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Power Shortage Undermines Millennium Goals

Bangladesh needs to immediately solve persistent and widening electricity shortages to achieve a key millennium development goal (MDG) of halving poverty by 2015, a World Bank report said.

More than 40 percent of Bangladesh's nearly 150 million people are poor, or living on less than US\$1 per day. Electricity persists as a major barrier for the business community and electricity supply has struggled to keep up with demand spurred by solid economic growth.

The World Bank, in association with state-run Board of Investment (BoI) prepared the report on Bangladesh's investment climate. It identified political instability, weak governance and access to lands and finance as top investment constraints. Per capita electricity generation in Bangladesh increased to 155 KWh in 2007 from 143 KWh in 2004, yet it has remained among the lowest levels of power generation in the world, the report said. "Pervasive power outages rob the country of 2 percentage points of national growth... Firms in metropolitan areas estimated that they lost 11.7 percent of sales value due to electricity outages, up from 3.4 percent in 2002".

While overall capacity in the country amounts to 5,300 MW, only about 4,400 MW of that can be used. Since peak demand consistently exceeds 5,000 MW, there are pervasive power cuts and surges. The lack of a stable power system has caused a boom in generator sales in the past three years. Firms estimate they have to rely on their own generators for about 28 percent of the electricity they consume. Generators represent considerable investments, at 5.3 percent of a firm's total fixed assets at book value on average.

"For continued growth and prosperity, Bangladesh must focus on issues such as adequate electricity supply...", said Zafrul Islam, Acting Country Director, World Bank, Bangladesh. Bangladesh's economy has grown around six percent in the last five years. Kamal Uddin Ahmed, Chief, BoI, said that if they could ensure a reliable power supply then investment growth in the private sector could rise to 25 percent from nearly 17 percent now and help promote economic growth rates of 7 percent to 8 percent, a target set by the Millennium Development Goal (MDG).



Reuters, 27.10.08

France to Help Build Nuclear Power Station

France's envoy to Dhaka Charley Causeret has said that his country was ready to help build a nuclear power station in Bangladesh. "Bangladesh can benefit from France's expertise to initiate a nuclear power policy", he said at a seminar entitled, 'Power Sector Management: Bangladesh Perspective'.

The offer came at a time when Bangladesh is experiencing huge power shortage that consumes almost two percent of the country's gross domestic product (GDP) growth. M Tamim, Special Assistant to Chief Adviser for Bangladesh's Power and Energy Ministry, emphasised the need for improving management of the power sector and urged politicians to evolve a strategy for the purpose.

Currently, Bangladesh generates about 3,600 MW power against a demand for over 5,000 MW. To mitigate the crisis, the Government has been considering various options, including setting up of nuclear and coal-based power plants. The country has already obtained a positive nod from the International Atomic Energy Agency (IAEA) in this regard.



Indo-Asian News Service, 02.11.08

WB Lends US\$350m for Energy Sector

After a 15-year hiatus in lending to the country's power sector, the World Bank approved a US\$350mn credit to Bangladesh for a 300MW peaking power project at Siddhirganj and a 60km natural gas pipeline project there.

The credit from World Bank's concessionary arm, International Development Association, has 40 years to maturity with a 10-year grace period and carries a service charge of 0.75 percent.

The loan will help the Government complete the Siddhirganj gas turbine power project by 2011. It will also finance a 60km natural gas pipeline from Bakhrabad to Siddhirganj that will improve the reliability of gas supply to the power plant, and an 11km electricity transmission line for distribution of power from the plant.

Poor power supply is estimated to cost around two percent in GDP growth each year.

"Bangladesh is now in the midst of a serious power crisis", said World Bank Country Director for Bangladesh Xian Zhu. "Power generation has failed to keep pace with demand, and, in the last two years, increasing shortages of natural gas, the primary fuel used in power generation, have added to the sector's woes. This project is expected to make a major contribution to meeting peak demand for power, and bolstering the capacity and reliability of the gas and power transmission networks".

The project will also help strengthen the institutional capacity of three implementing agencies: Gas Transmission Company Ltd, Electricity Generation Company of Bangladesh, and Power Grid Company of Bangladesh.

"This includes environmental and social impact management, and measures to bolster corporate governance, address corruption risk, and assure good procurement and financial management practices", said Alan Townsend, Senior Energy Specialist and Task Leader for the Project.

According to a World Bank Press Release, while Bangladesh has posted economic growth averaging over six percent in the past five years, inadequate infrastructure, especially unreliable power supply, remains a significant constraint on growth. Manufacturers, surveyed in the World Bank's most recent Investment Climate Assessment, estimate that power shortages cost them around 12 percent in lost sales on an annual basis.

The World Bank had stopped energy sector lending in Bangladesh as the country failed to fulfill several of its conditions including reduction of systems loss to a certain level and performance improvement. The lending was also stopped to push Bangladesh to open up the energy sector for private sector.

Earlier in 2008, a World Bank report on this loan said investment has lagged for years while recent power and gas sector master plan identified a need for investment of greater than two percent of the GDP or about US\$1.5bn a year. The actual investment for the last few years has been only about one-third of that level.

The World Bank has set a number of conditions for investing in the country's power sector: procurement of privately financed power, institutional strengthening of Bangladesh Energy Regulatory Commission, corporatisation of South Zone Power Distribution Company, strengthening the Rural Electrification Board, and stabilising the finances of the Bangladesh Power Development Board.



<http://bangladeshnews.com>, 02.11.08

Boosting Power Generation

Over the last three years I have used my column more than once to highlight the absence of an efficient and affordable power supply in our country. I have reiterated that this factor is essential for rapid, sustained economic growth and poverty reduction.

In this context, my attention was drawn recently to an article entitled "Effective Management in Power Sector and its Implication for National Security" by Commander Mahmudul Huq Choudhury (published in the NDC Journal, Volume 7 Number 1) and comments made by Tatiana Nenova, Senior Economist and Co-author of a recent World Bank report on 'Power Supply Situation in Bangladesh'.

Both authors have underlined the close association between the availability of reliable, uninterrupted power supply, and reasonably priced electricity with industry, commerce and the attaining of socio-economic potential and decent living standards. It is also generally agreed that the country has not only inherited a weak power generation and distribution system but is also plagued by inefficient leadership, over-centralisation, corruption and greed. It has also been noted that the countrywide system is characterised by heavy system losses (theft) and poor revenue collection. Quite correctly, the World Bank feels that electricity shortages remain a critical barrier to growth and private investment and a source of major expense for productive sectors like-garments, chemicals and pharmaceuticals.

Bangladesh's per capita electricity generation is one of the lowest in the world, and official figures put household access to electricity at slightly over 44 percent (2005). Demand for power has always outstripped supply and generation through normal methods and has been unable to keep pace with requirement. The current net generating capacity is about 4120 MW as against an installed capacity of over 5000 MW and peak demands of up to 4832 MW. Interestingly, Nenova has also pointed out that heavy reliance on generators has meant that reported losses arising out of a poorly performing electricity grid are seriously understated.

Private participation in the production of power has been encouraged by the Government but has failed to really take off due to bitter recrimination, primarily on the tariff issue and problems related to planning policy, and institutional and operational levels. Adverse impacts due to this persistent shortage of power supply have resulted in "demonstrations, strikes, violence, low production, and in some cases closure of industries".

In the era of globalisation, there are few issues that better demonstrate the confluence of politics and business than energy. From fuelling the economies of rich countries to driving economic development in poor ones, it has an effect on almost everything we do. Consequently, ensuring the safe supply and distribution of energy should be an important part of strategic state policy. In this regard, the best way forward in meeting the challenges confronting the energy infrastructure should be a constructive engagement between the private and the public sectors.

Unfortunately, in Bangladesh, till now, political will has been lacking in charting out a meaningful perspective plan for such a partnership in the energy industry – both through the use of fossil fuel (a clear and defined coal policy) and also alternative renewable sources. Our present caretaker government has failed in this regard.

I have discussed the various facets of this exercise with academia, engineers and others involved (from the private sector) with both renewable energy and fossil fuel since being nominated as Chairman, Bangladesh Renewable Energy Society. It has been an interesting experience.

They have all agreed on one point. A true transformation of the energy system, making electricity production carbon-free through nuclear, renewables, carbon capture and storage and sifting transport and temperature control towards electric power would require massive investment. They also pointed out that there was no clear sign that the Bangladesh Government was really willing to take on the costs that such a transformation would involve. The current international financial crisis and lack of supply of new funds was also referred to in this regard.

However, I am an optimist and believe that we can overcome obstacles. It would be pertinent here to state that we should try to learn from China. That country's astounding economic growth has been accompanied by spectacular additions to its electricity generation. It added an estimated 100,000 MW in 2006 alone. By the end of 2008, 99 percent of its huge population will have access to electricity. China has managed to do this by moving towards nuclear power (six nuclear power stations are currently under construction) and other forms of renewable energy.

It is now the world's leading producer of photovoltaic solar panels and also its largest exporter. Those involved in this industry have mentioned that China and Japan could have done more but are facing two constraints – a global shortage of silicon – the main component in photovoltaic technology – and sufficient numbers of skilled contractors and technicians to ship and install the panels.

Well, we continue to hear from our geologists that we are rich in silicon (the Cox's Bazar coastline). If we can confirm that we have the basic material, the next step should be manufacturing of the panels and acquiring necessary technical training for rapid deployment. Promoting this sector as a part of clean energy could be achieved through international assistance and by the Climate Fund being set up to tackle the effects of climate variability.

It is time that our political masters take decisive steps towards the production of nuclear power. It will be costly and might take more than six years to complete. The Three Mile Island accident in the US in 1979 and Ukraine's Chernobyl disaster in 1986 had accorded pariah status to this industry. Nuclear plants are, however, now seen as a way for countries to achieve energy security as shortages of uranium fuel are deemed less of a risk than shortages of oil and gas.

European countries as well as the US have started changing their stance in this regard. It has been reported that we are also thinking of having a nuclear facility that can produce 1000 MW of power. We meet the necessary international legal and safeguard requirements. There is now no time to lose, given the fact that our gas reserves are in a poor state and need extensive investment (US\$8-10bn according to M Tamim, Special Assistant to the Chief Adviser for Energy and Power), if the potential is to be fully

extracted. We must move towards nuclear power generation, the sooner the better. This should be priority number one for the next political government.

Using wind turbines as a source of renewable energy could also be examined, particularly in the coastal areas. However, the intermittent nature of wind power is a drawback, as it will require the supply infrastructure being equipped with specialised technology to monitor and manage it. Unfortunately we are terribly weak in this area.

We need to sit down together – all the stakeholders and the important political parties – and agree on least common denominators regarding production, delivery and maintenance of grids. This is a crucial and serious bipartisan engagement that affects our national security. We must not fail in our efforts towards meeting the gap between demand and supply.



The Daily Star, 22.11.08



- **India-Nepal Give Major Thrust to Power**
– The Hindu
- **Power Shortage Darkness Rules in Nepal**
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India-Nepal Give Major Thrust to Power

India and Nepal agreed to give a major thrust to partnership and cooperation in the power sector by taking up execution of major hydro power projects, transmission lines and export of power to Nepal to tide over shortage. The Indian side has also agreed to allow Power Trading Corporation (PTC) to pick up 30 percent stake in the newly formed PTC of Nepal. The balance would be held by the Nepal Government and investors including private parties. This was decided at a bilateral meeting between Minister of State for Power and Commerce Jairam Ramesh and visiting Nepalese Minister for Water Resources Bishnu Poudel.

Jairam urged Poudel to expedite the formalities for the 750-MW West Seti project to facilitate funding by the Asian Development Bank (ADB), which is keen to pick up a stake. The project is being developed by Snowy Mountain of Australia and the EPC contract has been given to a Chinese company. The Minister said PTC and the Nepal Electricity Authority had signed an MoU to export 60 MW from India to Nepal to help Nepal tide over shortage of electricity. India is now exporting around 50-60 MW. The additional export will start from December 2008.

The two sides also reviewed the progress of the 400 kV Muzzafarpur-Dhelkabar link that is being implemented by ILFS and the Nepal Electricity Authority. It is a 170-km link and will cost around Rs 200 crore and be essential for exporting power from Nepal to India by 2012-13. On his part, Poudel urged Jairam to impress upon Satluj Jal Vidyut Nigam Limited (SJVNL) to move faster in implementation of the 402-MW Arun-III project.

Poudel said a new Electricity Act would soon be passed by Nepal to set up an independent electricity regulatory commission, to encourage competition to the Nepal Electricity Authority and to instill confidence in foreign and private investors.



The Hindu, 14.11.08

Power Shortage Darkness Rules in Nepal

"We will construct the hydro power projects of about 10,000 MW to export within ten years to India. Exploitation of hydro power is one of the ways to make Nepalese prosperous. This resource must be utilised to make all Nepalese rich", thundered Prime Minister Pushpa Kamal Dahal inaugurating Okhaldhunga festival, 400 east of capital.

"I have already directed concerned ministries to give green signal to all investors who want to invest in the projects that are export oriented". When Prime Minister Dahal was addressing the crowd calling for more investment on hydropower projects, which aim at exporting (November 6), officials at Nepal Electricity Authority (NEA) were planning to publish harsh load shedding schedule, which will be implemented from November 2008.

"As the water recedes in the rivers, our power projects are now producing just half of their capacity. Since our projects are unable to meet the demands of all our customers, there will be 14 hours power cut from last week of November", said Sher Singh Bhat, Director of NEA's System Operation. Although Prime Minister Dahal's party claims itself as a party of the proletariat, his mind seems to have been influenced by the outmoded mantra of selling power and making money. Even at the cost of the internal crisis, Prime Minister Dahal's thrust is to export the power. Thanks to the new harsh schedule, many industries have already declared that they will shut down factories if the government does not supply adequate power. Due to power cuts, many workers have already been laid off.

Shortage of Power

"As the water is gradually receding in the rivers and demands of power (especially at peaking period) is rising, we do not have any option other than to cut the power supply. We will publish the rescheduled load shedding", said Sher Singh Bhat. "Thanks to destruction of high-tension transmission line in eastern region due to flood, we are not in a position to import the electricity from India. As the water collection in Kulekhani reservoir is low due to short of rainfall compared to previous years, we are not in a position to produce the power as per the demand", said Bhat.

Experts argue that the present load shedding characteristics indicate that our shortage is only for a very short period. So we require additional generation capacity only to meet extreme peak demand. What Nepal requires now is power stations exclusively for meeting peak energy demand. Although Nepal's present demand is for peaking power, Nepal is going ahead to implement projects suitable for generation of base load energy to resolve the present power shortage crisis. Even if NEA suppresses the demand by adding few MW in central grid, after few years the power deficit level will reach up. Arun III and Upper Karnali, which are already handed over to the foreign developers, are the best project to meet the peaking demand.

The country has identified short term hydropower development priorities that have not addressed our real requirements. Nepal presently needs additional capacity to meet extreme peak energy demand.

Experts argue that the schemes for generation of peaking energy are relatively inexpensive. However, the attention is now given to rely on hydropower for base load energy generation which costs high to meet short term energy demand. Nepal could have either propose diesel station or peaking hydropower. As the prices of diesel have gone up, hydro power could be best option.

The situation of Nepal is very contradictory. In a country reeling in load shedding, the politicians have been selling a dream by

promoting the idea to make Nepalese prosperous by constructing the export oriented projects, and there are virtually no projects which are under the construction for domestic use.

Completion of Middle Marsyangdi

Although Middle Marsyangdi will add about 70 MW power to national grid, the power is not enough to meet the growing demand of the consumer. The next five years will be darker. As there is no new major project currently under constructions, the coming days for Nepal is going to be much more difficult. "Nepal's own problems are not the shortage of power but a shortage of vision and commitments. All the major political parties concur about the power export not a power for the local generation. For full two years, they have done nothing but talk and talk", said an energy expert.

The load shedding has not come out of blue as has a long history behind it. Soon after the scrapping of Arun III project in 1995, the countries overall power sector policy was virtually dysfunctional. By implementing the projects like Kali Gandaki A, Klimt, Bhote Kosi, Puwa and Chillime, the power crisis was somehow managed. As there was no big size project in the pipe line, the load shedding became to reality. Nepal is among the few countries in Asia which started to generate hydro power a century ago but its own rate of growth is too slow. In the last one hundred years, it added just 5 MW a year in its grid.

Instead of working on Nepal's own power shortages, it wasted two precious years approaching export oriented projects like Upper Karnali and Arun III. The present Government is behaving no differently – chanting its new found Mantra of 10000 MW in ten years. We need to be genuinely serious of our power crisis – at a time when the global financial crisis is going to hit hard as well", said S B Pun, former Managing Director, NEA.

NEA's Capacity

Although NEA's total power generation capacity is 619 MW, it will generate about 400 MW due to reduced water level during winter. The system loss estimated to be about 25 percent means the actual power supply is 300 MW or half of its total generation. As NEA's entire power supply is based on the run-of-the-river type projects, they cannot produce the firm energy all the time. Except Kulekhani reservoir project, other rivers' energy production fluctuates according to the availability of water.

Power import from India is the only option for the country. If the rehabilitation and reconstruction of high-tension line in Kosi completes on time, Nepal may import about 110 MW of power. According to NEA, power and energy demand grew by 11.31 and 10.76 percent respectively in the review period. The system demand of 721.73 MW recorded on December 31, 2007, happened to be the peak power demand observed in Fiscal Year 2007-08.

The number of customers availing electricity service of NEA reached 1524610 which is an increase of 9.07 percent over that of previous year. Of the total customers, 95.66 percent belonged to the domestic category accounting for 40.52 percent of total energy sales and 40.66 percent of total revenue. Industrial units, through representing only 1.67 of the total customers, have significant contribution amounting to 38.81 percent of total energy sales and 35.93 percent of total revenue earned. At a time when global economy is inevitable to hit Nepal, the new load shedding will add future woes.

"There are few critical issues that are very important to resolve the present power shortage problems. Are we paying the due attention to properly maintain the existing hydropower projects and strict adherence to dates earmarked for the completion of the projects under constructions? Have we explored all possibilities to expand the capacity of the existing hydropower projects at least cost and time to significantly enhance the generation? Can the 309 MW Upper Tamakoshi project considered a dependable project fulfill the need to solve the present load-shedding problem? At present, the power demand is at the peak, whereas the capacity (KW) is greatly reduced (not necessarily energy KWh)", writes water resource expert Dr. Ananda Bahadur Thapa, in his article.

Future Projects

NEA has already proposed some major projects to meet the growing power demand in the country. Upper Tamakoshi (309 MW), Raghughat (30 MW), Upper Trishuli – 3 A (60 MW) and Upper Modi 3A (42MW) are on different stages of development. According to NEA, these projects are expected to be commissioned within five years. NEA is expected to add 525 MW power into the system. Under the Chilime Hydro Power Company Sanjen Upper (11 MW), Sanjen (35 MW), Middle Bhotekosi (80 MW) and Rasuwagadhi (75 MW) are planned. Similarly, under private sector, Kabeli A (30 MW), Upper Marsyangdi (50 MW) are to be commissioned by 2012. As there is uncertainty everywhere, nobody is certain that these projects will complete at proper time. The dispute of NEA with two major power projects Bhotekosi and Khimti has already sent wrong signals to the potential investors outside.

The global economic recession will have significant impacts on the foreign investment. In this scenario, Nepal's power crisis seems to be worsening further. Handing over two cheapest projects Upper Karnali and Arun III with firm energy generation capacity to export oriented foreign companies, the Government has revealed its priority towards the long run power policy.

"We are committed to construct the proposed projects in accordance with our schedule. As most of these projects have already received the financial commitments from one or other companies, construction of the project seems to be not far away. Kulekhani III hydroelectric project and Chameliya Hydroelectric (30 MW) are now under constructions", said Uttar Kumar Shrestha, newly appointed Managing Director, NEA. Whatever the officials say about the power crisis, as long as politicians in power do not sincerely identify their own priority; the county will have to live without power for a long time. The time has come now to decide which should get the first priority: projects for internal consumption or export?



<http://www.nepalnews.com>, 14.11.08

India to Help Nepal Set up Power Trading Entity

India has entered into an agreement with Nepal to help it set up a power trading entity, which the Himalayan nation has asked for to be able to export power, on the lines of Power Trading Corporation of India.

"An agreement has been reached....India will have a 30 per cent equity stake while the rest will be owned by Nepal", Minister of State for Power Jairam Ramesh told. Ramesh and Nepalese Water Resources and Power Minister Bishnu Paudel had met to discuss various issues of mutual interest.

"The Nepalese minister told me that his Government wants to end the monopoly of Nepal Electricity Authority by setting up a Nepal Electricity Regulatory Commission under a new law.... It is what we did here by enacting the Electricity Act of 2003", he said.

Ramesh said by setting up an electricity regulator, Nepal wants to introduce competition in the power sector and boost the confidence of investors. With Nepal set to become a power exporting country by 2013, India has decided to convert power transmission lines between the two countries from the present 66 KV and 132 KV to 400 KV.

"While today Nepal is buying power from India, by 2013, it would be India which would purchase electricity from Nepal", said Ramesh, adding that the transmission line improvement project will be implemented in the next two years at a cost of Rs 200 crore.



The Hindu, 18.11.08

Govt Confused about Hydel Growth

Participants in a half-day seminar on 'Vision 2020: A Vision for Hydropower Growth' said that the Government was confused on how to achieve its goal of producing 10,000 MW of power within the next 10 years. The Government had prioritised the sector in its policy and programmes, and budget.

"The Government has failed to specify how the target will be achieved, which point to start from and where to end", said Gyanendra Lal Pradhan, Coordinator of Hydropower Development Forum of the Federation of Nepalese Chambers of Commerce and Industries (FNCCI).

But, Director General of the Department of Electricity Development Sriranjjan Lacoul said that license had already been issued for the projects to produce about 13,000 MW so far. Pradhan said the Government was yet to take the first steps toward realising its goal although national consensus had been achieved on the fact that the development of the hydropower sector was critical for national development.

He said that the country's existing installed capacity of just 619 MW was too small against the rising demand of energy in the country. The demand for power reaches 720 MW in the peak season, according to NEA. However, Pradhan was optimistic about the progress. "Much has been achieved over the last five years in the hydropower sector in terms of policy prioritisation", he said. Banks which were mostly reluctant to invest in the sector, are now eager to pour investment into it, thanks to the growing realisation among them that their investment would be safe in the sector, Pradhan added.

In the hydropower symposium organised by FNCCI to find out ways to realise the target, its President Kush Kumar Joshi stressed on the need on the part of the Government to ensure an investment-friendly environment to attract local and foreign investment in the sector.

"The country's saving of about Rs. 200 billion would not be sufficient for generating the targeted power within the next 10 years", he added. Lauding the Government's policy of public private partnership (PPP), he stressed that action should also be directed toward taking the private sector into its confidence.

Reminding about the recent petroleum problems, he stressed that the country should be self sustained on energy. Minister for Water Resources Bishnu Prasad Poudel said that many foreign investors were interested in investing in Nepal and the Government would take appropriate decisions by preparing a transparent base. Mentioning the Government's policy of producing 10,000 MW of power within the next 10 years and electrifying all households of the country, Poudel said that the objective would not be met without attracting local and foreign investors.

He also said that the Government would shortly be announcing a package with short-term and long-term measures to address the problem of load shedding by announcing that the 'country is in an energy crisis'.

Entrepreneurs say power cuts will cost Rs 59b

Entrepreneurs Monday said they expected load shedding to cause productivity loss to reach Rs 59 billion in 2008. Presenting a working paper in a seminar on 'Vision 2020: A Vision for Hydropower Growth', hydropower expert and entrepreneur Gyanendra Lal Pradhan said losses could reach Rs. 71.2 billion by 2010 if the situation was didn't change. He said that the country suffered a loss of around Rs 51.9 billion in productivity in 2007.

Concerning the losses power cuts have caused in various sectors, he suggested the Government provide NEA with a subsidy to purchase power generated by the private sector above the power purchase agreement. The country produces just 360 MW of power in the dry season. With the 70 MW Middle Marshyandi hydropower project's completion, total availability of power in the country will reach 430 MW in the winter. According to experts demand during this period reaches 721.73 MW.



Kantipur Report, 24.11.08



- [BHEL to Install Thermal Sets in Rajasthan](#)
– *Energy Business Review*,
- [Directive to Install Dry Transformers](#)
– *The Hindu*
- [Rajasthan Power Discoms Earn Record Revenue](#)
– *The Hindu*
- [A Biomass Gasifier System to Generate Electricity](#)
– *Business Standard*

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BHEL to Install Thermal Sets in Rajasthan

Bharat Heavy Electricals Limited (BHEL) has won a Rs 9.9 billion contract from Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNL) for installing two thermal sets of 250MW each (Units 3 and 4) in Rajasthan, India as an expansion project of Chhabra thermal power station.

BHEL said that it is already executing a contract for setting up two units of 250MW each (Units 1 and 2) at Chhabra thermal power station in Baran district of Rajasthan.

Slated for synchronisation during the 11th Five-Year Plan, these units will add 12 million units every day to the grid on commissioning, added BHEL.

BHEL's scope of work in the present contract envisages design, engineering, manufacture, supply, erection and commissioning of steam generators and steam turbine generators and associated auxiliaries with controls and instrumentation system. The equipment for the project shall be supplied by BHEL's Haridwar, Trichy, Ranipet and Bangalore plants, while BHEL's power sector in the northern region will undertake erection and commissioning of the equipment.



Energy Business Review, 02.10.08

Directive to Install Dry Transformers

The public sector Jaipur, Ajmer and Jodhpur power distribution companies in Rajasthan have instructed the owners of multi-storey residential and commercial buildings and cinema halls to compulsorily install dry transformers on the premises for supply of electricity.

The Chairman of the three Discoms, R G Gupta, said here that installation of wet transformers at clogged places on the ground floor in these buildings exposed them to the risk of mishaps. Gupta said new electricity connections at such places would be released only after ensuring that dry transformers along with fire-fighting equipment have been fitted.

Gupta said the Discoms had also noticed that the builders and developers were using transformers of low quality as a cost-cutting measure. "The use of these transformers leads to greater transmission losses", Gupta said.



The Hindu, 23.10.08

Rajasthan Power Discoms Earn Record Revenue

The three public sector power distribution companies in Rajasthan have set a record by earning revenue worth Rs 916 crore till October 2008, which is stated to be Rs 150 crore more than the revenue earned during the corresponding period in the previous financial year.

The Chairman of the Jaipur, Ajmer and Jodhpur power discoms, R G Gupta, said here that the record revenue earnings had been achieved as a result of a significant reduction in the transmission and distribution losses, improvement in electricity supply and good financial management.

The Jaipur discom had the highest share in revenue generation by earning Rs 405 crore. The three discoms had together earned Rs 765 crore till October during the previous financial year, with the Jaipur discom contributing 60 percent of earnings by netting Rs 320 crore. Gupta said the revenue earnings of the three discoms in April 2008 amounted to Rs 562 crore and they shot up to Rs 718 crore by September 2008.



The Hindu, 05.11.08

A Biomass Gasifier System to Generate Electricity

In order to generate multiple applications of electricity out of agricultural waste, a villager in Rajasthan has developed a biomass gasifier system, to convert agriculture waste into electrical power. The system used for converting the biomass into producer gas which is used as a fuel in running diesel engine, can be useful for application mainly to operate the pump sets in remote fields and houses for lifting water, to operate saw machines, flour mills and to generate electricity for domestic uses.

Ahemdabad-based Society for Research and Initiatives for Sustainable Technologies and Institutions (SRISTI) has extended a support worth Rs 10 lakh to the innovator, Rai Singh Dhaiya. "About 20 kgs of dry bio-waste can run an engine of about 30HP for an hour and the innovator is supplying 25, 35 or 50 HP DG Set (with used engine and alternator) at about Rs 2-2.5 lakh per piece. More than 58 units have already been installed by Dhaiya in various villages", said Rajeev Singhal, Chief Innovation Manager of Grassroots Innovations Augmentation Network (GIAN) North.

The biomass gasifier system comprises an updraft gasifier surrounded by water jacket, a gas cleaning cum cooling train (in two stages) and a modified engine which does not need diesel/petrol. The producer gas containing tar and char is passed through filter cum cooler. The clean and cool gas is passed to second stage of filter having various size of grits arranged in specific manner. The tar and char free gas is passed to engine through mixing chamber. Ratio of air to producer gas is adjusted by hearing the knocking. The bio-waste may include agricultural residues, wood chips, straws etc. which in turn can be used to run an engine, stoves and furnace.

On an average wood requirement is 1 kg/kw-hr. Initial cost of 10 kW, 25 kW, 30 kW and 35 kW biomass gasifier system is Rs 1.25 lakh, 2 lakh, 3 lakh and Rs 3.25 lakh respectively. Besides the productive use of agricultural waste, the system reduces the dependency of diesel etc to run the generating set and can run in the absence of electricity or power cut. Currently, SRISTI has helped the innovator apply for patent.

While SRISTI has been scouting innovations by farmers, artisans and women at the grassroots level, GIAN scales up innovations from the database of the National Innovation Foundation (NIF), which was set up by the Department of Science and Technology.



Business Standard, 27.11.08



- [Solar Power Plant on Anvil](#)
– *Your Renewable News*
- [WBSEDCL Aims Rs 7,500 cr Business in 2008-09](#)
– *Business Standard*
- [Land Acquisition Fears Hit Power in Bengal](#)
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Solar Power Plant on Anvil

West Bengal Green Energy Development Corporation (WBGEDC) has invited "expression of interest" from various developers for setting up a roof-top solar energy harvesting mechanism.

"The corporate houses or commercial buildings with roof top area more than 50,000 sq ft would be eligible for submitting an application", said SP Gon Chowdhury, Managing Director, WBGEDC. He said that corporate houses with 50,000 sq ft or more roof top area can set up "high efficient" solar power plant capable of generating 250 KW of power. He said Wipro has already expressed interest for setting up the proposed solar power plant.

The corporate houses would be able to sell power to different state power utilities at Rs 11 per unit as per the State Electricity Regulatory Commission (SERC). He said the WBGEDC has already spoken to different power utilities like CESC, West Bengal State Electricity Distribution Corporation (WBSEDCL), and DPL. All these power utilities have agreed to buy solar power from the corporate

houses. They would be providing the solar power generated to the grid with the help of a transformer. A metre would be fitted to record the total amount of transmission and accordingly the corporate houses would receive the 'preferential' tariff.

He described this as "win-win" situation for the corporate houses as they would be entitled to tax benefits and can also ask the United Nations Framework on Climate Change for Carbon Credit. But prior to the application, the corporate houses would have to take post country clearance from ministry of environment and forest.

Gon Chowdhury said that the power utilities would be benefited as it is mandatory for them to buy 10 percent renewable energy by 2012 as per Renewable Energy Port Folio (RPF) standard.



Your Renewable News, 13.11.08

WBSEDCL Aims Rs 7,500 cr Business in 2008-09

The West Bengal State Electricity Distribution Company (WBSEDCL) today said it was aiming at total revenue of Rs 7,500 crore and a surplus of between Rs 500 and Rs 600 crore during the current fiscal. We had achieved revenue of about Rs 6,500 crore and earned a surplus of Rs 131 crore during 2007-08. In 2008-09, the total revenue is expected to be Rs 7,500 crore with a surplus of Rs 500 to Rs 600 crore, if coal supply to power plants remains smooth", WBSEDCL Chairman M K De said here.

Interacting with the members of the Merchant Chamber of Commerce, De said the projected power export could have been possible then the profit would have been another Rs 400 crore more. The West Bengal State Transmission Company posted a profit of Rs 78 crore from revenue of Rs 436 crore. The company was projecting a turnover of Rs 446 crore during 2008-09.

"We have been able to export only 895 million units as against projection of over 5,000 million units during 2007-08. This is due to failure of the new power plants commissioned during the year", De said. During the year, the West Bengal Government had projected to add 1,570 MW. However, during the current year so far, only 1,000 MW capacity has been added to the system.

Owing to failure to meet the targeted export due to commissioning of new plants and shortage of coal, WBSEDCL has slashed power export projection to 2,600 million units. "Given the coal supply situation, we do not hope to meet even this target", De said.



Business Standard, 27.11.08

Land Acquisition Fears Hit Power in Bengal

At least six projects in West Bengal aimed at expanding the power distribution network have been stalled because farmers, fearful that their land would be seized, have not let a state-owned utility company erect transmission towers on the plots they own.

At stake is the development of Rajarhat town – an extension of Kolkata – where a large number of real estate firms are building high-end condominiums and information-technology parks and the Tata Group is constructing a cancer hospital, and that of the Dankuni-Shaktigarh industrial belt which straddles the districts of Hooghly and Burdwan. Unless transmission cables are installed within a few months, the construction of properties at Rajarhat would have to stop, real estate developers say.

"We do not need to acquire land to erect towers. There is, in fact, no provision for land acquisition under the Electricity Act", said Moloy De, Chairman of the West Bengal State Electricity Board, which controls the state's power generation and distribution companies. "We have never faced this problem before. It's always been so easy".

Typically, the West Bengal State Electricity Transmission Company Ltd – a government-owned firm that distributes power to seven million consumers across the state except in Kolkata – issues notices to the public indicating the plots on which it plans to erect towers. Owners of those plots are entitled to crop compensation if the crop is damaged during erection of the tower.

"Typically, people would haggle for compensation, even if crop wasn't damaged, but now they would not even let us go near their fields. So even ground surveys have become impossible", said an official of the State Electricity Board (SEB). He spoke on condition of anonymity because he isn't authorised to speak to the media. "The police are reluctant to help, and political parties, which earlier wouldn't oppose erection of towers, are now up in arms wherever we go", he added.

Not having anticipated the problem, the state electricity board has already spent at least Rs 300 crore to build six substations – which reduce the voltage and transmit electricity for domestic and industrial consumption – but cannot connect them to the main grid. One such is the 132KV Rajarhat substation, which was built to distribute up to 250MW of power to hundreds of thousands of households and offices.

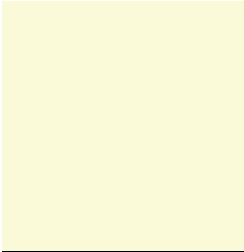
The Ambuja Realty Group, which is building a number of properties in Rajarhat, has been hit hard. Its Ujwala Apartments project, with capacity to house around 450 families, is ready for possession, but does not have power supply. So far, only 40 families have moved in, and the real estate developer is running diesel generators to supply power to these flats.

The Tata cancer hospital in Rajarhat is expected to be launched in the next five to six months. Around the same time, Ambuja Realty's 400,000 sq. ft mall and a 150-room five-star hotel are expected to be ready. But the government might not be able to start supplying power to Rajarhat before these projects are ready.

"We had expected the infrastructure to be ready (by now)...we had to find a solution for the people who have moved in, but it's an additional burden", said Harsh Vardhan Neotia, Chairman of the Ambuja Realty Group. Almost all real estate projects in Rajarhat are behind schedule by at least six months. Demand for housing has slowed, but more importantly, real estate developers do not want their properties to be ready before the power lines have been installed. "We are doing our best to build a consensus among locals across the state", said De of the SEB, but he is not sure when the stalled projects could be restarted.



Live Mint, 01.12.08



Best Viewed in IE-5.0 or above with a screen resolution of 1024x768 pixels.