

CASA 1000 Project Overview

1. CASA 1000 project achieved a major milestone on April 23, 2015, when the core project agreements viz. the Master Agreement and the Power Purchase Agreements between the four participating countries (Afghanistan, Kyrgyzstan, Pakistan and Tajikistan) were signed in Istanbul. The loan agreements between the countries and the World Bank were also signed on the same day. It took almost 7 years to reach this stage after signing of the Intergovernmental Agreement in August 2008. This is a major achievement considering that the interests of the four countries had to be balanced and uniformity brought about on the issues about which the countries had divergent views on many occasions.
2. The CASA 1000 project is a path breaking project for interregional cooperation between Central Asia and South Asia. The project will improve the power systems of the participating countries by transferring surplus seasonal energy from the Central Asian countries to the energy deficit countries in South Asia during the months of May to September. This would eventually lead to establishment of a regional electricity market that would benefit all the participating countries in the region.
3. The CASA 1000 project would transmit 1300 MW of power through 750 km. of HVDC line passing through Kunduz, Baghlan, Panjshir, Kapisa, Parwan, Kabul and Nangarhar, in Afghanistan. Out of this 1300 MW, 300 MW would be used by Afghanistan and balance 1000 MW by Pakistan. This would be the first project of its kind in technological terms, since it would have a record three convertor stations (located at Sangtuda in Tajikistan, Kabul in Afghanistan and Peshawar in Pakistan) on a single HVDC line.
4. The total estimated cost of CASA 1000 project is 1.2 billion USD, out of which the largest share (about 34%) amounting to 404 million USD would be for the HVDC facilities in Afghanistan. The funding of the Afghanistan portion of the project have been completely tied up, most of which is in the form of grant from the World Bank. Funding for the execution of the project in the other countries has also been almost tied up.
5. Afghanistan would be paid a Transit Fee @1.25 US cents per KWH for the electricity that is transmitted over the CASA 1000 line for Pakistan. This is expected to bring revenues of USD 60 million every year to Afghanistan.
6. The power tariff agreed for the CASA 1000 electricity for Afghanistan is 8.01 US cents for Tajikistan power and 8.11 for power received from Kyrgyzstan.
7. The project now enters into the implementation phase. The road ahead is arduous. There are several challenges including the security concerns. These concerns are currently preventing the European majors such as ABB, Alstom and Siemens to participate in the bids for the HVDC converter stations. Efforts are being made by IFC and the respective Governments to instil confidence amongst these bidders.
8. The project envisages open access during the Non-Supply period of 7 months, from October to April, for optimal utilisation of the HVDC transmission infrastructure.