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MINUTES OF THE MEETING OF THE EXPENDITURE FINANCE COMMITTEE (E.F.C.) HELD IN THE CONFERENCE ROOM OF THE CHIEF SECRETARY ON 05<sup>TH</sup> February 2019.

A meeting of the Expenditure Finance Committee was held in the Conference Room of the Chief Secretary on 05/02/2019.

The following members were present for the meeting:

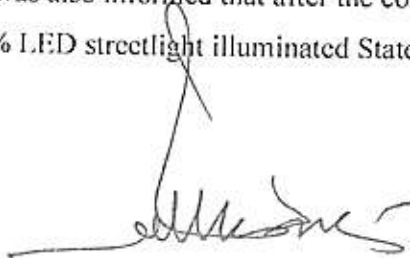
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|---|----------|
| 1. Shri. Parimal Rai<br>Chief Secretary   | Chairman |
| 2. Smt. Nila Mohanan<br>Secretary (Power)   | Member   |
| 3. Shri. Michael M. D'Souza<br>Addl. Secretary (Fin-Exp)  | Member   |
| 4. Shri. Rajiv Samant<br>Executive Engineer (SDA)<br>Representative of the Chief Electrical<br>Engineer | Member   |

The following tender was deliberated on;

- Proposal for implementation of 2<sup>nd</sup> phase for installing LED streetlights for balance quantity of conventional streetlights within the State of Goa.. (Estimated Cost ₹.36.45 Crores).

The Department has taken a policy decision to replace all the existing conventional streetlights fixtures which are high power consuming including tube light fixtures, bulb holders, CFL fixtures, HPSV fixtures etc. with the energy efficient LED lamp fixtures and installation of Centralized Control and Monitoring System (CCMS). The Department would achieve a huge saving in cost of power purchase and saving in streetlight bills and in turn, drop in the peak load demand together with reduction in transmission and distribution losses. In addition, there would be saving in maintenance cost and manpower being almost maintenance free. The implementation of LED lighting is a step towards conservation of environment.

The Secretary (Power) explained that the 1<sup>st</sup> phase of replacement of conventional fixtures undertaken by the EESI, did not cover some locations and which are now incorporated in this 2<sup>nd</sup> phase. It was also informed that after the completion of this 2<sup>nd</sup> phase, the State of Goa be a 100% LED streetlight illuminated State.




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The scope of second phase includes supply of 37,282 LED fixtures and 2241 No's of CCMS panels for replacement including 10,000 LED fixtures for maintaining a stock at Central Store, Margao in the event of installing at new locations where road illumination is not within the required lumens level.

The Members requested for a brief on the 1<sup>st</sup> phase of the scheme for which the Secretary (Power) informed as detailed below:

Name of Scheme	Work of implementation of Streetlight National Program (SLNP) by replacement of existing conventional streetlight fixtures with LED fixtures
Implementing agency	M/s EESL through M/s BVG India Limited
Agreed quantity	LED 1,66,614 $\pm$ 20% and CCMS panels 4,200
Warranty	8 years and 2 years AMC
Estimate sanction	Rs. 92,33,79,34/-
Investment	Equity 20% by EESL Debt 80% through Financing Institutions
Charges on capital cost	Project management charges (PMC) 2% AMC charges 3% Infrastructure development cost (IDC) 10%
Net energy saving	37MU per annum & 8MW peak demand
Saving in Power Procurement cost	Rs. 18.9 Cr per annum
Repayment of annuity	Rs. 22.59 Cr per year for 8 years and Rs. 2.8 Cr per year for 2 years Total Rs. 181.69 Cr for 10 years
Status of work	Work completed verification process is ON.  The provisionally verified quantity LED 1,66,297 and CCMS 3,907

The Chairman commented that the present scheme run by M/s EESL, New Delhi, takes care of the installation cost, accessories, maintenance cost and spares, manpower, vehicle



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arrangements etc. for 10 years period with no burden on department whereas the 2<sup>nd</sup> phase proposed to be executed entirely by the Department does not make provision for such incidentals. Besides that, the warranty is limited to a period of 5 years. He opined that the Department could have opted for the same in the 2<sup>nd</sup> phase.

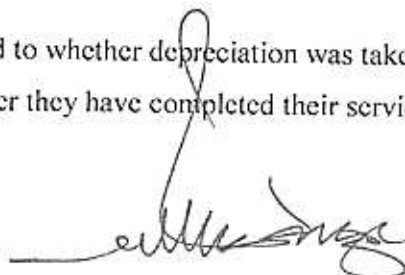
Secretary (Power) informed, that many operational issues were encountered in course of time like short flow of spares, inadequate team deployment by the agency to sort out LED failures, CCMS malfunctioning timely, including ineffectiveness of timers and control gears installed to regulate the lighting, thereby resulting in public criticism. Besides that, the price of LED fixtures have drastically dropped, now that such lightings are considered as a common lighting in all establishments and installations as well. In view of this, the Department prefers to go for competitive bidding and procure the required LED fixtures at its own level and in turn, maintain them, utilizing its own logistics.

The benefits of the second phase of LED streetlight project is as below:-

Annual Energy saving	9.26 MU
Annual Saving in Cost of power purchase	Rs. 3.14 Cr
Annual saving in streetlight bills	Rs. 4.06 Cr
Reduction in peak load	2.11 MW
Cost with replacement of LED alone – Rs. 20.03 Cr	Recovery with saving Cost of power in 6.36 years and recovery with saving in streetlight bill in 4.92 years
Cost with replacement of LED and CCMS. – Rs. 29.50 Cr	Recovery with saving Cost of power in 9.36 years and recovery with saving in streetlight bill in 7.25 years
Total cost with LED replacement and stock with Central Store – Rs. 36.45 Cr	Recovery with saving Cost of power in 11.57 years and recovery with saving in streetlight bill in 8.9 years
Warranty of material supplied	5 years

The Chairman queried on the total streetlight load for which the Secretary (Power) informed that the total streetlight load is about 10 MW as compared to 550 MW total peak load for the State of Goa.

The Chairman queried with regard to whether depreciation was taken care of, with regard to the removed fixtures and whether they have completed their service life, for which




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the Secretary (Power) informed that the existing fixtures are more than 10 years old and most of them in deteriorated state or unusable due to rust, irreparable state etc. However, the Chairman <sup>proposed</sup> insisted that the tender cost should incorporate the depreciated value / scrap value, as the case may be, of the removed fixture as well, be it adjustment in the rate of the LED fixture or separate credit.


The Chairman informed the members that the EFC approval conferred in all cases would be limited to only 6 months from the date of approval of the Government after which, if not taken up or executed, the Department would have to obtain the concurrence of the EFC, for extension in the approval period. This is mainly due to Departments lagging in concrete efforts to tender the works timely.

The EFC committee members took the note of above facts and explanation and agreed to confer approval to the proposal.

  
(Rajiv Samant)  
Executive Engineer (SDA)  
Representative of Chief Electrical  
Engineer  
Member

  
(Michael M. D'souza)  
Additional Secretary (Fin-Exp)  
Member

  
(Nila Mohanan)  
Secretary (Power)  
Member

  
(Parimal Rai)  
Chief Secretary  
Chairman

20-2-19