

Source: The Kathmandu Post , December 9, 2019

Kalanga Gad hydro in Bajhang likely to come online this year

Officials say 70 percent of the construction work at the 85-megawatt plant has been completed.

Only 5.9 percent of the homes in Bajhang have an electricity connection, but that is about to change as the Kalanga Gad Hydroelectricity Project being built in the district is nearing completion.

Construction work on the 85-megawatt plant in the far western district began in 2016. Officials expect electricity to start flowing from the scheme into the national grid within a year as 70 percent of the construction work has been completed.

When Kalanga Gad comes online, it will also knock the 45-megawatt Upper Bhotekoshi off the top spot as the largest-privately funded scheme in the country.

According to project chief Bakhat Bahadur Shahi, workers at the site have bored 2 kilometres of the 3-kilometre-long head tunnel, and work at the dam site has concluded.

The project comprises of three schemes located in different water bodies and with a common distribution centre.

“The Sani Gad power plant with an installed capacity of 38 megawatts is also 80 percent complete, and work has been expedited at the construction site of the 10 megawatt Upper Kalanga scheme which is 95 percent complete,” said Shahi.

Although a feasibility study had begun over a decade ago, construction work at the Kalanga Gad project started only last year after it entered into debt financing arrangements with three banks.

The Rs13 billion project is being built with 56 percent debt and 25 percent equity investment from private producers. The project has announced it will distribute 10 percent of the shares to locals.

The Kalanga Gad project had originally planned to start generating electricity by 2020, but the timetable had to be pushed back by a few months owing to multiple setbacks and a major mishap. In November, [four construction workers died](#) after falling unconscious inside the main tunnel.

According to project promoter Birendra Malla, workers are digging a 3.8-kilometre tunnel at the Kalanga scheme, an 8.2-kilometre tunnel at Upper Kalanga, and a 2.1-kilometre tunnel at Sani Gad.

With a slew of under-construction power projects, Bajhang has set its sights on generating 621 megawatts of hydroelectricity within a decade.

The Nepal Electricity Authority has also floated plans to develop the 210-megawatt Chainpur-Seti hydroelectric project in Bajhang after completing a feasibility study.

South Korean energy giant Korea Hydro and Nuclear Power recently [proposed to build the Chainpur-Seti plant](#) under a public-private partnership model at a cost of \$438.65 million.

Chilime Hydropower Company, a subsidiary of the state-owned power utility, is also gearing up to begin construction of the 165-megawatt Seti Khola hydroelectricity project.

Private producer Samridhhi Hydropower Company has initiated the process to acquire a generation licence for the 140-megawatt Upper Seti project located at Saipal rural municipality in Bajhang.

“Bajhang will contribute to electricity generation in a big way after a decade,” said Malla. “Once large scale projects are built, the region will also witness a transformation in terms of electrification and industrialisation.”

As per the records of the Nepal Electricity Authority, only 5.9 percent of the 37,941 households in Bajhang are connected to the national grid.

The remote district has a weak distribution infrastructure. According to private producers, the 33 kV transmission setup and existing substation will not be enough to evacuate all of the power generated in the region as a bunch of power projects are expected to roar into life soon.

“The existing 33 kV transmission line can only carry up to 10 megawatts of electricity,” said Lokjung Kunwar, an official of Omega Energy. “The district will witness spillage of electricity in the absence of a 132 kV transmission line as it will start churning out at least 130 megawatts in less than five years.”

Source: The Kathmandu Post , December 11, 2019

Locals affected by 1,200 MW project to get revised compensation

Apart from revising the compensation, the Energy Ministry has also decided to devise a work plan on resettlement and rehabilitation of settlements facing inundation from the 1,200 MW Budhi Gandaki reservoir project.



Post File Photo

Federal, provincial and local level authorities have decided to revise the compensation amount to be paid to landowners in Gorkha and Dhading districts whose property will be completely inundated once the 1200-megawatt Budhi Gandaki reservoir project gets built.

"As there are grievances from federal, provincial and local level representatives that the compensation fixation has not been fair, the stakeholders will move ahead by incorporating the provisions of revision of compensation fixation," said the Energy Ministry.

This has come a week after the Budhi Gandaki Environment, Compensation Distribution, Resettlement and Rehabilitation Unit [announced compensation rates](#) ranging from Rs50,000-Rs700,000 per aana, leading to a complete shutdown of Arughat market, a project affected area in Gorkha district.

Following the Unit's decision, irate project-affected locals who have been demanding compensation of Rs2.5 million per aana took to the streets, burnt tyres and shut down local markets expressing discontent over the proposed rates.

The committee had decided to payout Rs50000-Rs700,000 per aana depending upon the location and condition of the 17,770 ropanies of land which the government froze for acquisition four years ago but is yet to distribute the compensation amount.

Apart from revising the compensation, the Energy Ministry has also decided to devise a work plan on resettlement and rehabilitation of settlements facing inundation and forward it to the Cabinet to ensure immediate implementation of the much-hyped reservoir project.

“In matters related to discounting depreciation and gains tax to property owners in the affected region, the Ministry of Energy, Water Resources and Irrigation will table a proposal in the Cabinet within two weeks,” the decision paper reads.

Denizens of Arughat and Arkhet in Gorkha and Khahare in Dhading have organised multiple protest programmes over the year, demanding quick settlement of the issues on rehabilitation and fair value for their land.

The government has allocated around Rs 15 billion in the current fiscal's budget for compensation payouts. So far, it has spent around Rs20 billion to acquire land in 27 settlements in Gorkha and Dhading districts.

According to the Unit, payments totalling Rs26.84 billion have been issued to acquire 44,658 ropanis of land till date.

Budhi Gandaki is one of the most talked-about projects, and the first feasibility study was conducted in 1984 as it was viewed as a mutual benefit project with India.

The project never came out of the drawing board until the second feasibility study was completed in 2014.

The government has estimated that around Rs60 billion will be required to complete land acquisition in the project-affected areas, and the Energy Ministry has targeted completing the property acquisition process within the current fiscal year.

The government has collected Rs37 billion from the public through Nepal Oil Corporation as an infrastructure tax to pay land compensation. It has accorded top priority to the project's development, but [it remains undecided over the development modality](#).

In September last year, the cabinet had directed the Energy Ministry to initiate the process to prepare a proposal, hold talks and strike a deal with Chinese contractor Gezhouba Group Corporation for the execution of the national pride project. But the plan fell apart.

The project landed in controversy after the then Pushpa Kamal Dahal led-government awarded the contract to the Chinese firm under an engineering, procurement, construction and financing model without competitive bidding.

In November 2017, the decision to award the contract to the Chinese firm was reversed by the subsequent Deuba-led government citing procedural flaws.

The Finance Ministry has also advised the Energy Ministry to go for competitive bidding by reducing the cost of the project.

Source: The Himalayan Times, December 12, 2019

[NEA projects achieve 102pc financial progress](#)

HIMALAYAN NEWS SERVICE

Kathmandu, December 12

At a time when the government is facing criticism from all sectors for its tepid development expenditure, Nepal Electricity Authority (NEA) has managed to achieve 101.52 per cent financial progress in its various generation, distribution and transmission projects in the first four months of ongoing fiscal year 2019-20.

In contrast, the capital expenditure of the government as of today stands at a paltry 8.5 per cent of the allocated development budget for this fiscal year.

Earlier, NEA had set a target of spending Rs 13.11 billion for various projects during the review period.

However, the actual spending in the four months stood at Rs 13.31 billion. As per NEA, the projects, however, were able to make overall physical progress of 86 per cent of the set target.

Kul Man Ghising, managing director of NEA, informed that the authority was able to show impressive financial progress owing to advance payments made to contractors and clearance of remaining dues of last year to multiyear contract projects.

“Despite hassles related to forest clearance, land acquisition process, obstruction by locals while installing transmission and distribution lines, we managed to surpass the target set for financial progress,” Ghising said, adding that it was possible due to the support of different government agencies directly linked to NEA.

Of the total allocated budget of Rs 55.61 billion for this fiscal, NEA has managed Rs 10.31 billion from government sources and Rs 45.30 billion from foreign loans and grants.

Ghising further said that they have faced some difficulties due to higher ratio of foreign grants and loans in its allocated budget compared to the budget from government sources.

As per NEA, it was able to generate 74 megawatts of electricity in the review period — 60 MW from Upper Trishuli and 14 MW from Kulekhani III. Similarly, it was able to commission the 132 kV Kabeli corridor transmission line, which had been stagnant since last two years due to obstruction by locals and community forest group.

Similarly, in generation section, the power utility had planned to spend Rs 4.42 billion, while it was able to spend Rs 3.33 billion, which is 75.46 per cent of financial progress. The projects in this category achieved 76.63 per cent of physical progress in the review period.

In the review period, 193 circuit kilometres of six transmission line projects were completed. Similarly, seven substations were finished and eight substations were upgraded.

Source: My Republica, December 12, 2019

NEA chief Ghising calls for enhanced power trade with India, Bangladesh

KATHMANDU, Dec 12: Managing Director of Nepal Electricity Authority (NEA) Kulman Ghising said that electrification in all sectors is a must to increase the consumption of electricity generated within Nepal.

Addressing a program in the capital on Thursday, Ghising said that the internal market of electricity will be extended if the sectors such as industry, transportation and household are completely electrified.

“We can also expand the regional market of electricity by enhancing power trade with India and Bangladesh,” said he adding that discussions with India have been held in this connection.

On the occasion, he informed that NEA is planning to increase electricity generation through solar energy. He also said that NEA will soon expand the supply of power completing the Upper Tamakoshi hydro project at the earliest.

Source: My Republica, December 13, 2019

NEA not happy with work performance of contractors

Upper Tamakoshi likely to miss deadline again

KATHMANDU, Dec 13: Though the government has been putting pressure on the Nepal Electricity Authority (NEA) to bring Upper Tamakoshi Hydropower Project (456 MW) online within the stipulated timeframe, the power utility does not seem happy with the performance of contractors.

The NEA has set a deadline of mid-June 2020 for the national pride project. However, the authority has doubts on the contractor's ability to meet the deadline as some complicated tasks are yet to be performed.

Speaking at a function in Kathmandu on Thursday, NEA Managing Director Kulman Ghising said the project was still facing number of hassles in hydro-mechanical works. "The project is still facing different technical glitches related to the construction work," said Ghising.

He, however, reiterated that the authority was determined to bring online the ambitious project from the beginning of the next fiscal year i.e. mid-July 2020.

"The electromechanical work is almost completed and the installation of penstock pipes is ongoing," he added.

The pride project had awarded civil, hydro mechanical, electro mechanical and transmission line works to four separate contractors.

The NEA had asked the contractors time and again to speed up the work for completing the project on time. Ghising himself had visited the project site

number of times and directed the contractors – Andritz Hydro of Austria and Texmaco of India – to carry out works in three shifts so that it is completed within the scheduled time.

Two weeks ago, Ghising, accompanied by energy secretary Dinesh Ghimire, had even visited Kolkata and reminded the Indian contractor, Texmaco, about the deadline. In a high-level meeting, the Indian company had assured the authority that it would expedite the remaining works in order to meet the deadline.

The government has included Upper Tamakoshi in the list of national pride projects. The much-awaited project is expected to be a game changer for the country as energy generated by it is expected to end the reliance on Indian imports to meet the domestic demand.

According to NEA, the country purchased electricity worth Rs 22 billion from India in FY2018/19.

Delay in hydro-mechanical works of the project by the Indian contractor had compelled the NEA to postpone the deadline number of times previously.

Upon completion, the Upper Tamakoshi Hydroelectric Project located in Dolakha will be Nepal's largest hydropower project. Construction work on run-of-the-river scheme began in 2012. The project was initially estimated to cost Rs 35 billion. The project cost is now expected to cross Rs 70 billion, thanks to the delay.

Meanwhile, a total of 147.5 MW of hydropower was added to the national grid in the past eight months. According to the NEA, six private sector run projects

contributed a cumulative of 73.5 MW to the grid, while 60-megawatt Upper Trishuli-3 and 14-megawatt Kulekhani III also came online during the period.

The government has announced to generate a total of 1,500 MW of electricity in the current fiscal year.

