Press Release

The framework "Inter-Governmental Agreement between the Royal Government of Bhutan and the Government of the Republic of India concerning development of Joint Venture Hydropower Projects through the Public Sector Undertakings of the two Governments" was signed on 22 April 2014 in Thimphu by Mr. Sonam Tshering, Secretary, Ministry of Economic Affairs, Royal Government of Bhutan and Shri P.K. Sinha, Secretary, Ministry of Power, Government of India.

Hydropower cooperation with Bhutan is a classic example of win-win cooperation, providing clean electricity to India, generating export revenues for Bhutan, and further strengthening our bilateral economic linkages. Three hydro-electric projects (HEPs) totaling 1416 MW, viz., the 336 MW Chukha HEP, the 60 MW Kurichu HEP, and the 1020 MW Tala HEP, are already operational in Bhutan and are supplying electricity to India. Three more HEPs totalling 2940 MW, i.e., the 1200 MW Punatsangchu-I HEP, the 1020 MW Punatsangchu-II HEP and the 720 MW Mangdehchu HEP, are under construction, and are scheduled to be commissioned by 2018.

The above Inter-Governmental agreement provides the framework for implementing four HEPs totalling 2120 MW, subject to completion of the due process of appraisal of their DPRs including techno-economic viability, on a JV-model between PSUs of the two countries, as follows:-

Capacity and Name of HEP	JV partners
600 MW Kholongchu HEP	SJVN Ltd. of India and Druk Green Power Corporation (DGPC) of Bhutan
180 MW Bunakha HEP (with 230 MW downstream benefit from Tala, Chukha and Wangchu HEPs)	THDC Ltd. of India and Druk Green Power Corporation (DGPC) of Bhutan
570 MW Wangchu HEP	SJVN Ltd. of India and Druk Green Power Corporation (DGPC) of Bhutan
770 MW Chamkarchu HEP	NHPC Ltd. of India Druk Green Power Corporation (DGPC) of Bhutan

The signing of the above IGA will enable the commencement of the above projects, strengthening our hydropower cooperation, and further cementing our strategic partnership with Bhutan.

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New Delhi/Thimphu
22 April 2014