

Khorlochhu Hydropower Project Moves Forward with Major Contract Awards

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The Khorlochhu Hydropower Limited (KHPL), a joint venture between Druk Green Power Corporation (DGPC) and Tata Power Company Limited (TPC), has taken a significant step forward with the signing of major contracts for the 600 MW hydropower project.

During its first extraordinary general meeting, the KHPL board awarded contracts worth Nu 16.8 billion for the construction of the dam and powerhouse to Jaiprakash Associates Limited (JAL) and Construction Development Corporation Limited (CDCL).

Key appointments, including the Chief Executive Officer and Chief Finance Officer, were also finalized. Additionally, the board approved the contract award for the supply of aggregates and crushed sand.

The dam construction contract, valued at Nu 9.7 billion, was awarded to JAL. The powerhouse construction contract, worth Nu 4.99 billion, was shared between JAL and CDCL, with CDCL undertaking 20% of the work, aligning with the initial agreement to prioritize Bhutanese firms. The State Mining Corporation of Bhutan secured a Nu 873 million contract for the supply of aggregates and crushed sand.

The secretary of the Ministry of Energy and Natural Resources (MoENR), Karma Tshering, said that three major civil works contracts were signed with JAL and CDCL.

With an estimated completion cost of Nu 69 billion, the Khorlochhu project is slated for commissioning by 2029. Upon completion, it will generate approximately 2,524 MU annually. Bhutan will utilize most of the energy generated during winter, while surplus energy produced in summer will be supplied to Tata Power Trading Company Limited, a subsidiary of TPC.

The Khorlochhu project aligns with Bhutan's strategic vision of achieving an additional 15,000 MW of hydropower and 5,000 MW of solar power generation capacity by 2040.

DGPC and TPC have also initiated initial consultations for the implementation of the 1,125 MW Dorjilung hydropower project.