



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

Date: 31 July 2024

Press Release

MCA-Nepal Completes Signing of All Three 400 kV Substations

Kathmandu. MCA-Nepal is proud to announce that it signed the final substation contract with Techno Electric and Engineering Company Ltd. (TEECL), India to construct a US\$ 38.89 million 400 kV substation in Damauli, Tanahun district. With this, MCA-Nepal has completed the award of contracts for the construction of all three 400 kV substations as part of implementing the Millennium Challenge Corporation (MCC) Nepal Compact.

Once completed, the New Damauli Substation will have a capacity of 1000 Mega Volt Ampere, making it one of the largest substations in the country along with the Ratmate Substation for which the MCA-Nepal signed a contract with the same company in June 2024. The New Damauli Substation will serve as a critical point of connection for power flow with the Ratmate, Lekhnath and New Butwal Substations.

Mr. Khadga Bahadur Bisht, Executive Director at MCA-Nepal, and Mr. Rajiv Agarwal, Director-Commercial at TEECL, India signed and exchanged the contract in the presence of Hon. Minister for Energy, Water Resources and Irrigation Dipak Khadka, U.S. Ambassador to Nepal Dean R. Thompson, MCA-Nepal Board Members, TEECL Managing Director Mr. Padam Prakash Gupta and officials from NEA along with MCC and MCA-Nepal officials.

Addressing the event, Hon. Minister for Energy, Water Resources and Irrigation Dipak Khadka expressed his belief that the substations would significantly contribute in strengthening the electricity distribution system in Nepal to pave the way for economic prosperity. He also urged all concerned stakeholders to strengthen efforts for the timely completion of the project.

Dr. Ram Prasad Ghimire, Secretary, Ministry of Finance and MCA-Nepal Board Chair said, "The progress is a good indication of MCA-Nepal's ongoing efforts to implement the MCC Nepal Compact. The three substations are essential to Nepal's growing energy sector and will help ensure a reliable power sector to enhance industrial and commercial activities for the economic growth in Nepal."

Speaking at the event Ambassador Thompson said, "Today, standing together with the Government of Nepal, Ministry of Finance, Ministry of Energy, Water Resources and Irrigation, the Nepal Electricity Authority, and MCA-Nepal, I'd like to acknowledge the important role each of you has played in the progress of this project and shaping a brighter future for Nepal." He further added, "The MCC Nepal Compact is going to be an important part of our shared success story, working with Nepal to power Nepali homes, power the Nepali economy, create jobs, and reduce poverty through inclusive and sustainable economic growth."

MCA-Nepal Executive Director Mr. Khadga Bahadur Bisht said, "It is indeed a remarkable milestone to sign all three substation contracts while approaching the one-year anniversary of

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Lal Durbar Convention Centre, Yak & Yeti Complex, Durbar Marg, Kathmandu
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the launch of the Compact. I would like to acknowledge the support of the Government of Nepal and our key stakeholders – Ministry of Finance, the MCA Nepal Board, NEA and MCC for their continued support.”

Along with the three substations, the MCC Nepal Compact will fund the construction of up to 315 km of transmission line from Lapsiphedi, Kathmandu to the Nepal-India border in Nawalparasi (Bardaghat Susta West) under the Electricity Transmission Project. The bids for the 18 km cross-border transmission line have been received for evaluation. MCA-Nepal aims to award the contract in August. Likewise, preparations are on track to ensure the bids for the remaining 297 km of transmission lines are relaunched at the earliest possible this year. And, on the Roads Maintenance Project, MCA-Nepal is preparing to launch the Full Depth Reclamation procurement in August.

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