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– TRIBIKRAM K.C.

INVESTMENT IN HYDROELECTRIC ENERGY IN NEPAL

INVESTMENT IN HYDROELECTRIC ENERGY IN NEPAL

A Thesis

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in

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By

Tribikram K.C.

Central Department of Economics

Tribhuvan University

Kirtipur, Kathmandu, Nepal

May, 2007

LETTER OF RECOMMENDATION

Date: _____

The thesis entitled **Investment in Hydro-Electric Energy in Nepal**, submitted by Mr. Tribikram K.C. is prepared under my guidance and supervision. I forward it with recommendation for approval.

Ass. Prof. Kamal Raj Dhungel
Central Department of Economics
T.U., Kirtipur, Kathmandu

Date: _____

LETTER OF APPROVAL

Date: 2064-2-21

The thesis entitled **Investment in Hydro-Electric Energy in Nepal**, submitted by Mr. Tribikram K.C. has been accepted as a partial fulfillment of the requirements for the degree of Master of Arts in Economics.

Thesis Committee

Prof. Dr. Bijaya Shrestha
Chairman
CEDECON, T.U

Dr. Govinda Nepal
Asst. Prof. Patan M. Campus

Ass. Prof. Kamal Raj Dhungel
Thesis Supervisor
CEDECON, T.U.

Date: June 4, 2007

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ABSTRACT

The first power station was established in Pherping (500 kw) in 1911 A.D. From this time the present achievement is insufficient for recent electricity demand of Nepal. Energy sector in Nepal is dominated by conventional type of fuel. Ultimately the modern economic development will be stagnant cause of electric energy. So this study has attempted to find out the truth about electric energy situation of Nepal.

NEA is only one public enterprise for hydro energy generation and distribution in Nepal. Although hydro electric fuel consumption occupies about the 1.82% share in total energy consumption in 2005, the share of the traditional fuel is estimated about 88% in 2005. So relating upon the present energy scenario and existing data availability, descriptive research methodology is designed to carry out the findings of research. The whole data are collected through published and unpublished secondary sources.

Many water related acts and polices have made investment friendly. The government is continuing investment in hydro power sector since the first five-year plan (1956-1961) to 10th plan. The private and foreign investor's are attracted after the implementation of liberalization policy in Nepal. Now, middle Marsyangdi (70 MW) Kulekhani III (14MW) and Chameliya (30mw) are the major hydropower projects which are under construction.

TABLE OF CONTENTS

Page No.

LETTER OF RECOMMENDATION

APPROVAL SHEET

ACKNOWLEDGEMENTS

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS/ACRONYMS

CHAPTER-I : INTRODUCTION 1-6

1.1 Background Error! Bookmark not defined.

1.2 Statement of the Problem Error! Bookmark not defined.

1.3 Objectives of the Study Error! Bookmark not defined.

1.4 Research Methodology Error! Bookmark not defined.

1.5 Significance of the Study Error! Bookmark not defined.

1.6 Limitation of the Study Error! Bookmark not defined.

1.7 Organization of the Study Error! Bookmark not defined.

CHAPTER - II : REVIEW OF RELATED LITERATURE 7-18

CHAPTER – III : HISTORY OF HYDRO ELECTRICITY

DEVELOPMENT IN NEPAL 19-30

3.1 Electricity and Hydropower in Nepal Error! Bookmark not defined.

3.1.1 Theoretical, Technical and Economical Potentiality of Major
River's in Nepal Error! Bookmark not defined.

3.2 History of Hydropower Development in Nepal Error! Bookmark not
defined.

3.2.1 Power Development Prior to Plan Period Error! Bookmark not
defined.

3.2.2 Power Development after Plan Period	Error! Bookmark not defined.
3.2.2.1 Hydro electricity generation in different plan period	21
3.2.2.2 Major Hydro projects installed in different plan period and installed capacity	Error! Bookmark not defined.
3.2.2.3 Power Development th Plan (2002-2007)	Error! Bookmark not defined.
3.3 Acts, Regulations and Policies on Hydropower Sector in Nepal	Error! Bookmark not defined.
3.3.1 Water Resources Act 1992	Error! Bookmark not defined.
3.3.2 Hydropower Development Policy 1992	Error! Bookmark not defined.
3.3.3 Electricity Regulations 1993	Error! Bookmark not defined.
3.3.4 Water Resources Regulations 1993	Error! Bookmark not defined.
3.3.5 Hydropower Development Policy 2001	Error! Bookmark not defined.
3.4 Institutions for Hydropower Development in Nepal	Error! Bookmark not defined.
3.4.1 Leading Institutions	Error! Bookmark not defined.
3.4.2 Present Situation	Error! Bookmark not defined.
CHAPTER -IV: HYDRO ENERGY CONSUMPTION PATTERN IN NEPAL	31-41
4.1 Energy Consuming Sectors of Nepal	Error! Bookmark not defined.
4.1.1 Residential Sector	Error! Bookmark not defined.
4.1.2 Industrial Sector	Error! Bookmark not defined.
4.1.3 Commercial Sector	Error! Bookmark not defined.
4.1.4 Transport Sector Energy Consumption	Error! Bookmark not defined.
4.1.5 Agricultural Sector	Error! Bookmark not defined.
4.2 Energy and Economy	Error! Bookmark not defined.
4.3 Sectoral Electricity Consumption Pattern	Error! Bookmark not defined.

- 4.4 Hydro Electricity Consumption Pattern in Different Year **Error! Bookmark not defined.**
- 4.5 Electricity Import and Export **Error! Bookmark not defined.**
- 4.6 Total Transmission Line Expanded in Nepal **Error! Bookmark not defined.**
- 4.7 Urban and Rural Areas in Hydro Energy Consumption in Nepal **Error! Bookmark not defined.**
- 4.8 Environmental Aspect of Hydro Energy Use **Error! Bookmark not defined.**
- 4.9 Electricity Supply, Distribution and Prices **Error! Bookmark not defined.**
- 4.10 Per Capita Electricity Consumption in Nepal **Error! Bookmark not defined.**
- 4.11 Growth of Electricity Consumer **Error! Bookmark not defined.**

CHAPTER -V : INVESTMENT IN HYDROPOWER DEVELOPMENT IN NEPAL

- 5.1 Electric Power System in Nepal **Error! Bookmark not defined.**
- 5.2 Cost of Hydropower Projects by Size **Error! Bookmark not defined.**
- 5.4 Investment in Hydro Projects in Different Period **Error! Bookmark not defined.**
- 5.5 National Capital Expenditure in Hydropower Sector **Error! Bookmark not defined.**
- 5.6 Major Hydro Station under Operation and Total Investment **Error! Bookmark not defined.**
- 5.7 Major Hydro Projects on Government Sector and Donors **Error! Bookmark not defined.**
- 5.8 Some Notable Aspect of Loan and Aid **Error! Bookmark not defined.**
- 5.9 Total Power Generation by Different Electric Generating Sectors in the Year 2006 **Error! Bookmark not defined.**
- 5.10 Major Hydro Station's Contributing for INPS **Error! Bookmark not defined.**

5.10.1 The Kaligandaki 'A'	Error! Bookmark not defined.
5.10.2 Marsyangdi HPS	Error! Bookmark not defined.
5.10.3 Trisuli HPS	Error! Bookmark not defined.
5.10.4 Kulekhani -I	Error! Bookmark not defined.
5.10.5 Devighat HPS	Error! Bookmark not defined.
5.10.6 Sunkoshi HPS	Error! Bookmark not defined.
5.10.7 Kulekhani-II	Error! Bookmark not defined.
5.11 Project Under Construction	Error! Bookmark not defined.
5.11.1 Middle Marsyangdi	Error! Bookmark not defined.
5.11.2 Kulekhani III hydro power project	Error! Bookmark not defined.
5.11.3 Chameliya Hydro Electric Project	Error! Bookmark not defined.
5.12 IPP's Investment in Power Generation	Error! Bookmark not defined.
5.13 Energy and International Cooperation	Error! Bookmark not defined.
5.14 Investment in Electricity Sector and Source of Financing	Error! Bookmark not defined.

CHAPTER -VI : SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Summary

Error! Bookmark not defined.

6.2 Conclusion

Error! Bookmark not defined.

6.3 Recommendations

Error! Bookmark not defined.

REFERENCE

APPENDICES

LIST OF TABLES

Page No.

Table 3.1: Major River and Hydro Potentiality	Error! Bookmark not defined.
Table 3.2: Power Development in Nepal Prior to Plan	Error! Bookmark not defined.
Table: 3.3: Target and Achievement in Power Generation in Different Plan Period	Error! Bookmark not defined.
Table 3.4 : Major Hydro projects installed in different plan period and installed capacity	Error! Bookmark not defined.
Table 4.1: Sectoral Hydro Electric Energy Consumption Pattern in Nepal	Error! Bookmark not defined.
Table 4.2: Total Energy Consumption Situation in Nepal	Error! Bookmark not defined.
Table 4.3: Exchange of Electricity between Nepal and India	Error! Bookmark not defined.
Table 4.4: Total Revenue from Electricity	Error! Bookmark not defined.
Table 4.5: Total Transmission Line	Error! Bookmark not defined.
Table 4.6: Per Capita Energy Consumption of Nepal	Error! Bookmark not defined.
Table 4.7: Electricity Consumer in Different Year	Error! Bookmark not defined.
Table 5.1: Cost of Different Hydro Projects by Size	Error! Bookmark not defined.
Table 5.2: Construction Unit Cost of Different Power Station	Error! Bookmark not defined.
Table 5.3: National Capital Expenditure in the Water Sector (Electricity)	Error! Bookmark not defined.
Table 5.4: Major Hydro Station under Operation and Total Investment	Error! Bookmark not defined.

Table 5.5: Major Hydro Projects on Government Sector and Donors **Error! Bookmark not defined.**

Table 5.6: IPP's Investment in Power Projects **Error! Bookmark not defined.**

Table 5.7: Investment in Electricity Sector and Source of Financing **Error! Bookmark not defined.**

LIST OF FIGURES

	Page No.
Figure 3.1: Policy Level Institution for the Water Sector	Error! Bookmark not defined.
Figure 3.2: The Existing Organizational Setup of Water Resource	Error! Bookmark not defined.
Figure 4.1: Power Generation and Trade of Power with India	Error! Bookmark not defined.
Figure 4.2: Per Capita Energy Consumption of Nepal	Error! Bookmark not defined.
Figure 5.1: Generation (MWH)	Error! Bookmark not defined.

ABBREVIATIONS

ADB	Asian Development Bank
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
CBS	Central Bureau of Statistics
DANNIDA	Dannish Development Assistance
FAO	Food and Agricultural Organization
GJ	Giga Joule
GOVN	Government of Nepal
GTZ	German Development Cooperation
HPP	Hydropower Plant
HPS	Hydropower Station
I.C.	Indian Currency
INPS	Interconnected Power System of Nepal
IPPS	Independent Power Producer System
KFW	Kuwet Development Fund
KOE	Kilo Oil Equivalent
KW	Kilowatt
KWh	Kilowatt Hour
LPG	Liquid Petroleum Gas
MW	Megawatt
NA	Not Available
NEA	Nepal Electricity Authority
NOC	Nepal Oil Corporation
NORAD	Norwegian Agency for Development Cooperation
NPC	National Planning Commission
NRs.	Nepalese Rupees
UNDP	United Nations Development Program
WB	World Bank
WECS	Water and Energy Commission Secretariat