Source: The Kathmandu Post; 2 December, 2018

Private sector raises investment in hydropower projects in the Farwest

BASANTA PRATAP SINGH, MANOJ BADU

Private sector investment in hydropower projects has been increasing steadily in the hilly districts of far-western region.

A few months ago, Api Hydropower Company completed the 8.5 MW small hydropower run-of-the-river project in Naugarh River in Darchula. It was the first private sector project completed with an investment of Rs1.5 billion. Now, investors are injecting Rs2 billion for the development of another hydropower project in the same river. In Bajhang, six hydropower projects are under construction with more than Rs16 billion in investment.

Residents of remote Bajhang, who have been facing severe power shortage, are expected to get relief as soon as the 1 MW Jaude Gadh hydropower project is expected to be complete soon. The construction of the project started in 2016.

"The operation of the Jaude Gadh project will eliminate the electricity problem in Bajhang completely," said Birendra Malla, director of Kalanga Hydropower Project, the developer of the project.

The 65 MW Kalanga Gadh is another project which is expected to come into operation by 2020. According to Malla, 50 percent of the works of the project has been completed. "It's also the biggest project developed by Nepali private sector." "If the ongoing and planned projects are completed in time, Bajhang will be known as a district of having the largest power projects in the province," he said. It also houses one of the country's largest hydropower projects—the 750-megawatt West Seti hydropower project. Similarly, 40 percent of construction works of the 38.46 MW Sani Gadh Hydropower project has been completed.

Nearly 20 percent construction of the 10 MW Upper Kalanga has also been completed. Likewise, another 25 MW project in Suni Gadh River is also in the development phase. The project is expected to generate energy within five years. Chilime Hydro Power is preparing to develop a 165 MW project in Seti River. The company officials said that the project is expected to begin this year.

Private developer Sambriddhi Hydropower Company has also started the process to acquire the licence to generate 140 MW of energy from Upper Seti River in Bajhang. The Nepal Electricity Authority has been constructing a 33 kV transmission line to connect the power evacuated with the national grid.

However, officials concerned said that the 33 kV line would not be enough if the proposed development of the projects are taken into account. "If the 132 kV transmission line is not completed in time, the power generated by the private sector will be wasted," private power developers said.

"Unless the 132 kV transmission line is developed, the 33 kV transmission line will only be able to transfer electricity worth 10 MW, rendering the extra power generated useless," said Lok Jung Kunwar, proprietor of Omega Energy Developer. "Within five years, different small and micro hydros will start producing a combined
130 MW energy."

However, preparations are underway to connect the power generated by the 65 MW Kalanga Gadh to the national grid using a 165 Kv transmission line to the Blatch sub-station in Darchula.

As soon as the government constructed the 132 kV transmission line in the far west region last year to supply power from the 30 MW Chameliya Hydropower Project, the private sector has upped their investment in the hydro sector.

With more hydropower projects under construction in remote Bajhang and Darchula districts, locals have started getting jobs.

“The projects have generated jobs for daily and regular wage earners,” said Govinda Singh Thagunna, a local at Naugarh. “Before, there was a huge flow of seasonal migrants’ workers to India,” he said. “Besides, the demand and consumption of local products have also increased in the district.”

Source: The Himalayan Times; 2 December, 2018

Nepal-Bangladesh energy cooperation meet starts today

The Nepal-Bangladesh joint steering committee meeting on energy cooperation between the two nations is set to kick off in the Capital from Monday. The first meeting between the respective authorities of the two countries after Nepal and Bangladesh inked a memorandum of understanding (MoU) on energy cooperation in August is expected to discuss on enhancing energy trade and investment between the two countries.

A 13-member team of the Ministry of Power, Energy and Mineral Resources of Bangladesh has already arrived in Kathmandu to participate in the two-day joint steering committee meeting. Anup Kumar Upadhyay, secretary at the Ministry of Energy, Water Resources and Irrigation (MoEWRI), will lead the Nepali delegation at the meeting.

"As this is the first joint steering committee meeting after the Nepal-Bangladesh energy cooperation agreement, the meeting will
primarily dwell on ways of capitalising on plans and provisions of the bilateral understanding on energy trade and investment," said Dinesh Kumar Ghimire, joint secretary at MoEWRI.

According to him, the meeting will discuss on ways to enhance cross-border energy cooperation and promote investment in the hydropower sector of the two nations.

Following the understanding on energy cooperation that the two nations reached in August, a power secretary-level joint steering committee (JSC) and joint secretary-level joint working group (JWG) had been formed to capitalise on the provisions of the understanding. As per the agreement, these committees will have to meet every year and discuss and take forward the issues related to cooperation in the power sector between the two nations.

Nepal and Bangladesh have been enhancing energy cooperation especially after the Power Trade Agreement (PTA) was signed with India in 2014. The two countries have already agreed upon to focus on electricity generation, development of hydroelectricity, cross-border transmission lines, development of efficient human resources in the hydel sector, promotion of government-to-government and private sector investment, grid connectivity, power efficiency and investment in renewable energy, among others.

"These are the issues that will be discussed at the meeting," informed Ghimire.

Along with issues related to cross-border energy cooperation, Nepal is also expected to urge Bangladesh to purchase almost 500 megawatts of energy produced by the Upper Karnali hydropower project, which is being developed by India-based GMR.

With expectations that the country will have surplus energy production within the next few years, the government has been focusing on diversifying the country's energy trade and increasing energy consumption in the domestic market.

A few months back, Nepal had signed an agreement on energy cooperation with China whereby the northern neighbour has pledged to provide assistance in constructing the Galchhi-Kyirong cross-border transmission line and purchase electricity from Nepal.

Source: The Himalayan Times; 4 December, 2018

Construction of Koshi Corridor faces delay

Locals have objected to cutting down of nearly 9,000 trees along the transmission line's path

The Koshi Corridor — the transmission line corridor from Inaruwa to Taplejung — is facing problems in construction works due to issues related to cutting down of trees that lie along the path of the corridor. The project will have to cut down approximately 9,000 trees along the corridor.

According to Nepal Electricity Authority (NEA), the locals and community forest societies of Sunsari district have objected to the construction of the 220kV double circuit transmission line. "As the locals have been obstructing us in cutting down the trees the project has been halted in Sunsari," informed Kul Man Ghising, managing director of NEA.

The corridor passes through five districts including Taplejung, Sankhuwasabha, Tehrathum, Dhankuta and Sunsari.

Meanwhile, the NEA is obliged to complete the Koshi Corridor transmission line within the next one-and-a-half years to ensure that electricity that is generated by the various hydropower projects being built along the corridor can be connected to the national grid.

According to NEA, the 51-megawatt Mewa Khola hydropower project and 15-megawatt Maya Khola project that is being constructed by independent power producers will come into operation in the next 18 months. "If we are unable to build the transmission line on schedule we will then have to compensate 45 per cent of their production as we have included that provision in the Power Purchase Agreement with the respective developers," Ghising added.

"What we have to understand is that we will be paying the developers for electricity that we will not even be using."

The 105-kilometre long Koshi Corridor transmission line is being funded by the Exim Bank of India which has pledged to provide $90 million. The corridor will include four substations at Tumlingtar, Baneshwor and Basantapur of Sankhuwasabha district and Inaruwa of Sunsari. The fund also covers the 35-km long transmission line along the Tamor section that is under construction.

The second package of the Koshi Corridor project, which includes the construction of the aforementioned substations, has faced criticism as its contract has been awarded to the second lowest bidder which is against the Public Procurement Act. The act states that the contract must be awarded to the lowest bidder. Clarifying the issue, Ghising informed that as per legal provision, the contract can be awarded to any bidder as per the recommendation of donor agencies if such projects are being funded by them.

NEA had awarded the project to build the substations worth $25.30 million to the Indian contractor named Larsen & Toubro Ltd on July 11.

According to NEA, if there is delay in completing the Koshi Corridor then 250 megawatts of electricity will go to waste. Moreover, NEA has already signed Power Purchase Agreement to purchase nearly 1,000 megawatts of electricity from various hydropower projects being built along the corridor.

Source: My Republica; 4 December, 2018

Agreement on electricity export to Bangladesh

The Nepal-Bangladesh energy mechanism meeting held in the capital city on Tuesday has paved way to export electricity produced from the Upper Karnali Hydropower Project. An Indian company Grandhi Mallikarjun Rao (GMR) is the promoter of Project producing 500 MW electricity. The meeting endorsed the agreement on exporting the electricity generated by the Upper Karnali Hydropower Project. After the visit to Bangladesh last July, Minister for Energy, Water Resources and Irrigation, Barsha Man Pun, had shared that Bangladesh was ready to import the electricity from the Project.

Spokesperson and Joint Secretary at the Ministry, Dinesh Ghimire, shared that the meeting approved the decision on cooperation relating to investment on hydropower project, interstate electricity transmission line and the renewable energy between the two countries. The two countries were ready to explore potential on joint electricity trade. RSS

Source: My Republica; 5 December, 2018

Technical committees on transmission line, power generation formed

Nepal and Bangladesh have agreed to form a joint technical team for identifying hydropower projects to be built with the latter's investment.

Both the countries agreed to appoint three representatives each in the committee within three months.

The two South Asian neighbors have also agreed to form another technical team for construction of cross-border transmission line. The committee will also have six members i.e. three representatives from each country.

The two-day first meeting of Joint Steering Committee (JSC) of Nepal and Bangladesh, which concluded on Tuesday, has also decided that both the countries will raise the matter of cross-border transmission line in the bilateral meetings with India and seek to form a trilateral mechanism to materialize the cross-border transmission line.

The bilateral technical committee will also review the long-term plans and policies of their respective counties on matters related to electricity trade.

Nepal's Energy Secretary Anup Kumar Upadhyay led the Nepali delegation in the meeting with the Bangladeshi delegation was led by Power Secretary of Bangladesh Ahamat Baikaus.

The meeting also endorsed Bangladesh's proposal to buy 500 MW of electricity generated by the Upper Karnali Hydropower Project. GMR, which is developing the project, and the Bangladeshi government.

A press release issued by the energy ministry also says that the Joint Steering Committee also endorsed a proposal to look for an investment opportunity in Nepal's hydropower plants and explore the prospects of developing renewable energy as well develop cross-border transmission line between the two countries.

These bilateral meetings between the countries are held as per the agreement on energy signed by energy ministers of both countries in August.

Source: The Himalayan Times; 5 December, 2018

Nepal-Bangladesh agree to build cross-border transmission line

Nepal and Bangladesh have agreed to build a cross-border transmission line to supply electricity generated in Nepal to Bangladesh. A joint steering committee (JSC) meeting held in the Capital today has agreed to form a team to finalise the procedures to build the cross-border transmission line. The Nepali delegation was led by Anup Kumar Upadhyaya, secretary at the Ministry of Energy, Water Resources and Irrigation (MoEWRI) and the Bangladeshi team was led by Ahmad Kaikaus, secretary of Ministry of Power, Energy and Mineral Resources.

"The team will finalise the procedures and start the project as soon as possible," said Upadhyaya. According to him, both nations
will finalise the team with three members each from both countries within a month and start the process to build the cross-border transmission line.

Nepal and Bangladesh had inked a memorandum of understanding (MoU) on energy cooperation on August 10. At the time Bangladeshi State Minister for Power, Energy and Mineral Resources NasrulHamid had mentioned that Bangladeshi investors were interested to invest in the hydropower and renewable energy sector in Nepal.

Following up on the MoU, a two-day meeting on energy cooperation between the two nations had started in the Capital on Monday. "We held discussions on various ways that energy trade and investment could be enhanced between the two nations," informed Upadhyaya.

A 13-member team of the Ministry of Power, Energy and Mineral Resources of Bangladesh had arrived in Kathmandu to participate in the meeting.

A joint secretary-level joint working group (JWG) meeting was held on Monday where the agendas for the JSC meeting were finalised to capitalise on the provisions of the MoU. As per the agreement these committees will have to meet every year and discuss and take forward the issues related to cooperation in the power sector between the two nations.

Nepal and Bangladesh had started discussing bilateral energy cooperation after the power trade agreement (PTA) was signed with India in 2014. Nepal has identified Bangladesh as a prospective market for hydroelectricity, which is a clean and renewable source of energy.

The two countries have already agreed upon to focus on electricity generation, development of hydroelectricity, cross-border transmission lines, development of efficient human resources in the hydel sector, promotion of government-to-government and private sector investment, grid connectivity, power efficiency and investment in renewable energy, among others.

According to Upadhyaya, the meeting has also decided to hold talks with the concerned Indian authorities to build the transmission line from either side of both the nations.

As per the MoEWRI, Nepal will soon be able to export 500 megawatts of electricity to Bangladesh. The Bangladeshi government has already signed an agreement to import electricity from the Upper Karnali project, which has installed capacity of 900 megawatts and is being developed by India-based GMR.

With expectations that the country will have surplus energy production within the next few years, the government has been focusing on diversifying the country's energy trade and increasing energy consumption in the domestic market.

Source: The Kathmandu Post; 5 December, 2018

Nepal, Bangladesh agree to build hydro projects

electricity produced by these schemes will be exported to Bangladesh via India

BIBEK SUBEDI

Nepal and Bangladesh agreed to develop hydropower projects with government-to-government investment at an energy secretary-level meeting that concluded in Kathmandu on Tuesday.

The electricity produced by these schemes will be exported to Bangladesh. The two countries also decided to form a joint technical team to identify potential hydropower projects for development. The joint team will pick out bankable projects and recommend them to the respective governments, according to a high Energy Ministry official who participated in the meeting.

"The two governments will then construct the project with bilateral investment," said the official who asked not to be named.

Bangladesh has repeatedly expressed interest in developing hydropower projects in Nepal. The two countries even signed an agreement more than two years ago to develop several hydropower plants capable of generating more than 1,600 MW.

The then commerce minister Romi Gauchan Thakali and his Bangladeshi counterpart Tofail Ahmed signed the pact on the sidelines of the ninth South Asian Economic Summit in October 2016 to execute the 1,110 MW Sunkoshi II and 536 MW Sunkoshi III located on the Sunkoshi River in central Nepal.

The plan failed to move forward due to lack of coordination between the Commerce and Energy ministries. "The joint team will explore the possibility of executing these two projects along with a few others under bilateral investment," said the official.

Apart from developing the projects with government-to-government investment, the meeting also discussed the possibility of power trade between the two countries via Indian territory. "The participants discussed using Indian transmission lines to conduct power trade between the two countries," said the official. "The two parties agreed to form a trilateral committee including India to make this happen."

The Bangladeshi side informed the Nepali delegation about the headway made by Bangladesh to import 500 MW of electricity from the 900 MW Upper Karnali Hydropower Project being built by an Indian joint venture company.

"They said that they were close to signing a power purchase agreement with the developer," said the official.

Bangladesh has signed a memorandum of understanding with India's NTPC Vidyut Vyapar Nigam (NVVN) to import electricity generated by the Upper Karnali Hydropower Project being developed with Indian investment.

Nepal and Bangladesh formed a bilateral energy secretary-level joint steering committee after signing an energy sector cooperation agreement in August. The accord allows the two countries to initiate power trading besides tapping foreign direct investment from Bangladesh for the development of hydropower projects in Nepal.

The pact signed with Bangladesh will benefit Nepal only if they succeed in getting India on board as they have to use Indian territory to conduct electricity trade, said energy sector experts.

Source: The Kathmandu Post; 7 December, 2018

Hewa Khola losing out on Rs200 million in revenue

The 15 MW plant produces electricity worth Rs450 million annually, but its entire output cannot be transferred to the national grid over the existing 33 kV power line

- BIBEK SUBED

Privately-owned Hewa Khola Hydropower Project is losing out on Rs200 million in revenue annually as it can't feed the electricity it generates into the national grid for lack of adequate transmission lines. The 15 MW plant located in Panchthar in eastern Nepal produces electricity worth Rs450 million annually, but its entire output cannot be transferred to the national grid over the existing 33 kV power line.

"On average, we sell electricity worth Rs250 million annually to the Nepal Electricity Authority, incurring a loss of Rs200 million per year," said Pushpa Jyoti Dhungana, managing director of the project. "We are bearing unbearable losses due to delays in the completion of the Kabeli Corridor Transmission Line." The Hewa Khola plant had planned on evacuating its electricity to the national grid over the Kabeli Corridor Transmission Line being developed by the Nepal Electricity Authority. The state-owned power utility is the sole buyer of electricity in the country.

The construction of the 132 kV double-circuit transmission line started a decade ago, but it is still incomplete. The promoters of the Hewa Khola project accused the staff of the Nepal Electricity Authority of incompetence, but the power utility shifted the blame to political instability, negligence of the contractor, obstruction by landowners, difficult terrain and delayed permission for cutting trees.

Currently, officials of the transmission line project are pointing the finger at the Department of Forest which is delaying issuing a permit to cut down 645 trees in the national and community forests. "We have to erect five towers and string cables on a 14-km stretch of the 91-km transmission line," said Shushant Thakur, engineer for the project. "If we get the approval immediately, we can complete the task in a month."

The Kabeli Corridor Transmission Line, which is touted as the backbone of the electricity transmission system in the eastern region, is divided into three sections. The first section stretching from Damal to Godak is ready, but the second section extending from Godak to Phidim, and the third section from Phidim to Taplejung are running late.

The power line project faced a major hurdle at Siddhithumka, Deumai Municipality after locals refused to give right of way to string electric wires over their land. Locals of Siddhithumka had demanded 100 percent compensation for easement rights and obstructed the construction of 11 towers in the area. The Nepal Electricity Authority had offered 10 percent of the land value in compensation for 9 metres of land on either side of the transmission line as per the prevailing law, but locals turned it down.

The dispute was resolved after the elected local representatives convinced the residents not to obstruct development activities and provide right of way as per the prevailing law. Locals, Nepal Electricity Authority officials and local representatives reached a settlement during a meeting in March.

The power line will feed the power generated by hydroelectricity projects on the Kabeli, Hewa and Mai rivers in Panchthar and Taplejung into the national grid. The transmission line extends over various parts of Jhapa, Ilam, Panchthar, Tehrathum and Taplejung districts.