



Expression of Interest (EOI) for

“Implementation of High Voltage Transmission Lines Through
Annual Required Revenue Based Competitive Bidding”

Market Sounding Questionnaire

Ref No: NEA-MS-ABCB-01

Date: 18 July 2025

Address: Nepal Electricity Authority, Durbarmarg, Kathmandu

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E-mail: bdd@nea.org.np



1.0 Introduction

- 1.1 Nepal Electricity Authority (NEA) has concluded Power purchase Agreements (PPA) of 11,185 MW of hydropower projects and has received PPA applications for another 12,894 MW of projects. There is an immense need for expansion of transmission capacity to evacuate the power of these hydropower projects. NEA firmly believes in the importance of private sector investments in building new high voltage transmission lines and overcoming the transmission backlog.
- 1.2 To promote the private sector investments in transmission sector, NEA intends to implement some of the major high voltage transmission lines through Public Private Partnership (PPP) model for which NEA wishes to carry out this market sounding exercise to identify potential and capable private parties interested in participating the Annual Required Revenue (ARR) Based Competitive Bidding (ABCB) process to Build, Own, Operate and Transfer (BOOT) the proposed transmission lines.
- 1.3 The proposed transmission lines for PPP are as follows:
- (i) New Khimti – Dhalkebar 400 kV Transmission Line
 - (ii) Tingla - Dudhkoshi – Dhalkebar 400 kV Transmission Line
 - (iii) Arun Hub (Sitalpati) – Inaruwa 400 kv Transmission Line
 - (iv) Lapsifedi – Teenpipla 220 kV Transmission Line

All or some of the projects mentioned above may be implemented through the proposed ABCB process.

- 1.4 NEA currently owns the license for the above-mentioned lines and will transfer the license, for certain years, to the successful bidder of ABCB process. In ABCB, the bidders are required to quote the ARR for the Contract period and the bidder with minimum Net Present Value (NPV) of the quoted ARRs will be awarded with the bid.
- 1.5 NEA will then enter the Transmission Service Contract (TSC) with the successful bidder, also referred to as the Transmission Service Contractor (hereafter referred as the Contractor). The Contractor will be required to design, finance, install, operate and maintain the transmission lines.
- 1.6 This proposed initiative of the NEA will eventually contribute to timely and cost-effective execution of the transmission lines and thus expanding the transmission capacity to help the Government in achieving its energy targets.

Note: It should be noted that this is not a procurement exercise. However, the interested parties may be requested, in due time, to respond to a formal Request for Proposal (RFP).

- 1.7 The parties who submit their interest through participation in this market sounding exercise shall be invited to take part in the Project Orientation Conference (POC) and Site Visits that NEA will conduct after the evaluation of the responses to the questionnaire.

2.0 Brief Description of the Project

(i) New Khimti – Dhalkebar 400 kV Transmission Line

This line originates from the existing New Khimti 400/220/132 kV substation and ends at existing Dhalkebar 400/220/132 kV substation. The length of the line is approximately 80 km. The line is a double



circuit with quad moose conductor. Currently, the detailed survey and IEE have been completed by NEA. Also, the construction license has been applied to DoED. The cost estimate for this line along with bay extension works is approximately 80 MUSD.

(ii) Tingla-Dudhkoshi-Dhalkebar 400 kV Transmission Line

This line originates from the proposed Tingla 400/132 kV substation and ends at existing Dhalkebar 400/220/132 kV substation via proposed Dudhkoshi 400 kV substation (670 MW Dudhkoshi Hydro Storage Project). The line length is approximately 118 km. The line is a double circuit with quad moose conductor. Currently, the detailed survey and IEE/EIA have been completed by NEA. Also, the construction license has been applied to DoED and is in progress. The cost estimate for this line along with a bay extension works is approximately 141.46 MUSD.

(iii) Arun-Inaruwa 400 kV Transmission Line

This line originates from the proposed Arun Hub (Sitalpati) 400/220/132 kV substation and ends at existing Inaruwa 400/220/132 kV substation. The line length is approximately 94 km. The line is a double circuit with quad moose conductor. Currently, the detailed survey and IEE/EIA have been completed by NEA. Also, the construction license has been applied to DoED and is in progress. The cost estimate for this line along with the bay extension works is approximately 80.7 MUSD.

(iv) Lapsifedi-Teenpiple 220 kV Transmission Line

This line originates from the existing Lapsifedi 400/220/132 kV substation and ends at proposed Teenpiple 220/132/66 kV substation. The line length is approximately 30 km. The line is a double circuit with twin moose conductor. Currently, the detailed survey has been completed, and the EIA process has been initiated. Also, the survey license has been obtained from DoED. The cost estimate for this line along with a bay extension for the existing substations is approximately 18 MUSD.

3.0 ARR Based Competitive Bidding (ABCB) Process and Transmission Service Contract (TSC)

The NEA intends to award the Contract of transmission line projects to a private promoter for a given period through ABCB and by entering TSC. NEA is assumed to obtain a survey license, conduct necessary surveys, IEE/EIAs and acquire transmission license before entering TSC.

TSC period is assumed to be 25 years including 3 years construction period. In ABCB, the bidders are required to quote the ARR for 22 years and the bidder with minimum Net Present Value (NPV) of the quoted ARRs will be awarded with the bid. The maximum deviation allowed in the quoted ARR for the consecutive years shall be 5%. ABCB will be carried out following the Single Stage Two Envelope procedure.

NEA by entering TSC with the successful bidder of ABCB will transfer the transmission license to the Contractor for the Contract period. The Contractor will then be responsible in all aspects to finance, develop, design, build, operate, and maintain the transmission lines.

NEA will provide all the documents including survey report, tower spotting, technical specifications, bill of quantities, IEE/EIA reports and any other documents that are available to NEA before TSC.

TSP will then be required to take over the projects and carry out the necessary activities as specified in the scope of works in TSA including land acquisition, tree cutting, construction of transmission lines etc.

TSP will also be responsible for obtaining the necessary clearances from the agencies concerned and abide by the relevant grid codes and technical standards.

NEA will start to pay the Contractor on a monthly basis once the facilities are declared to be in operation as per TSC till the end of the agreement period irrespective of the quantum of the power flowing through

the facilities. The monthly payment will be calculated by dividing the quoted ARR for that year by twelve.

In the event of delayed completion of the project by the Contractor, the payment of ARR will be deducted on the pro rata basis plus the liquidated damage will be imposed by NEA, the total amount of such damage not exceeding 10% of total evaluated NPV.

In the event of delayed completion due to Force Majeure, the TSC period can be extended to the extent of the period of Force Majeure occurrence.

The contractor may either design the towers on their own or use NEA's design of tested towers by paying the applicable charges to NEA.

All the taxes and duties applicable as per the laws of Nepal during the construction and operation of the lines shall be the liability of the Contractor.

4 Instructions to potential private promoters

- 4.1 Interested parties wishing to respond to this market sounding questionnaire are kindly requested to answer the questions in part A and to complete their contact details in part B. Interested parties are requested to answer all questions included in part A.
- 4.2 In respect of the questions which include a rating scale, the answer should be marked with a tick mark (✓ or X) in the relevant field.
- 4.3 Interested parties who wish to comment on issues related to the Project but are not included in this Questionnaire can complement their views on these issues in Section 2 of Part A of the Questionnaire.
- 4.4 The submission must include all forms included in Part B duly completed with all details requested, including any other documents deemed fit by the interested firms.
- 4.5 The completed questionnaires could be sent via e-mail or could be submitted in hard copy to the following address:

Business Development Directorate,
Nepal Electricity Authority
Durbarmarg, Kathmandu
Phone: +977-1-4153132, 9851180666
Email: bdd@nea.org.np

- 4.6 The deadline for submission of the responses to Market Sounding Questionnaire is on 18 **August 2025** at **13.00 hrs (Nepal Standard Time)**.
- 4.7 After the market sounding exercise, potential private promoters may be contacted for further discussions on any clarifications on their submissions. This may include a presentation to the NEA with the aim of enabling the NEA to fully understand the submissions of the firm and any clarifications which may be required on the project.

5 Indicative Project Schedule Through ABCB

Milestone	Timeline
Invitation for Bids	Zero date
Pre-bid meeting, clarification and amendments	+ 45 days
Bid Submission (Technical and Financial)	+60 days
Technical Bid Evaluation and Financial Bid Opening	+90 days
Financial Evaluation and LOI	+30 days
TSC Signing	+15 days
Required Commercial Operation Date	Within 36 months from signing of TSC

6 Disclaimer

The NEA reserves the right not to accept the views and proposals of interested parties that will respond to this questionnaire and explicitly states that this questionnaire is not a call for tenders or a pre-qualification questionnaire.

In addition, this questionnaire does not intend to bind any interested entities as to the content of their answers, and this questionnaire will not be taken into consideration during the assessment of the private promoters for any future project implementation.

Completion of the questionnaire will not commit any party to participate in further stages of the process and failure to complete the questionnaire will not prohibit entities from participating in the future private promoter selection process. During the market sounding process, all liabilities of NEA are excluded.

Note: This market sounding is not a procurement exercise and shall in no way make an obligation on NEA to invite or enter into a contract with any identified private promoter.



PART A**1. Project Attractiveness**

- 1.1. Would you be interested to participate in a ABCB process regarding the transmission line projects defined in section "2. Brief description of the project"?

1.Total lack of interest	2. Limited interest	3. Average interest	4. Strong interest

If you have chosen (1) or (2) for the question above, please provide further details regarding:

- (a) The reasons for your limited interest, and
 (b) The factors that could stimulate your interest for participating in this process

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- 1.2. Would you be interested, in addition to question 1.1 above, to finance with appropriate financing tools (such as debt capital or bonds) all the costs for the design, install, test, commission, operate and maintain the transmission lines based on the indicative procurement process outlined in Section 3.0?

1.Total lack of interest	2. Limited interest	3. Average interest	4. Strong interest

If you have chosen (1) or (2) for the question above, please provide further details regarding:

- (a) The reasons for your limited interest, and
 (b) the factors that could stimulate your interest for providing financing

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- 1.3. Has your organization ever participated in a PPP Agreement for a particular project development?

YES	NO

If yes, please provide related information thereto.

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- 1.4. What are your comments and suggestions on the indicative Project Schedule timeline to design, install, and test and commission of the transmission lines at Section 5.0?

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- 1.5. The NEA is proposing to pay the revenue on a monthly basis for 22 years. Also, the deviation between the quoted ARR for consecutive years shall not be more than 5%. Would you be interested?

1.Total lack of interest	2. Limited interest	3. Average interest	4. Strong interest

If you have chosen (1) or (2) for the question above, please provide further details regarding:

- (a) The reasons for your limited interest, and
- (b) The financial model and factors that could stimulate your interest

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- 1.6. What is the ideal number of years for leasing such a project?

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- 1.7. Which project parameters would attract you to participate in this process?

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- 1.8. Based on past experience, which risks that relate to this specific project do you consider as the most important?

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- 1.9. Do you consider the project attractive from an investment point of view? Please provide your specific suggestions which you consider that in this phase of the project would improve the attractiveness of the investment.

1. Not at all	2. Slightly	3. Moderately	4. Very

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- 1.10. Which repayment options would you consider as the most suitable to this project?

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- 1.11. Does your organization have experience: (a) in developing transmission lines (at least 132 kV over the past ten-year period)?

1. Not at all	2. Slightly	3. Moderately	4. Very

Please define the type, capacity and years of experience with reference to transmission line projects.

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- 1.12. Does your organization have experience in investing in projects related to the development, operations and Maintenance of any kind of energy projects such as hydropower, solar PV plants, transmission lines, substations etc ?

1.Not at all	2.Slightly	3.Moderately	4.Very

- 1.13. Please mark with a tick mark (✓) in the relevant field to indicate the financial capacity of your organization to finance the following range of project sizes.

Zero	Up to 50 MUSD	Up to 100 MUSD	Up to 250 MUSD	Up to 500 MUSD

- (a) If zero, please provide related information how would your organization raise the necessary funding for these transmission line projects and what is the time frame required?

- (b) If higher, indicate access to sources of financing, such as liquid assets, lines of credit, loans and other financial means, available to meet the total construction costs for implementation of the project.

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- 1.14. Do you intend to sub- contract part of the works or will require partnership with other partners?

YES	NO

- (a) If yes, please provide details

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- 1.15. What technology and innovation can you bring to this project to promote sustainability,

efficiency and affordability.

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- 1.16. The private promoter will have to demonstrate the availability of minimum key personnel to typically take the following positions under the project as per list provided below.

Project Manager,
Transmission Line Design Engineer

Electrical Engineer

Civil or Structural Engineer

Environment Safeguard Officer

Social Safeguard Officer

What other key staff do you think may be deemed necessary for this project. List them.

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- 1.17. Are you aware of relevant authorities' standards and applicable legislations governing energy sector in Nepal.

YES	NO

(a) If yes, please provide details

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- 1.18. Please indicate if a PPP model, whereby the private promoter finances, designs, installs, tests , commissions the necessary infrastructure of Transmission Lines and thereafter operates and maintains for certain years and transfers the same to the Public Body is a workable model for the private sector. Please give your views.

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PART B**Participant's Contact Details:**

NAME OF THE COMPANY or FIRM:	
ADDRESS:	
PLACE OF INCORPORATION OR REGISTRATION (FOR FIRM)	
YEAR OF INCORPORATION OR REGISTRATION (FOR FIRM)	
CONTACT PERSON:	
E-mail:	
PHONE:	
FAX:	

Note:

- *Use additional sheets for each member if under a proposed joint venture or consortium*

What type of organization is your firm? Please select.

FINANCIAL INVESTOR	
HYDROPOWER/SOLAR DEVELOPER	
CONSTRUCTION FIRM	
FINANCIAL INSTITUTION/BANK	
OTHER (PLEASE DEFINE)	

LETTER OF SUBMISSION

[Letterhead of the Potential Private Promoter, or managing member of a joint venture or consortium, including full postal address, telephone no., fax no., telex no., and cable address]

Date:

**To: Business Development Directorate,
Nepal Electricity Authority
Durbarmarg, Kathmandu
Phone: +977-1-4153132
Email: bdd@nea.org.np**

Dear Sir

1. Being duly authorized to represent and act on behalf of and having reviewed and fully understood all the information provided in the Market sounding document, the undersigned hereby makes submissions for the "Implementation of High Voltage Transmission Lines Through Annual Required Revenue Based Competitive Bidding" project.
2. This Market Sounding is made with the full understanding that: this market sounding is not a procurement exercise and there is no guarantee that the NEA will shortlist or award a contract with the private promoter. The NEA may reject or accept any private promoter, cancel the market sounding process, without being liable for any such actions and shall be under no obligation to inform the private promoter of the grounds for such actions.
3. All correspondence in relation to this Market sounding is to be addressed to:

Business Development Directorate,
Nepal Electricity Authority
Durbarmarg, Kathmandu
Phone: +977-1-4153132
Email: bdd@nea.org.np

4. We declare, that by signing this Form of Application form any information submitted are complete, true and correct.



Signed Name

For and on behalf of *(name of Potential private promoter or lead
Promoter of a joint venture or consortium)*

Attachment: Company Registration Certificate

 