

**Source: The Rising Nepal, August 7, 2021**

## **Minister Bhusal Mulls Providing Free Electricity To Poor**

**Kathmandu, Aug. 7:** Minister for Energy, Water Resources and Irrigation Purnima Bhusal has said that preparations were underway to provide free electricity to the people living below the poverty line.

During a meeting with former ministers for energy, water resources and irrigation at the Ministry on Thursday, Minister Bhusal said she was making preparations to allow people below the poverty line to consume free electricity.

She informed that she was preparing to reduce the electricity tariff for those who use more electricity for domestic purpose. She said, "I am preparing to provide electricity to the people below the poverty line by giving them free electricity. We have almost reached that conclusion. In order to increase domestic consumption, I have prepared it with the objective of reducing the tariff for those who consume more."

Minister Bhusal said that it would be easy to provide free electricity to the poor people even if 1 per cent leakage is controlled.

She expressed the belief that providing concessions to farmers on electricity would help in reducing the trade deficit by increasing production.

Minister Bhusal said, "Irrigation will be provided to all cultivable lands. If we can provide basic and free services to irrigation, we can end the system of irrigating by using imported fuel."

On the occasion, former ministers for Energy, Water Resources and Irrigation suggested Minister Bhusal to move ahead by making programmes according to the needs of the country by keeping people in the centre.

Former Minister Barshaman Pun suggested moving ahead by making an integrated master plan in the fields of energy, water resources and irrigation.

He said, "According to the new concept, we have to move towards constructing reservoir projects."

He said that the proposal of the Minister to provide free electricity to the people living below the poverty line and reduce electricity tariff was appropriate and suggested that she implement it.

Similarly, Former Minister Dr. Prakash Sharan Mahat stressed on the need to construct important hydropower projects to support the country's economic sector.

He suggested to pay special attention to export of power and increase domestic consumption.

Dr. Mahat said that the issue of providing free electricity to the people should be studied and moved forward. Former Minister Radha Gyawali said that important projects like Budhi

Gandaki should be given special priority.

Former Minister Chitra Lekha Yadav stressed on the need to work in line with the expectations of the poor people.

Similarly, another former minister Umesh Kumar Yadav urged to bring a separate Water Resources Act and suggested to not neglect the old trend of ignoring water resources and irrigation by paying more attention to energy alone.

Former Minister Umakanta Jha said that Nepali technicians in the field of irrigation and energy also had good experience and stressed on the need to build new projects by taking them into confidence.

**Source: The Kathmandu Post, August 7, 2021**

## **Once power-starved, Nepal now aims to export electricity**

The country now is energy surplus after an increase in total installed capacity, and the realisation of the plan to sell power to India would mark a milestone.

For decades, Nepal has been touted as a water-resource rich country with an immense potential to generate hydro-electricity—up to 83 gigawatts—at least on paper. But Nepal lived in the dark ages for more than a decade—from 2006 to mid-2017, with power outages lasting up to 18 hours a day.

No major hydropower plants were developed during the decade-long Maoist insurgency, which ended in 2006. During the revolt, Maoist insurgents attacked infrastructure scaring investors away.

With improved management, leakage control and more power generation, ‘load-shedding’ now has become a thing of the past, and the country now has surplus energy, technically, mainly during the wet season.

And with a view to selling electricity, the Nepal Electricity Authority in May this year participated in a bid, seeking to export 40MW to the Punjab state of India.

“We participated in an auction called by the Punjab State Power Corporation Limited to supply electricity to Punjab for the period from July to October,” said Hitendra Dev Shakya, managing director of the Nepal Electricity Authority. “We are one of the suppliers chosen by Punjab’s power utility body to potentially supply electricity .”

This is the first-ever effort by Nepal to export electricity to the Indian market through a competitive bidding process, even though certain power is being exchanged through the cross-border transmission line currently.

The state-owned power utility, however, is yet to get a response from the power body of Punjab whether it would procure electricity from Nepal.

“We have not received a Letter of Intent from Punjab’s electricity utility body to supply electricity. Even though we are chosen as a potential supplier, it is up to the Punjab State Power Corporation to decide whether to purchase from us or not,” said Shakya. “If things materialise, we will have the first experience of exporting power to India through the exchange market and also pave the way for selling more power.”

If the Punjab power utility agrees to buy electricity from Nepal, it will be sent via Dhalkebar-Muzaffarpur 400 KV interstate transmission line.

In April, India officially allowed Nepal entry to its power exchange market. The Indian Energy Exchange (IEX) announced the “commencement of the Cross Border Electricity Trade” on its platform, allowing Nepal, Bangladesh and Bhutan to participate in power trading.

This was a first-of-its-kind initiative for the exchanges to expand their power markets beyond India to the South Asia region towards building an integrated South Asian regional power market.

After the opening of the power exchange market for Nepal, the authority has been purchasing electricity from India through competitive bidding along with the traditional method of purchasing power through bilateral agreements with Indian companies.

According to Shakya, Nepal has offered different prices for the electricity to be exported to Punjab. But the average price stands at INR3.5 (Rs5.6) per unit. With Punjab’s power authority delaying its decision, it is not sure whether the Nepal Electricity Authority will be able to sell its electricity this summer.

“We also need to take approval from the Power Ministry of India to be able to sell electricity,” said Shakya. “We are hopeful that the Indian government will provide us with a permit.”

Exporting electricity to India is important for Nepal, as there are already concerns that the country's potential surplus of energy, after all power generated by the 456 MW Upper Tamakoshi Hydropower Project is connected to the national grid, could be wasted.

The project located on the Tamakoshi River in Dolakha district in north-central Nepal, approximately 200km from Kathmandu, was inaugurated on July 6.

The Upper Tamakoshi Hydropower Project, Nepal's largest so far, has started evacuating 304MW of electricity from four of its six 76-megawatt units to the national grid, earning a status as a power surplus country during the wet season.

“In the next two weeks, the remaining two units will begin producing an additional 152 MW of electricity,” said Bigyan Prasad Shrestha, chief of the project.

Nepal, currently, has an installed capacity of 1,385MW. With the addition of power from Upper Tamakoshi, the installed capacity is over 1,800MW. According to Shakya, the country’s peak demand currently stands at 1,550MW. This means, when all units of Upper Tamakoshi start production, the country will have nearly 300MW of surplus energy in the wet season.

For the run-of-river hydropower project, which will have little or no storage capacity, winter [December-February] is the dry season when Nepal’s Himalayan peaks do not melt and the low water flows lead to lower energy availability.

“All power from Upper Tamakoshi is yet to be evacuated to the national grid. Once all turbines of the project start producing electricity, we will have surplus energy,” said Shakya. “There is the possibility of power spilling in mid-September when demand decreases along with cooling of temperature, particularly from the Tarai region.”

As the country struggles to increase the consumption of electricity substantially, officials at the authority say that there is risk of power wastage.

Besides, many power projects from the private sector are also in the production lineup.

Private producers say there is a possibility that electricity worth billions will go to waste in the near future without a solid energy trade plan, as Nepal aspires to produce 10,000MW by 2026.

According to Shailendra Guragain, former president of Independent Power Producers’ Association of Nepal, power generation capacity has already exceeded the peak demand of electricity in the country, requiring an increase in consumption within and outside the country.

“As about 4000MW of power projects are scheduled to be connected to the national grid in the next 3-4 years, Nepal needs the external market to sell excess power in the short-term as domestic demand has not been growing to consume all upcoming power,” Guragain said.

If the electricity that Nepal produces goes to waste it would affect the income of Nepal Electricity Authority, which has agreed to buy electricity generated by private producers, and in turn theirs, according to them.

“If a large chunk of electricity is wasted, it raises the question about the sustainability of the authority,” said Sudhir Prasad Timilsina, managing director of United Modi Hydropower Project. “In such a situation, it will affect the authority’s ability to buy electricity from the private sector.”

According to him, it would be better for the authority to sell the electricity at a cheaper rate particularly at night time than allowing the electricity to be spilled.

“If you make the electricity cheaper and increase the reliability of power supply, it will also increase adoption of electricity by households increasing consumption,” he added.

The auditor general’s report of last year noted that private-sector power producers had been incurring losses amounting to more than Rs382 million annually.

The report said that 95.61 gigawatt hours (GWh) of electricity produced by 18 private hydropower companies had gone to waste due to the inefficiency of the government to improve, renovate and build new transmission lines.

Nepal's electricity authority, however, has been importing Rs734.7 million worth of power annually from India by paying Rs8 per kilowatt per hour, or per unit, while private producers receive Rs4 per unit on average.

“In total, it has inflicted losses amounting to Rs1.14 billion to the country in the fiscal year 2018-19,” said the report.

And with more power projects from the private producers in the pipeline, the country is in greater need of an electricity market within the country and outside, to prevent wastage.

Madan Timsina, spokesperson for the authority, said there is possibility of power wastage if domestic consumption does not go up or power cannot be traded this rainy season.

“Particularly, power may go to waste in the nighttime when demand is low,” Timsina told the Post.

According to Timsina, the authority expects the addition of 1,400-1,500MW of electricity in the national grid this fiscal year, particularly from private producers.

“The Indian exchange market has given us an important avenue to prevent the electricity from being wasted,” said Timsina. “We also have to increase domestic consumption by promoting the use of electricity in our kitchens and other sectors.”

In a recent interview with the Post, Kul Man Ghising, former managing director of the authority, said that lowering prices could be one of the ways to increase consumption of electricity in the domestic market.

At present, the Nepal Electricity Authority pays hydropower projects Rs8.4 per unit during the dry season and Rs4.8 per unit during the wet season for their electricity. It sells the electricity at an average rate of Rs 10.62 per unit to households and industries.

“We can promote the use of electric ovens in our kitchen. There is also a lot of scope for boosting industrial demand by increasing the capacity of substations,” said Ghising, “and reducing nighttime prices of electricity to support irrigation projects.”

**Source:My Republica, August 11, 2021**

## **Kulman Ghising reappointed as managing director of NEA**

KATHMANDU, August 11: Kulman Ghising has been reappointed as the managing director of Nepal Electricity Authority (NEA).

On the proposal of the Ministry of Energy, Water Resources and Irrigation, the Council of Ministers on Monday appointed Ghising as the managing director of the NEA.

Earlier on Tuesday, Prime Minister Sher Bahadur Deuba had summoned Energy Minister Pampha Bhusal to Baluwatar and instructed her to start the process of appointing Ghising.