10 MW KANDAHAR SOLAR POWER PLANT

AUGUST 2017 - AUGUST 2019

$10 MILLION

OVERVIEW

This 10-megawatt (MW) photovoltaic power plant is currently under construction outside of Kandahar. The project employed an innovative reverse auction platform to select an Independent Power Producer (IPP) to build, own and operate the plant. The auction was made possible with $10 million in incentive funds provided by the U.S. Agency for International Development (USAID). When complete, Kandahar Solar will be the first privately built and operated power plant of this capacity in Afghanistan.

The contractor, Dynasty Oil and Gas, Ltd., signed a 15-year power purchase agreement (PPA) with Afghanistan’s national utility, Da Afghanistan Breshna Sherkat (DABS), to build, own and operate a new 10-MW power plant. DABS committed to building the required 6.5 km of transmission line, which will connect the plant to the national grid. A formal groundbreaking ceremony, attended by local media and Afghan CEO Abdullah Abdullah, marked the start of construction in September 2017.
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 tranches
- Construct a grid-connected, 10-MW photovoltaic power plant

ACCOMPLISHMENTS

- Construction about 80 percent complete by May 2019. When finished, the plant should:
  1. Provide affordable power to 75,000 Kandahar citizens, power to the Shorandam Industrial Park to enable additional private-sector investment in the area and connect to the national grid via the Shorandam substation
  2. Offset sufficient diesel-generated power to save DABS approximately 5.3 million liters of fuel per year
  3. Provide a model for future private sector investments in the Afghan power sector.
- The contractor plans to cold commission (test) the first five MW of the power plant by July 2019.