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# 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*

## Fourth Anniversary of HIDCL Marked

**Ashad 27** marked the 4<sup>th</sup> anniversary of the company. In the 4 years of its establishment, the company has achieved noteworthy landmarks in financing of hydropower projects in the country. HIDCL has been involved in the debt financing of 8 hydropower projects, mostly in the central and eastern parts of Nepal- a total of 271.1 MW of installed capacity and an investment of over NRs. 3 Billion. Apart from investing in generation projects, HIDCL is also a major equity shareholder of PTCN - a momentous 140 km, 400 kV cross border transmission line project between India and Nepal, which is expected to be under operation by the end of this year. After charging this transmission line to its full potential, Nepal can import up to 200 MW of electricity from India. Besides its regular course of business, the company has also been participating in different capacities in national and international forums dedicated to the energy sector. The risk assessment and decision making procedures of the company have evolved through the years, which has made the company a trustworthy financing partner for power producers and commercial banks involved in hydropower financing.

### Disbursement of Loan to Solu Hydroelectric Project

**A loan** of NRs. 57.4 Lakhs has been disbursed to 23.5 MW Solu Hydroelectric Project upon request from Laxmi Bank Ltd., the lead bank of the consortium of lenders to the project. The total loan disbursed by the consortium in the first drawdown installment is NRs. 8.82 Crores. The project is being constructed in Solukhumbu District by Upper Solu Hydro Electric Company Ltd. The Required Commercial Operation Date of the project according to the PPA is July 2018. The financing agreement of the project was signed between the lender banks/FI including HIDCL and the developer on September 2014.



*Financial Closure of the Project was concluded on September 2014, under the lead of Laxmi Bank Ltd. the project is expected to come in operation by the mid of 2018*

## Financial Closure for 21.4 MW Lower Hewa Khola Hydropower project

## Risk Assessment Cell formed to Assess 16 MW Singati Khola Hydropower project

<b>Project Location</b>	Thapatar, Limbugaun and Saranta villages of Pachthar District
<b>Diversion Structure</b>	Ogee shaped weir
<b>Design Discharge</b>	14.838 Cumecs
<b>Water Conveyance Structure</b>	3.96 km long concrete lined tunnel
<b>Project Capacity</b>	21.6 MW
<b>Annual Energy Generation</b>	116.261 GWh

### *Key Features of the Project*

**Financing** arrangement has been made for the 21.4 MW Lower Hewa Hydropower. HIDCL is providing a debt finance of NRs. 150 Million for these projects.

The project, located in Panchthar district of the Eastern Development Region will be financed by a local consortium led by Prime Commercial Bank. The financial closure for the project was concluded on July 16, 2015. Seven banks and financial institutions including HIDCL with a debt share of NRs. 150 Million have come together in the consortium to provide a long term debt of NRs. 1,800 Million for the development of the project. Rastriya Banijya Bank, Kailash Bikash Bank, International Development Bank, Prabhu Bank and Apex Development Bank are other lenders to the project.

**A** Risk Assessment Cell has been formed for the assessment of the 16 MW Singati Hydropower projects which has been proposed to be developed in Dolakha district of Central Development Region. The project is being developed by Singati Energy Limited. Financing of the loan component for the projects is being arranged by a consortium of commercial banks and financial institutions of Nepal, led by Civil Bank Limited.

### Training Course on Hydropower Financing Organized by the Company

**The** company organized a training program on Hydropower Financing in collaboration with Nepal Banker's Association on July 10, 2015 in Kathmandu. The half day lecture-based course was targeted for high level executives of commercial banks involved in hydropower financing. The training was divided into two lectures, the first of which entitled 'Sediment Analysis and Its Financial Impact on Hydropower Projects' was delivered by Prof. Dr. Hari Prasad Pandit. Dr. Pandit is a Professor at Institute of Engineering, TU. He has experience of over 23 years in Hydraulics, Hydropower and River Engineering and has worked as a Hydraulic and Hydropower Engineer, Hydrologist, Water resources expert in a number of water resources projects in Nepal.

The second lecture entitled 'Entity Appraisal or the appraisal of the promoter of hydropower projects' was delivered by Mr. Tuk Prasad Poudel. Mr. Poudel is the Managing Director of Sanima Mai Hydropower Ltd. and has been involved with the project in all the project development phases. He is an expert in hydropower development and has extensive experience in project management.



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