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# 10 MW KANDAHAR SOLAR POWER PLANT

FEBRUARY 2017 - DECEMBER 2019

\$10 MILLION

## OVERVIEW

The 10 megawatt (MW) Kandahar Photovoltaic Power Plant is the first-ever private-sector investment in Afghanistan's renewable energy sector and began commercial operation on October 16, 2019. USAID provided \$10 million in incentive funds, by employing an innovative reverse auction platform, to select an Independent Power Producer (IPP) to build, own, and operate the plant.

The contractor, Dynasty Oil and Gas, Ltd. of India, signed a 15-year Power Purchase Agreement (PPA) with DABS, Afghanistan's national utility to build, own, and operate a new 10 MW power plant. DABS built a 6.5 km transmission line, which connects the plant to the national power grid.

## ACTIVITIES

- Solicit competitive bids from Independent Power Producers through a reverse auction held by DABS.
- Encourage private investment in the Afghan power sector through \$10 million in incentive funding to be paid to the developer in performance-based milestones payments.
- Construct a 10 MW photovoltaic power plant connected to the national power grid.

## ACCOMPLISHMENTS

- Construction completed and the final acceptance tests associated with the running and operation of the plant (i.e. hot commissioning) performed on October 16, 2019. The plant:
  1. Provides affordable power to 75,000 Kandahar citizens and to the Shorandam Industrial Park enabling additional private-sector investment in the area, and connects to the national grid via the Shorandam substation.
  2. Offsets diesel-generated power to save DABS approximately 5.3 million liters of fuel per year.
- Established a model approach for the Ministry of Energy and Water and DABS to successfully attract additional private sector investments in energy projects in Afghanistan.

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