

Source: The Rising Nepal; 9 June 2018

Second generator of Kulekhani II hydropower project not working, power generation disrupted

Power generation from the 16-MW second unit of Kulekhani II hydropower project has stopped since the last five days.

Power generation from the second generator of Kulekhani II hydropower project has stopped after problems were witnessed in the stator winding of its second turbine having a capacity of 16 MW, read a press statement issued by the Nepal Electricity Authority on Friday.

The capacity of the Kulekhani II hydropower stands at 32 MW with two turbines.

Altogether only 46 MW power is being produced from Kulekhani I and II following the maintenance of stator winding of the turbines, the NEA said.

Due to closure of one of the turbines of Kulekhani II, only 30 MW power is being generated from Kulekhani I hydropower project to prevent wastage of water.

"If the Kulekhani I hydropower project is operated in its full capacity of 60 MW, water will go to waste," the NEA said.

The Kulekhani hydropower project is not operated round the clock. It is operated based on the necessity and the peak demand time.

There are two turbines in each of the hydropower projects. Out of them, one turbine from each of the two projects is being operated.

According to the NEA, there was no need to cut power even when power generation from Kulekhani I and II was stopped because the power generation from other projects has been increased following the recent rainfall.

While inspecting the project the other day, Managing Director of NEA Kul Man Ghising directed the project chief to invite the equipment supplier company at the earliest and repair the damaged turbine. Project chief Aabhas Ojha said that technicians from the Fuji Electric Company of Japan would arrive in Kathmandu by Monday.

"We will know how long it will take to maintain the damaged turbine only after the technicians examine it," he said. "But we think it will not take much time."

Source: The Kathmandu Post; 9 June 2018

Upper Tamakoshi to issue shares to locals, public

Upper Tamakoshi Hydropower Company is preparing to issue 25 percent of its shares to project affected locals and the general public. The company is the developer of the 456 MW Upper Tamakoshi Hydropower Project located in Dolakha district in eastern Nepal. On Wednesday, Upper Tamakoshi Hydropower Company obtained permission from the Securities Board of Nepal (Sebon), the regulator of the securities market, to make an initial public offering of its shares. The company has already filed an application for registration at the Company Registrar Office (CRO) and expects to get its approval within a week. According to the company, it will be registered at the CRO within a week, making it eligible to issue shares.

The hydropower company plans to issue shares to project affected locals in a few weeks. Subsequently, it will issue shares to the general public.

The hydropower company is a subsidiary of state-owned power utility Nepal Electricity Authority (NEA). It has set aside 10 percent of the shares for project affected locals in the district and 15 percent for the general public. The company expects to complete the share issuance within a month, according to project spokesperson Ganesh Raj Neupane. As per the company's allotment plan, 10.59 million ordinary shares worth Rs1.05 billion will be offered to Dolakha locals. Likewise, the general public can apply for 15.88 million ordinary shares worth Rs1.58 billion.

Project affected locals have to apply for a minimum of 30 shares each while the maximum has been fixed at 300 shares. The residents have been categorized into three classes: severely affected, moderately affected and less affected.

The highest number of shares have been set aside for the severely affected, and the moderately affected and less affected will get progressively fewer shares.

Members of the general public have to buy a minimum of 10 shares. There is no upper limit for them.

Source: My Republica; 10 June 2018

Upper Tamakoshi gets Sebon nod to float public shares

Upper Tamakoshi Ownership Structure

Shareholders	Ownership (in %)
Nepal Electricity Authority (41%, Nepal Telecom(6%), Citizens Investment Trust (2%), Rastriya Beema Sansthan (2%)	51
Members (depositors) of Employees Provident Fund	20
General Public	10
Employees of UTKHL and NEA	6
Project affected locals (residents of Dolakha)	10
Employees of EPF and lending institutions	3
Total	100

Company to float 15.89 million units of primary shares to general public

KATHMANDU, June 10: Upper Tamakoshi Hydropower Ltd has received approval from the Securities Board of Nepal (Sebon) to float its primary shares to the affected communities in the project area and the general public.

With the Sebon's approval last week, the hydropower company, promoted by the Nepal Electricity Authority (NEA) and three other public entities, will issue its shares as part of its initial public offering (IPO).

As the biggest IPO of the country, Upper Tamakoshi will issue its 10 percent shares to the local people affected by the project, while 15 percent shares will go to the general public. In total, the hydropower company plans to draw Rs 2.65 billion from the local and general public through the share issuance. The company will offer 10.59 million units of shares, of which the general public will be able to subscribe 15.89 million units. The shares will be up for sale at the par value of Rs 100 each.

Residents of Dolakha district can apply for a minimum of 30 units of share and a maximum of 300 units. The minimum units of share for the general public are 10 with no upper limit.

"We have received the approval from the Sebon to float primary shares to the residents of Dolakha and the general public," Roshan Jung Karki, a deputy manager at the Citizens Investment Trust—the issue manager of the Upper Tamakoshi—told Republica.

"First, we plan to complete the issuance and allotment of the shares to the residents of Dolakha. Only then the shares for the general public will be floated for subscription," he added.

According to Karki, the issue manager is planning to float the shares to the project-affected locals by the second week of Asadh as per the Nepali calendar (last week of June).

The company has already floated its 24 percent shares to the contributors in the Employees Provident Fund (EPF), the NEA and employees of these companies and financing companies.

The NEA along with Nepal Telecom (NT), CIT and Rastriya Beema Sansthan (RBS) hold a total of 51 percent of the shares of the Upper Tamakoshi. The NEA has 41 percent stakes, NT has 6 percent and CIT and RBS each hold 2 percent stakes in the hydropower company.

The first plant of the 456-MW hydroelectric project is expected to generate electricity from January 2019 while the rest of five other plants will come into operation by June 2019. It is currently regarded a

national priority project and when it is completed, it will be the largest hydroelectric plant in Nepal. The project is entirely financed by domestic financial institutions and companies with an estimated cost of over Rs 45 billion.

Source: The Himalayan Times; 11 June 2018

Energy ministry finalises projects for PM Oli's visit to China

Hydropower projects	
Sunkoshi II HP	1,110 MW
Tamor HP	762 MW
Sunkoshi III HP	536 MW
Kimathanka Arun HP	450 MW
Phukot Karnali HP	426 MW
Nalgadh HP	426 MW
Naumure HP	245 MW

Transmission lines	
Galchi-Rasuwadghi-Kyirong	400 kV
Koshi corridor	400 kV
Karnali corridor	400 kV
Pushpalal Mid-Hill Highway	400 kV
Madan Bhandari Highway	400 kV
Butwal-Attariya-Mahendranagar	765 kV

Source: MoEWRI

The Ministry of Energy, Water Resources and Irrigation (MoEWRI) has finalised the projects that are linked with the Belt and Road Initiative (BRI) and which will be discussed with the concerned Chinese authorities during Prime Minister KP Sharma Oli's state visit to the northern neighbour that starts on June 19. The MoEWRI has forwarded the final list of the projects that will be on the agenda to the Ministry of Foreign Affairs (MoFA). The Energy Ministry has included seven hydropower projects and six high-voltage transmission lines in the list.

The MoEWRI has included the much talked about hydropower projects like 1,110-megawatt Sunkoshi II, 762MW Tamor, 536MW Sunkoshi III, 450MW Kimathanka Arun, 426MW Phukot Karnali, 426MW Nalgadh and the 245MW Naumure project.

Likewise, the list forwarded to MoFA also includes high-voltage transmission lines like 400kV Galchi-Rasuwadghi-Kyirong transmission line, 400kV Koshi corridor, 400kV Karnali corridor, 400kV Pushpalal Mid-Hill Highway, 400kV Madan Bhandari Highway and the 765kV Butwal-Attariya-Mahendranagar transmission lines.

The pre-feasibility study of the Galchi-Rasuwadghi-Kyirong cross-border transmission line has already been conducted by a joint team of Nepal Electricity Authority and State Grid Corporation of China. The joint team has submitted the report of this project to the respective authorities of both the governments.

The Cabinet meeting on Sunday decided to establish energy cooperation with the Chinese government and handed over the responsibility to sign the memorandum of understanding titled 'Nepal-China Cooperation on Energy Sector' to MoEWRI Minister Barshaman Pun. Till date, the government has not yet established energy cooperation with China. Earlier, the Chinese state-owned National Energy Administration of China had proposed to MoEWRI to establish an energy cooperation mechanism between the two neighbours.

According to Dinesh Kumar Ghimire, spokesperson for MoEWRI, the MoU regarding energy cooperation with China will probably be signed during PM Oli's upcoming China visit. "The Cabinet approved the proposed MoU on Sunday. It comprises construction of cross-border transmission lines and creation of an investment-friendly environment in the area of energy, water resources and irrigation in both the countries," he informed.

"The MoU also talks about establishing a secretary- and joint-secretary-level intergovernmental mechanism to continue negotiations in the energy sector."

In fact, Nepal already has energy sector-related secretary- and joint-secretary-level intergovernmental mechanism with India, which holds regular discussions on energy cooperation.

"We have forwarded the list of projects to MoFA and we are expecting agreements on large scale hydropower projects and transmission lines to be signed during PM Oli's visit," said Ghimire, adding that it will depend on the willingness of the Chinese government.

Source: The Kathmandu Post; 13 June 2018

Nepal's largest hydro project in the offing

The Department of Electricity Development (DoED) is preparing to award a survey licence for the largest ever hydropower project in Nepal to state-owned Vidhyut Utpadan Company.

The Mugu Karnali Hydroelectric Project located in northwestern Nepal has an installed capacity of 1,902 MW. The 1,200 MW Budhi Gandaki Hydropower Project in central Nepal is the largest identified scheme so far.

Vidhyut Utpadan Company will undertake a study of the mammoth storage type project after obtaining the survey licence. The company applied for a permit at the department on April 15.

The DoED is currently reviewing the documents submitted by the company. If the department is satisfied with the paperwork, it will forward the application with its recommendation to the Ministry of Energy, Water Resources and Irrigation (MoEWRI) for final approval.

According to DoED Director General Nabin Raj Singh, the department will send the company's application to the ministry within a few days. "We have asked for a few additional documents from the probable developer, and once we get them, we will seek the ministry's approval for the licence," said Singh.

The DoED will award the survey licence to the company following the ministry's green signal. Vidhyut Utpadan Company will have two years to complete the survey. The reservoir project located on the Karnali River extends across Mugu, Bajura and Humla districts.

The company has received survey licences for three hydropower projects since its incorporation in October 2016: Kimathanka Arun (450 MW), Phukot Karnali (426 MW) and Jagdulla Hydro (307 MW). Likewise, the government awarded the 410 MW storage type Nalsing Gadh Hydropower Project to the company by dissolving the development committee formed to build it.

The MoEWRI is planning to award around 19 projects in the government's basket to Vidhyut Utpadan Company and has informed the DoED about its intention. The company plans to gradually identify potential projects and apply for a licence at the department.

Vidhyut Utpadan Company was established under the Company Act 2006. The company will issue 17 percent of the shares to the general public. The Energy Ministry and the Nepal Electricity Authority (NEA) hold 20 and 10 percent of the stock respectively.

Likewise, the Finance and Law ministries each own 5 percent of the shares while the Employees' Provident Fund and Nepal Telecom have a 10 percent stake each.

Citizen Investment Trust, Hydroelectricity Investment and Development Company and Rastriya Beema Sansthan own 5, 4 and 2 percent of the shares respectively. The company will offer 10 percent of the shares to locals affected by its hydropower projects, and 2 percent will be allotted to the extremely poor.

The company has a paid-up capital of Rs300 million and an authorised capital of Rs20 billion.

