

Source: My Republica, January 25, 2020

Government plans consumption-based tariff on electricity

KATHMANDU, Jan 25: The government has announced that it is preparing to bring a consumption based tariff policy on electricity to boost consumption with the rise in electricity generation.

Ministry of Energy, Water Resources and Irrigation has prepared a proposal in which more consumption of electricity will be cheaper per unit. Barshaman Pun, Minister of Energy, Water Resources and Irrigation, informed that the proposal has been forwarded to the Nepal Electricity Authority.

“Earlier, there was low supply and high demand, so to manage the load we had motivated people to consume less electricity,” said Pun, “Before this government, there was 900 megawatt electricity. Right now, it has increased 400 megawatt and reached to 1300 megawatt, so we are inclined to increase consumption.” Minister Pun also informed that in this fiscal year 2019/2020, around 1,000 megawatt will be added to the national transmission grid.

According to Pun, new electricity prices will be determined by categorizing consumers into groups. Family of four/five members in a village and people staying in rent in Kathmandu are sufficient within 50 units per month on use of electrical appliances and induction stove,” said Pun, “This is cheaper than gas.” Customers with 51 to 400 units can use iron, washing machine, fridge and other electrical appliances.

“We are developing the system which can calculate the cost on use of various electrical appliances,” said Pun, “In every group, the cost of electricity will be less than before, and more consumption will also cost less.”

In this fiscal year, the Promotion of Renewable Energy Centre provided 10,000 induction stoves as grant and in the upcoming year, it will be increased to 100,000, according to Pun. “Cooking with firewood takes a lot of time and it also affects the health of women and children,” he said, “Use of Induction stoves will not only increase electricity consumption but also saves time and is less harmful to the environment and the health of families.”

Source: Himalayan Times, January 25, 2020

NEA calls tender to instal charging stations

To help materialise the government's plan to increase the use of electric vehicles (EVs) and subsequently the consumption of electricity in the country, Nepal Electricity Authority (NEA) has called a global tender for installation of 50 EV charging stations across the country.

The power utility has said the successful bidder will have to instal the charging stations in Kathmandu, Narayangadh, Butwal, Itahari, Biratnagar, Pokhara, Nepalgunj, Dhangadhi and Damak as well as along the inter-city routes between these cities.

However, the exact sites for installing these charging stations will be ascertained by NEA at the time of signing the project implementation contract, as per the authority.

On September 25, NEA had unveiled a plan to establish 50 charging stations across major cities and highways. As per the notice, the power utility had requested property owners, including commercial complexes, cinema halls, supermarkets, parks, universities, government authorities, hotels and hospitals, among others, to make land available for the purpose.

The power utility has already installed charging stations at its head office in Ratna Park and now wants to set up such stations across the country. It has also released a plan to instal EV charging stations every 100 to 200 kilometres along the major highways where vehicles usually stop for refreshment.

As per NEA, the charging stations will be able to charge at least three EVs at a time.

“We will soon finalise the areas to set up the stations as those places need to have ample parking space,” said Prabal Adhikari, spokesperson for NEA, adding that this is a commercial model and will help those property owners who make land available for the charging stations to increase their business.

The successful bidder will conduct supply, delivery, installation, testing, commissioning, operation and maintenance of EV charging stations. It will have to complete the construction works within six months from the date the tender is awarded.

The project is being funded by South Asia Sub-regional Economic Cooperation, which is backed by the Asian Development Bank.

Source: Himalayan Times, January 27, 2020

Bomb set off at Arun III project site

An unidentified group detonated an explosive device at the project site of the under-construction 900-megawatt Arun III Hydropower Project in Sankhuwasabha district on Saturday.

Senior Superintendent of Police Shekhar Koirala, spokesperson for Nepal Police in Province 1, has confirmed the blast at the project site on Saturday night. “Investigation into the incident has started. We have not arrested anyone connected with blast till now and no one has claimed responsibility to it.”

The hydropower project has repeatedly faced such attacks, with the blame often going to Netra Bikram Chand (Biplav)-led Communist Party. The last time the office came under attack was on February 8, 2019.

The blast caused by a pressure cooker bomb has damaged the generator of the project. The walls near the generator have also been damaged and pieces of the pressure cooker were found at the site of the explosion, said a project official, seeking anonymity as he is not authorised to speak to the media. “We are going to hold a meeting immediately with the concerned stakeholders to ensure the security of the project,” the source said.

Deputy Superintendent of Police Santosh Budhathoki, who is also the district police chief of Sankhuwasabha, said he was unaware about the accident.

“I have heard about the accident but I don’t have details of the bomb blast.”

Amid the government’s attempt to attract foreign investors and investment in Nepal, frequent attacks witnessed by firms and projects with share of overseas companies have raised concerns about the security of foreign direct investment (FDI) in the country.

In recent times, various unidentified groups have been attacking infrastructure of telecom firm Ncell and Upper Karnali Hydropower Project too and such incidents will discourage foreign investors from coming to Nepal, as per experts.

Moreover, they have opined that failure to ensure security to FDI projects will directly affect FDI flow into Nepal, which will ultimately affect various development goals of the country.

Source: The Himalayan Times, January 27, 2020

DPR of Nepal-China cross-border transmission line near completion

The detailed project report (DPR) of the first Nepal-China 80-kilometre-long Galchhi-Rasuwadhi-Kyirong 400 kVA high-voltage cross-border transmission line, which has been planned with an aim to transmit country's surplus energy to the northern neighbour, is about to be completed.

As per an agreement signed between Nepal and China in 2017, the joint technical team and consultants are conducting the DPR works for the project.

The transmission line will extend from Galchhi in Nepal to Shigatse in China, which is also route of much-hyped Kathmandu-Kyirong electric railway. Only 80 km out of estimated 800-km length of transmission line lies within Nepali territory. The Nepali portion of the power line will stretch from Galchhi in Dhading district to Rasuwadhi on the border with China in the north.

Komalnath Atreya, head of the project, informed that the project is currently analysing the 'load flow test' before finalising the DPR of the project. The load flow is basically done for the power flow through a transmission line and the transmission line performance between the sending and receiving ends.

"After we complete the load flow test, we will be able to complete the DPR of the transmission line project which has the capacity to transmit up to 5,000 megawatts of electricity," he said, adding that currently the project is analysing the flow of electricity through a software called Nepal Power System.

The Ministry of Energy, Water Resources and Irrigation, on May 8, 2018, had unveiled a plan and had set a target to generate 3,000 megawatts of electricity within three years and connect it to the national grid. Likewise, the energy ministry had also stated that it would generate 5,000 MW of energy within five years and 15,000 MW of electricity within 10 years.

The government has plans to export the electricity to India, Bangladesh and China in the future. As per this plan, the government has expedited the works to begin negotiations with the neighbouring countries.

In January, 2018, the government had forwarded the initial feasibility report of the cross-border transmission line to China.

The government had proposed this project to China through Ministry of Finance with expectations of potential Chinese financing under its Belt and Road Initiative.

Nepal Electricity Authority and State Grid of China in 2017 had agreed to jointly prepare the DPR. This will be Nepal's first cross-border transmission line with China. Nepal has cross-border transmission line connectivity with India at 11 locations.

Source: My Republica, January 28, 2020

Projects in Mai Khola basin to add 22 MW to national grid within a year

ILAM, Jan 28: Three hydropower projects which are under construction in Mai Khola are expected to add 22.1-megawatt electricity to the national transmission grid within a year.

Mai Beni of Mai Khola in Ilam municipalities' 2 and 8 and Super Mai-A and Super Mai Cascade projects are under construction at the moment. The Mai Beni Hydropower Project will generate 9.5 megawatts of electricity. The project has completed 69% of the work. According to Rajendra Raj Bharati, the project manager of Mai Beni, construction of the headbox and installation of the pipes are in the final stages whereas the construction of the tunnel is on schedule.

The Super Mai Cascade Hydropower Project plans to complete all construction work by mid-May this year. According to Manoj Bhurtel, the project manager of Super Mai, the construction of the powerhouse of the 3-megawatt project is in its final stage. "Construction of the intake was completed in January and the construction of the powerhouse which was started in mid-November is in its final stage," said Bhurtel, "More than 70% of the work is completed and all pending work will be completed in May 2020."

According to Santosh Karki, the project manager of Super Mai-A Hydropower Project, the 9.6-megawatt project will begin generation of electricity within April. Sanima, Jyoti, NCC and Century bank have invested Rs 1.79 billion in the Super Mai-A Hydropower Project which is led by Sagarmatha Hydropower Company. "The work was started in mid-February last year and 80% of the work

is completed,” he said, “We now have to carry out construction work on three kilometers of the 14 kilometers of transmission line which will be added to the Godak Sub-station.”

Sanima Mai (29 megawatts), Panchakanya (18 megawatts), Super Mai (7.8 megawatts) and Himat Dolakha Hydropower Project (7.5 megawatts) are already in operation in Mai Khola.

Source: The Himalayan Times, January 29, 2020

NEA proposes power tariff reduction for households

In a bid to ramp up electricity consumption, Nepal Electricity Authority has prepared a draft 'consumer tariff rate' reducing power tariff levied on households.

This is the first time that the power utility has proposed a tariff rate aimed at encouraging household consumption in contrast to its earlier policy targeting minimum use of electricity.

Stating that while the per unit rate of electricity rises along with the quantum of consumption at present, the draft has proposed reducing the rate as consumption increases, informed Prabal Adhikari, spokesperson for NEA.

As per the existing tariff rate, general consumers pay five rupees per unit for consuming up to 20 units. The rate shoots up to Rs 13 per unit for consumers of above 400 units. The proposed draft hikes the rate for minimum consumption of up to 20 units to Rs 11.5, but the rate drops to three rupees per unit for consumption of over 400 units.

According to Adhikari, NEA has also proposed not to impose service charge for consumption of less than 20 units per month. NEA charges three rupees per unit as service fee.

The draft was tabled at the NEA board a month ago and it will be approved in the next board meeting, scheduled towards the end of the week.

“Following a go-ahead from the board, we will forward the draft to Nepal Electricity Regulatory Commission for final approval,” he added.

Earlier, Minister of Energy, Water Resources and Irrigation Barsha Man Pun had announced that the government was preparing to remove the subsidy provided to consumers of liquefied petroleum gas and to transfer that amount to provide subsidy on electricity from the next fiscal. In this regard, the government is preparing to provide 10 units electricity free per month for those who only use up to 20 units a month.

As per NEA data, more than two million households consume less than 20 units per month, while one million households only consume 10 units of electricity a month.

The NEA board has already signed off the proposal to lower tariff rates for dedicated and trunk lines. While such consumers are currently charged 65 per cent above the normal tariff, the new proposal has reduced the rates by a whopping 50 percentage points to only 15 per cent above the general tariff. The proposal is currently being studied at the NERC.

Source: My Republica, January 30, 2020

NEA proposes tariff reduction for household users

KATHMANDU, Jan 31: Nepal Electricity Authority (NEA) is preparing to revise electricity tariff for household consumers to increase electricity consumption.

The authority has prepared a draft of new electricity tariff with reduced rates and perks for those who consume more electricity.

Kul Man Ghising, managing director of the NEA said, that they were lowering energy tariff to increasing electricity consumption. "Now that load-shedding has become a thing of the past, we want people to consume more electricity," he said, adding: "When the country was seeing power cuts in the past, tariff had to be high in order to control consumption."

According to Ghising, energy consumption will increase with the usage of electrical appliances by household and industrial consumers. "The tariff will be cheaper," he said.

So far, the NEA has been levying higher tariff on users who consumer more energy.

The energy ministry previously said it was preparing to bring consumption-based tariff policy to encourage consumption of electricity. Minister for Energy, Water Resources and Irrigation Barsha Man Pun said recently that around 1,000 MW of energy will be added to the national grid within current fiscal year. It will increase the supply capacity of NEA to 2,300 MW.

Nutan Prakash Sharma, secretary of the Electricity Regulatory Commission, said that the new tariff will be determined on the basis of regulatory

requirements. “The commission will hold public hearing before preparing the tariff. The new tariff needs to address the insufficient revenue pattern as the revenue needs to be reasonable for so many reasons,” he added.

Sharma, however, said that the commission had not received tariff revision proposal till Wednesday afternoon. “We had asked them to make some changes to the proposal that they submitted to us previously,” he added.

After receiving proposal from the NEA, the commission will hold needful study before finalizing the new tariff.

The NEA has been charging household consumers on the basis of units of electricity consumed. It has classified its household consumers into seven categories – using 0-20 units, 21-30 units, 31-50 units, 51-150 units, 151-250 units, 251-400 units, and more than 400 units per month.

According to the draft proposal for tariff revision, consumers using less than 10 units will have to pay only the minimum charge. Almost one million consumers use less than 10 units of electricity in a month, according to NEA.

