

इनर्जी डेभलोपमेन्ट काउन्सिल

Energy Development Council

Heritage Plaza II (Block C & D), Kamaladi, Kathmandu, Nepal
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Nepal Energy Security

Decision to be taken	Line Ministry	Time Frame
1. All duties and value added taxes on electric vehicles, electric cooking stoves and energy projects to reduced to 0.1%	Ministry of Finance via cabinet decision/ordinance	Short term
2. Facilities for "Assembled In Nepal" Electric Vehicles, electric induction cooking stoves, solar energy products, hydropower electromechanical and hydropower mechanical equipment to be declared as per the following: A. Zero Customs/Import Duties on all imported parts and tools B. Zero Value Added Tax C. Income tax waiver for first 10 years and 50% Income Tax discount for next 5 years D. Automatic Placement inside Special Economic Zone if desired by proponent E. Accelerated Depreciation in Year 11 for EV's F. Government Banks to provide loans at 2% lower than average market interest rate of commercial banks for EV's and 3% lower for consumers of EV's and electric induction cooking stoves G. Regular electricity connection to be guaranteed for EV's H. All Government approvals waived I. Land Lease to be provided on minimum lease for 30 years with multiple renewable terms and waiver of VAT on construction materials of the assembly plant J. Security of Assembly Plant with compensation against any vandalism and forced closures due to labor and general strikes K. Upfront 5 Year working visa to be provided for all foreign workers and consultants. L. CIP Status for EV assembly companies M. Duty and Tax waivers for exports of electric vehicles assembled in Nepal	Ministry of Finance via cabinet decision/ordinance/ budget	Short term
3. Uniform tax structure for all solar products and rationalization of applicable tax; remove Renewable Energy	Ministry of Finance	Short term

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Test Station and AEPC approval and include clear transparent safeguards.		
4. Promote low cost finance for solar rooftop installations; accelerate deployment and access to Central Renewable Energy Fund	Ministry of Finance	Short term
5. Nepal-China BIPPA Agreement	Ministry of Finance	Short term
6. Nepal-China Power Trade Agreement	Ministry of Energy and endorsed by Cabinet	Short term
7. Drafting of Nepal's Energy Act via independent expert committee appointed by the cabinet.	Ministry of Energy via Cabinet	Short term
8. Adequate long-term regulatory and structural protection to private sector to build solar microgrids across the nation	Ministry of Energy Via ordinance	Short term
9. "Take or Pay" Power Purchase Agreements for all power projects and abolishment of "Dispatchable" Power Purchase Agreements.	Ministry of Energy via Cabinet to instruct NEA Board	Short term
10. PPA rate for all power projects to be increased by % for all projects achieving Commercial Operation within December 2020 plus escalation of % for all such projects to be provided throughout the full term of the PPA.	Ministry of Energy via Cabinet to instruct NEA Board	Short term
11. PPA posted rate for waste, solar, and other renewable sources as well as for storage based hydropower projects.	Ministry of Energy via Cabinet to instruct NEA Board	Short term
12. Environmental Impact Assessment for all power projects and Run-off-River hydro projects up to 100MW to be waived and only one single IEE for the entire project including the transmission line required.	Ministry of Energy via Ministry of Environment via Cabinet	Short term
13. Posted rate for storage based hydropower projects to be declared.	Ministry of Energy via Cabinet to instruct NEA Board	Short term
14. All transmission lines in Nepal to be contracted to Nepal Army via the newly established National Transmission Line Company and removal of all clearances except an I.E.E for such lines.	Ministry of Energy via Ministry of Defence via Cabinet	Short term
15. Forest approval for all power projects to only require ministry level approval and the "Payment for Environmental Services" and land "gift" to Government clauses to be deleted.	Ministry of Energy via Ministry of Forest via Cabinet	Short term
16. Nepal Electricity Authority Management to be outsourced via global competitive bidding with target to generate 2500 MW and turn the utility into a profitable entity within this time.	Ministry of Energy via Cabinet	Short term

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17. Nepal Electricity Authority to be restricted from developing any “Run off River” hydropower projects and any hydro power projects below 100 MW capacity	Ministry of Energy to instruct NEA Board	Short term
18. IPPs should be allowed to use NEA's transmission line and grid facility for selling the electricity to its clients other than the NEA (Wheeling facility)	Ministry of Energy	Short term
19. Introduce net metering and Feed-in-Tariff rates for household level power generation.	Ministry of Energy	Short term

ENERGY
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