



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

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Press Release

MCA-Nepal Signs Contract to Construct 400 kV New Butwal Substation at Nawalparasi (Bardaghat Susta West)

Nawalparasi (Bardaghat Susta West). In a milestone achievement, MCA-Nepal has awarded and signed a contract with Linxon India Pvt. Ltd. for the construction of the 400 kV New Butwal Substation in Nawalparasi (Bardaghat Susta West) district in Lumbini Province. The 400 kV Gas Insulated Switchgear (GIS) substation will be constructed within the contract duration of 39 months.

Mr. Kul Man Ghising, the Managing Director for Nepal Electricity Authority (NEA) and His Excellency Dean R. Thompson, the U.S. Ambassador to Nepal, local authorities and elected representatives were also present at the signing ceremony in Bhumahi, Nawalparasi (Bardaghat Susta West) today.

Speaking at the event, Ambassador Dean R. Thompson stated, "The U.S. Government is committed to working with the Government of Nepal to ensure that the compact delivers on Nepal's energy needs. The 400 kV New Butwal Substation will improve Nepal's transmission capacity contributing to reliable and affordable electricity for household consumption, expanded commercial and industrial enterprises and cross-border electricity trading."

NEA Managing Director Mr. Kulman Ghising said, "The 400 kV substation has been a priority for NEA and will supplement the existing 220 kV substation to significantly increase cross-border energy trade in the region."

During the event, MCA-Nepal Executive Director Mr. Khadga Bahadur Bisht highlighted the overall progress being made in the implementation of the MCC Nepal Compact, stating "MCA-Nepal is expediting all works for the construction of the transmission lines and substations under the Electricity Transmission Project. We are at the final stages of the procurement process to sign the contract for the construction of the remaining two substations as well."

Along with this substation, MCA-Nepal is constructing two other substations in Ratmate, Nuwakot district and Damauli, Tanahun district under the Electricity Transmission Project funded by the U.S. Government's Millennium Challenge Corporation (MCC) and the Government of Nepal. The contractors for the remaining two substations are being selected.

The MCA-Nepal Board, chaired by the Secretary at the Ministry of Finance, decided in its March board meeting to advance the 18 km Nepal portion of the New Butwal-Gorakhpur power transmission line to facilitate timely initiation of cross-border power trade as outlined in the agreement with India.

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The Government of Nepal established MCA-Nepal on 18 April 2018 under Development Board Act, 2013 BS as the accountable entity to implement a program co-funded by Nepal and US Government's Millennium Challenge Corporation.

Lal Durbar Convention Centre, Yak & Yeti Complex, Durbar Marg, Kathmandu
+977-01-4540951 | info@mcanp.org | www.mcanp.org

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