



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

Date: 15 June 2024

Press Release

MCA-Nepal signs second 400kV substation construction contract

Kathmandu. MCA-Nepal has awarded and signed a contract with Techno Electric and Engineering Company Ltd., India to construct a 400 kV Substation at Ratmate in Belkotgadhi Municipality -7 in Nuwakot district as part of implementing Millennium Challenge Corporation (MCC) Nepal Compact. The 400 kV Gas Insulated Switchgear (GIS) substation will be constructed within the contract duration of 39 months. Once completed, Ratmate Substation will have a capacity of 1000 Mega Volt Ampere making it one of the largest substations in the country. The new US\$ 51.6 million Ratmate Substation will serve as a critical interconnection of power transmission between the Lapsiphedhi and New Hetauda Substations.

Mr. Khadga Bahadur Bisht, Executive Director at MCA-Nepal, and Mr. Rajiv Agarwal, Director-Commercial at Techno Electric and Engineering Company Ltd., India signed and exchanged the contract in the presence of MCC and MCA-Nepal officials. With the execution of this contract, MCA-Nepal has signed two of the three substations construction contracts planned under the MCC Nepal Compact.

NEA Managing Director Mr. Kulman Ghising congratulated the MCA-Nepal team and stated, "The 400 kV Ratmate Substation, as envisioned in the Transmission System Development Plan of Nepal (TSDPN) is a critical component of Nepal's national power transmission system and yet another milestone in MCC Nepal Compact's contribution to the energy sector in Nepal."

Congratulating MCA-Nepal on the achievement, Ms. Diane L Francisco, Resident Country Director, Millennium Challenge Corporation (MCC) said, "The signing of the Ratmate Substation, the second of the three substations marks a significant stride forward as the MCC Nepal Compact builds momentum in its implementation. Over the next few years, we are confident that the progress of the MCC Nepal Compact will provide critical contributions to Nepal's growing energy sector, helping meet Nepal's evolving needs, bolstering Nepal's immense potential, and bringing prosperity to the Nepali people."

MCA-Nepal Executive Director Mr. Khadga Bahadur Bisht shared, "MCA-Nepal is expediting all works for the construction of the substations and transmission lines under the Electricity Transmission Project funded by the U.S. Government's Millennium Challenge Corporation (MCC) and the Government of Nepal. The contract for the third substation in Damauli is in the pipeline and the bids for the 18 km cross-border line are under evaluation. We are also at the final stages of the procurement process to invite bids for the construction of the remaining portion of the transmission line as well."

The 400kV Ratmate Substation will also have evacuation capacity of around 3,200 MW of power from hydropower projects and substations. The reliable power at various voltage levels at the substation will be available for distribution in Nepal to enhance industrial and commercial activities.

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.

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Along with three substations, the MCC Nepal Compact will fund the construction of up to 315 km of transmission line from Lapsipedi, 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.

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