

**Source: My Republica, August 3, 2020**

## **NEA falls short of its target to expand electrification, blames coronavirus for the failure**

KATHMANDU, Aug 3: Nepal Electricity Authority (NEA) has failed to meet its target to expand complete electrification in 40 districts as it could accomplish the tasks only in 15 districts.

According to its annual progress report, the NEA last year was unable to expand complete electrification in 25 districts as it was unable to continue with its works due to sudden outbreak of Coronavirus (COVID-19) and the subsequent lockdown enforced by the government to contain the spread of the virus.

The government enterprise had set the target to ensure complete electrification in 40 districts in 2019/20. But the power utility could accomplish its task only in 11 additional districts last year.

Earlier, only four districts including Kathmandu, Bhaktapur, Parbat and Syangja had full electrification. A total of 11 districts including Bardiya, Siraha, Dhankuta, Sunsari, Dhanusha, Mahottari, Bara, Parsa, Nuwakot, Gulmi and Kapilvastu were added in the list in the last fiscal year.

The slow progress could affect the government's ambitious plan to increase the outreach of people to the domestic fuel source. The government had announced to provide electricity access to every household and increase electricity consumption to 700 units per capita per year by the year 2022.

Last year, Nepal got an additional 285 circuit kilometer transmission lines, which has created a thin silver lining for the utilization of the electricity generated at home as it is likely to go in waste in the days ahead in the absence of a consumption plan.

According to NEA's report, the country invested Rs 19.52 billion to develop transmission lines that help to take the power produced by six hydropower projects to the national grids. The progress on physical infrastructure in the segment stood at 74.92 percent during 2019/20.

Transmission lines connecting Koshi, Solu, Kaligandaki, Marsyangdi corridor, Singati-Lamosanghu, Chilime-Trishuli 3, Hetauda-Dhalkebar-Inaruwa, Marsyangdi-Kathmandu, and Tamakoshi-Kathmandu, among others, are currently under construction.

The NEA's progress report has created some hope in checking wastage of the electricity produced by a number of hydro projects that are already in the phase of generating power. The 57th annual report published by the Auditor General two weeks ago has mainly pointed out the shortfall in transmission lines as the main hurdle in expanding electrification throughout the country. As a result, private power producers are forced to incur losses amounting to more than Rs382 million annually.

The report said 95.61 gigawatt hours (GWh) of electricity produced by 18 private hydropower companies had gone to waste in 2018/19 due to lack of efficiency on the part of government bodies concerned to improve, renovate and build new transmission lines. It has pointed out that the electricity authority has been importing Rs 734.7 million worth of power annually from

India by paying Rs 8 per unit while private producers receive Rs 4 per unit on average. “In total, it has inflicted losses amounting to Rs1.14 billion to the country in the fiscal year 2018-19,” the report said.

According to the NEA, acquisition of the required land to stretch the transmission lines, problems of the land compensations, impediment by local people during realignment and policy hurdles are among the underlying problems in slow progress of the transmission lines construction. Provided the problems are not addressed on time, it is likely to hit the distribution of additional 1,300 MW of electricity that the government has announced to produce in the current fiscal year.

Last year, the electricity authority improved the capacity of substations by 840.40 kVA, targeting to improve the quality of power supply. During the period, four new substations with capacity 138.6 kVA were brought online while another 37 substations were upgraded to 579.80 kVA in total.

**Source: My Republica, August 3, 2020**

## **Above 95 pc arrears in energy and irrigation sectors settled: Energy Ministry**

*73.26 percent financial progress and 75.3 percent physical progress achieved in energy related projects*

KATHMANDU, Aug 3: About 99.99 percent of arrears in the energy sector and 95.59 percent arrears in irrigation sectors have been settled in the fiscal year 2019/20, said the Ministry of Energy, Water Resources and Irrigation.

Of the total Rs 1.3982 billion outstanding dues in the energy sector, Rs 1.3980 billion has been settled. Similarly, Rs 9.5 million of the total Rs 9.9 million outstanding dues in the water resources and irrigation sector has been settled, according to the ministry.

The ministry claimed that it has recorded 73.26 percent financial progress and 75.3 percent physical progress in energy related projects, while the financial and physical progress in the water resources and irrigation sector is 71.67 percent and 71.79 percent, respectively.

Out of the total 23 projects of national pride of the Government of Nepal, the ministry alone has been leading 8 national pride projects.

Construction works of the national pride projects under the ministry is continuing despite the risk of outbreak of the COVID-19 pandemic and subsequent decision of the government to enforce nationwide lockdown to contain the spread of the virus.

The 456 MW Upper Tamakoshi Hydropower Project has achieved 99.73 percent physical and 98.68 percent financial progress. Of the Rs 1 billion budget allocated for the project in the last fiscal year, it has mobilized 100 percent of the budget.

Of the remaining work, 62 (311 m) upper and 74 lower penstock shaft (373 m) connections have been installed so far, according to the ministry. Out of a total of 20 (100 meters) horizontal penstocks, 5 have been connected so far.

Of the 58,439 ropani of inundated area due to the Budhi Gandaki Hydropower Project, compensation for 47,439 ropani land has been distributed out of 58,153 ropanis. The project has distributed a total of Rs. 33.80 billion as compensation to the affected people, the ministry further said.

Energy Minister Barshaman Pun said the progress even in the face of COVID-19 outbreak in the country is a good thing. “The projects under the ministry stand in a good light and if the pandemic had not existed, the progress could have been much better,” he said.

Another pride project Bheri-Babai Multipurpose Project has also completed the construction of a 12.2 kilometer-long tunnel. Civil construction work of the dam and powerhouse was carried out even during the lockdown. Similarly, the headworks as well as 76.20 kilometers main and 191.33kilometers branch canals and the reconstruction of 17.92 kilometers of canal damaged by the flood of Babai Irrigation Project have been completed.

The modernization works of the intake and feeder canal of Rani Jamara Kulariya Irrigation Project has been completed. Likewise, the structure

construction of the main canal has achieved 95 percent progress, 90 percent progress in construction of infrastructure, 70 percent construction of hydropower and 75 percent works related to the protection of irrigated areas has been completed.

The construction of a dam and 45-kilometer long west main canal of Sikta Irrigation Project has been completed. The completion of construction of Sidhanaya branch of the western main canal is close to completion and the eastern main canal has recorded 50 percent progress. The project will irrigate 7,000 hectares of land.

Similarly, the Environmental Impact Assessment (EIA) study report of Sunkoshi-Marine Diversion Project has been approved. Land acquisition work has been completed for the construction of necessary structures including powerhouse. The cost estimate and purchase documents likewise have been prepared for the construction of the tunnel and the detailed design work of the structure including powerhouse is currently in progress.

**Source: Rising Nepal, August 4, 2020**

## **NEA Makes Notable Progress In Capital Expenditure, Power Generation**

**Kathmandu, Aug. 4:** Nepal Electricity Authority (NEA) has achieved a significant progress in the last fiscal year despite the impact of COVID-19 pandemic. According to the NEA, it was able to achieve 81.23 per cent financial progress, spending around Rs. 47.14 billion budget out of Rs. 58.4 billion allocated for power generation, transmission and distribution of lines operating by the NEA in the last fiscal year.

The physical progress of the project was Rs. 82.29 per cent in the last fiscal year. The NEA had allocated Rs. 58.4 billion for the hydropower projects operating under the government of Nepal, foreign loan and grant and its own resources in the last fiscal year.

Over 92 per cent of the budget allocated to increase the access of power and distribution lines to ensure durable and quality power supply to the consumers was spent in the last fiscal year, said NEA.

Managing Director of NEA Kulman Ghising said that financial and physical progress of the NEA was encouraging in the last fiscal year despite the obstruction of works on projects caused by the COVID-19 pandemic. He said that the construction works of all projects was affected badly in four months of the lockdown.

‘However, construction works of some projects have completed despite the impact of COVID-19 due to the efforts of the concerned government bodies to continue the works even in lockdown by maintaining the safety protocol,’ Ghising said.

Under the power generation, NEA spent Rs. 5.53 billion out of total allocation of Rs. 7.80 billion in the last fiscal year.

Under the execution of hydropower projects, it was able to achieve 70.82 per cent financial progress and 76.83 per cent physical progress.

In the last fiscal year, around 135 MW power was added in the national grid by completing the construction of 15 projects under the private sector.

The NEA has been studying the major projects, including 1,061 MW Upper Arun, 635 MW Dudhkoshi, Upper Modi A and Tamakoshi Five, Ghising said, adding that physical progress of those projects was 33.39 per cent.

The lockdown has also affected the study of the projects.

The 456 MW Upper Tamakoshi and 140 MW Tanahun Hydropower Project are now in construction. The NEA has set a target to complete the construction work of the

Upper Tamakoshi during the current fiscal year 2020/21.

285 circuit kilometre transmission lines added

About 285 KM circuit kilometre transmission lines from the six hydropower projects

were added in the last fiscal year. Under the transmission lines, the NEA spent Rs. 19.52 billion out of total allocation of Rs. 26.48 billion in the last fiscal year. Similarly, under the distribution lines, the NEA constructed 24 substations in the last fiscal year. The NEA constructed 405 kilometre distribution lines in the last fiscal year.

The NEA was able to spend of Rs. 17.57 billion out of the total allocation of Rs. 19.8 billion for the distribution lines. 15 districts become fully electrified. With the declaration of 11 districts fully electrified in the last fiscal year, a total of 15 districts across the country became fully electrified. In the last fiscal year, Dhankuta, Sunsari, Siraha, Dhanusa, Mahotari, Bara, Parsa, Newakot, Kapilvastu, Gulmi and Bardiya became fully electrified. Earlier, Parbat, Syangja, Kathmandu and Bhaktapur were fully electrified. However, the NEA had set a target to make 40 districts fully electrified in the last fiscal year.

**Source: My Republica, August 5, 2020**

## **NEA projects achieve 81 pc financial and 82 pc physical progress**

KATHMANDU, Aug 5: The projects under Nepal Electricity Authority (NEA) achieved 81.23 percent financial and 82.29 percent physical progress in the last fiscal year 2019/20. Power generation, transmission and distribution projects are being carried out by the authority.

Of the Rs 58.4 billion allocated for the projects run by the government and NEA, Rs 47.14 billion was spent. Of the total allocation, 92 percent was allotted for the improvement and upgradation of the distribution lines to provide reliable and quality services to the consumers and increase access to electricity, under which it has attained one hundred percent physical progress.

NEA Managing Director Kulman Ghising said that the overall financial and physical progress despite the projects being affected by COVID-19, is encouraging. “Procedural hurdles in the forest lands, land acquisition, obstruction in transmission and distribution lines were the common problems that the projects faced. They were also affected due to the COVID-19 impact on the country since the last four months,” he said on Monday. “We were able to move forward with the project after the government decided to resume the construction of projects during lockdown by adopting safety measures.” He mentioned that the Minister for Energy, Water Resources and Irrigation Barshaman Pun and other stakeholders facilitated and supported the work. “Construction of some projects has been completed whereas some are in the final phase,” he further added.

Stating that the COVID-19 had impacted the completion of projects, he said the projects could have recorded more physical and financial progress. According to NEA, Rs 5.53 billion of the total Rs 7.80 billion allocated for the power projects was spent in the last fiscal year. Construction, maintenance and other works fall under the production work of NEA. A total of 15 projects of the private sector were completed and 135 MW electricity was linked to the national grid last year.

The NEA is conducting a detailed study of 1,061 MW Upper Arun, 635 MW Dudhkoshi, Upper Modi A and Tamakoshi fifth hydropower projects. Of the Rs 1.95 billion allocated for the study of projects, the authority has mobilized only 26.48 percent. The physical progress of these projects is 33.39 percent. Ghising said that the study of the projects has been affected due to COVID-19.

**Source: The Himalayan Times, August 5, 2020**

## **Land compensation for Budhigandaki hydel at almost Rs 34 billion so far**

Budhigandaki Hydropower Project has so far distributed almost Rs 34 billion in land compensation.

Though compensation for a majority of the land to be affected by the hydropower project has already been distributed, affected locals have been agitating at Gorkha's Aarughat and Aarkhet, and Dhading's Khahare bazaar demanding that the land affected by the project be repaired. As a result, the entire project development process has been affected due to the land compensation dispute which is yet to be resolved completely.

"The land compensation process is still ongoing and will be settled soon," informed a source at the Ministry of Energy (MoE). As per the ministry, of the 58,153 ropanis of land that the project covers, the government had completed compensating for 47,439 ropanis of land by the end of the last fiscal year and the energy ministry plans to provide compensation for the remaining land within the next few months.

Officials at MoE said that the problem at present is the delay in finalising the construction modality of the project rather than the land compensation issue.

Though it has been long since the government decided to construct the 1,200-megawatt hydropower project through its own resources, the government has not been able to take any concrete decision on the project development front.

Nearly a year after the Sher Bahadur Deuba-led government scrapped the contract with China Gezhouba Group Co Ltd (CGGCL) for the construction of the Budhigandaki Hydropower Project, a national pride project, the government in September 2018 had decided to award the contract for the project to CGGCL again. Though the government then had sought a letter of intent from CGGCL, the Chinese company has not been in communication with the government since long.

A faction in the ruling Nepal Communist Party (NCP) wants to allow the Chinese firm to develop the project while another faction maintains that the project should be developed by bringing in investment from some reputed foreign company. This division within the ruling party has led to the delay in finalising the modality of the hydropower project. Some leaders within the ruling party have been saying that CGGCL should not be given the project as the company does not have an impressive project development history in Nepal.

The government had also discussed developing the hydropower project through Engineering, Procurement, Construction and Financing (EPCF) modality where the contractor is not only responsible to engineer, procure and construct the project, but

also has to finance the project. However, the government has not reached any conclusion on it.

**Source: The Himalayan Times, August 5, 2020**

## **DoED revokes licences of 129 hydro projects of 3,330 MW**

The government has revoked the licence of 129 hydropower projects with total installed capacity of 3,330 megawatts so far as they failed to submit their progress reports and pay due fees on schedule.

As per Department of Electricity Development (DoED), in the last 10 years it has cancelled licence of these projects with capacity ranging from one megawatt to 916 MW.

The largest project to get its licence repealed is Humla Karnali Cascade Project with capacity to generate 916 MW of power. Meanwhile, the smallest project whose licence has been rescinded is the Balefi Khola Hydropower Project with capacity of 950 kilowatts.

Nabin Raj Singh, director general of DoED, said the projects whose licences had been revoked had failed to submit their progress reports despite being asked to do so at frequent intervals. The department also rescinded the electricity generation licence of those projects that had failed to renew their licences.

“The government will now add those projects whose licence has been revoked to the project basket that it has established,” informed Singh.

There was a time when the immense potential of hydropower and its exploitation was under the control of a limited number of people.

That is why at that time the popular slogan among the people was ‘Jholama Khola’, as per Singh. However, in the last few years we have done our level best to cancel the licence of 129 such hydropower projects, he added.

In terms of numbers, the government revoked the most number of licences of hydropower projects in the fiscal year 2013-14. After that, the permission of many projects was revoked in the last fiscal year 2019-20.

It has to be noted that the generation capacity of hydropower projects whose licences were scrapped in the last fiscal was the highest.

As per DoED, licences of 23 projects with capacity of 842 MW were revoked last fiscal.

Similarly, in fiscal year 2013-14, permission of 65 hydropower projects with capacity of 486 MW was revoked.

The power projects whose licences were cancelled in the last fiscal year include the 400-MW Kaligandaki Kawan, 75-MW Dudhkoshi-10, 65-MW Upper Kaligandaki, 52-MW Super Budhigandaki and 75-MW Trishuli Galchi hydropower projects.

In fiscal year 2018-19, the licence of only eight projects with capacity of 188 MW was revoked, including the 128-MW Dandagaun Khalanga Bheri Project.