

**Cabinet Press Release**  
**February 23, 2014**

The 26<sup>th</sup> Lhengye Zhungtshog held on 18 February 2014 at the Tashichhodzong approved the Detailed Project Report (DPR) of 180 MW Bunakha Reservoir Hydroelectric Project (BRHEP) for implementation.

The DPR for 180MW BHEP was prepared by M/s Water and Power Consultancy Services (WAPCOS) India Ltd and the Agreement for DPR updation was signed between the erstwhile Department of Energy, RGoB and the Tehri Hydro Development Corporation Limited (THDC), India on 24<sup>th</sup> June 2010. The Ministry of Power, GoI had cleared the DPR in January 2014. The reservoir will enhance energy generation of the existing and future downstream projects, namely, Chukha, Tala and Wangchhu Hydroelectric Projects particularly during the lean season (September - March).

As regards to the readiness of the project for implementation, the two Governments have already exchanged the Inter-Governmental (IG) Agreement for the JV projects in September 2012 and initialed the Agreement in December 2012. The Project has been identified for development through Joint-Venture mode between DGPC and THDC. DGPC and THDC will have equity shareholdings at 50% each. The Inter-Governmental Agreement for JV Projects was finalized with GoI in December 2013. The project is planned to be built in 69 months, which includes 12 months of pre-construction time. The cost of the project at May 2013 price level is estimated at Nu. 29,527.90 million.

The public consultation meeting on the project benefits and impacts was held on 20<sup>th</sup> October, 2012 at Chhukha. No objections were raised during the meeting except for the request of wetland substitution.

The Socio-economic Impact Assessment studies were conducted by the Indian Council of Forestry, Research and Education, India and was further updated by the National Statistical Bureau, Thimphu. The budget provision for Rehabilitation & Resettlement was estimated at Nu. 58.70 million.

The land acquisition was to be in line with the relevant Acts, Policies and Rules in force. The NSB study reported that the total land requirement corresponded to 2,027.94 acres, out of which 47.13 acres (10.74 acres of wetland) is private land while the rest is the Government Reserved Forest (GRF) land.

As per the Environment Impact Assessment studies carried out for the project, the project is found to have minimal and manageable adverse environmental and socio-economic impacts, which can be addressed duly through adequate mitigation and prevention measures in accordance with the various laws, rules and regulations in force.

The Lhengye Zhungtshog also decided that the support needed for successful implementation of the project will be provided by all agencies and the National Environment Commission will complete the clearance works.

Cabinet Secretariat  
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