###### **CHAPTER 8: ENERGY**

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he major source of energy in Bhutan has traditionally been firewood, which is available in abundant quantities from the country’s extensive forests. Firewood still represents the majority of energy consumption. Electricity generation, though still relatively small in comparison with the rest of the world is growing in importance. Up until recently, electricity generation was based on small diesel generating and micro hydro stations, providing limited supply of electricity, which was supplemented by imports from India. With the commissioning of the first two units of Chukha Hydel Projects in 1986, and the other two units in 1998 Bhutan substantially increased its electricity generation and became a significant exporter of electricity to India.

Two big projects” Kurichu Hydro power project”and “Tala Hydel Power Project” will substantially improve the energy generation in the country. Domestic consumption of electricity has been marginal but should increase with the ongoing emphasis through Rural Electrification Programs in emphasis. Other forms of energy as the solar, wind and biomass energy are being explored. Number of villages electrified increased from 331 in 1995/96 to 646 villages in 2000/2001. This trend is a positive indication of the prospective reduction of dependence on fuel wood as a source of energy, in the near future.