# CHAPTER 8 ENERGY

The major source of energy in Bhutan has traditionally been firewood, and still represents the major source 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 Chhukha Hydro 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.

The Chhukha Hydro power with the installed capacity of 336 MW, the Kurichu Hydro power with 60 MW and Basachu Hydro Power with 24 MW generated 1830.42 MU, 374.5 MU and 314.3 MU respectively in 2007. With the commissioning of mega “Tala Hydro Power Project” with the installed capacity of 1020 MW, there is a substantial increase in the energy generation of the country. During the year 2006/07 it has generated 1979.2 Million Unit of electricity. In 2007, the total electricity generation was 6422.6 Million Unit (MU). Domestic consumption of electricity has been marginal but should increase with the ongoing emphasis on Rural Electrification Programs. Other forms of energy such as the solar, wind and biomass energy are being explored. Number of villages electrified increased from 1318 in 2005/06 to 1761 villages in 2006/07. This trend is a positive indication of the prospective reduction of dependence on fuel wood as a source of energy, in the near future.

