

Source: My Republica; 10 February 2018

11 years for completion: Chameliya Hydrel Project

Prime Minister Sher Bahadur Deuba has inaugurated Chameliya Hydropower, a national pride project based at Balach, Shailya Shikhar Municipality-1 of the district on Saturday.

In inauguration program PM Deuba said, "This 30MW project will not only transform the lives and livelihood of the Far West, but it will also boost our economy."

The 30-Megawatt-capacity project is constructed within 11 years at a cost of Rs 16 billion with government investment. The project will produce 184.2 million units of power annually from Saturday in a commercial manner. It will make an annual income of Rs 1.10 billion, said Ajaya Dahal, Project chief.

The project, constructed by China Gezhouba Company Limited took 11 years for completion.

Constructed at Shailya Shikhar municipality-1, 15-MW power produced from the hydrel project has already been linked to National Transmission Line.

Source: The Kathmandu Post; 10 February 2018

Transmission line nears completion

Manthali-Khimti-Dhalkebar 220 kV

TIKA PRASAD BHATTA

The Manthali-Khimti-Dhalkebar 220 kV double-circuit electrical transmission line is nearing the finish line and is slated for completion by mid-July this year.

Construction of the single-circuit transmission line had been halted for many years and was completed recently. After the completion of the single-circuit, work began on the double-circuit line and is expected to be completed soon.

The work for single circuit stalled for several years as residents of Sindhuli obstructed the erecting of poles and wire connections due to unresolved issues of land acquisition.

Head of the project, Shyam Yadav, said, “About seven and a half kilometres of electrical transmission line needs to be connected from Manthali to Halde of Tilpung.”

The project is contracted to Munbari Joshi/Dalima and Gunjyam JV. Gunjyam JV is a Chinese company.

Nepal Electricity Authority transmits 50 megawatt electricity purchased from India to Kathmandu through Dhalkebar—Khimti transmission line. A total of 80 megawatt electricity is being moved from this electrical transmission line with 30 megawatt from the Khimti hydroelectricity project also being transmitted on the transmission line.

The electricity imported from India can only be evacuated via this transmission line.

According to Yadav, although the transmission line is meant to transfer electricity from the western side to eastern side of Kathmandu valley, it can be utilised for multiple purposes. The transmission line will also serve as the main line to transfer electricity generated from dozens of hydroelectric projects like Tama Koshi, Khimti and Likhu hydroelectric projects.

Within a year, the electricity generated from the Upper Tama Koshi Hydroelectricity Project will be transmitted through this transmission line. Within two and a half years, power transmitted from the Likhu-4 hydroelectric project will also be added to this transmission line.

Another transmission line from Khimti to Khadichaur of Sindhupalchok Sunkhoshi hydroelectric project site is under construction. With the completion of this transmission line and the new Khimti sub-station being constructed by the Nepal Electricity Authority, up to 1000 megawatt electricity could be imported to or exported from the country.

The project’s contracting was finalised in 2002 with Rs1.25 billion loan assistance from the World Bank.

Another project with loan assistance from the World Bank is underway for rural electrification in Dolakha, Ramechhap, Sindhuli and Dhanusha districts. Under this ongoing project, about 38 village municipalities in Ramechhap district alone will be electrified.

Source: My Republica; 11 February 2018

Chameliya finally starts generating electricity

PREM CHUNARA

The 30 MW Chameliya Hydroelectric Project started generating electricity from Saturday. The project which saw several cost variations, controversies and frustrations over delays has now been connected to the national grid, nearly 11 years after works started in January, 2007. The peaking run of river project, which can generate minimum six hours in full capacity, was supposed to complete in May 2011. The project started for a regional balance in electricity generation is believed to be a landmark in Province 7. With the commencement of Chameliya, the country's total electricity production capacity has reached 956 MW. The project's estimated cost was Rs 8.34 billion but has now nearly doubled to Rs 15 billion - a textbook example of how the country has lagged in project management.

Prime Minister Sher Bahadur Deuba inaugurated the project located in Sailyasikhar Municipality on Saturday amid a function. PM Deuba said, "This project will help to boost economic activities in the region as well as the overall development of the area." "The region can generate up to 20,000 MW of electricity from its rivers like Mahakali, Karnali, Chameliya and Budhinanda among others," added PM Deuba. NEA had to bear a loss of over Rs 7.50 billion due to delays in project completion.

Despite much criticism of time and cost overrun, squeezing was encountered in tunnel digging of 843 m out of the total 4 km tunnel and the treatment of squeezing took much time while the inflated price of the cost overrun courted controversy and work was stopped for about a year when the oversight agencies started to investigate. But none of the oversight agencies came with a conclusion and this issue still remains a mystery.

Addressing the inaugural program, managing director of Nepal Electricity Authority Kulman Ghising said that the project built with the newest technology can help to end the power cut in this region and will also help his campaign of ending the load shedding.

"Tunnel squeezing and high cost of the treatment of the tunnel charged by the Chinese company, delay in evaluation of the additional works by the civil contractor and changing government also were few key reasons behind the delay of the project," Ghising explained. China Gezhouba Group Corporation (CGGC) was the civil contractor of the project.

Source: The Kathmandu Post; 11 February 2018

30MW Chameliya officially begins power production

MANOJ BADU

Prime Minister Sher Bahadur Deuba on Saturday inaugurated Chameliya Hydropower Project, one of the most expensive hydropower projects in terms of cost per megawatt (MW). After the 30MW peaking run-of-the-river project completed entire tests of two production units on Friday, PM Deuba inaugurated the power plant on Saturday afternoon by switching on the power house marking the commercial electricity generation. With the commercial operation of Chameliya Hydropower Project, located in Darchula district in the country's Farwest, has become the largest hydropower project in Province-7.

At present, the project has the capacity to produce electricity under full capacity for six hours day when the electricity demand is at peak. However, the project office has said it will generate electricity as directed by the load dispatch centre of the Nepal Electricity Authority (NEA), the state-owned power utility and the owner of the project.

“Currently, we are storing water during the day and night time when the demand for electricity is low and are operating the plant at the full capacity from 6pm-9pm and 6am-9am when the power demand is high,” said Ajay Kumar Dahal, the NEA-appointed project chief. “From today [Saturday] on, however, we will generate electricity as instructed by the NEA load dispatch centre as we have started the commercial production.”

The electricity generated by the project will be evacuated to the national power grid via the 132kV Blanch-Attariya transmission line. The 131-km transmission line will be used to transmit the electricity produced in Darchula to the business hub of Attariya in the Farwest.

The construction of Chameliya started in January 2008 and was originally scheduled to be completed by June 2011 at a cost of Rs8 billion. But the completion date was pushed back repeatedly due to disputes between NEA and the contractors. Consequently, the overrun has inflated the project cost to around Rs15 billion.

The project faced the biggest hurdle in May 2014 when all works came to a grinding halt following the government's refusal to make an additional payment of Rs1.09 billion. The payment was sought by China Gezhouba Group Corporation, the civil contractor of the project, stating “cost variance resulting from the squeezing of the tunnel”. The contractor agreed to resume work after being summoned to the Energy Ministry by then energy minister Janardan Sharma. The Chinese contractor for the project, which returned to work in October 2016, then speeded up works and completed the construction within the deadline.

Source: The Kathmandu Post; 11 February 2018

Unidentified gang detonates IED at Arun-III project building

DIPENDRA SHAKYA

An unidentified gang detonated an Improvised Explosive Device (IED) in an under-construction building of Arun-III Hydropower project. The explosive (pressure cooker bomb) was exploded on Saturday night. The incident took place at a powerhouse located at Diding of Chichila Rural Municipality-3. District Police Office Inspector Bed Prasad Gautam said the explosion has caused damages to the building. The search for perpetrators is underway, he said. Nobody has taken claim of the incident yet.

Source: The Kathmandu Post; 12 February 2018

400m tunnel built at hydel project

kabeli-a hydroelectricity project

SHAHI MAN RAI

A 400-metre long tunnel of the Kabeli-A hydroelectricity project at the Kabeli River has been completed by the project's contractor Zhejiyang Hydropower Construction and Installation Company Limited. The run-of-the-river hydroelectricity project located at the Kabeli River in the border of Taplejung and Panchthar has an installed capacity of 37.3 megawatt. The contractor completed the 400-metre long tunnel within two months. The project will generate electricity when water from Dhusenikhola Kharka in Amarpur flows through a 4,327 metre long head race tunnel—a structure that carries water from intake to the power house for power generation. About 60 Chinese personnel are deployed in the project as engineers, technicians, drivers, and labourers.

Zhejiyang Construction also brought equipments like vehicles, tippers and excavators from China. Project Manager Birendra Shrestha said that preparations are underway to construct the main tunnel path (head race tunnel) from the water reservoir to the powerhouse.

The hydroelectricity project at the Kabeli River encompasses Yangwarak Village Municipality – 2 Thechambu of Taplejung and Hilihang Village Municipality-1 Amarpur of Panchthar. Shrestha said that Butwal Power Company and Intra Asia Company of Singapore will form a partnership and jointly own the project. Butwal Power will own 55 percent of the project while Intra Asia owns the remaining 45 percent.

Butwal Power Company has received an assistance of \$40 million from the World Bank and \$38.6 million from the International Finance Corporation (IFC). Varying amounts of assistance from the Canadian Climate Change Programme, Nepal Hydroelectricity Investment and Development Company, NIC Asia Bank, Department of Foreign Affairs and Trade (DFAT) of Australia, State Secretariat for Economic Affairs (SECO) of Switzerland, Department for International Development (DFID) of the UK are also funding the Kabeli-A hydroelectricity project.

A 15-metre tall dam will also be constructed at the Kabeli River to collect water at a reservoir. The reservoir will be 1-km wide. Water from the reservoir will be drawn via tunnel to Pinaseghat and then discharged from 118-metre height into turbines located in the powerhouse.

After completion, the project will generate 205 million units of electricity annually. The powerhouse will be connected to the Amarpur Sub-station via Kabeli Corridor 132 kv electrical transmission line.

Source: The Himalayan Times; 13 February 2018

IPB approves Rs 20 billion FDI in 102-MW hydel project

The meeting of the Investment Promotion Board (IPB) today approved Rs 20 billion investment proposal of Hydro China Corporation. The Chinese hydropower developer had earlier submitted a proposal to the government seeking permission to invest in a 102-megawatt hydropower project in Gosaikunda, Rasuwa.

Shankar Aryal, member secretary of IPB, informed that the proposal of Hydro China Corporation was approved after finding the company's planned project in Rasuwa feasible.

The IPB meeting chaired by Industry Minister Sunil Bahadur Thapa also decided to formulate standards for domestic cement industry. Citing that Nepal is marching towards becoming self-sustained in cement and the domestic cement industry has been growing rapidly, IPB concluded the need to formulate common legal standards to regulate country's cement industry.

With this conclusion, the IPB meeting also decided to form a task force to study and prepare the draft of standards to regulate cement industry in the country as soon as possible.

The IPB meeting also decided to implement the government's plan to begin one-window policy for investors as soon as possible.

Meanwhile, the IPB meeting also gave one-year ultimatum to brick kilns located in districts like Kanchanpur and Kailali that have been producing fly ash bricks to switch to production of common burnt clay bricks citing that pollution level among brick kilns producing fly ash bricks is comparatively higher.

Source: My Republica; 14 February 2018

Cash crunch in BFIs affects hydropower projects

Developers say banks not disbursing even committed loans

KATHMANDU, Feb 13: About a dozen under-construction hydropower projects, which were expected to complete within next 12 months, have started suffering fund crunch as bank and financial institutions (BFIs) have stopped releasing committed loans to these projects.

Independent power producers (IPPs) are finding it difficult to foot the bills of contractors. This has affected construction works as laborers, who have not received their wages from contractors, are not turning up at the project site.

If cash flow to these projects is affected, it will hamper construction deadline of different projects having combined capacity of 600 MW. It will, in turn, affect the government's plan to generate more hydropower and eradicate load-shedding in the near future. It could severely impact the government's plan of reducing trade deficit with India by bringing down import of fossil fuel through generation of more hydropower.

"Hydropower companies are facing the most difficult situation due to cash crunch. Projects in the last leg of construction have suffered the most," Shailendra Guragain, president of Independent Power Producers' Association, Nepal (IPPAN), told Republica.

Hydropower projects having combined capacity of 1,000 MW, including Upper Tamakoshi, are under different stages of construction.

"BFIs have an undeclared policy of not releasing fund. They have even stopped releasing committed loans," Guragain said, adding: "They already have a declared policy of not signing new financial closure and issuing letter of credit to finance import of hydro-mechanical equipment," said Guragain.

This delay in fund release is likely to increase project cost by a minimum by 10 percent, according to project developers.

Hit hard by the decision, some project developers are trying to negotiate with banks to ensure that their cash flow is not affected. But they denied naming the banks, fearing retribution from BFIs.

"We cannot disclose the name of the banks. But all the banks have flouted the agreements signed in financial closure," a project developer claimed, requesting anonymity.

The problem, which started in December last year, has hit peak now. Some power developers say that banks have told them informally to manage funds on their own.

However, Gyanendra Dhungana, president of Nepal Bankers Association (NBA), refuted charges leveled against BFIs by hydropower developers. "Though it is true that BFIs have stopped signing new financial closures, they have not stopped releasing committed loans," Dhungana said, warning that the situation may aggravate further if deposit collection does not improve.

BFIs are hopeful that improvement in remittance flow, which posted a negative growth of 0.5 percent in the first six months of FY2017/18, and government spending, which is expected to gain pace in the coming months, will bring more deposits to their vaults.

Hydropower projects in the last leg of construction includes Lower Hewa (21 MW), Mai Cascade (8 MW), Kabeli B (25 MW), Molung Khola (7 MW), Madkyu Khola (13 MW), Glang Khola (3 MW) and Chaku (22 MW), among others.

Source: The Kathmandu Post; 15 February 2018

Dhangadhi-Paliya power line back in operation

Back to life

The Dhangadhi-Paliya cross-border transmission line has come back to life after 10 years, bringing joy to the inhabitants of Province 7 as now there will be regular electricity even during peak demand hours.

The 33 kV power line located in the far west will allow the Nepal Electricity Authority (NEA) to import another 12 MW of electricity from India. The state-owned power utility will draw electricity over the cross-border line based on requirement.

“As there is surplus electricity in Province 7, we will consider importing power over the Dhangadhi-Paliya transmission line only in times of shortage,” said Prabal Adhikari, chief of the power trading department at the NEA.

The total electricity demand of Province 7 during peak hour is 47 MW. With the power line coming back online, supply has increased to 66.5 MW.

The Chameliya and Naugadh hydropower projects produce a combined 38.5 MW of electricity while the NEA is drawing up to 16 MW from the Tanakpur point under the Mahakali Treaty with India.

“The current supply is expected to meet the electricity demand of Province 7 for at least a couple of years,” said Adhikari.

The Dhangadhi-Paliya cross-border power line went out of operation in 2008, and Nepal had repeatedly been requesting India to revive it. The two countries agreed to revive the power line during the energy secretary-level joint steering committee meeting held between Nepal and India last August.

Subsequently, the Indian side started maintenance work on the transmission line. The NEA will pay Rs6 per unit for the electricity imported through this power line as fixed by the Nepal-India Power Exchange Committee Meeting held in August 2017.

With the cross-border transmission line back in operation, Nepal can import a little over 500 MW from India. The NEA relies heavily on electricity imported from India to keep the lights burning during the dry season.

Power generation by domestic hydropower projects has fallen steeply of late due to the reduced water level in the country’s snow-fed rivers where a majority of the plants are located.

Currently, the NEA is importing around 435 MW of electricity from India via a dozen cross-border transmission lines. Last week, when there was sharp drop in temperature, imports rose to a high of 490 MW.

As a majority of hydroelectric stations in the country are run-of-the-river types, output drops sharply during the dry season when the water flow in the rivers goes down. The total installed capacity of the hydropower projects in the country stands at 986 MW, but output has dropped to half currently.

There is only one reservoir in the country which is used by two power plants, Kulekhani I and II, which generated a combined 92 MW of electricity.