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○ Sep-Oct

○ 2013

○ Vol 2 / Year 1

# HIDCL

## Newsletter

A bimonthly email newsletter of

**HYDROELECTRICITY INVESTMENT & DEVELOPMENT COMPANY LIMITED**

**जलविद्युत लगानी तथा विकास कम्पनी लिमिटेड**

CREATING OPPORTUNITIES FOR A BRIGHTER, PROSPEROUS NEPAL THROUGH THE DEVELOPMENT OF HYDROPOWER

## Hydropower Investment Meeting 2013

"...Government is trying to implement all possible measures to eliminate the present power crisis." – *Mr. Bishwa Prakash Pandit (Secretary, MoEN)*

"... FDI interest in power sector is there, but they are also in the mood of wait and watch. Surety on investment, profit guarantee (return on investment), and policy consistency is mandatory." – *Mr. Suraj Vaidya (President, FNCCI)*

With the objective of promoting investments in identified middle to mega reservoir based hydropower projects in Nepal, a 2- days Hydropower Investment Meeting was organized by HIDCL on August 28-29 in Kathmandu. The meeting was supported by Government of Nepal through Ministry of Energy, Ministry of Finance and the Office of the Investment Board, and Asian Development Bank.

Organized with the objective of carrying out dialogue and attracting investment in the identified reservoir (storage) type projects, salient features of a couple of project were presented and the modes of financing discussed.

The meeting was well attended by participants from India, China, Japan, Korea, New Zealand, USA, Norway, Czech Republic, Australia, Russia, Bangladesh. Representatives from various international institutions, embassies, government agencies in Nepal also participated.

The keenly watched investment meeting was inaugurated by Honorable Minister of Energy, *Mr. Umakanta Jha* on August 28th. Minister Jha was of the opinion that the meeting was timely and in accordance with the needs of the country. He wished that the meeting would be successful in promoting and attracting investments for a storage project in Nepal. The inaugural session was also addressed by *Mr. Bishwa Prakash Pandit*-Secretary, Ministry of Energy and Chairperson, HIDCL, *Mr. Rajan Khanal*- Joint Secretary, Ministry of Finance, *Mr. Rashesh Pant*-CEO, Investment Board, *Mr. Lava Bahadur Ghimire*, Officiating Managing Director, Nepal Electricity Authority.

Five speakers made their presentations on day one of the meeting. These belonged to Nepal Electricity Authority (NEA), Department of Electricity Development (DoED), HIDCL, Ministry of Energy (MoEn) and Asian Development Bank (ADB). Speakers from NEA and DoED talked about the different identified reservoir projects and their salient features, the speaker from HIDCL talked about the different financing model that could be applied to promote a middle and a mega project. The speaker from MoEN deliberated on the existing regulatory and legal environment in the country in power sector, including FDI.



Opening Ceremony

### Presentations made in the different technical sessions

1. Mr. Sunil Kumar Dhungel, Director, NEA on Storage Projects (NEA's Planned Projects and 10 promising projects from JICA/NEA Study)
2. Mr. Dilli Bahadur Singh, Director General, Department of Electricity Development (DoED) on identified storage projects by DoED including Government planned storage projects
3. Mr. Deepak Rauniar, CEO, HIDCL on Financing of Projects
4. Mr. Sagar Raj Goutam, SDE, DoED on Existing Framework for Project Development in Nepal
5. Mr. Priyantha D C Wijayatunga from ADB on Role of Development Partners

Click [HERE](#) for the presentations



While the speaker from ADB deliberated on the future support for storage projects in Nepal. Extensive discussions in all the sessions were held.

On day two of the meeting, a panel discussion was held in which a number of questions regarding existing policy frameworks, ground realities of power projects, future support mechanism to attract investments were asked by the participants and answered by the panelists.

The closing session immediately followed, which was chaired by Mr. Bishwa Prakash Pandit, who in his capacity as the Secretary of Ministry of Energy, and Chairperson of HIDCL expressed his support with which the meeting was organized and encouraged the national and international participants to invest in a reservoir project in Nepal. Similarly, the Country Director of ADB, Mr. Kenichi Yokoyama also opined on the need of a storage project in Nepal and expressed that ADB will be interested to support such a project and would like to hear more. Mr. Dalip Dua, Director of OPG Power and Infrastructure Pvt. Ltd. expressed his commitment to invest USD 10 Million in equities and requested HIDCL to lead this.

### IPPAN Power Summit – 2013

Independent Power Producers' Association Nepal (IPPAN) organized Power Summit 2013, a two day event on August 26-27 with an objective to build consensus on hydropower development among hydropower developers, planners, government agencies, investors and other related stakeholders. The summit was jointly organized by IPPAN, PTC India and NRNA.



The event was inaugurated by President Dr. Ram Baran Yadav and widely participated by representatives from different sectors. Power developers from various countries participated in the event.

Mr. Deepak Rauniar, the CEO of HIDCL also made a presentation on the financing opportunities in hydropower projects in Nepal through domestic resource base.

### Panelists

1. Mr. Bishwa Prakash Pandit, Chairman of HIDCL and Secretary of Ministry of Energy
2. Mr. Sunil Dhungel, Director, Nepal Electricity Authority (NEA)
3. Mr. Radhesh Pant, Chief Executive Officer of the Office of Nepal Investment Board
4. Mr. Kenichi Yokoyama, Country Director, Asian Development Bank (ADB)
5. Mr. Suraj Vaidya, President, Federation of Nepalese Chambers of Commerce and Industry (FNCCI)
6. Dr. Subarna Das Shrestha, President, Independent Power Producers Association of Nepal (IPPAN)

### Hydropower – Some Facts



1. Hydroelectricity was generated for the first time in the year 1882. The world's first hydroelectricity station was situated in Wisconsin. This power station used water from the Fox River to generate electricity.
2. China generates the largest amount of hydroelectricity, more than any other country in the world! The Three Gorges Dam in Hubei, China, has the world's largest generating capacity (22,500 MW).
3. Hydropower history in Nepal can be traced back to 1911. Pharping Power Plant, 500 KW capacity, was the first hydro power project.
4. Large numbers of hydro-power stations in the world have been functioning without a hitch for more than fifty years!
5. Most state-of-the-art hydro power stations are capable of recovering their set up cost within eight years of starting their operations.
6. Hydropower's advantage over other renewable energy sources is the fact that average rainfall is highly predictable and therefore output is reliable and river flow doesn't fluctuate from minute to minute like is the case with wind energy.



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