

Source: The Himalayan Times, 19 Aug 2017

NPC decides to list all hydels under national priority projects

Pushpa Raj Acharya

The National Planning Commission — the apex planning body of the government — decided to provide special treatment to all hydropower projects in the country, listing them under ‘national priority projects’. Considering that lack of energy is a major bottleneck for development, the apex planning body of the government has instructed the Ministry of Forest and Soil Conservation to facilitate hydropower projects by cooperating when it is necessary to clear forests.

The recent guideline issued by the forest ministry titled ‘Utilisation of Forest Area by National Priority Projects’ has included the provision that the NPC has to certify any project as national priority project for the project to utilise the forest area.

As the NPC has written to the forest ministry that all hydropower projects have been listed as national priority projects, hydropower developers will no longer need to get any project certified as a project of national priority project from the NPC.

“This NPC move has shortened the procedure hydropower developers had to take before seeking to clear forest areas,” said NPC member Arbind Kumar Mishra, adding. “All generation, transmission and distribution projects, whether to be developed by the government or the private sector, will be considered national priority projects.”

A recent meeting of the NPC decided to shorten the procedural step to expedite projects. Henceforth, the Ministry of Energy and Investment Board Nepal can directly recommend to the forest ministry for land clearance following application from developers. Earlier, the MoE or the IBN had to forward the proposal of developers to the NPC and the projects needed to be certified as national priority projects to get forest clearance permit from the forest ministry.

However, independent power producers expressed doubt the NPC decision would be implemented, as the forest guidelines that were endorsed by the Cabinet could only be amended through a Cabinet-level decision.

“The NPC took the decision to annul the current provision of the forest guidelines independently,” said Shailendra Guragain, president of Independent Power Producers’ Association Nepal. “So, we’ll have to wait and see how the forest ministry will deal with the applications directly forwarded by MoE and IBN.” Nevertheless, Guragain said that if the approval process had actually been shortened, it would save around a month’s time for developers.

Until now, projects had to be approved as national priority project through an NPC meeting after the application was forwarded from the MoE or IBN. “It would take at least three weeks just for the NPC to forward the proposal to the forest ministry,” said Guragain.

However, Mishra seemed confident that the decision would be implemented. “The forest ministry has to abide by NPC’s instruction as we have made a collective decision for all hydroelectric projects,” he said.

Source: The Rising Nepal/My Republica, 20 Aug 2017

Rain affects Upper Tamakoshi works, cost expected to rise

Monsoon rain coupled with other factors have affected the construction works of Upper Tamakoshi Hydropower Project.

Repercussion of rainfall, ongoing upgradation of Lamo Shaghu-Jiri road section and the rise and fall of US Dollars among others have been

reasoned to have affected the construction process, while also increasing the cost of the proposed 465-mega watt-hydel by seven billion.

The estimated construction cost of this hydel of national pride- Rs 35.20 billion- is expected to reach Rs 41.64 billion, according to Spokesperson of the Upper Tamakoshi Project, Dr Ganesh Neupane.

More than Rs 34 billion has already been spent on the hydel said Spokesperson Dr Neupane, adding that the electricity generation from the hydel expected to commence by July, 2018 would be further delayed.

Only 90.5 per cent of the project works have completed so far, shared Dr Neupane. RSS

Source: My Republica, 20 Aug 2017

Dolma Impact Fund becomes Swet Ganga Hydro's shareholder

Dolma Impact Fund, a private equity fund from Europe, has now become a shareholder of Swet Ganga Hydropower & Construction Public Limited Company, promoted by Sanima Hydro Group, as a foreign investor. The Dolma Fund, a British private equity investor, is the first international private equity and impact fund dedicated to investing in Nepal. It has invested US\$ 3.2 million in equity investment in Lower Likhu Hydropower Project of 28.1 MW, a project developed by Swet Ganga. The project's estimated cost is about Rs 5 billion and the construction works have already started.

The Funds' founder Tim Gocher received a certificate of 3.2 million units of shares from the chairman of Swet Ganga Hydropower and Construction Public Limited, Binay Kumar Shrestha, on Thursday in Kathmandu.

The Fund's investment manager Shabda Gyawali said that their investment will be divested after the three-year lock period after issuance of initial public offering (IPO) of the company's shares.

"This investment in a private company is for empowering the private sector, and also for creating jobs," added Gyawali. The process for IPO has not yet started, but company officials said it has to fulfill several criteria before starting the process to be listed on the stock exchange.

The Sanima Hydro group has already built three hydropower projects including Mai Hydropower Project of 22 MW.

Subarna Das Shrestha, CEO of Sanima Mai Hydropower Company, told Republica that though the investment amount was small, it was significant it was their first exposure to international investors. Shrestha said they wanted to dedicate themselves to hydropower development.

"We are really interested to expand our investment portfolio and bring more foreign investments from those companies that have proven track records," he added.

Officials of the Sanima Group also said that this investment has become possible particularly as the Dolma Fund accepted Power Purchase Agreement in Nepali Currency.

"This is also a lesson learned for us on several fronts because we have to fulfill several requirements including proper documentation, legal requirements, and execution of all the tasks in a planned way within a specified timeframe, among others," Shrestha added.

The Dolma Fund has an investment commitment of US\$ 26 million in Nepal.

It has already invested in one hydropower, a pharmaceutical, an IT company, and few other investments are in the pipeline. The Fund has to divest all its investments by 2024.

The Fund started its investment by injecting a fund of \$1.13 million in Suri Khola Hydropower Project (6.4 MW) in Dolakha in March 2016. It's next investment of \$3.5 million is in an IT company, Cloud Factory Group.

It is also investing in a pharmaceutical company Rhododendron Biotech Pvt Ltd; however, the amount is not yet disclosed.

Source: My Republica, 21 Aug 2017

Arun III and Upper Karnali developers allowed to use forest land

Developers of Arun III and Upper Karnali can now use local forest land by paying lease fee as stated in the Project Development Agreement (PDA), which was signed in 2014.

The cabinet meeting last week decided to allow Satluj Jal Vidyut Nigam Ltd and GMR to use forest land for the Arun III and Upper Karnali projects by paying a lease fee.

The developers will also have to plant trees to compensate for the loss of forestation in the areas, and also look after the trees for a minimum period of five years. Each of the hydropower projects will be of 900 MW capacity.

The decision has cleared the hurdles for both the projects, which will allow the Arun III project to expedite works on the project site, and allow the Upper Karnali project to look for sources of financing.

The lease fee for acquired forest is set at Rs 15,000 per hectare annually with 10 percent escalation every three years, said Madu Bhetuwal, joint secretary of Investment Board Nepal (IBN).

The decision has relieved the developers from the burden of compensating land to the government by purchasing private land in the project site.

Chandraman Dangol, joint secretary of the Ministry of Forest and Soil Conservation, said that the issue has now been settled and the government will provide land to the developers for plantation of two trees in place of each tree lost during the project works. However, the developers will have to plant 25 trees to compensate for each tree lost within the national park area.

GMR officials had been blaming the Government of Nepal for not providing forest land on time, which affected their efforts to get the project financed by September as per extended deadline.

Speaking at a workshop in Kathmandu in July, chief operating officer of GMR Energy Hervinder Manocha had openly blamed the Government of Nepal for deviating from the PDA provisions by not providing forest land on time.

“One ministry has decided to deviate from those provisions,” said Manocha, hinting that the Ministry of Forest and Soil Conservation was behind the delay in acquiring the forest land.

Though several past meetings of the IBN led by successive prime ministers and attended by the forest ministers had decided to provide land to the developers, and a guideline was endorsed by the Ministry of Forest and Soil Conservation, implementation of the decision was delayed due to resistance by officials of the forest ministry.

The last IBN meeting on August 3 had decided to hand over forest land required for the Arun III and Upper Karnali hydropower projects to the developers as per the PDA.

Source: The Rising Nepal/ My Republica, 21 Aug 2017

Construction of tunnel at Ghalemdi Hydro Power Project

The construction of a tunnel of Ghalemdi Hydro Power Project at Narchyang of Annapurna rural municipality – 4 has been completed.

Two tunnels constructed from the dam and outlet were linked together on Sunday under the five – megawatt project being developed by the Ghalemdi Hydro Ltd.

A 1000 – metre tunnel was constructed from the outlet which was linked with the 695 – metre tunnel jutting out from the dam, according to company's Chairman, Kishor Subedi.

Due to lack of a road network to the dam located in the lap of Mt Annapurna, the necessary building materials had been transported on a mule. The tunnel was dug out with use of explosives under the supervision of Nepal Army and the police force. RSS

Source: The Himalayan Times, 24 Aug 2017

Two inter-country transmission lines inaugurated; additional 100 MW to be imported

Prime Minister Sher Bahadur Deuba and his Indian counterpart Narendra Modi has jointly inaugurated Raksaul-Parwanipur and Kusha-Kataiya inter-country transmission lines.

The two important inter-country transmission lines were inaugurated at the Hyderabad House in the Indian capital city, New Delhi, today.

With this, additional 100-MW electricity would be supplied to Nepal from coming winter season which would help address growing demand of electricity in the country.

Earlier, during the India visit of then Prime Minister KP Sharma Oli the 400-KV Dhalkebar-Mujafarfur inter-country transmission line was inaugurated.

According to Executive Director of Nepal Electricity Authority Kul Man Ghising, the two transmission lines, which were inaugurated today, were constructed in January last year.

Prime Minister Sher Bahadur Deuba said that the inter-country transmission lines have been jointly inaugurated today to address the demand of power in Nepal.

Source: The Kathmandu Post, 24 Aug 2017

Project suffers setback as DPR talks falter

Pancheshwar Multipurpose Project

BIBEK SUBEDI

The Pancheshwar Multipurpose Project, a mega hydroelectric-cum-irrigation project prioritised by Prime Minister Sher Bahadur Deuba, is not likely to move ahead anytime soon as talks between Nepal and India to finalise a detailed project report (DPR) ended inconclusively on Wednesday.

The setback coincided with the departure of Prime Minister Deuba to India on a five-day official visit.

One of the major items on the agenda of the visit is expediting the construction of the 5,600 MW Pancheshwar Multipurpose Project located on the Mahakali River in the Farwest.

Deuba said that construction of the mega project, which is to be built jointly by Nepal and India, was on his priority list right after assuming office.

According to an Energy Ministry official, Deuba had wanted contentious issues regarding the DPR resolved before his visit to India so that it could be finalised while he was in New Delhi. To this end, secretary-level meetings between Nepal and India were held on Tuesday and Wednesday.

However, the meeting of the Joint Expert Group led by Madhusudhan Adhikari, secretary of the Water and Energy Commission of Nepal, and Narendra Kumar, secretary of the Central Water Commission of India, ended inconclusively.

“We have now decided to hold several rounds of meetings and finalise the DPR by November,” said an Energy Ministry official who is also a member of the Joint Expert Group.

WAPCOS, an Indian state-owned consultant hired by the Pancheshwar Development Authority (PDA), has prepared the DPR of the project which needs to be approved by both countries before construction can start.

Key sticking points are use of water resources, location of the dam, installed capacity of the project, cost sharing, funding arrangements and construction modalities of the project.

The Joint Expert Group, which is led by secretaries of the two countries, was formed in a bid to resolve the outstanding issues.

Officials and experts say that the differences can be sorted out only at the political level, and Nepali members of the group have urged Deuba to hold talks with his counterpart Narendra Modi.

“As Prime Minister Deuba is the signatory to the agreement on the multipurpose project from Nepal’s side, he should urgently talk with his Indian counterpart to push the project ahead,” said a source.

Deuba has put Pancheshwar at the top of his to do list. Immediately after assuming the post of prime minister for the fourth time, he said that the project would be pushed forward.

However, the fate of the project hangs in the balance as there is strong opposition against it in the Indian state of Uttarakhand which lies across the Mahakali River from Nepal.

The Uttarakhand state government has been urging the Indian federal government to address outstanding issues before going ahead with the project.

According to the state government, the planned Pancheshwar dam will submerge 60 villages and dislocate 31,000 families in Uttarakhand.

Source: My Republica, 24 Aug 2017

Two inter-country transmission lines inaugurated; additional 100 MW to be imported

Prime Minister Sher Bahadur Deuba, who is on a state visit to India, and his Indian counterpart Prime Minister Narendra Modi has jointly inaugurated Raksaul-Parwanipur and Kusha-Kataiya inter-country transmission lines.

The two important inter-country transmission lines were inaugurated at the Haidarabad House in the Indian capital city, New Delhi, on Thursday.

With this, additional 100-MW electricity would be supplied to Nepal from coming winter season which would help address growing demand of electricity in the country.

Earlier, during the India visit of then Prime Minister KP Sharma Oli the 400-KV Dhalkebar-Mujafarfur inter-country transmission line was inaugurated.

According to Executive Director of Nepal Electricity Authority (NEA) Kul Man Ghising, the two transmission lines, inaugurated today, were constructed in last January.

Prime Minister Sher Bahadur Deuba said that the inter-country transmission lines have been jointly inaugurated today to address the demand of power in Nepal.

PM Deuba invites Indian PM Modi to lay foundation stone of Arun third

Prime Minister Sher Bahadur Deuba has invited his counterpart Indian Prime Minister Narendra Modi to lay the foundation stone for the construction of Arun Third Hydro Project (900 MW), stated a joint press meet organized in the Indian capital today.

The contract for the construction of the project was awarded to Indian SJVN Construction Company, and the foundation stone laying ceremony is scheduled for September.

However, the contractor has complained that the process was delayed due to difficulty is seen in the use of forest land for the project construction. But now the government has eased the process for utilizing the forest areas for the purpose.

Pancheshwar DPR to be finalized

An understanding has been reached between the Prime Minister duo Deuba and Modi to finalize the Detail Project Report (DPR) of Pancheshwar Multi Project.

Pancheswar Project Authority Director General Mahendra Man Gurung has expressed his confidence that the process to finalize the DPR will be complete on time after the commitment of the Prime Ministers of both the countries. RSS

Source: My Republica, 24 Aug 2017

PM Deuba invites Indian PM Modi to inaugurate Arun III hydro project

Prime Minister Sher Bahadur Deuba, who is currently on a five-day state visit to India, has invited his Indian counterpart Narendra Modi to Nepal to inaugurate Arun III hydro project.

To be constructed by Indian company SJVN, the company has a schedule to hold the inauguration program after Dashain festival.

The Indian company has already started the project. Investment Board Nepal has also decided to use the land located in the jungle.

On August 13, 2016, National Planning Commission (NPC) had directed Ministry of Energy, Forest and Land Conservation to place the hydro projects and transmission lines under the national priority and behave with them accordingly.

Speaking at the joint press meet organized at Hyderabad House in New Delhi, Prime Minister Deuba invited Indian Prime Minister Modi to inaugurate the hydro project.

Modi has already visited Nepal twice.

Source: The Himalayan Times, 24 Aug 2017

NEA signs PPA with Upper Trishuli 3B hydro project

Nepal Electricity Authority (NEA) has signed the power purchase agreement (PPA) with Upper Trishuli 3B, which is going to be jointly financed by NEA and Nepal Telecom. NEA Managing Director Kulman Ghising and Managing Director of Trishuli Jal Vidhyut Company Ltd Mohan Prasad Gautam signed the agreement on behalf of their respective organisations. As per agreement, NEA will purchase 134.88 gigawatt hours of electricity in dry season from December to May and 157.71 gigawatt hours of electricity during the wet season from June to November. The per unit rate of electricity has been fixed at Rs 4.80 and Rs 8.40 for the wet season and dry season, respectively.

Construction of the project will begin by mid-December this year, according to Gautam of Trishuli Jal Vidhyut Company. "We are in the process of selecting a qualified bidder," he said, adding, "Construction of the project is expected to be concluded within three years from the date the construction starts."

Nabil Bank will lead the consortium of financiers — Hydroelectricity Investment and Development Company Ltd, Citizen Investment Trust and Nepal Bank.

NEA and Nepal Telecom each own 30 per cent share in the project. Five per cent of the project will be owned by the rural municipalities and municipalities of Rasuwa and Nuwakot districts and a further five per cent by local financial institutions of the aforementioned districts. Ten per cent of the shares will be allocated to the locals and 15 per cent shares will be separated for the public. Likewise, the remaining five per cent shares have been allocated for staffers of NEA and Nepal Telecom.

The 37-megawatt Upper Trishuli 3B is a cascade project of the Upper Trishuli 3A project.

Source: The Himalayan Times, 25 Aug 2017

Nepal, India agree to expedite hydel projects

Rajan Pokhrel

Modi invited to inaugurate Arun III hydropower

Joint mechanism to check border floods

Nepal and India today agreed to increase trade and investment between the two countries, expressing commitment that both sides would expedite efforts for the timely construction of hydropower projects in Nepal. Addressing a joint press conference at Hyderabad House after exchanging eight memorandums of understanding, Indian Prime Minister Narendra Modi said both countries were fully committed to completing the construction work of all hydropower projects being developed in Nepal on time.

Modi added that efforts would be made to finalise the detailed project report of the much-awaited Pancheshwar multi-purpose project at the earliest.

The Indian PM said Deuba had requested him to lay the foundation stone for Arun III hydropower project and expressed happiness over Nepal's success in settling disputes at the local level.

For further enhancement of people to people relations between the two countries, Buddha and Ramayan tourism circuits could be developed for the enhancement of skills and capacity building efforts, he said.

The Indian PM also reminded that India-funded projects, such as postal roads, trans-border power transmission lines and integrated check-posts, were under construction. The two sides also theoretically agreed to build Dhangadi Technical Institute and GP Koirala National Institute of Respiratory Diseases with India's grant assistance, said Modi.

He also highlighted the need to enhance cooperation in defence and security sector to check cross-border crime along the Indo-Nepal border.

The two countries also decided to activate a high-level joint mechanism to find a long-term solution to the problems of flooding and inundation in bordering areas. "India will provide any kind of assistance to Nepal to resolve the issue," Modi said.

The Indian PM termed holding of two phases of local elections a great leap forward in implementing the new constitution and hoped that Nepal would be able to successfully implement the constitution by accommodating the aspirations of all sections of its diverse society. He said India always wished for sustainable peace, stability and economic prosperity in Nepal.

Deuba, on the other hand, hoped that Pancheshwar's DPR would be completed by this year end.

According to him, both agreed that the two neighbours should enhance mutual cooperation in water resources, trade and investment.

"Nepal is not only a neighbour but also a friend of India," Deuba said. He added that it would never allow anti-India activities along its border areas.

Both highlighted the significance of age-old bilateral cooperation between the two countries.

Before addressing the press meet, Deuba and Modi inaugurated Kataiya-Kushaha and Raxaul-Parwanipur cross-border transmission lines for the supply of 50 MW each through remote operations.

During a meeting between the two prime ministers at Hyderabad House, they dwelt on connectivity, water resources management and multi-purpose projects supported by India in Nepal, according to a MoFA official.

The meeting was attended by foreign ministers, foreign secretaries and ambassadors of both the countries, he added.

Deuba also held talks with India's Minister of External Affairs Sushma Swaraj, Minister of Home Affairs Rajnath Singh and Minister of Finance Arjun Jaitley.

The PM also discussed issues of bilateral interest with the President of Indian National Congress Sonia Gandhi and former Indian prime minister Manmohan Singh.

Deuba also met India's President Ram Nath Kovind and Vice-president M Venkaiah Naidu, and paid homage to Mahatma Gandhi at Rajghat.

Before wrapping up the day's official engagements, Deuba attended an interaction organised by India Foundation in the evening.

The PM, who arrived here on a five-day state visit to India leading a 50-member delegation, will return home on August 27. He will also visit Telangana, Andhra Pradesh and Bihar.

Source: The Kathmandu Post, 25 Aug 2017

Deuba, Modi launch two cross-border power lines

BIBEK SUBEDI

Cross-border electricity trade between Nepal and India got a major boost with Prime Minister Sher Bahadur Deuba and Indian Prime Minister Narendra Modi jointly inaugurating two transmission lines on Thursday, making it possible to import another 100 MW from the southern neighbour.

Modi and Deuba remote-launched the newly built 132 kV Kataiya-Kushaha and Raxaul-Parwanipur power lines, each of which can transmit 50 MW. With the new lines in place, Nepal's capacity to import electricity has increased from 380 MW to 480 MW.

The two transmission lines were completed in March 2017, and Nepal had requested India to supply another 100 MW through them. However, before India agreed to the proposal, Nepal's power generation increased following the start of the monsoon, and it did not have to import extra energy. The Nepal Electricity Authority (NEA) will not start importing power through the new lines immediately. "The inauguration of the new transmission lines has enabled us to increase imports, but we will wait until the next dry season," said NEA Managing Director Kulman Ghising.

"Currently, we have decreased imports to around 250 MW as domestic generation from run-of-the-river hydropower projects has swelled. We will import electricity over the new transmission lines during the winter when our output goes down."

According to Ghising, the state-owned power utility will charge the newly built transmission lines and make them ready to transmit electricity whenever required. "We might import a small quantity of power before the dry season if the industrial sector needs it," he added.

Hydropower generation in the country plunges almost 60 percent during the dry season as the water level in most rivers fall, and the NEA has to rely heavily on electricity imported from India to keep the country free from power cuts. All hydroelectric projects in the country, except Kulekhani 1 and 2, are run-of-the-river types. Run-of-the-river projects produce less power when there is less water in the rivers as opposed to storage type plants which are supplied with water stored in a reservoir.

Before the beginning of the summer season, the NEA was importing as much as 380 MW from India through a dozen cross-border transmission lines to fulfil swelling demand.

It has estimated that electricity demand will increase by 200 MW in the coming dry season, which it plans to meet largely with imports from the southern neighbour.