

No. 10/1/2014-OM
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, the dated 18th September, 2014

To

Chairperson,
Central Electricity Authority,
Sewa Bhawan, R.K. Puram,
New Delhi

✓ Chief Executive Officer,
POSOCO,
Katwaria Sarai,
New Delhi

Madam,

Approved Guidelines / procedures for Disbursement of fund from Power System Development Fund is enclosed for further necessary action.

Yours faithfully,



(Ghanshyam Prasad)

Director

Tel. / Fax No. 23716674

E-mail : ghanshyam_prasad@yahoo.com

Encl: As above

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Guidelines / Procedure for Disbursement of Fund from Power System Development Fund

1. Background

- 1.1. These Guidelines/Procedure are issued in accordance with Ministry of Power Letter No.29/9/2010-R&R (Vol-II) dated 10th January, 2014, wherein the approval of the Cabinet was conveyed regarding scheme for operationalization of the Power System Development Fund (PSDF), hereinafter referred as "MoP Communication" and Central Electricity Regulatory Commission (Power System Development Fund) Regulations, 2014 dated 9th June 2014, and as amended from time to time and hereinafter referred as "Fund Regulations".
- 1.2. The procedure for disbursement of funds from the PSDF is envisaged to be consistent with the provisions of MoP Communication and the Fund Regulations for utilization of funds. However, in case of any inconsistency due to literal interpretation of the Guidelines/Procedure, the provisions contained in MOP Communication and Fund Regulations shall prevail.

2. Constitution of the Fund

- 2.1. As per Fund Regulations, PSDF has been constituted for crediting balance amounts received under pool accounts maintained by the National Load Despatch Centre (NLDC) / Regional Load Despatch Centres (RLDCs) under various regulations of the CERC.
- 2.2. According to the Fund Regulations, the authorized agencies for maintaining and operating the pool accounts with respect to Congestion Charges in real time, Deviation Settlement Charges, Reactive Energy Charges and Congestion Charges due to the explicit auction in transmission corridors are RLDCs, whereas the authorized agency for collecting the Congestion Amount through Power Exchanges is NLDC.

3. Transfer of Payments to the Fund

- 3.1. NLDC/RLDCs collect Congestion Charges, Congestion Amount, Deviation Settlement Charges, Reactive Energy Charges and such other Charges as may be notified by the Commission under the respective regulations and process the same in line with such regulations. The balance amounts in the respective account of these charges will be regularly transferred to the credit of the PSDF on monthly basis, by 7th of the subsequent month. Adjustment, if any, which could not be given effect to at the time of transfer of balance to PSDF in the previous month will be carried out in the subsequent month. In case of Reactive Pool Accounts, which are settled at the end of financial year, the transfer of the small residual amounts to the Fund shall take place at that point of time.

A separate account shall be maintained by NLDC for receipt of money from the various Regulatory Pool Accounts maintained by the RLDCs and NLDC for subsequent transfer to PSDF.

4. Scope

- 4.1. NLDC has been designated as the Nodal Agency for implementation of schemes under this procedure.
- 4.2. The Regional Power Committees, Generating Companies, Transmission Licensees, Distribution Licensees, Load Despatch Centers as the case may be, shall furnish necessary details of the projects, schemes or activities to the Nodal Agency for funding of the schemes from PSDF. For the purpose of this Procedure the above agencies shall be called the "project entities" and shall come within the scope of this procedure. The proposals received by the Nodal Agency which are complete in all respects as per the Guidelines/Procedure shall be forwarded to the Appraisal Committee.
- 4.3. An Appraisal Committee headed by Chairperson, CEA has been constituted in accordance with the Fund Regulations and MoP Communication and shall carry out the scrutiny (techno-economic appraisal) and prioritization of the various project proposals to be funded from PSDF.

In accordance with para 5.2 of the MoP Communication, the Appraisal Committee will undertake techno-economic appraisal of the projects with the assistance of CEA and prioritize them.

In accordance with the para 9.1 of the MoP Communication, the Appraisal Committee in consultation with Ministry of Power will evolve a mechanism to evaluate the implementation of the projects by laying down objective quantifiable financial and technical outcome parameters for each category of projects funded under the scheme.

In accordance with para 9.2 of the MoP communication, the Appraisal Committee shall constitute a group of officers from CEA and CTU to monitor the implementation of the projects/schemes and recommend action to be taken in case of default and delay in implementation.

To achieve the above objectives, a group shall be constituted headed by Member (GO&D), CEA. The officers from CEA, CTU and the Nodal Agency shall provide the necessary assistance.

- 4.4. After scrutinizing of the proposals by the Appraisal Committee, the Nodal Agency will approach the Central Commission, along with the recommendations of the Appraisal Committee, for ascertaining that the projects / scheme(s) / activities are covered within the scope of Fund Regulations. The Nodal Agency shall also inform the project entity who has submitted the proposal, about the recommendation of the Appraisal Committee.
- 4.5. Central Commission shall look into the various aspects of the proposal with respect to relevant clauses specified in the Fund Regulations and communicate to the Nodal Agency whether the proposed projects are in line with the principles defined in PSDF regulations, 2014 and have been prioritized in accordance with the principles envisaged in these regulations.

- 4.6. The Central Commission, at this stage shall not go into the details of the project cost, which will be examined by the Appropriate Commission only at the time of filing of tariff petition by the project entity to ensure inter alia that the tariff in respect of such project / scheme is not claimed for the portion of grant from the PSDF.
- 4.7. Based on the communication received in this regard from the Central Commission, the Nodal Agency shall approach the Monitoring Committee for sanction of the fund from the PSDF.
- 4.8. An Inter-Ministerial Monitoring Committee under the Chairmanship of Secretary (Power), Government of India, as per MoP Communication and the Fund Regulations, will consider the projects of entities for sanction of the cost estimates based on the recommendations of the Appraisal Committee and communication of the Central Commission.

This Committee will also supervise and monitor the implementation of various projects sanctioned by it. Based on sanctioned amount by the Monitoring Committee, the funds will be released to the project entities from the Budget of Ministry of Power in accordance with the extant rules/instructions for administrative sanction/approval and release of funds. The release of funds from PSDF will be regulated as per the extant instructions of the Ministry of Finance.

5. Utilization of the Fund

- 5.1. In accordance with the Fund Regulations as amended from time to time and MoP Communication, the following categories of projects will be eligible for funding from PSDF:
 - (a) Creating necessary transmission systems' of strategic importance based on operational feedback by Load Despatch Centers for relieving congestion in Inter-State Transmission Systems (ISTS) and intra-state system which are incidental to the ISTS.
 - (b) Installation of shunt capacitors, series compensators and other reactive energy generators including reactive energy absorption, dynamic reactive support etc. for improvement of voltage profile in the Grid.
 - (c) Installation of standard and special protection schemes, pilot and demonstrative projects, projects for setting right the discrepancies identified in the protection audits on regional basis, any communication/measurement/ monitoring scheme including installation of Phasor Measurement Units (PMUs) etc.
 - (d) Renovation and Modernization (R&M) of transmission and distribution systems for relieving congestion.
 - (e) Any other scheme/project in furtherance of the above objectives, such as, conducting technical studies and capacity building, etc.
- 5.2. PSDF shall also be utilized for the projects proposed by distribution utilities in the above areas which are incidental to inter-state transmission system and have a bearing on grid

safety and security, provided that these projects are not covered under any other scheme of the Government of India, such as Restructured Accelerated Power Development & Reforms Programme (RAPDRP), Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) / National Electricity Fund (NEF) etc (as per para 4(2) of the Fund Regulations).

- 5.3. Other schemes benefiting large number of utilities collectively and having a significant impact towards the power system development and grid operation shall also be considered for funding from PSDF, on case to case basis.
- 5.4. Private sector projects are not eligible for assistance from the fund.

6. Funding Pattern

- 6.1. Funding towards projects/schemes shall be in the form of grant only and such assistance in the form of Grant in Aid will be subject to all the applicable terms and conditions prescribed under the General Financial Rules of Government of India and extant instructions issued by Ministry of Finance from time to time relating to Grant in Aid Assistance. Assistance through interest subsidy or grant of financial assistance at concessional rate of interest shall not be considered.
- 6.2. The minimum threshold levels of project outlays for schemes to be considered for funding from PSDF shall be Rs. 5 Lacs.
- 6.3. Subject to availability of Funds and admissibility, the quantum of grant towards the Project Cost Estimate as accepted by Appraisal Committee shall depend on the type of project/scheme as deliberated above under para 5.1(a) to 5.1(e) and shall be as follows:
 - (i) Upto 75% grant for schemes mentioned in para 5.1(a) & 5.1(d) above
 - (ii) Upto 90% grant for schemes mentioned in para 5.1(b) & 5.1(c) above
 - (iii)Upto 100% grant for schemes mentioned in para 5.1(e) above.
 - (iv)Schemes from the States of North-Eastern region and other hilly States viz J&K, Sikkim, Himachal Pradesh and Uttarakhand shall be eligible for grant upto 100%, notwithstanding the percentage limits specified in 6.3 (i) and 6.3 (ii) above.
- 6.4. The Appraisal Committee shall recommend the amount of grant to the various schemes based on the funding pattern as stated above and subject to availability of the funds in PSDF.
- 6.5. Grants will be sanctioned by the Monitoring Committee on the basis of the type of project/scheme as stated above. Escalation, if any, in the cost of the schemes shall be borne by the project entity.
- 6.6. The budget provision towards grant for the schemes pertaining to North-Eastern Region shall be made separately.

7. Submission, Scrutiny and Prioritization of schemes

- 7.1. The entities while submitting the schemes for funding from PSDF shall furnish necessary details of the projects/ schemes including DPR to Nodal Agency to facilitate

identification, prioritization and appraisal of the schemes by the Appraisal Committee. Five (5) hard copies (including one original) and one soft copy of the required documents of the scheme shall be submitted to the Nodal Agency.

7.2. The proposal of schemes submitted for funding from PSDF shall have the following details in the formats enclosed at format A1 to A6:

- a) Summary of proposal
- b) Scheme details including detailed project report (DPR)
- c) Financial implication of the scheme and BOQ
- d) Project appraisal by CTU/ STU/RPC
- e) Basis of Cost estimates and other parameters
- f) Project Implementation plan including Time frame for implementation
- g) An undertaking stating that:
 - No tariff shall be claimed for the portion of the scheme funded from PSDF.
 - Amount of grant shall be refunded in case of transfer/disposal of the facility being created under this proposal to any other scheme for funding.
 - If for the scheme under the proposal, the grant from any other agency is being taken / proposed to be taken.
 - The amount of grant shall be refunded back to PSDF in case of non-utilisation of the grant within one year of release of installment.

7.3. The DPR should include Background, Project Objectives, Beneficiaries, On-going initiatives, Technology, Management arrangements, Cost Estimates, BOQ, Time Frame PERT chart, Success criteria and Sustainability. Any other specific requirement may be sought at any time by the Appraisal Committee.

7.4. The DPR should also include Single Line Diagram and other schematics clearly highlighting the proposed scheme equipment getting replaced / renovated.

7.5. Prioritization

7.5.1. While prioritizing the schemes, the intent would be to include those schemes which are planned with the objective to render special help towards power system development and not forming a part of business as usual.

7.5.2. Prioritization shall be done mainly on the criteria of the schemes (i) addressing grid safety and security concerns; (ii) being of national importance; (iii) being in the order of National/Multi utility/Regional/State importance; (iv) being inter-state in nature.:

7.5.3. Large number of schemes shall be considered rather than large size schemes.

8. Monitoring

8.1. Monitoring and implementation of projects/schemes shall be carried out by a Group of Officers appointed by the Appraisal Committee in accordance with para 9.2. of the MoP Communication. This group shall submit the Monitoring Reports along with the Action Taken Reports to the Appraisal Committee and to the Ministry of Power on a quarterly basis. This group shall also recommend action to be taken in case of default and delay in implementation of the schemes.

8.2. The Inter-Ministerial Monitoring Committee will also monitor implementation of the scheme in addition to issuing/amending Guidelines/Procedure from time to time. The committee will also be empowered to review and revise the benchmark cost norms. Utmost care and due diligence will be done to rule out any duplicity with any other existing scheme.

9. Disbursement

9.1. Nodal Agency shall open a separate Bank Account for receiving the funds from Public Account and onward disbursement to project entities.

9.2. Application for release of funds from the PSDF shall be accompanied by the documents and details as mentioned at Annex - I, depending on the stage of execution of the project.

9.3. The disbursement of the funds shall be carried out in a phased manner for schemes in all categories which are approved for funding from PSDF. As a normal practice, the release of the funds shall be made in three installments as per the details given below:

- (i) First Stage: 30% of the grant after issuance of Letter of Award
- (ii) Second / Intermediate Stage(s): 60% of the grant after utilisation of the grant disbursed in first installment and consumption of self contribution of the entity
- (iii) Final Stage: Balance 10% of the grant shall be released on completion of the scheme

However, if any other specific funding pattern different from the pattern mentioned above, is desired by the project entity, then entity shall mention the same at the time of submission of the proposal to the Nodal Agency. The Monitoring Committee may consider the same at the time of sanction of funds for the scheme submitted by entity.

9.4. Specific physical milestones which would be required to be achieved for the project for release of various instalments will be indicated in the project sanction order.

9.5. A separate Bank Account will be maintained by the entity for the component of grant from PSDF and this grant will be deposited in that designated bank account. Any interest earned on the grant in the bank account maintained by the entity or any unspent amount of the grant portion of PSDF shall be reduced while making demand for final installment. Any residual amount including interest if any, after completion of the project shall be returned to PSDF.

9.6. The fund flow will be tracked under the Public Financial management System (PFMS) platform right from the stage of disbursement by MoP to the Nodal Agency to the stage of disbursement of funds to the implementing agencies.

10. Ineligible Expenditures

Any expenditure which is not directly related and exclusively spent towards the implementation of the scheme shall not be counted as eligible expenditure. The ineligible expenditure shall include:

- i) Cost of Land
- ii) Interest during construction
- iii) Administrative Expenditure including salary
- iv) Contingent liabilities
- v) Costs resulting from the deferral of payments to creditors

11. Execution, Operation & Maintenance of the Assets

The project entity shall be responsible for the execution as well as Operation & Maintenance of the projects during its useful life. Operation and Maintenance of the Project / scheme shall be governed in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 or tariff regulations of the Appropriate Commission as the case may be, as amended from time to time or any subsequent enactment thereof.

12. Annual Report, Review and Modification

An Annual Report of the fund including the projects undertaken during the year, together with the Balance Sheet and Audited Accounts shall be submitted to the Central Government and for information to the Central Commission. The Annual Report shall also be laid on the table of both Houses of Parliament through the Ministry of Power.

Monitoring Committee may review these Guidelines / Procedure from time to time.

List of Documents

	List of documents	First Stage	Second/ Intermediate Stage(s)	Final Stage
a)	PSDF Sanction Order by administrative division of MoP	✓		
b)	Agreement duly signed by the entity	✓		
c)	Authorized representative and Bank details to which the funds are to be transferred	✓		
d)	Letter of award, Invoices	✓		
e)	Likely Statement of Expenditures (SOE) for the works to be taken up/ Statement of Expenditure in respect of the completed work	✓	✓	✓
f)	Inspection reports and certificates for completed portion of the scheme		✓	✓
g)	Project Status reports including the details of the physical and financial timelines		✓	✓
h)	Utilization Certificate for the utilized portion of the Funds		✓	✓
i)	Proof of expenditure/Auditor's certificate for expenditure incurred corresponding to the scheme.		✓	✓
j)	Completion and commissioning certificates / Taking over Certificate (wherever applicable).			✓

SUMMARY OF PROPOSAL

For Official Use - To be filled by the Nodal Agency

Project Proposal Number : _____

Date of Receipt : _____

To be filled by the Requesting Organization / Project Entity

1. Name of the requesting Organization / Utility :	_____
2. Short Summary of Project / Scheme / Activity	_____
a. Name and location of the Project / Scheme / Activity :	_____
b. Objective of the Project / Scheme / Activity :	_____
c. Authorized Person For this Project / Scheme / Activity	Name : _____ E-mail ID : _____ Land line No : _____ Mobile No. : _____ Fax No : _____
d. Nature of the Project / Scheme / Activity: Inter – State / Intra – State (Please Specify)	_____
e. Identified Beneficiaries	_____
f. Merits of the scheme	_____
g. Limitations, if any	_____
h. Time frame for Implementation	_____
i. Estimated Cost of Project / Scheme / Activity	_____
j. Category under which the project is classified (Please refer Para 5.1 of the Guidelines/Procedure)	_____

Date: _____

Signature: _____

Name: _____

DETAILED PROPOSAL (DP)

1. Details of the Requesting Organization / Project Entity

1.1 Details of Organization / Entity

Name of Organization / Entity	
Acronym or Abbreviation (if applicable)	

1.2 Details of Head of the Organization

Name (Mr / Ms / Mrs)	
Designation	
E-mail Address	
Landline No.	
Fax No.	
Address	
City	
Postal Code	

1.3 Details of Project Incharge / Project Manager (Authorized Person) for this project/ scheme/ activity (Not below the rank of Dy. General Manager / Superintending Engineer)

Name (Mr / Ms / Mrs)	
Designation	
E-mail Address	
Landline No.	
Mobile No.	
Fax No.	
Address	
City	
Postal Code	

Any Change in above mentioned details may be notified to the Nodal Agency of PSDF immediately.

2. Justification of the Proposal

This justification of proposal shall be the basis of procedure for scrutinization and sanction of the proposal to be funded through PSDF. Please fill the details from 2.1 to 2.6.

2.1 Analysis of the Objective

Please provide the concise technical analysis in such a way that it will give clear understanding of depth and intensity of the objective of the project. This may include:

- The problem / constraint to be addressed
- Objective of the project / scheme / activity
- How the problem / constraint would be addressed through the project / scheme / activity
- Required physical additions / equipment in the power system
- Financing and other commercial details
- Merits and limitations (if any) in the implementation of the project/ scheme/ activity.

The description should be specific & precisely elaborate on each issue.

Identify the specific beneficiaries of this project/ scheme/ activity. Explain specifically how they benefit from the project/ scheme/ activity implementation.

Signature: _____

Name: _____

Date: _____

2.3 Identified Source of Funding

Wherever the project is to be funded partly through self-contribution and partly through grant from PSDF as per categorization of the project, both internal and external sources of funding may be specified alongwith respective quantum of funding.

2.4 Details of Activities for Project / Scheme / Activity

Describe the activities that need to be undertaken in order to produce the desired results. The activities may include technical and feasibility studies, research etc., wherever they are applicable.

2.5 Executing Agency

Give the details of the executing agency including their performance record, justification behind the recommendation of the particular executing agency for implementing this project/ scheme/ activity.

2.6 Time line for Implementation of Project / Scheme / Activity

Describe the time line for implementing this project/ scheme/ activity including the target list of activities that need to be undertaken for the defined durations between timeline

Timeline of the Project / Scheme / Activity

Duration of Project (in Months)	
Likely Start Date	
Likely Completion Date	

Timeline of Activities

S.No.	Description	Year	2014 – 15											
			Month	M1	M2	M3	M4	M5	M6	M7	M8	M9	M8	M9
1.	Project Approval													
2.	Bid Preparation													
3.	Bidding Period													
4.	Evaluation, Contract Award and Mobilization													
5.	1st Disbursement													
6.	Project Status Report													
7.	2nd Disbursement													
8.	Project Status Report													
9.	3rd Disbursement													
10.	Project Status Report													
11.	4th Disbursement													
12.	Project Status Report													

Date: _____

Signature: _____

Name: _____

(Authorized Representative)

Summary of Detailed Project Report (DPR)

A Detailed Project Report (DPR) may be given which should include Background, Project Objectives, Beneficiaries, On-going initiatives, Technology, Management arrangements, Cost Estimates, Time Frame, Success criteria and sustainability.

A brief summary of DPR alongwith the Single Line Diagram (SLD) may also be provided

Summary of DPR given - Yes / No.

Copy of the DPR attached. – Yes / No.

Sample Format for DPR Summary of Sub-station R & M is as below.

Similar formats have to be devised for any other scheme / project/ activity

Cost break-up of Sub-station equipment

**Name of
the
Substation
:**

Sr.No.	Description of the equipment to be replaced(rating, type)	Unit (Nos./Sets)	Quantity	rate including taxes	total	spares	erection/civil works	total
400 kV								
220 kV								

Note : One table for each substation

Abstract cost estimate Sub-station (Rs. In Lacs)							
Sr. No.	Description of equipment	Sub-station Name-1	Sub-station Name-2	Sub-station Name-3	.	.	Total
400 kV							
220 kV							

details of existing equipment

**Name of the
Substation :**

Sl. No.	Name of Feeder	Equipment Name	year of Manufacturing and make	date of Commissioning	voltage	no. of cores available (in case of CT/PT)	type of insulation /operation	tagged for replacement (yes/no)	reas n fo rep eme t
400 kV									
220 kV									

Note : One table for each substation

Date: _____

Signature: _____

Name: _____

(Authorized Representative)

Abstract Quantity estimate Sub-station							
Sr. No.	Description of equipment	Sub-station Name-1	Sub-station Name-2	Sub-station Name-3	.	.	Total
	400 kV						
	220 kV						

Implementation schedule / milestones
target for physical milestones

Particular	Total	Quarter-1	Quarter-2	Quarter-3	Quarter-4	-	-	-	Last Quarter
No. of CB									
No of isolators									
no. CVT									
no of relays									
no. of CTs									
-									

target for financial milestones

description of amount required	Total	Quarter-1	Quarter-2	Quarter-3	Quarter-4	-	-	-	Last Quarter

Date: _____

Signature: _____

Name: _____

(Authorized Representative)

Financial Implication of the Scheme

(Guidelines: The financial implications of the proposal may be worked out as accurately as possible and should be detailed in this section. Further, the manner in which the expenditure is proposed to be borne may also be clearly indicated. Please provide the project cost estimate for its scheduled duration along with a break-up of year-wise, component-wise expenses segregated into non-recurring and recurring expenses.)

1. Summary

S.No.	Item	Amount in Rs.
1.	Total Cost Estimate	
2.	Funding Proposed from PSDF	
3.	Contribution from Internal Sources	
4.	External Borrowings	

2. Details

2.1 Cost Estimate

Give the detailed cost estimate for implementing the project/ scheme/ activity and attach the management / government approval of the cost estimate and funding.

Basis for Cost estimates and Other parameters: The basis of calculations of the cost estimates on which the management / government approval has been given has to be detailed in this section. The supporting documents of the reliability of the cost estimate and BOQ may be attached as Annexure

Any ineligible expenditures as per Guidelines/Procedure should be excluded from the Project Cost Estimate.

3. Funding

3.1 Funding Proposed from PSDF as grant

Give the details of amounts proposed from PSDF as grant

3.2 Contribution from Internal Sources

Give the details of contribution of your organization in implementation of this project/ scheme/ activity, if any

3.3 External Borrowings

Give the details of sources and amounts tied up through external borrowings, if any

Date: _____

Signature: _____

Name: _____

(Authorized Representative)

Brief Details of the Project Appraisal by CTU / STU / RPC

The applicant utility shall submit project appraisal by CTU / STU / RPC in the given format and a copy of the Appraisal Report should be attached at Annexure

Item	Details to be filled by Applicant Utility
Appraisal By:	CTU <input type="checkbox"/> STU <input type="checkbox"/> RPC <input type="checkbox"/>
Date of Submission to CTU / STU / RPC for approval	
Name of the Scheme	
Details of the Appraisal Report by CTU / STU / RPC (Attached at Annexure)	Reference. No : _____ Date: _____
Summary of observations from CTU/ STU/RPC Appraisal Report	Summary of Proposal Appraised
	Technical Observations
	Financial Observations
	Compliance of Grid Standards / Codes by the Applicant
	Limitations / Shortcomings pointed out by CTU/STU/RPC if any
	Recommendations of CTU/STU/RPC

Date: _____

Signature: _____

Name: _____

(Authorized Representative)

UNDERTAKING

(On a Non-judicial Stamp paper of Rs. 50 only duly notarized and attested)

I, Dr./ Mr./ Ms.....son/daughter/wife of.....
resident of.....
.....(full address) and presently working as in
the.....
hereby undertake to comply with the following terms and conditions with regard to funding of the
.....(name of the scheme) with disbursement
from PSDF:

- No tariff shall be claimed for the portion of the scheme funded from PSDF.
- Amount of grant shall be refunded in case of transfer/disposal of the facility being created under this proposal to any other scheme for funding.
- Shall specifically mention if for the scheme under the proposal, the grant from any other agency is being taken / proposed to be taken.
- The grant shall be refunded back to PSDF in case of non-utilisation of the grant within one year of release of installment.

Date: _____

Signature: _____

Name: _____

(Authorized Representative)

Recommendations of the Techno-Economic Sub-Group

<i>(to be filled by Nodal Agency)</i>	
Project Proposal Number:	
Name of the Proposed Scheme:	
Project Cost Estimate as given by the executing entity (Rs.)	
Proposed grant requested by the executing entity from PSDF (Rs.)	
Self-Contributions proposed by the executing entity (Rs.)	
(a) Internal Source of Funding	
(b) External Source of Funding	

<i>(to be filled by Techno-Economic Sub-Group)</i>		
S. No	Item	Observations / Remarks of the Sub-Group
1.	Whether Techno – Economic Sub-Group has recommended the grant from PSDF? (Yes / No)	
2.	Details of Techno-Economic Report (Report to be attached as Annexure)	Reference No.- Date -
3.	Summary details about the Recommendation of the Techno – Economic Sub-Group a) Technical Feasibility b) Performance Parameters c) Reliability of Proposed Cost Estimate d) Proposed Sources of Funding	
4.	a) Project cost estimate as recommended by the Techno-Economic Sub-Group. b) Category under which the scheme is recommended by the Techno-Economic Sub-Group in line with para 5.1 of the Guidelines/Procedure c) Grant to the entity recommended by the Techno-Economic Sub-Group from PSDF (Rs.)	

Signature of the Techno – Economic Sub-Group Members

Signature	Signature	Signature	Signature
Name: (Member 1)	Name: (Member 2)	Name: (Member 3)	Name: (Member 4)

Recommendations of the Appraisal Committee

(to be filled by Nodal Agency)

Project Proposal Number:	
Name of the Proposed Scheme:	
Date of Receipt of Project Proposal	
Project Cost Estimate as given by the executing entity (Rs.)	
Proposed grant requested by the executing entity from PSDF (Rs.)	
Self-Contribution by the executing entity (Rs.)	
(a) Internal Source of Funding	
(b) External Source of Funding	

(to be filled by Appraisal Committee)

Sr. No.	Item	Observations / Remarks of the Appraisal Committee
1.	CTU / STU / RPC Appraisal available (Yes/No)	
2.	Techno – Economic Sub-Group Report available (Yes/No)	
3.	Whether Appraisal Committee recommends the grant from PSDF to this project(Yes / No)	
4.	Total Project Cost Estimate accepted by the Appraisal Committee (Rs.)	
5.	Category and Quantum of Funding (in line with Para 5.1 & 6.3 of Guidelines/Procedure)	
6.	Total Grant recommended by the Appraisal Committee from PSDF (Rs.)	

Signature

Name:
(Member Secretary)

Signature

Name:
(Chairman)

Request for Release of Instalment

Project Proposal Number

Sanction Order No..... for sanction of grant from PSDF

Sl.No. of Instalment (First / Second / Third)

(Tick whichever is applicable)

Date of Submission:.....

To

PSDF Secretariat
National Load Despatch Centre
New Delhi – 110 016

- 1. On the basis of the above sanction from PSDF, it is requested to release instalment of grant with details as indicated below:**
 - a) Total Accepted Project Cost Estimate is Rs.....
 - b) The total amount of grant sanctioned from PSDF is Rs.....
 - c) The total amount already claimed under sanctioned grant from earlier instalments is Rs..... which forms(%) of the sanctioned grant.
 - d) The total amount already invested as self-contribution in the project / scheme / activity is Rs..... which forms(%) of the Project Cost Estimate.
 - e) The amount requested as grant from PSDF against this instalment is Rs..... which forms(%) of the sanctioned grant.
- 2. We hereby certify and agree as follows:**
 - a) The information given as above is correct as per records maintained for the purpose.
 - b) No claims have been submitted to PSDF Secretariat for payment earlier in respect of the invoices being submitted against above instalment.
 - c) The work to be carried out under the above project is as per the sanctioned scheme and is in line with Technical Standards / Guidelines issued by CEA or any other such Authority.
 - d) All claims for expenditure incurred are from the date of sanction of projects by Monitoring Committee
 - e) A separate Bank Account will be maintained by the entity for the component of grant from PSDF and this grant will be deposited in that designated bank account. Any interest earned on the grant in the bank account maintained by the entity or any unspent amount of the grant portion of PSDF shall be reduced while making demand for final installment. Any residual amount including interest if any, after completion of the project shall be returned to PSDF.

Date

Signature:

Name:

Seal:

(Authorized Representative)

Utilization Certificate

Project Proposal Number

Sanction Order No..... for sanction of grant from PSDF

Sl.No. of Instalment (First / Second / Third)

(Tick whichever is applicable)

Date of Submission:.....

It is certified that:

- A. In respect of the project / scheme / activity, the accepted Project Cost Estimate is
Rs.....**
- B. The total amount of grant sanctioned is Rs.....**
- C. The amount already released from the sanctioned grant under earlier instalments is
Rs.....**
- D. The amount already utilized from the released instalments is
Rs.....which forms (%).....of the already earlier disbursed grant.**
- E. The total estimated self-contribution in the approved scheme / project / activity is
Rs.....out of which Rs.....has already been invested which
forms (%).....of the Approved Project Cost Estimate.**
- F. I have satisfied myself that the conditions on which the grant was sanctioned during the
financial year have been duly fulfilled and that I have exercised the checks as are found
necessary to ensure that the money was actually utilized for the purpose for which it
was sanctioned as per data furnished above.**

Date

Signature:

Name:

Seal:

(Authorized Representative)

Countersigned by the Head of the Organization / Utility

Date

Name & Seal

**Agreement
(On Stamp paper)**

AGREEMENT

AMONGST

NODAL AGENCY OF PSDF,

GOVERNMENT OF¹

AND

.....²

THIS AGREEMENT entered into this.....day of..... Two Thousand.....AMONGST

National Load Despatch Centre (NLDC) operated by Power System Operation Corporation Ltd. (POSOCO), a company incorporated under the Companies Act, 1956 having its registered office at B – 9, Qutub Institutional Area, Katwaria Sarai, New Delhi – 110016 (herein after referred to as “Nodal Agency”) as party of the First part.

AND

STATE OF¹, through SECRETARY, DEPARTMENT OF POWER, Government of¹ (herein after referred to as “Government of¹” which expression shall include his successors in office”) having its office atas party of the Second part.

AND

.....², a body constituted under Electricity Act, 2003 duly owned by Government of¹, having its Head Office at (hereinafter referred to as “ENTITY” which expression shall unless repugnant to the context or meaning thereof include its successors and assignee) as party of the Third part.

OR

.....², a company incorporated under the Companies Act 1956 having its registered office at (hereinafter referred to as “ENTITY” which expression shall unless

¹ Name of State

² Name of Project Entity

repugnant to the context or meaning thereof include its successors and assignee) as party of the Third part.

Nodal Agency, Government of¹, and² collectively referred to as “Parties” and singularly as a “Party”.

- A. AND WHEREAS GOVERNEMNT OF¹ AND ENTITY intend to implement project(s) for(objective of the Project to be filled) in the State (s) of¹ and whereas it has been agreed to finance such project(s) from PSDF on the terms and conditions as may be stipulated in the Sanction Letter(s) issued by Ministry of Power.
- B. AND WHEREAS the parties have agreed that the project(s), as posed by ENTITY and sanctioned by Monitoring Committee , under the PSDF Scheme commencing from the Financial Year shall be deemed to have been covered under this agreement. The terms and conditions of sanction for a particular project, as contained in the Sanction Letter issued by Ministry of Power, shall also form part and parcel of the present agreement. The sanction letter shall include supplementals and modifications issued by Ministry of Power, if any, to sanction letter.
- C. AND WHEREAS the responsibility for formulation, development and implementation of the aforesaid project(s) rests with the ENTITY.
- D. AND WHEREAS Funding from PSDF shall be considered for the projects proposed by ENTITY that have a bearing on grid safety and security, provided these are not covered under any other scheme of the Government of India, such as RAPDRP/RGGVY/NEF, etc.
- E. AND WHEREAS, Monitoring Committee of the PSDF has sanctioned the aforesaid project(s) for release of funds to meet the expenditure to be incurred on implementation of the project(s) covered under the programme, directly to ENTITY through the Nodal Agency.
- F. AND WHEREAS, project-wise, separate accounts for development and implementation of such PSDF funded projects shall be maintained by ENTITY
- G. AND WHEREAS GOVERNEMNT OF¹ and ENTITY commit that they shall ensure that the ENTITY shall file a tariff petition with the Appropriate Commission in respect of the scheme for funding from PSDF and also ensure that no tariff is claimed in the petition for the portion of the scheme funded from PSDF.
- H. AND WHEREAS ENTITY shall be the owner of the assets created on implementation of the individual project(s), as sanctioned by PSDF.

NOW, therefore, in consideration of the premises and mutual agreements, covenants and conditions set-forth herein which shall form an integral part of this Agreement, it is hereby agreed by and amongst the parties as follows:

1. PROJECT FINANCING BY PSDF

- 1.1.** (a) The ENTITY shall establish a dedicated organization within the utility and nominate a nodal officer of suitable rank, for speedy execution of the project(s) and shall be responsible for compliance of the provisions as stipulated. The nodal officer will also arrange to get the relevant clearance/orders from¹ and ENTITY expeditiously. The ENTITY will assign utmost priority to the works to be executed and also, help in the speedy execution of the project(s) by issuing necessary orders to avoid delay.
- (b) Expenditure details will also be submitted by ENTITY to Nodal Agency for release of funds against progressive reimbursement claims in the manner prescribed herein under and the detailed Procedure, for release of funds in accordance with the structured formats as may be prescribed by Nodal Agency.
- (c) The ENTITY responsible for execution of the scheme shall ensure timely submission of Project Status reports to NLDC along with the request for disbursal of funds from PSDF in accordance with the Detailed Procedure.
- (d) Periodic review and monitoring of the Physical and Financial progress of the project(s) shall also be taken up by the Monitoring Committee of PSDF.
- (e) Any expenditure which is not directly related and exclusively spent towards the implementation of the scheme shall not be counted as eligible expenditure.

1.2. Mode of Release of Funds

The release of funds from PSDF will be regulated as per the extant instructions of the Ministry of Finance. The funds for implementation of the project(s) shall be released by Ministry of Power, Government of India to ENTITY through the Nodal Agency and in the manner as indicated below:-

- a) **First Stage** – 30 % of sanctioned grant within 15 days from date of signing of the Agreement and fulfillment of all requirements, including requisite legal formalities by the Government of¹ and ENTITY as per sanction letter of the project. The release of 1st installment would after the Letter of Award has been issued by the entity and agreement has been signed with the contractor.

- b) **Second / Intermediate Stage(s)** – 60 % of sanctioned grant within 15 days from date of submitting the expenditure details to Nodal Agency by ENTITY, after utilizing the fund received in 1st installment and consumption of self-contribution of the ENTITY.
- c) **Final Stage** – Balance 10 % of sanctioned grant within 30 days from date of submitting the expenditure details and completion certificate to Nodal Agency by ENTITY.
- d) Final completed cost shall be submitted by ENTITY to Nodal Agency based on the audited account.

1.3. TAXES AND DUTIES

All statutory taxes/levies, duties, cess, entry tax or any kind of imposition(s) whatsoever imposed/charged by any Government (Central / State) and/or any other local bodies/authorities on ENTITY and/ or its contractors in respect of execution of the project(s) covered under this Agreement and Service Tax on service charge (including any variation thereof), not covered in the estimated cost of the project shall be paid by the ENTITY.

2. UTILIZATION CERTIFICATE

ENTITY shall provide utilization certificate(s) for the funds released by Ministry of Power for implementation of project(s) in the manner prescribed by the Nodal Agency.

3. CONSTRUCTION / IMPLEMENTATION

- 3.1.** ENTITY shall make all possible efforts to complete the project(s) within the approved time frame starting from the date of release of the First Installment of funds by Ministry of Power, Government of India to ENTITY.
- 3.2.** ENTITY and the Government of¹ shall specify quarterly milestones, and progress shall be reviewed with reference to these milestones by the Monitoring Committee.
- 3.3.** The best cost and quality control measures shall be enforced by ENTITY during implementation through appropriate management and control systems.
- 3.4.** A separate Bank Account will be maintained by the ENTITY for the component of grant from PSDF and this grant will be deposited in that designated bank account. Any interest earned on the grant in the bank account maintained by the ENTITY or any unspent amount of the grant portion of PSDF shall be reduced while making demand for final installment. Any residual amount including interest if any, after completion of the project shall be returned to PSDF.

4. TAKING-OVER OF THE PROJECT

ENTITY shall ensure taking over the completed project(s) after commissioning (in part or full, as the case may be). ENTITY shall be responsible for operation & maintenance of the project(s) thereafter (in part or full, as the case may be) at their own expenses.

5. ARBITRATION

Any difference or dispute between the parties arising out of or in connection with this project shall be discussed and settled amicably amongst the parties. In the event of non-settlement of the difference or dispute within sixty (60) days, the same shall be referred to the Secretary to the Government of India in the Ministry of Power, for arbitration and whose decision shall be final and binding on the parties to this Agreement.

6. FORCE MAJEURE

The parties shall ensure due compliance with the terms of this Agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as fire, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, accident, act of God and any other reason beyond the control of concerned party. But, any party claiming the benefit of this clause shall satisfy the other party of the existence of such as event and give written notice of 15 days to the other party to this effect. The services covered under the agreement shall be started as soon as practicable by the parties concerned after such eventuality as come to an end or ceased to exist.

7. IMPLEMENTATION OF THE AGREEMENT

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the Authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party. Any other nomination of Authorized representative(s) and/or changes in designation shall be informed likewise in writing to/by ENTITY and Nodal Agency within one month of signing of the Agreement. Any changes in designations / registered office address shall be intimated in writing to all concerned parties.

8. NOTICE

All notices required or referred to under this Agreement, shall be in writing and signed by the respective authorized signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail, speed post of Department of Posts or by Courier service with an acknowledgement due to the other parties.

9. TERMINATION

This agreement shall remain valid unless terminated with consent of all the Parties.

10. The competent Courts of Delhi shall have exclusive jurisdiction in all matters relating to or arising out under these presents.

IN WITNESS WHEREOF the parties have executed these presents through their Authorized Representatives at New Delhi.

**For and on behalf
of Nodal Agency**

**For and on behalf of
Secretary, Department
of Power, Government
of¹**

**For and on behalf of
.....²**

Witness 1.....

Witness 1.....

Witness 1.....

Witness 2.....

Witness 1.....

Witness 1.....

Checklist of Documents to be Submitted for Release of Funds

Format C4
Page 1 of 1

(First Stage / Second (Intermediate) Stage(s) / Final Stage)

(Tick whichever is applicable)

Application for release of funds from the PSDF shall be accompanied by the documents and details as mentioned below, depending on the stage of execution of the project.

S. No.	Document	Submitted (Y/N)
Documents required to be submitted at the time of request for First Stage only		
1	PSDF Sanction Order	
2	Agreement duly signed by the entity (Format – C3)	
3	Letter of award	
Documents required to be submitted at the time of request for all Instalments		
4	Request Letter for release of instalment (Format – C1)	
5	Invoices	
6	Likely Statement of Expenditures (SOE) / Statement of Expenditure in respect of the completed work	
7	Inspection reports and certificates for completed portion of the scheme	
8	Utilization Certificate for the utilized portion of the already disbursed grant (Format – C2)	
9	Proof of expenditure/Auditor's certificate for expenditure incurred corresponding to the scheme.	
10	Completion and commissioning certificates / Taking over Certificate (wherever applicable).	

Date

Signature:

Name:

(Authorized Representative)