

President speech

Nepal's energy sectors:

Opportunities, Challenges, and the Role of the Private Sector

Nepal, nestled in the heart of the Himalayas, boasts immense potential in the realm of energy. With its abundant rivers and rugged terrain, the country has long been hailed as the "battery of Asia." The history of Nepal's hydropower production spans 112 years, but significant progress happened only after the private sector actively engaged in the sector. In 2057 BS, the first privately invested project generated electricity, marking a turning point. In 23 years since then, the private sector has surpassed the government's 90-year production of 600 megawatts by generating over 2,000 megawatts. Currently, Nepal's hydroelectricity production is around 2,900 megawatts, with the private sector contributing 2,300 megawatts. Currently, the private sector has developed over 166 hydropower projects. Among these, 91 are listed on the Nepal Stock Exchange. In these projects, more than four million general public have their investments.

Likewise, hydroelectric projects with a capacity of 3,500 megawatts are currently under construction, and projects with capacity of 3,600 megawatts are in the financial management phase. Also, projects with a capacity of 10,500 megawatts are awaiting Power Purchase Agreement (PPA) with the government, and the private sector is also studying for the development of projects with capacity of 12,000 megawatts.



Ganesh Karki

President, iPPAN

Lately, following the government's increased focus on solar energy, a dozen solar projects have started operation in the last five years. These projects generate 100 megawatts of electricity. Also, there are solar projects with a capacity of 1,000 megawatts currently under construction. In all these initiatives—both hydro and solar, the private sector has invested over Rs 1,300 billion.

A study by the Water and Energy Commission found that Nepal has the potential to generate 120,000 megawatts of hydroelectricity. Other multiple studies also found that Nepal can achieve a maximum electricity production of over 200,000 megawatts during the rainy

VISION OF iPPAN

To be the umbrella organization of IPPs that advocates for an investor-friendly environment for power development in Nepal.

MISSION OF iPPAN

- ➔ Lobby for private sector friendly policies , regulations and their prompt and effective implementation.
- ➔ Disseminate information through media , seminar, conferences to political parties , government, officials,civil societies and the people.
- ➔ Build capacity of IPPs and related stake holders.
- ➔ Develop linkages for regional co-operation in power sector.
- ➔ Create an atmosphere of friendly cooperation between the government and private sector.

seasons. Likewise, research also shows Nepal has capacity to generate 30,000 megawatts of solar power. As research shows a huge potential, Nepal should conduct further studies and invest in electricity generation from hydro, solar, and wind projects.

Hydropower is a clean and renewable energy source, aligning with global efforts to mitigate climate change. Nepal's hydropower projects contribute significantly to reducing carbon emissions and promoting sustainable development. Abundant Water Resources is the asset of Nepal for energy production and others benefit including drinking water, irrigation etc.

Nepal's strategic location between energy-hungry giants like India and China presents a lucrative opportunity for energy export.

With proper infrastructure and policies in place, Nepal can become a major exporter of hydropower to its neighboring countries. Because of plain geography and several already completed transmission lines, we can easily export electricity to India and both countries have a power exchange history of more than 50 years. In 2014, the two countries signed a Power Trade Agreement (PTA), and ten years down the line, in 2024, the two countries signed a long-term power trade agreement paving the way for the export of 10000 MW of electricity from Nepal to India.

By exporting hydropower and increasing domestic consumptions direct contributes economic growth. By creating employment opportunities, attracting foreign investment, and generating revenue through energy exports, it can also contribute to poverty alleviation and overall socioeconomic development.

We have potential but also challenge in energy sector. Nepal's rugged terrain and mountainous landscapes pose significant challenges in terms of infrastructure development for hydropower projects. Building roads, transmission lines, and other necessary infrastructure in remote areas can be costly and technically demanding.

Financing and Investment is other major challenges for Nepal. The capital-intensive nature of hydropower projects requires substantial investments. Securing financing, both domestically and internationally, remains a challenge due to perceived risks, regulatory uncertainties, and limited access to capital.

Unstable policies and regulations, environmental and climate change are also main challenges for hydropower projects. Hydropower development can have environmental impacts, including habitat destruction, alteration of river ecosystems, and displacement of communities. Balancing energy needs with environmental conservation and social equity is a complex challenge that requires careful planning and mitigation measures. Inconsistent policies, bureaucratic

hurdles, and regulatory bottlenecks often hamper the progress of hydropower projects in Nepal. Streamlining regulatory processes, ensuring policy coherence, and providing clear guidelines are essential for attracting private investment and fostering sectorial growth.

For taking advantage from opportunities and minimize challenges in energy sectors, Private sector role is very important. Mainly private sector plays a crucial role in driving investment, innovation, and efficiency in Nepal's hydropower sector. Private companies bring in technical expertise, managerial skills, and financial resources necessary for project development and operation. Their involvement can accelerate the pace of infrastructure development and contribute to energy security and economic prosperity.

Private sector investment is vital for financing the construction and operation of hydropower projects. Through public-private partnerships (PPPs) or independent initiatives, private companies can mobilize capital, share risks, and execute projects efficiently. For power generation and energy trading, private sector play the vital role. Private sector participation facilitates energy trading and market integration, enabling efficient allocation of electricity resources and optimizing revenue streams. Energy trading platforms and bilateral agreements between private producers and consumers enhance market competitiveness and price stability.

As the representative body of independent power producers in Nepal, IPPAN is committed to advancing the hydropower sector's interests and fostering sustainable development. Through advocacy, capacity building, and collaboration with stakeholders, IPPAN aims to promote investment, ensure quality and efficiently. IPPAN advocates for a conducive policy environment, streamlined regulatory processes, and investment incentives to attract private capital into the hydropower sector. IPPAN promotes best practices in project development, operation, and maintenance to ensure reliable and efficient power generation while upholding environmental and social standards. IPPAN also facilitates dialogue and cooperation among industry stakeholders, government agencies, and civil society to address challenges, resolve conflicts, and foster consensus on critical issues.

IPPAN promotes sustainable hydropower development that balances economic growth with environmental conservation and social equity. So Nepal's hydropower sector presents immense opportunities for economic growth, energy security, and environmental sustainability. The private sector's active participation, coupled with supportive policies and robust institutional frameworks, is essential for realizing this potential and addressing the sector's challenges. With concerted efforts from all stakeholders, Nepal can harness its hydropower resources to drive inclusive development and achieve its energy aspirations.

IPPAN backs Nepal-India long-term power trade deal



Kathmandu, January 2024

The Independent Power Producers' Association of Nepal (IPPAN) welcomed the signing of a long-term electricity trade agreement between Nepal and India, paving the way for Nepal to export 10,000MW of electricity to its southern neighbor. The agreement was signed on January 4 during the visit of Indian External Affairs Minister S. Jaishankar to Nepal. The deal was first initialed when Prime Minister Pushpa Kamal Dahal visited India in May-June last year.

Organizing a press meet in early January after the agreement was signed, the IPPAN said the agreement would create significant opportunities for the development of Nepal's energy sector with the opening up of the Indian market further.

It said that Nepal's private sector could benefit significantly from the signing of the agreement.

IPPAN President Ganesh Karki said that the private sector could produce 10,000MW of electricity within just five

years provided the government facilitated the process.

Besides the generation of power, the private sector also wants their participation in the trading of power.

"At present, Nepal has been exporting over 500 megawatts of electricity in the short term. Private sector's involvement will be crucial to export 10,000 megawatts of electricity in the next 10 years," said Karki addressing the press conference. "Without the involvement of the private sector, it is almost impossible to export the targeted quantum of electricity."

Citing the lack of the law, the government has so far denied the private sector companies from being involved in the trading of power.

Former IPPAN President Krishna Prasad Acharya stressed the need for issuing trading licenses for private sector companies to engage in long-term power trade to boost the export of power.

The private sector power developers say that besides engaging the private sector in the trading of power, existing

institutional mechanisms should also be strengthened.

IPPAN General Secretary Baram Khatiwada said that a robust institutional mechanism based on a single window system and full authority would be required to resolve all existing issues to enable the country to export power on a large scale. IPPAN's Deputy General Secretary Prakash Dulal pointed out the unfavorable policies and bureaucratic hassles which have been hindering the implementation of hydropower projects.

"For example, the Nepal Electricity Authority has been dilly-dallying the signing of Power Purchase Agreements (PPAs) to buy electricity," he said adding that many projects with a capacity of around 12,000 megawatts, are awaiting to sign PPAs, indicating that there could be delays in the construction of these projects in the future.

IPPAN also stressed the need for fully opening Power Purchase Agreements (PPAs), issuing permits to the private sector for electricity export, increasing investment from banks and financial institutions in the energy sector, and declaring additional facilities for energy generation.

IPPAN also urged the government to become more active in resolving policy, administrative, and procedural issues seen so far, and to immediately address the demand for progress.

MoU on grid connection for 3 hydel projects signed

Kathmandu, December: A Memorandum of Understanding between the National Transmission Grid Company and three private sector companies was signed in December last year for grid connection to enable the evacuation of power generated by the projects developed by these companies.

The projects developed by these three companies have the capacity to generate 425MW of electricity. Among these three companies, Prosperity Energy is developing the 216MW Upper Bajhang Hydropower Project. Similarly, Nepal Portfolio Energy is advancing the development of the 110.20MW Upper Chuwa Khola Hydropower Project in Humla. Bijbel Energy is developing the 98.17MW Chuwa Khola Hydropower Project in the same district.

These three projects under construction in Karnali and Sudurpaschim provinces are of semi-reservoir type (PROR)



in nature. The National Transmission Grid Company has initiated the process of constructing transmission lines in these areas. Given this context, the MoU on grid connection was signed between the two sides.

Shailendra Guragain, Executive Chairman of Prosperity Energy; Dr. Khagendra Prasad Ojha, Chairman of Nepal Portfolio Energy; Sushil Pokhrel, Founder of Bijbel Energy; and Netra Prasad Gyawali, Chief Executive Officer of the National Transmission Grid Company signed the MoU at an event in Kathmandu.

IPPAN urges RSP to maintain a private sector-friendly stance in the party's energy policy



KATHMANDU, December 2023

Private sector power producers urged the Rastriya Swatantra Party (RSP) to embrace an energy policy that aims to enhance private sector involvement across electricity generation, transmission, distribution, and trading.

During an interaction between the new party and the Independent Power Producers' Association of Nepal (IPPAN) in December last year, the private sector's power developers' representative body presented seven policies and 16 action plans that the Nepali private sector expects to be included in the energy policy of the RSP.

IPPAN called for an energy policy that promotes diversification of energy sources, use, storage, and trading; development of power as an exportable commodity enabling the country to have increased access to the Green Energy Fund; and adopting investment-friendly, transparent, simple, small, and straightforward processes for approval, while ensuring greater protection and promotion for the domestic private sector.

IPPAN President Ganesh Karki asked the RSP to adopt a policy that establishes energy as a key

driver of economic prosperity. He suggested that energy should be used to create more employment opportunities, earn foreign currency, promote rural infrastructure, and foster environmentally friendly development. Highlighting a number of issues that power developers are facing on the ground, Karki stressed flexibility on the upper limit of land ownership. "As hydroelectric projects should be handed over to the government in 30-35 years of operation, the government needs to relax the provisions related to maximum land ownership," Karki said. "As real estate dealers are plotting lands beyond the maximum ceiling of land ownership, genuine power developers are facing difficulty in acquiring lands for the development of the power sector."

As per the law, the maximum limit a person can hold land is 68,820 square meters in Tarai, 12,718.50 square meters in Kathmandu, and 35,611.80 square meters in All Hilly Regions Except Kathmandu Valley. IPPAN also stressed that policies should be adopted to make the country an international destination for industries that use green energy. It also called for developing power as an exportable item that can help to reduce the trade deficit of the country.

IPPAN terms new Electricity Bill as regressive

Kathmandu, January 2024

The private sector power developers has labelled the Electricity Bill-2023 registered at the parliament as regressive compared to the existing Electricity Act- 1992.

They are of the view that the provisions in the bill could lead to collapse of the private sector in different phases.

The bill under consideration at the Energy, Water Resources, and Irrigation Subcommittee under the Infrastructure Development Committee of the House of Representative, drew strong criticism from the stakeholders claiming that the bill favoured the foreign investors at the expense of domestic power producers.

Speaking at the meeting of parliamentary sub-committee in January this year, Ganesh Karki, president of Independent Power Producers' Association of Nepal (IPPAN) said the bill if passed in the current form would be catastrophic for the country's private sector whose investment in the power sector has already reached Rs 1.3 trillion.

The Nepali private sector is not happy several provisions of the bill. One of them is provision in the electricity bill allowing the government to grant a licence without competition to any joint venture entity between Nepal and foreign government entities to develop hydropower projects with capacity over 100MW.

The provision, according to the private sector power developers, will deprive the domestic private sector of an opportunity to develop medium-sized projects. "There should be a provision under which only the developer involved in storage-type projects with capacity over 500MW can be granted license through negotiation," IPPAN representatives said.

The provision related to the license period, the high fee charged on developers before the commencement of the project, and the private sector not being allowed to identify and develop power projects by themselves, a facility granted by the existing law, are factors that worry the private sector, according to IPPAN.

By making a presentation, IPPAN deputy general secretary Prakash Dulal said that section 5 of the bill has slammed the door on the private sector to identify and develop the hydropower project. Section 5 of the bill has allowed government entities to get licenses without competition. "There should be provision under which both the government entities and the private sector are granted a license on a competitive basis," he said.

The provision requiring experience in the relevant sector will prevent the entry of new players in the power sector, according to IPPAN "This discourages greater competition," said Dulal.

He also pointed out that a high fee to be paid to the

government as per section 7 (B) of the bill would make the project expensive to develop and the general consumer would suffer as a result. Given the country exporting electricity, Dulal pointed out that high cost of building power plants would make Nepal's electricity uncompetitive in the international market as well.

He called for making legal provisions that would help reduce the cost of electricity generation, promote employment and contribute greatly to boosting the domestic economy.

When it comes to license period, the IPPAN suggested to keep provision enabling the developers to hold license till 55 years in the case of storage projects and 50 years in the case of other types of projects.

During the meeting, the immediate past president of the IPPAN Krishna Prasad Acharya blamed the government for having ulterior motives to control the private sector.

"The private sector now contributes 70 percent of total generation capacity of the country," he said. "The government should not feel envious about the private sector's progress."

Senior vice-president of IPPAN Mohan Kumar Dangi said the bill should not be ratified by the parliament without wider consultation among the stakeholders terming the bill a regressive document.

IPPAN vice-president and a director of Nepal Power Exchange Limited, a power trading company, said there should be the provision of automatic renewal of trading license after 25 years. As per the bill, such license can be granted for 25 years. IPPAN Secretary Him Pathak called for the provision that authorizes the federal government to issue licenses while provincial and local governments would have the authority to recommend.

IPPAN's advisor Lal Krishna K.C. criticized the bill arguing that the bill aimed to discourage the Nepali private sector's investment while favoring foreign investment.

Another advisor of IPPAN Pushpa Jyoti Dhungana called for the withdrawal of the current bill terming it a regressive document.

Another IPPAN advisor Guru Prasad Neupane said that a little amendment to the existing Electricity Act 1992 would address many issues of the power sector. "You can add the provision on power trade and make other adjustments by considering the federalism. It is unnecessary to hasten introducing a new bill," he said.

Senior Advocate Kedar Karki said that the Electricity Act 1992 could be amended by incorporating the issues of electricity trade, security and federalism. IPPAN member Shankar Basyal stressed that the country should enrich itself by harnessing the country's water resources potential.

IPPAN demands implementation of court order on EIA/IEE

Kathmandu, November 2023

The private sector power developers criticized the Electricity Bill-2023 currently registered at the parliament, labeling it as regressive compared to the existing Electricity Act-1992.

They argue that the provisions in the bill could potentially lead to the collapse of the private sector in various phases.

This bill, currently under consideration at the Energy, Water Resources, and Irrigation Subcommittee under the Infrastructure Development Committee of the House of Representatives, drew strong criticism from stakeholders who claim that it favors foreign investors at the expense of domestic power producers.

At a meeting of the parliamentary sub-committee in November last year, Ganesh Karki, president of the Independent Power Producers' Association of Nepal (IPPAN), expressed concerns that if passed in its current form, the bill would be catastrophic for the country's private sector, which has already invested Rs 1.3 trillion in the power sector.

The Nepali private sector is particularly dissatisfied with several provisions of the bill. One major point of contention is a provision allowing the government to grant licenses without competition to any joint venture entity between Nepal and foreign government entities for developing hydropower projects with a capacity over 100MW.

According to private sector power developers, this provision would deprive domestic private sector players of the opportunity to develop medium-sized projects. They advocate for a provision wherein only developers involved in storage-type

projects with a capacity over 500MW can be granted licenses through negotiation.

IPPAN representatives also highlighted other allegedly regressive provisions, including requirements for relevant sector experience, license periods, high fees charged on developers before project commencement, and restrictions on the private sector's ability to identify and develop power projects, a facility granted by existing law.

By presenting their case, IPPAN's deputy general secretary Prakash Dulal emphasized that a section of the bill has effectively closed the door on the private sector's ability to identify and develop hydropower projects. He argued for provisions that would allow both government entities and the private sector to obtain licenses on a competitive basis.

IPPAN further has suggested amendments to the bill regarding license periods, proposing provisions enabling developers to hold licenses for up to 55 years for storage projects and 50 years for other types of projects.

During discussions, IPPAN members expressed concerns over the government's motives, with some suggesting that the bill aims to control the private sector. They emphasized the significant contribution of the private sector, which currently accounts for 70 percent of the country's total generation capacity.

Several IPPAN members called for wider stakeholder consultation before ratifying the bill, labeling it as regressive and suggesting amendments to the existing Electricity Act-1992 as a more practical approach to addressing the sector's issues.

Nepal's pvt sector explores investment opportunities at global event

Kathmandu, October— Nepal's private sector power producers and government representatives participated in the International Hydropower Conference held in Bali, Indonesia from October 31 to November 2 last year.

The aim was to attract foreign investment in Nepal's green energy sector, particularly hydropower, according to the Independent Power Producers' Association of Nepal (IPPAN). The conference, themed 'Foundation for Sustainable Development,' saw participation from hydropower producers worldwide.

Keynote speakers at the event included Australian Prime Minister Malcolm Turnbull, who also president designate of the International Hydropower Association, and Indonesian Minister of Energy and Minerals Arifin Tasrif.

IPPAN reported that speakers emphasized the goal to double the world's hydropower production by 2050, stressing the importance of reducing fossil fuel usage and promoting green energy in the face of global warming."

According to IPPAN, speakers at the conference committed to doubling the world's hydropower production by 2050. They emphasized the imperative of reducing fossil fuel consumption and advancing green energy solutions to combat global warming.

Pokharel elected vice-chair of IHA

Kathmandu, November 2023

Sushil Pokharel, the founder of Bizbell, was elected as the Vice-Chair of the International Hydropower Association (IHA) for the term 2023-2025.

The IHA, in a statement, stated that this historic milestone signifies the first instance of a Nepali national ascending to a prominent position within the global hydropower body. The announcement was made during the 2023 World Hydropower Congress held in Bali, Indonesia.

The Independent Power Producers' Association, Nepal (IPPAN) honored Pokharel, by presenting him with a certificate of appreciation and best wishes.

During the event, IPPAN President Ganesh Karki expressed confidence that Pokharel would take the initiative to attract foreign investors to Nepal's hydropower sector, as demonstrated by his active participation on the international stage.

"As Pokharel represents Nepal in the IHA, it will help to enhance IPPAN's image in the international stage," Karki



said adding that he could use the platform to attract international investors in Nepal's hydropower sector.

Pokharel also expressed his commitment to making Nepal a destination for green energy investment, including hydropower, at the international level.

British Govt ready to work with IPPAN, says envoy

Kathmandu, October.

British Ambassador to Nepal Rob Fenn stated that the British government aims to work closely with the Independent Power Producers' Association, Nepal (IPPAN), for the development of the energy sector in Nepal.

During a meeting with the officer bearers of IPPAN in early October last year, Envoy Fenn also expressed a commitment to supporting the development of women's leadership in the energy sector.

IPPAN, in a press statement, highlighted that discussions focused on collaboration for the development of the energy sector in Nepal. Representatives from IPPAN, including President Ganesh Karki, Vice Presidents Ananda Chaudhary and Uttam Bhlon Lama, General Secretary Balaram Khatiwada, and Secretary Kavita Pokharel, participated in the meeting.



IPPAN raises concerns over high land prices to build power lines

Kathmandu, July 2023

Newly elected representatives of the Independent Power Producers' Association, Nepal (IPPAN), complained about the high cost of acquiring land to build transmission lines to connect with the national transmission system.

During a meeting with the Minister of Energy, Water Resources, and Irrigation, Shakti Bahadur Basnet, in July last year, IPPAN President Ganesh Karki complained that hydropower developers were being forced to pay between Rs2.8 million to Rs8 million per hectare to build connecting transmission lines.

Minister Basnet mentioned the government's plan to introduce a policy with an ambitious generation target.



IPPAN delegation attends climate conference in Dubai



Independent Power Producers' Association, Nepal (IPPAN) sent its representatives to participate in a climate conference held in Dubai, United Arab Emirates (UAE) in December last year.

A delegation led by expert advisor Krishna Prasad Bhandari and executive committee member Mithun Paudel attended the COP28 United Nations Climate Change Conference in Dubai.

IPPAN stated in a press release that the primary aim of their participation was to draw attention of the world about the impact of climate change on hydropower projects, seek compensation for projects affected by floods, and advocate for earnings from carbon trading.

IPPAN, whose members collectively generate around 1,800 megawatts of electricity through more than 165 projects in Nepal, seeks to claim carbon trading revenue and seek compensation for projects affected by floods.

The conference urged governments to accelerate the transition from fossil fuels to renewable energy sources such as wind and solar power in their upcoming climate commitments.

Training on social-environmental conflict management conducted

September 2023

A training program on social-environmental conflict management was conducted in Kathmandu to equip participants with knowledge on addressing the social and environmental conflicts commonly encountered in energy projects.

The Independent Power Producers

Association, Nepal (IPPAN) and the International Center for Hydropower (ICH) collaborated to organize the five-day training event in Kathmandu from September 22 to September 26 last year. According to IPPAN, the training included presentations covering various issues related to local and environmental conflict management.

Fifteen individuals from Nepal's energy sector, along with three energy entrepreneurs from the Philippines, participated in the training. IPPAN Secretary Kavita Pokharel distributed certificates to the participants. IPPAN and ICH have been collaborating on various topics in the renewable energy sector for over two decades.

Training held on advanced financial and social conflict management

September 15, 2023 Kathmandu.

A training programme on advanced financial management tools necessary for the proper financial management of renewable energy projects was held in Kathmandu in September of last year.

The event, jointly organized by the Independent Power Producers' Association, Nepal (IPPAN) and the International Center for Hydropower (ICH) on September 14-15, saw the participation of 28 trainees actively involved in renewable energy endeavors.

During the opening ceremony of the two-day training, IPPAN President Ganesh Karki expressed confidence that the training on advanced financial tools related to renewable energy projects

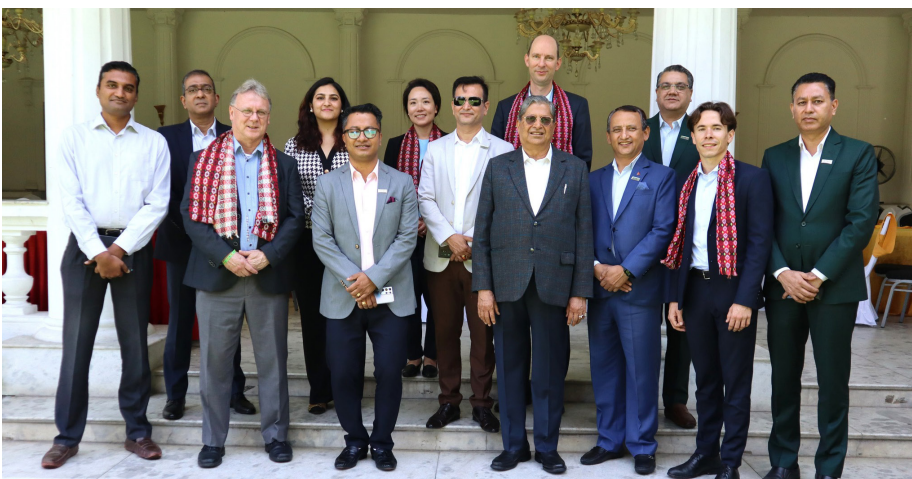


would provide significant support for financial management in the renewable energy sector.

ICH Managing Director Lin Amund Hegland underscored the

importance of the collaboration between IPPAN and ICH. The International Finance Corporation (IFC), the private sector arm of the World Bank, also supported the event.

Pvt Sector developers look to Dutch Bank for long-term funding solutions



September, 2023 Kathmandu.

Nepal's private-sector developers of power projects urged the Dutch Development Bank —FMO to increase its

long-term lending in Nepal.

During a discussion held between the representatives of the Independent Power Producers Association of Nepal

(IPPAN) and representatives of the Dutch Development Bank FMO in September last year, IPPAN President Ganesh Karki urged the FMO to provide long-term loans at affordable interest rates.

He also emphasized the need for Nepal's energy sector to attract investments worth billions of dollars to reap benefits from the immense potential of Nepal's water resources.

Michael Jongeneel, chief executive officer of FMO said that the FMO aimed to make significant investments in Nepal's energy sector, focusing on Environmental, Social, and Governance (ESG) criteria, prioritizing projects that contribute to environmental sustainability and social welfare. The FMO has been collaborating with IPPAN since 2019.

More European investment sought in Nepal's power sector



Kathmandu, November 2023.

The Independent Power Producers' Association, Nepal (IPPAN), sought more investment from European countries in Nepal's hydropower sector. During a meeting with Güner Ureya, the outgoing first Ambassador of the Republic of Kosovo to Bangladesh in November, IPPAN representatives said that the investment potential from European countries was huge but has not yet been realized.

In November, he was on a visit to Nepal on a personal capacity. Nepal and Kosovo are yet to establish diplomatic relations, which limits bilateral cooperation between the two countries. Nepal is yet to recognize Kosovo's independence.

Ambassador Ureya also stressed that European investors need to consider Nepal an important investment destination, and they could engage not only in power generation but also in the entire energy generation, transmission, and distribution chain. IPPAN President Ganesh Karki urged European countries to take the necessary steps to increase European investments in Nepal.

IPPAN raises concerns over proposed hike in insurance premiums

Kathmandu, August 2023

Representatives of the Independent Power Producers'



Association, Nepal (IPPAN), complained about the planned hike in insurance premiums with the insurance regulatory body. During the meeting with the chairperson of the Insurance Regulatory Authority, Surya Prasad Silwal, IPPAN representatives raised concerns about the planned increase in premiums just a few years after a substantial rate hike. On June 22, IPPAN formally drew the attention of the regulatory body to this issue. Two years ago, the regulatory body issued the 'Directive on Minimum Premium for Non-Life Insurance Companies 2078 B.S', hiking the premiums by as much as 600 percent. During the meeting, Chairperson Silwal assured that the authority would take IPPAN's suggestions into consideration when introducing policies and rules.

IPPAN Calls on DPM to expedite access to explosives supply

Kathmandu, August 2023

Independent power producers urged the Home Ministry to address the issues of local obstruction in building hydropower plants and the shortage of commercial explosives required for their construction.

During the meeting with Deputy Prime Minister and Home Minister Narayan Kaji Shrestha, the President of the Independent Power Producers' Association of Nepal, Ganesh Karki, called for establishing security posts at project sites to provide necessary protection to the power plants.

Given India's delay in granting approval to supply explosives, which has affected numerous power projects, Karki also stressed the importance of the early availability of explosives to deal with rough terrain during the construction of power plants. In response, Deputy Prime Minister Shrestha expressed commitment to protecting investments in the power sector.

Relief sought from banking sector for flood-hit power plants



Kathmandu, July 2023

The Independent Power Producers' Association, Nepal (IPPAN), called for relief measures from the banking sector for the flood-affected hydroelectricity projects in eastern Nepal.

During the meeting with the representatives of the Nepal Rastra Bank and the Nepal Bankers' Association in July, IPPAN President Ganesh Karki requested the central bank to facilitate refinancing, interest capitalization, and debt restructuring for flood-affected projects.

According to IPPAN, at least 30 hydropower projects in eastern Nepal suffered damage estimated at around Rs 8.5 billion due to floods and landslides during the first spell of the monsoon this year.

Karki stressed the need for the central bank to provide refinancing facilities and facilitation for loan restructuring for the period of reconstruction of the flood-damaged projects.

In response, NRB Deputy Governor Bam Bahadur Mishra was supportive of IPPAN's demands, stating that the central bank was prepared to facilitate the process for interest capitalization and debt restructuring while simplifying the process for the purpose.

Another Deputy Governor, Neelam Dhungana, and Director Dr. Gunakar Bhatt, as well as representatives from the Nepal Bankers' Association, including President Sunil KC, also participated in the discussion.

Bhim Prasad Gautam

Appointed as IPPAN CEO

Kathmandu, December

The Independent Power Producers' Association, Nepal (IPPAN), appointed Bhim Prasad Gautam as its Chief Executive Officer for a term of three years.

Welcoming the new CEO, IPPAN President Ganesh Karki expressed confidence that the umbrella organization of private sector power producers would achieve new heights under his leadership.

Gautam, who has over two decades of experience in journalism, has been contributing to various issues in the energy and infrastructure sectors for the past 15 years.

A former president of the Society of Economic Journalists, Nepal (SEJON), Gautam served various media outlets, including Rajdhani Daily, Saurya Daily, Radio Nepal, Image Channel, Nepal 1 Channel, and Karobar Daily, in leading editorial positions.

Most recently, he was the editor-in-chief of nepalpurbadhar.com, a leading online portal in the infrastructure sector.

Gautam is also the executive director at CRI-Nepal, a development communication consultancy firm. He holds an MPhil in journalism from Tribhuvan University.



IPPAN forms advisory committees

Kathmandu, June 2023

Independent Power Producers' Association, Nepal (IPPAN), the umbrella organization representing the private sector power developers, established two distinct advisory committees: one comprised of experts and another as a general advisory committee.

As per IPPAN's statute, advisory committees can be formed as required. Leading contributors to the energy sector, such as energy entrepreneurs and energy experts, were appointed to the expert advisory committee.

The advisory committee of experts includes Dr. Shankar Koirala, Dr. Subarna Das Shrestha, Dr. Sandeep Shah, Dr. Atmaram Ghimire, Dr. Krishna Prasad Dulal, Prof. Dr. Hirendra Man Pradhan, Gyanendra Lal Pradhan, Uday Nepali Shrestha, Arun Subedi, Hari Prasad Pandey, Motilal Dugar, Suman Sharma, Pradeep Kumar Shrestha, Kush Kumar Joshi, Gore Sherpa, Basanta Nembang, Lal Krishna K.C, Hem Jung Gurung, Maniraj Dahal, Krishna Prasad Bhandari, and Sushil Pokharel.



Likewise, IPPAN also formed an advisory committee under the coordination of outgoing IPPAN President Krishna Prasad Acharya. Keshab Bahadur Rayamajhi, Arjun Prasad Gautam, Sushil Thapa, Anup Acharya, Dhruv Prasad Upreti, Jagat Pokharel, Krishna Acharya, Manoj Goyal, Sunil K.C, Indira Pant, Umesh Shrestha, Deepak Khadka, LP Sawa Limbu, Kumar Pandey, Dhedhraj Khadka, Guru Prasad Neupane, Bhanu Prasad Pokharel, Bir Bahadur Neupane, Batu Lamichhane, and Pushpa Jyoti Dhungana have been appointed to the advisory committee.

IPPAN and NEA seek collaboration for mutual benefits

January, 2024 Kathmandu.

Representatives from the Independent Power Producers' Association, Nepal (IPPAN), and the Nepal Electricity Authority (NEA) emphasized the imperative of collaboration between the two entities. They highlighted that solitary endeavors would fall short in advancing the energy sector effectively. IPPAN serves as the voice of private sector power developers, while NEA operates as the state-owned electricity utility.

During a January interaction, NEA Director Rajan Dhakal likened private sector developers and NEA to members of the same family, emphasizing the necessity of mutual trust for progress. IPPAN President Ganesh Karki underscored the private sector's significant contribution, exceeding 60 percent of total power generation, urging NEA to foster a supportive relationship with the private sector.



Karki stressed that IPPAN and NEA could not achieve optimal results without mutual cooperation. Notable figures present at the meeting included IPPAN President Ganesh Karki, Immediate Past President Krishna Prasad Acharya, Senior Vice-president Mohan Kumar Dang, Vice-presidents Anand Chaudhary

and Bharat Khatri, General Secretary Balam Khariwada, Deputy General Secretary Prakash Dulal, Treasurer Narendra Balbhadra Pant, executive committee member Mithun Paudel, and Chief Executive Officer Bhim Gautam.

ERC chairperson ready to facilitate private sector



July, 2023 Kathmandu.

Dilli Bahadur Singh, the chairperson of

the Electricity Regulatory Commission, stated that his agency was ready to

facilitate the boost of private sector investment in the power sector.

Welcoming the newly elected executive committee of the Independent Power Producers' Association, Nepal (IPPAN) at his office, the regulatory body's leader mentioned that his office was working on a grid code to enable the easy transmission of power within the country and beyond.

During the meeting, IPPAN President Ganesh Karki emphasized the need for a strong regulatory institution in the power sector, similar to the role of the Nepal Rastra Bank in the banking sector and financial institutions.

Two U.S. scholarships allocated for women entrepreneurs affiliated with IPPAN



Kathmandu, July 2023

The US Education Foundation in Nepal (USEF-Nepal) notified about a scholarship program specifically for women entrepreneurs affiliated with the Independent Power Producers' Association, Nepal (IPPAN).

During an event organized by IPPAN, the US agency revealed that two scholarships are available under the Fulbright and Humphrey scholarship programs for IPPAN-affiliated women.

This program, initiated with the support of the US government for human capital development in less developed countries, is being implemented in Nepal by USEF. Recipients of the Fulbright scholarship can study in the US for two years, while those awarded the Humphrey scholarship can study in the US for 10 months. All expenses for both scholarships are covered by the US government.

Best wishes exchanged ahead of major festivals

Kathmandu, September

Independent Power Producers Association Nepal (IPPAN) organized an event in Kathmandu to exchange best wishes on the eve of Dashain, Tihar, and Chhath festivals.

Around 250 people including active energy entrepreneurs, IPPAN officials, journalists, and others participated in the event.

IPPAN seeks NC support to tackle power sector hurdles



Kathmandu, July, 2023

Independent Power Producers' Association, Nepal (IPPAN) sought positive intervention from the Nepali Congress to address the issues of forest clearance and land ceilings that have emerged as major bottlenecks to developing hydropower projects in Nepal.

During a meeting with the newly elected executive committee of IPPAN, representative body of the independent power producers urged Nepali Congress President Sher Bahadur Deuba to positively intervene in addressing forest clearance and land ceiling issues, which have become significant obstacles to hydropower project development in Nepal.

IPPAN President Ganesh Karki expressed concern over the proposed amendment to the Forest Act, stating that it would impede progress in the energy sector.

IPPAN President Ganesh Karki stated that removal of the provision in the bill that allowed developers to lease government lands for certain years would compel developers to purchase land at high prices in the market.

Karki also advocated for streamlining the process of acquiring land exceeding the legally set ceiling, highlighting the substantial land requirement for hydropower project development. Former Prime Minister Deuba, while welcoming the newly elected executive committee members, acknowledged IPPAN's concerns. He cited delays in project implementation in his own electoral constituency due to issues related to forest clearance.

HIDCL pledges funding for pvt sector-led hydropower projects

Kathmandu, July 21

The Hydroelectricity Investment and Development Company Limited (HIDCL) has affirmed its commitment to invest in projects initiated by private sector power developers. During a reception for the newly elected executive committee of the Independent Power Producers' Association, Nepal (IPPAN) last July, CEO Arjun Prasad Gautam stated that HIDCL was ready to provide funding to private sector-led projects through both equity and debt mechanisms.

IPPAN President Ganesh Karki noted that HIDCL could facilitate financing for hydropower projects undertaken by the private sector, offering favorable and stable interest rates. He emphasized, "HIDCL has the capacity to access loans from organizations such as the World Bank, International Finance Corporation, and Asian Development Bank at reduced interest rates, which can then be channeled into supporting hydropower projects developed by the private sector."

British investors encouraged to invest in Nepal's energy sector

Kathmandu, November 2023- UK Export Finance, an export credit agency under the British government's ministerial department, has expressed its readiness to bolster British investment in Nepal. The agency facilitates UK firms' overseas investments by providing guarantees, insurance, and reinsurance against losses, aligning with the British government's broader international policy agenda.

During a high-level investment conference organized by the Nepali Embassy in London last November, Tim Riddell, Chief Executive Officer of UK Export Finance, stated that the agency was prepared to invest up to 1.5 billion pounds (approximately NPR 242 billion) across various sectors in Nepal.

Finance Minister Dr. Prakash Sharan Mahat emphasized Nepal's need to attract foreign investment, citing that domestic resources alone would not suffice to achieve economic prosperity.



Nepal's Ambassador to the United Kingdom, Gyan Chandra Acharya, expressed Nepal's desire to attract long-term investment from the UK, particularly in financing projects in renewable energy, information technology, education, and tourism sectors.

IPPAN President Ganesh Karki urged British investors to increase their investments in Nepal's hydropower

and other renewable energy sectors.

British International Investment Director Colin Buckley and Dolma Impact Fund Founder and CEO Tim Gocher highlighted the favorable returns from their investments in Nepal during the conference, underscoring Nepal as an ideal destination for responsible investment.

Oli commits support to IPPAN's concerns

Kathmandu, July 2023

CPN (UML) Chairperson KP Sharma Oli expressed his solidarity with the concerns raised by private sector power developers regarding the numerous bottlenecks in the power sector.

In a meeting with the newly elected executive members of the Independent Power Producers Association Nepal (IPPAN) in July of last year, Oli emphasized the importance of IPPAN's cooperation on all development-related matters.

IPPAN President Ganesh Karki highlighted that the government's policies could lead to an increase in land prices, rendering it unfeasible to develop hydropower projects.



The private sector faces roadblocks from forest authorities in developing hydropower projects



KATHMANDU , February 2024

Private sector power developers raised concerns regarding the refusal of forest authorities to grant approval for the conduct of feasibility studies for several hydropower projects situated within national parks and conservation areas.

Representatives of the Independent Power Producers Association, Nepal (IPPAN), raised this issue with Deepak Kharal, Secretary at the Ministry of Forests and Environment, urging him to

take necessary measures to resolve the issues.

According to IPPAN, nine hydropower projects with a combined capacity of 461 megawatts are at risk of having their permits revoked due to the failure to obtain approval from national parks and conservation areas to conduct feasibility studies. Despite these projects having received survey licenses from the Department of Electricity, permission for feasibility studies has been denied by the national parks and conservation

areas under the purview of the forest ministry.

IPPAN further emphasized that developers, who have already paid millions of rupees in royalties, now face the threat of license revocation.

Among the projects encountering difficulties in obtaining study permits from authorities overseeing the national parks and conservation areas are the Middle Ghunsa Hydropower Project, Upper Pelma Khola Hydropower Project, and Gumchhe Khola Hydropower Project. Additionally, the Ghunsa Khola Hydropower Project, Lagang Khola Hydroelectric Project, and Yanma Khola Hydroelectric Project have also been unable to secure permission for feasibility studies.

Similarly, the Simbuwa River Hydroelectric Project, Langtang River Hydroelectric Project, and Upper Barun River Hydroelectric Project are also at risk of having their licenses revoked.

Lawmakers reminded about transmission bottlenecks

Kathmandu, August, 2023.

Independent Power Producers' Association, Nepal (IPPAN) highlighted the delay in completion of transmission line construction raising concerns about possible difficulty to evacuate power once the under-construction hydropower projects are completed.

During an interaction with lawmakers representing the parliamentary Infrastructure Development Committee under the House of Representatives, IPPAN President Ganesh Karki pointed out how bottlenecks in transmission infrastructure were affecting the development of the energy sector.

The discussion revolved around the topic 'Problems of Independent Power Producers and Ways to Solve Them.' Karki highlighted, "Nepal has been exporting electricity, but domestic industries are not receiving regular power supply. Generated power from hydropower projects is also



being wasted."

IPPAN's Deputy-General Secretary Prakash Dulal presented a paper on the theme, outlining various challenges faced by the energy sector.

During the discussions, lawmakers emphasized the need for political commitment from all political parties for the development of the energy sector."

IPPAN urges DoED efforts to address pvt sector's issues

Kathmandu, February 2024

Independent Power Producers Association Nepal (IPPAN) urged the Department of Electricity Development to take proactive measures to address the concerns of the private sector.

During a meeting with the newly appointed Director-General of the Department of Electricity, Jeevachha Mandal, in February of this year, IPPAN representatives called for several adjustments.

They advocated for the continuation of the provision granting a 50-year license period and proposed a relaxation in the legal provision that mandates projects to generate power at full capacity for 4.8 months a year (referred to as Q40).

IPPAN suggested revising this provision to Q25 to optimize the capacity of hydropower projects. Congratulating Mandal on his appointment, IPPAN Chairman Ganesh Karki stressed the government's need to address private sector concerns to achieve the ambitious goal of generating 28,000MW in the next 12



years. Karki expressed confidence in the private sector's ability to contribute to these objectives if government agencies address their existing bottlenecks.

In response, Mandal assured that he understood the private sector's issues and expressed his commitment to resolving them. He conveyed confidence in resolving all problems faced by the private sector, emphasizing his awareness of their challenges.

Former IPPAN Chairman Shailendra Guragain urged the DoED to take measures for online approval procedures

Guv stresses on role of electricity in reducing trade deficit



Kathmandu, Sep. 2023.

Nepal Rastra Bank Governor Maha Prasad Adhikari highlighted the pivotal role of electricity exports in alleviating the country's substantial trade deficit, as power emerges as a vital export commodity.

During a meeting with representatives

of the Independent Power Producers' Association, Nepal (IPPAN) in September of last year, Governor Adhikari suggested that the country could potentially export electricity worth Rs 1.2-1.3 trillion, significantly mitigating the trade deficit.

He further assured that the central bank would actively facilitate investment

in the hydropower sector, aiming to achieve a production capacity target.

The government is currently formulating plans to generate over 28,000MW of electricity by 2035, leveraging a generation capacity of nearly 3000MW.

During the meeting, IPPAN Chairman Ganesh Karki urged the central bank to introduce a provision mandating banks and financial institutions to allocate up to 20 percent of their total lending towards the energy sector.

IPPAN representatives also advocated for policies incentivizing banks and financial institutions to invest in the form of equity, offering hedging facilities for international investors, and streamlining the process of investment returns to attract greater foreign investment in the sector.

Flood-affected hydropower plants suffer losses exceeding Rs 8b

Kathmandu, September 2023: The massive floods in eastern Nepal last year caused extensive damage to hydropower plants, resulting in estimated losses exceeding Rs8 billion.

According to the initial assessment by the Independent Power Producers Association of Nepal (IPPAN), the floods that occurred in June in Taplejung, Panchthar, Sankhuwasabha, and Bhojpur districts affected 30 hydropower projects, totaling 470 megawatts of capacity, the IPPAN said in a statement. Of these, 13 operational projects with a total production capacity of 132 megawatts suffered damages amounting to approximately Rs6 billion. Notably, the 22.1MW Upper Piluwa-2 hydropower project, among those in operation, incurred damages equivalent to Rs1 billion, according to Sitaram Timsina, chairperson of the project.

IPPAN urges PM to declare energy decade



November, 2023 Kathmandu

Independent Power Producers' Association, Nepal (IPPAN) urged Prime Minister Pushpa Kamal Dahal to address the number of concerns of the private sector to boost the power sector by declaring an energy decade.

During a meeting with Prime Minister Dahal in November, they called for addressing the bottlenecks in the areas of land acquisition, forest clearance, and power purchase agreement.

The private sector is of the view that there is an ample opportunity for Nepal to boost power generation given that India has promised to by 10,000MW in 10 years. The government is also coming up with a plan to generate over 28,000MW by 2035.

During the meeting with Prime Minister Dahal, IPPAN called for suspending the complicated legal procedure in the forest and land acquisition laws under the energy development decade

The private sector body requested the Prime Minister to order Nepal Electricity to sign a power purchase agreement (PPA) with developers who have applied for a combined 12,000MW of electricity projects irrespective of the type of the project.

IPPAN President Ganesh Karki asked the Prime Minister to take the initiative to make the electricity bill registered at the parliament more private-sector-friendly.

The IPPAN also called for national consensus on energy development for the prosperity of the country.

Flood-affected hydropower developers decry lack of support

Kathmandu, September, 2023:

Developers of the hydropower projects severely affected by the floods in eastern Nepal, which occurred in June, expressed dissatisfaction over the lack of prompt action from government authorities to provide relief.

During a discussion organized by the Independent Power Producers' Association, Nepal (IPPAN), developers of the flood-affected projects urged IPPAN to escalate the issue to the Prime

Minister's level.

As many as 30 hydropower projects, including 13 operational ones, were significantly damaged by the massive floods in June last year. Subsequently, the meeting decided to prepare a study report on the flood-affected hydropower projects and present it to the Prime Minister.

The task of preparing the report was assigned to a committee represented by IPPAN Secretary Balaram Khatiwada, Deputy-General Secretary Prakash Dulal, and members Kuvermani Nepal, E. Mithun Paudel, and Chartered Accountant TN Acharya.



Stakeholders advocate for adoption of hydropower sustainability standards

Stakeholders in the hydropower sector emphasized the critical importance of sustainability and stability for the country, communities, and future energy development in the context of climate change.

They underscored that the implementation of hydropower sustainability standards could attract foreign investment, including climate and carbon funds, by strengthening the environmental, social, and governance (ESG) aspects of hydropower development.

During the leadership development workshop on the 'Business Value of Hydroelectricity Sustainability Standards' held in Lalitpur in December last year, Independent Power Producers' Association, Nepal (IPPAN), President Ganesh Karki suggested paying attention to the sustainability of hydropower for community well-being and environmental health.

He emphasized Nepal's leadership in adopting hydropower sustainability standards and urged the government, private sector, and international community to align on sustainability standards.

The program was jointly organized by the US aid agency—USAID, Hydropower Sustainability Alliance (HSA), Norwegian Agency for Development Cooperation (NORAD), and Bizbell, a hydropower company in Nepal, along with IPPAN.

Addressing the workshop, Bizbell Founder and International Hydropower Association (IHA) Vice Chair Sushil Pokharel highlighted that three projects from Nepal have received standard certificates and emphasized the need to continue this trend. Pokharel outlined how certified projects could become eligible for funding from international organizations.

HSA Deputy Executive Director Alain Kilajia stressed the necessity of adopting sustainability standards in response to climate change.



USAID Chief of Party Robert Kremer acknowledged Nepal's hydropower efforts and stressed the importance of adopting sustainability standards, particularly emphasizing the need for greater attention to ESG factors.

Hydroelectricity Investment and Development Company Ltd (HIDCL) CEO Arjun Kumar Gautam estimated that at least \$30 billion in foreign investment would be required to achieve the target of generating 28,000 megawatts of electricity in 10 years.

Dolma Impact Fund Executive Director Bidhyabaridhi Sigdel advocated for Nepal to adhere to sustainable development criteria to attract investment from major funds such as the Climate Fund and Green Fund.

Urja Developers General Manager Ganesh Neupane provided insights into the benefits of standard-certified projects, using the example of the Mai Beni Hydropower project.

Approximately 150 individuals, including IPPAN representatives, domestic and international hydropower promoters, experts, ecologists, and government officials, participated in the workshop.

IPPAN and NIA to establish committee for premium recommendation

Kathmandu, July 2023:

The Independent Power Producers' Association, Nepal (IPPAN), and the Nepal Insurance Association (NIA) have agreed to establish a committee to recommend scientifically determined premiums for insurance coverage of hydropower plants.

The agreement entails forming a committee with three members from each side, including three insurance experts, to address this matter.

IPPAN invited representatives from the NIA to its office for discussions, leading to this understanding. This



development comes at a time when developers of many projects have refrained from renewing insurance policies due to disputes over premiums.

Insurers liable to pay Rs7b in claims to hydropower projects.



Kathmandu, February, 2024:

The private sector power developers expressed frustration over prolonged delays in the payment of insurance claims by hydropower developers for damages to their plants.

Speaking at the regular 'Friday Forum' program in Kathmandu in February of

this year, developers highlighted that claims for damages caused by massive floods to hydropower plants in eastern Nepal last June have yet to be paid.

IPPAN President Ganesh Karki stated, "Hydropower developers have been consistently paying premiums, but insurance companies are not promptly settling claims."

Finance Minister Dr. Prakash Sharan Mahat echoed Karki's concerns, noting that he instructed insurance companies to settle claims made by hydropower plants within a month.

According to IPPAN, claims totaling Rs7 billion made by hydropower developers remain unsettled.

During the event, President Karki also criticized the unaffordability of premiums for hydropower developers, pointing out that the policy amount has been raised to Rs 70 million from Rs1 million, which is financially burdensome for projects with limited income.

IPPAN's Senior Vice President Mohan Kumar Dangi questioned the disparity in insurance premiums between hydropower plants and irrigation plants.

Naresh Shrestha, deputy CEO of Aone Reinsurance, suggested that hydropower projects could receive claim payments more easily with clear policy guidelines.

RPP Chair congratulates new executive committee of IPPAN

Kathmandu, July, 2023:

Rajendra Lingden, the chairperson of the Rastriya Prajatantra Party (RPP), congratulated the newly elected executive committee of the Independent Power Producers Association of Nepal (IPPAN).



During a meeting with the newly elected executive committee members, Lingden emphasized the need for hydro development without hindrance.

CPN (US) chair promises affirmative role in developing power sector

Kathmandu, July, 2023,

Madhav Kumar Nepal, the chairperson of the Nepal Communist Party (Unified Socialist), congratulated newly elected executive committee of Independent Power Producers' Association, Nepal.

During a meeting with the members of the new executive committee, Nepal stated that his party would play a positive role in the parliamentary endorsement of the new electricity bill.



Politicization of energy issues hinders Nepal's energy dev: Ex-Indian envoy

Kathmandu, September, 2023

Former Indian ambassador to Nepal Ranjit Rae highlighted that opposition from certain Nepali leaders to cooperation between Nepal and India in the hydropower sector has hindered hydropower development in Nepal.

He emphasized the importance of both Nepal and India benefiting from joint hydropower projects.

Speaking at an event organized jointly by the Independent Power Producers' Association, Nepal (IPPAN) and the Asian Institute of Diplomacy and International Affairs (AIDIA) in Kathmandu, Ambassador Rae also discussed the planned Pancheshwar project on the Mahakali boundary river.

He mentioned that even though the projects would affect more Indian lands, India has agreed to share electricity on a 50:50 basis, whereas the southern neighbor would get more irrigation facilities due to limited lands in Nepal to irrigate



compared to India.

During the interaction, Nepali private sector power developers urged the former Indian diplomat to leverage his influence to persuade Indian authorities to relax rules for unrestricted export of Nepal's power.

IPPAN representatives highlighted India's somewhat restrictive procedures for electricity trade with neighboring countries and stressed the need to ease these provisions.

However, they commended

Indian Prime Minister Narendra Modi's pledge for India to import 10,000MW from Nepal over the next 10 years.

"Based on the promises of the Indian Prime Minister, Nepal has drafted a roadmap for developing hydropower projects," stated IPPAN president Ganesh Karki.

Former IPPAN President Shailendra Guragain urged the former Indian diplomat to utilize his influence to facilitate electricity trade between private sector companies on both sides.

IPPAN pushes for approval of feasibility studies in conservation areas

Kathmandu, September, 2023:

The Independent Power Producers' Association of Nepal (IPPAN) complained about continued obstruction from the agencies under the Ministry of Forest and Environment to conduct studies for the development of hydropower projects inside national parks and conservation areas.

According to the umbrella body of private sector power developers, this obstruction goes against a Supreme Court order. During a meeting with Minister of Forests and Environment Birendra Mahato in September,

representatives of IPPAN complained that forest authorities were not approving necessary studies to develop power projects despite the Supreme Court order.

IPPAN states that the Supreme Court has allowed the building of infrastructure inside National Parks and Conservation areas based on the bylaws prepared by the government. The court had also scrapped the writ petition filed against any construction activities in conservation areas. Hydropower developers believe that since most river basins fall under one or another protected area, not allowing the feasibility study

for developing hydropower plants would prevent harnessing the country's vast hydropower potential.

IPPAN President Ganesh Karki expressed concerns, stating, "The forest ministry does not provide approval even to conduct a study after the developer gets approval for the study from the energy ministry. We are also conscious of conserving wildlife and the environment while carrying out our activities." During the meeting, Minister Mahato instructed agencies under his ministry to cooperate with hydropower developers in carrying out studies in conservation areas.

Proposed conservation regulation threatens energy sector development, says IPPAN



Kathmandu, September, 2023:

The Independent Power Producers' Association Nepal, (IPPAN) called for a revision to the proposed National Parks and Wildlife Conservation Regulations-2023, arguing that it would hinder the development of the

hydropower sector.

During a discussion on the draft of the regulation in September last year, IPPAN representatives said several restrictive provisions in the proposed regulation would severely limit the potential of hydropower development in the country.

According to the draft of the proposed regulation, only one hydropower project can be developed in the river that falls under the conservation area; capacity cannot be optimized; a project can be developed by utilizing 50 percent of the water and 25 percent of the water should be left on the river if the project should be developed in the boundary rivers.

Other provisions include a requirement to plant 25 new trees for cutting down a tree; a requirement to plant 1600 trees per hectare; approval to be granted in the case of absolute necessity only for projects that are already in the development phase in the conservation area; requirement to keep a record of trees whose diameter is five inches, and the requirement to pay as much as five percent of the total royalty to the conservation authority. These provisions have concerned the private sector power developers.

Pvt sector criticizes electricity bill



Kathmandu, September, 2023

The Independent Power Producers' Association, Nepal (IPPAN), criticized the electricity bill registered in parliament, claiming that the bill aims to diminish the role of the private sector in the development of the hydropower sector. Publicizing its 12-point opinions on the bill at a press conference in September last year, IPPAN stated that the bill favored government entities at the expense of the private sector. IPPAN President Ganesh Karki noted that, except for

the provisions opening the door for the private sector to engage in power trading and issuing licenses for electricity distribution and customer services, many other provisions aimed to diminish the private sector's role. One provision in the electricity bill allows the government to grant a license to a joint venture of Nepali and foreign government entities without competition to develop hydropower projects over 100MW. IPPAN argues that there should be provisions where the private sector could also compete on

equal footing. Additionally, the private sector body criticized a provision that allows authorities to cancel survey licenses issued under the existing law if the license holders have failed to submit various documents, including a study report, environmental impact assessment report, and documents related to financial closure. According to the bill, such projects would need to obtain fresh survey licenses under the new law. However, IPPAN has demanded that survey license holders be granted licenses according to the existing law.

The IPPAN has also criticized the basis of competition for survey licenses, which required granting fee electricity, free shares, and the amount of money that the developer wanted to provide in the early stage. IPPAN also called for a provision related to the license period for developers.

Minister urged to address issues of double taxation

January 2024

The Independent Power Producers' Association, Nepal (IPPAN), drew the attention of the Ministry of Federal Affairs and General Administration to the issue of double taxation imposed on hydropower developers in certain locations.

During a meeting with Minister for Federal Affairs and General Administration Anita Devi in early January of this year, representatives of IPPAN asked the minister to intervene, as several local governments were seeking additional taxes beyond what was originally stipulated.

There is a legal provision stating that the royalty paid for the use of natural resources is to be shared, with 50 percent going to the federal government and 25 percent each to provincial and local governments. However, after the Solu Dudhkunda Municipality sought extra taxes from completed and under-construction hydropower projects along the Solu Corridor, the IPPAN delegation met with Federal Affairs Minister Devi.

During the meeting, IPPAN President Ganesh Karki stated that the hydroelectric projects have been collectively paying royalties and other taxes to the federal government. Karki expressed the need for clarity regarding the demands for extra taxes from local governments.

In response, Minister Devi mentioned she would make necessary decisions after studying the laws governing local governments.



According to IPPAN, the local governments of Dolakha had also sought extra taxes by issuing letters to power plants. However, after clarification from the federal government that local governments are not entitled to receive extra taxes from hydropower plants, they withdrew their demands for taxes.

During the meeting, in addition to President Karki, former President Shailendra Guragain, Senior Vice President Mohan Kumar Dangi, Secretary Balaram Khatiwada, Secretary Him Prasad Pathak, Chief Executive Officer Bhim Gautam, and representatives from projects that received demands for taxes from local governments including Yagyartha Pokharel, Ramesh Gautam, Saman Manandhar, were also present.

Certificates distributed to **IPPAN** advisors



July 18, Kathmandu-

Independent Power Producers' Association of Nepal (IPPAN) distributed certificates to its advisory committee members amid a function.

President Ganesh Karki, on behalf of IPPAN, handed over certificates to the advisory committee members formed under the leadership of outgoing President Krishna Prasad



Acharya. The new executive committee of IPPAN sought necessary guidance from the group of advisors.

The advisors called for maintaining unity in the organization by accommodating dissenting parties, keeping it aloof from partisan politics, and running the organization professionally. They suggested allocating resources to build IPPAN's own building.

Stakeholders highlight hydro-tourism as key tourism product



Kathmandu, October 2023

Stakeholders said Nepal has abundant potential to promote hydro-tourism by making project sites destinations for visitors.

They insisted that housing facilities built for project staff during the construction of hydropower projects could be converted into homestay facilities.

Such views were expressed during an interaction organized by the Independent Power Producers' Association, Nepal (IPPAN), and Raithane Agri Products Private Limited in October last year in Kathmandu.

Speaking at the event, IPPAN President Ganesh Karki said that IPPAN was ready to facilitate the process of integrating the energy and tourism sectors as they are key foundations for the economic prosperity of the country. After the completion of hydropower projects, the accommodation facilities built for the staff are usually demolished, and the materials used to build the houses are sold at cheaper prices.

"If we work together for hydro-tourism, such housing facilities can be converted into homestays," said Karki.

IPPAN executive committee member Mithun Paudel and Tilak Dhakal from Raithane presented a working paper during the event.

Hydropower developers express concern Over halting of IPOs and FPOs

Kathmandu , November 2023

Private sector power developers raised concerns about the decision of the Nepal Securities Board (SEBON) to halt the issuance of Initial Public Offering (IPO) and Follow-on Public Offering (FPO) by hydroelectric companies.

Under the leadership of the Independent Power Producers' Association of Nepal (IPPAN), they reached the Prime Minister's Office and the Finance Ministry, demanding that companies involved in the development of hydropower projects be allowed to issue ordinary shares, the IPPAN said in a statement.

"If any hydropower company is found to be carrying out activities against the country's laws and regulations, action should be directed against that specific company," reads the IPPAN statement. "All should not be blamed for the wrongdoing of certain companies."

The IPPAN further stated that SEBON's actions go against the principles of a liberal market economy. Citing the overflow of securities in the market, the SEBON has been halting the issuance of IPOs and rights shares, according to the hydropower developers.

IPPAN forms committee to revise statute

Kathmandu-July 2023

The Independent Power Producers' Association, Nepal (IPPAN), formed a committee headed by its advisor Bhanubhakta Pokharel to amend the organization's statute.

Based on the decision of the 21st annual general meeting held on June 32, the 'Statute Amendment and Draft Rewriting Committee' was formed. Other members of the committee include Vice-President Ram Prasad, executive committee member Homkant Chaulagai (who is also a lawyer), and two other members to be appointed by the coordinator.

Himalayan Hydro Expo scheduled for April



Kathmandu, January 2024

The Independent Power Producers' Association, Nepal (IPPAN), announced that the fourth edition of the Himalayan Hydro Expo would be held on April 24-26 in Kathmandu.

IPPAN, which has been organizing the expo every two years, has signed a memorandum of understanding with Expo and Event Management Company to organize the event.

The expo will showcase machinery equipment to be used in hydropower

development, banks, financial institutions, insurance companies, cement, iron, and other materials used in the construction of hydroelectric projects, according to IPPAN. Seminars on topics such as hydro, solar, and hydrogen energy will also be organized during the expo, it added.

Moreover, the expo will feature competitions among innovative ideas in the energy sector, along with demonstrations providing information on various hydroelectricity projects.

IPPAN expects over 2000 stalls and transactions of over Rs25 billion during the expo.

At a time when the government is developing a plan to generate 28500MW of electricity by 2035 and India is promising to buy 10,000MW in the next 10 years, the significance of the expo has grown, according to IPPAN

IPPAN President Ganesh Karki said that the expo aimed to attract both domestic and foreign investment in the power sector.

IPPAN expresses concern over local obstructions to Arun-3 project

KATHMANDU, Sept 2023

Independent Power Producers' Association of Nepal (IPPAN) raised concerns over the obstructions to construction works of the 900MW Arun-3 Hydropower Project by local people demanding compensation.

The umbrella body of private sector power developers urged the government to take the initiative to settle the dispute over compensation. The project is being developed by India's state-owned SJVL Limited, and

most of the project's works have reportedly been completed. In a press statement in September last year, IPPAN said that the incident occurred at a time when SJVN has been expediting the construction of the project, which has saddened both domestic and foreign investors. It also reminded the government of how the World Bank had withdrawn from the project in the mid-1990s when controversy erupted over the same project.