging stations in Valley

In a bid to promote the government's plan to prioritise electric vehicles over vehicles that run on fossil fuels, Nepal Electricity Authority (NEA) has announced that it will set up 10 electric vehicle charging stations across Kathmandu Valley within the next six months.

The power utility has recently published a notice seeking land space for lease for the establishment of such vehicle charging stations. NEA has urged government agencies, business complexes, supermarkets, hotels and hospitals to submit applications.

Lila Kumari Aryal, information officer of NEA, said that the authority aims to set up electric vehicle charging stations especially in areas where vehicular movement is relatively high.

"We will give priority to leasers especially from areas with high vehicular movement," she said.

NEA plans to publish a tender notice for the procurement of necessary machinery and equipment to set up charging stations within the next few days. The authority has estimated the construction cost of the 10 electric vehicle charging stations to stand at around Rs 100 million.

Following the establishment of the electric charging stations in the Valley, NEA also plans to set up such charging stations across different places in Pokhara, Nepalgunj, Chitwan and Biratnagar.

Along with the government's priority for electric vehicles and growing concern regarding pollution issues, the demand for electric vehicles has increased in the country in recent years. NEA estimates that there are almost 600 electric vehicles plying on the Valley's roads. However, owners of such electric vehicles have been forced to charge their vehicles at home owing to the lack of charging stations.

Automobile dealers have also said that the demand for electric vehicles has been increasing in recent years due to low cost factor of such vehicles.

In the policies and programmes of the government unveiled on Friday, the government has announced about giving special treatment to electric vehicles and setting up charging stations for such vehicles across the country.

Through the budget for the ongoing fiscal year, the government had also reduced import duty on electric vehicles (public vehicles) to one per cent from 30 per cent. Similarly, import duty on private electric vehicles had been slashed to 10 per cent from 30 per cent. Along with this, the government does not levy excise duty on electric vehicles.

However, electric vehicle traders have been saying that reduction in customs duty is not enough to promote electric vehicles. They have been seeking necessary infrastructure — charging stations — and route permit from the Department of Transport Management for the promotion of electric vehicles.

Source: The Kathmandu Post, May 7, 2019

Upper Tamakoshi Project: Penstock installation delayed by crane wire rope failure

- PRAHLAD RIJAL,

The installation of penstock pipes at the Upper Tamakoshi project hit a setback after the steel wire ropes of the crane lifting and placing the pipe sections broke. Each 5-metre section weighs 27 tonnes. Workers had planned to finish installing the pipes in the lower vertical shaft—through which water will run from the reservoir to the turbines—by the first week of May.

After the technical mishap, project officials say the installation will likely take two more weeks, and the project completion deadline will have to be pushed back accordingly.

“The wire ropes of the crane slipped and failed, and we had a new set flown in from India by Thai Airways today,” said Bigyan Raj Shrestha, project director. “We will transport the equipment to the construction site tomorrow and test it before installing the pipe which is likely to resume within two weeks.”

Fitting the penstock pipes in the lower shafts is considered to be the most challenging part of the hydro-mechanical component of the 456 MW peaking run-of-the-river project located in eastern Nepal.

According to Shrestha, construction crews will first ensure all safety compliances at the site before restarting the installation process. “It is an extremely challenging task as we have to lower the 27-tonne pipes down a 400-metre well which requires precision work.”

Construction had come to a standstill earlier because the hydro-mechanical contractor, Texamo Railway Engineering, failed to execute the installation, pushing

back the project's completion deadline for the fourth time. To avoid further delays in the execution of the hydro-mechanical component, the project developer asked the Indian contractor to reassign the crucial task of installing the penstock pipes to Austrian firm Andritz Hydro.

In January, Upper Tamakoshi Hydropower Limited, Texamo and Andritz signed a tripartite agreement under which the Indian firm subcontracted the task of installing the penstock pipes to the Austrian company. Immediately after signing the pact, Andritz mobilised workers at the project site and construction work resumed.

The project has faced massive cost overruns as its completion was delayed due to natural disasters, logistical challenges, design changes and poor work by the contractor. Initially, the project was planned to be built at a cost of Rs35 billion, but the price tag has now doubled to an estimated Rs70 billion.

The national pride project is taken as a role model project because it is being built with domestic resources and a high-level of participation from all stakeholders. After Upper Tamakoshi roars into life, Nepal is projected to have surplus energy at least during the wet season, and the Nepal Electricity Authority, the state-owned power utility which is the sole off taker of power in the country, will be in a position to export electricity.

Officials plan to start commercial generation of electricity after switching on the first unit which will generate 76 MW by the end of December. But after the rope mishap, authorities are hopeful that work can be expedited to meet the completion deadline.

Source: The Himalayan Times, May 7, 2019

Private industries refuse to pay extra energy bill

The country's three leading private sector umbrella organisations — Federation of Nepalese Chambers of Commerce and Industry (FNC- CI), Confederation of Nepalese Industries (CNI) and Nepal Chamber of Commerce — have said that they will not pay the additional fee that Nepal Electricity Authority (NEA) has decided to impose on industries.

The power utility has decided to charge an extra 65 per cent fee for the electricity it supplies to industries through the dedicated trunk line.

Earlier, NEA had forwarded a letter to more than 250 factories that have been availing additional electricity through the trunk line asking them to pay the amount for the energy consumed by those industries since fiscal year 2016-17.

Addressing a press conference here today, Bhawani Rana, president of FNCCI, said that the NEA's decision is in violation of the law.

"The amount that NEA is asking us to pay is huge and if we have to pay that amount, then there will be no alternative for us other than to shut down our industries."

"The concept of a dedicated trunk line for industries is good, but the NEA has decided to impose the extra fee on even those industries, which have not signed an agreement to avail that service," she informed.

Pashupati Murarka, former president of FNCCI, mentioned that the letter from NEA seeking 65 per cent extra fee for power supplied through the dedicated trunk line was very disappointing and will discourage investors. "We have decided not to pay the additional amount to NEA and if necessary we will seek a meeting with the prime minister to look for a viable solution."

Moreover, Satish Kumar More, president of CNI, said this measure adopted by NEA is discouraging for domestic investors. "It is not a good decision made by the government," he said, adding that this move by the power utility will be an obstacle to attract foreign

investors as investors look for a conducive climate before making any investment decision.

“Which foreign investor would want to come to Nepal if domestic investors themselves are being discouraged by the government?” More questioned.

Meanwhile, Kul Man Ghising, managing director of NEA, told The Himalayan Times that the authority forwarded letters to industries to pay their due electricity fees as per law. “If the industries continue to put off making the payment, then we will take legal action.”

The private sector umbrella organisations, meanwhile, have filed a petition at the Supreme Court on the matter, but the apex court has yet to give its decision.

Source: My Republica, May 8, 2019

Private sector accuses NEA of overcharging industrial enterprises

Energy supplied through dedicated lines

KATHMANDU, May 8: Three professional bodies of private sector have criticized the Nepal Electricity Authority (NEA) for billing industries for electricity that they did not consume.

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI), the Confederation of Nepalese Industries (CNI), and Nepal Chamber of Commerce (NCC) jointly organized a press conference on Tuesday after their separate pleas to the NEA went unheard, they said.

The three professional bodies had been separately requesting the NEA to relieve industrial consumers of the cost of energy supplied through dedicated and trunk lines, arguing that having a dedicated connection doesn't mean that industries have consumed electricity supplied through the line.

NEA has issued accumulated bills of the past three years to as many as 250 companies and enterprises, claiming that they consumed power supplied through the dedicated and trunk lines, according to FNCCI.

All these enterprises have dedicated and trunk lines which allow them to enjoy continuous power supply for a minimum of 20 hours.

These enterprises have not applied to the NEA for such service, representatives of the three bodies claimed at the press meet.

“Trunk lines are connected to each enterprise. But most of them neither used the facility, nor completed the prescribed procedure to get such facility from the NEA. None of these applications have been approved by the board of directors of the NEA,” claimed Pashupati Murarka, a former president of FNCCI.

The tariff of electricity supplied through dedicated and trunk lines are 65 percent higher than the normal price that industrial consumers pay.

Some industrial enterprises are getting electricity from the NEA through dedicated or trunk lines after completing the prescribed process. But NEA sent bills to even the consumers that have not applied for the facility, the professional bodies have claimed.

NEA officials, however, say that these enterprises enjoyed continuous electricity supply before mid-May last year, which the country was facing power shortage, and also thereafter.

According to the professional bodies, steel rolling mills and cement factories, whose energy consumption is high, are affected the most from the NEA’s decision. Some industrialists say they were shocked to get such a high electricity bill.

“Industries did not include the cost in their unit products which have already been sold. They will have to face huge loss if the decision is not reviewed,” reads a joint statement issued by the three bodies.

FNCCI President Bhawani Rana, NCC's Rajendra Malla, CNI's Satish Kumar More had addressed the press meet. They said in unison that the NEA issued bills to all enterprises without looking whether they were using dedicated lines.

About a dozen such enterprises have moved different courts, challenging the decision. They have even managed to get stay order from the courts.

NEA's Managing Director Kulman Ghising said that NEA issued bills to enterprises for energy consumed through dedicated lines during load-shedding. "We charged them for energy supplied through trunk lines as per the law," he said, adding, "We have also been matching day meters of the enterprises and their electricity bills."

Interestingly, these three bodies rarely come together. They had came together at the time of constitution-drafting four years ago to lobby for avoiding multiple taxes in three tiers of governments and for free flow of goods, money and labor across provinces, among others.

Source: The Kathmandu Post, May 9, 2019

Guangxi resumes work on Middle Bhotekoshi following warnings

- PRAHLAD RIJAL, Kathmandu

Guangxi Hydroelectric Construction Bureau replaced the project manager and resumed work on the Middle Bhotekoshi Hydroelectric Project following warnings by project authorities that it could lose the contract for missing the completion date.

The Chinese company is the contractor for the civil and hydro-mechanical works of the 102 MW plant located in Sindhupalchok district.

Project authorities have been telling the contractor repeatedly since February to resume construction and maintain adequate stocks of building materials at the site after it halted work citing money problems.

Construction work was supposed to have been completed by June 2019, but the delay means the completion date will be pushed back by a year, project officials said. This is the third time the project has revised its completion deadline after construction started in 2013.

Even though work has restarted, project authorities are not convinced the contractor will finish the task as promised. “The contractor has talked its way out of tough spots before, and this time it has just sent us a letter pledging to finish the project,” said project chief Sunil Lama.

“Although there is movement of construction crews at the tunnel entrance and powerhouse, we are not fully convinced, and want to meet a high-level delegation from the company within a month.” According to Lama, the contractor has not provided details about its capital source and timeline for completion which the project office had demanded.

The civil and hydro-mechanical works were assigned to Guangxi under an engineering, procurement and construction contract which requires the firm to procure equipment and materials on its own. In February, Guangxi was given 14 days to maintain a 45-day stock of building materials and one month to dig the remaining

40 percent of the 7.1 km tunnel which will convey water from the Bhotekoshi River to the turbines at the hydel plant. But it has not done so, and with the rainy season approaching, a majority of the civil works at the dam site cannot be carried out, officials say.

The project began construction in 2013 and had been expected to start generating electricity by 2016. However, natural disasters and land compensation issues, among others, had pushed back the deadline to 2018. The project being built by Madhya Bhotekoshi Jalavidyut Company, a subsidiary of Chilime Hydropower, has reported 42 percent physical progress till date.

According to officials, the project had adopted a lenient policy for releasing funds for timely completion, but without any physical progress at the site, project financers still have no evidence to trust and release funds to the Chinese contractor.

“After multiple setbacks owing to the contractor’s lingering, we do not rule out the possibility of the contract being terminated unless a high-level delegation from Guangxi comes up with the details that we have asked for,” said an official of the Nepal Electricity Authority, the project executing agency, who asked not to be named.

“The project is funded by domestic resources, and we don’t want it to sink into further uncertainty. We have decided to maintain a stronger vigil over the contractor’s work first, and contract termination is still on the cards,” the official said.

The project office had revised the project’s price tag in October 2018 from the initial estimate of Rs12 billion to Rs14 billion without factoring in interest payments. Poor execution and delays by the contractor are expected to result in cost overruns. The project is funded under a debt and equity financing modality with 50 percent of the loans taken from the Employees Provident Fund.

Source: The Rising Nepal, May 9, 2019

Kabeli corridor transmission line comes into operation

By Ramesh Lamsal, (RSS): The Kabeli corridor transmission line with a strategic importance based in eastern region has come into operation. The line which had been in the test operation since Saturday came on line for commercial purpose from Tuesday evening.

It has been easier to connect the power to be generated from a under-construction hydropower project based in the corridor to the national grid following the operation of the (second section) of double circuit transmission line of a total 132-KV capacity, said project chief Dipendra Raj Dwivedi. The total 91 kilometers transmission line has been divided into three sections. The first section stretches from Damak, Lakhanpur (Jhapa) to Godak of Ilam; the second section covers an area from Godak of Ilam to Phidim while the third section from Phidim to Amarpur (Panchthar) is likely to be completed by the end of the current fiscal year. The 42.88-km second section has 126 towers.

Of the total 261 towers for the transmission, construction of one will be over in some days, said the project.

First section of 35 kilometers Lakhanpur-Godak transmission has come into operation in 2072 BS. The 132/33/11 KV substations located at Damak, Thapatar (Phidim) and Amarpur, respectively have already started operating. The purpose of the construction of the transmission line is to supply power to be produced from hydropower projects based in Kabeli, Hewa and Mai rivers in Panchthar, Taplejung and Jhapa. Private sector energy entrepreneurs are expected to be mostly benefitted by it.

The power generated from the 14.9 megawatt capacity Hewakhola-A and the 22.1 megawatt capacity Lower Hewakhola hydroelectricity projects would be connected to the Kabeli Corridor in the second phase. Both these projects are constructed by the private sector power developers. The Hewakhola-A is currently running while the construction of the Lower Hewakhola project has reached the final stage. Only 33 KV power from Hewakhola-A project is currently connected to the transmission line on a temporary basis.

The electricity generated from both the projects would be connected to the Thapatar sub-station.

Construction of the Kabeli corridor transmission line was begun some 10 years back. However, it was delayed due to the slackness of performance by the contractor, the local people's obstruction on the 'right of way' of the transmission line, the delay in approving cutting down trees on the right of way, among other reasons.

The project, with a total cost of 31 million USD, has been constructed with the investment of the Government of Nepal and Nepal Electricity Authority and the soft loan from the World Bank.

The Independent Power Producers' Association of Nepal (IPPAN) has said the completion of the power transmission line was a matter of happiness to them.

Source: The Kathmandu Post, May 10, 2019

Utility chief warns industrialists to pay dues or face theft charges for unauthorised electricity use

- *Former electricity officials supplied 315 megawatts to industries and kept the country in the dark*

- PRAHLAD RIJAL, Kathmandu

Two days after industrialists accused the Nepal Electricity Authority of illegally charging them, the power utility's managing director on Thursday said that the big consumers colluded with former NEA heads to secure 315 megawatt electricity for their industries through dedicated feeders and trunk lines while the public faced outages up to 18 hours a day until a few years ago.

"In some instances, the former heads also bypassed legal requirements to unilaterally approve industries power through dedicated feeders and trunk lines without forwarding their applications to board members," Kulman Ghising told reporters at an interaction in his Kathmandu office.

"All the industries are not clean like they claim to be and a majority of those who were supplied electricity through trunk lines have not abided by the billing by-laws," said Ghising. "A committee is reviewing time-of-day meters and will reveal the hours of consumption and amounts owed by all industries in question to the state."

A row between the industrialists and electricity officials intensified after the power utility sent them bills in line with its internal committee's assessment that the industries supplied by dedicated feeders and trunk lines are yet to pay Rs4.3 billion in charges as per its billing provisions.

On Tuesday, three trade associations came to the defence of the industrialists and countered the utility's billing, questioning the motive for slapping them such huge charges. They claimed that the state-owned supplier had even billed those factories that had not signed any agreements for regular electricity use.

Nonetheless, the committee, as officials say, had submitted an erroneous report as it put all the industries in the same basket and calculated the dues for one additional year when the billing by-laws, which classify dedicated feeder and trunk line billing mechanisms, had not come into effect.

In June 2015, a board meeting of the electricity authority had set premium charges for factories using electricity through dedicated feeders from August that year. A separate meeting of the now-dissolved electricity tariff fixation commission had decided in January 2016 to set premium charges effective from July for factories using direct electricity from dedicated feeders and trunk lines.

But the committee that investigated outstanding dues charged the industries from July 2014.

“While a majority of the industries using dedicated feeders have cleared the dues in time, those industries that have received direct and regular electricity through trunk lines connecting two substations are under investigation,” said Ghising.

“The committee is now reviewing individual consumption details of all the industries--particularly the 67 industries that are still receiving electricity through trunk lines.”

Meanwhile, the industrialists say they will not pay the ‘unacceptable’ amount as they have not signed any agreements with the state-owned utility and the electricity authority has billed them against the provisions of the billing by-laws.

On Tuesday, Pashupati Murarka, former president of the Federation of Nepalese Chambers of Commerce and Industry, said the utility has charged the 240 factories 70 percent higher than the usual rate. The authority itself is confused about the amount, he said, adding that the utility should not charge rates that go against the provisions.

As per the provisions of the billing by-laws, any industry that wishes to consume electricity from the trunk line for 20 or more hours like a dedicated feeder system will be liable to pay the charges applicable to dedicated feeder users. Such industries must get approval from the electricity authority board and cannot consume electricity for more hours than the outage schedule set by the authority for them.

"Any industry found to have used electricity for more than the permitted hours, flouting the load-shedding schedule, will be charged under the Electricity Theft Control Act-2002 and is liable to pay regular premium rates and compensation charges for unauthorised use of electricity," the by-laws state.

“If the industries are charged compensation rates for unauthorised use, the amount in question will be much higher than the mis-calculated estimate of Rs4.3 billion,” said an official who asked not to be named.

Asked why the electricity authority is billing the industries now for the power they used in the past three years, officials said they started the billing in 2015 and the industries in Birgunj and Bhairahawa corridors moved the court and received a stay order that allowed them to defer the payments.

“More industries have moved the court and brought stay orders but we have no differences with the industrialists and will propose that the newly formed electricity regulatory commision phase out the use of dedicated feeders as the country no longer witnesses load-shedding.” said Ghising, “But we seek payments for the electricity they have consumed.”

According to the Nepal Electricity Authority managing director, the NEA is currently charging industries Rs6.27 per unit on average while it buys electricity from independent power producers at an average rate of Rs7.50.

“We will phase out dedicated feeders and trunk lines but also seek higher charges from the industries as we cannot sell at a rate lower than the cost price,” Ghising said.

According to the electricity authority, 298 consumers are being supplied electricity through dedicated feeders and trunk lines. Among them, 184 pay premium rates.