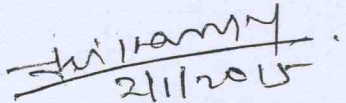


F.No.3A/9/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

New Delhi the, January 2, 2015

Subject: 61st Meeting of the Empowered Institution (EI) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme) – Record of Discussions.

Please find attached the Record of Discussions of the **61st Meeting of the EI for the grant of VGF** under the Scheme for Financial Support to PPPs in Infrastructure, held under the chairmanship of Additional Secretary (EA), on the December 19, 2014, for further necessary action and compliance of the decision of EI.


(V. Srikanth)
Deputy Director (PPP)
Phone No.011-2309 3404
Email id : v.srikanth@nic.in

1. Dr. Arunish Chawla, Joint Secretary, Department of Expenditure, North Block, New Delhi.
2. Shri Praveen Mahto, Adviser (Infrastructure), Planning Commission, Yojana Bhawan, New Delhi.
3. Smt. Jyoti Arora, Joint Secretary, Ministry of Power, Sharam Shakti Bhavan, New Delhi.
4. Shri R.K. Singh, Joint Secretary, Ministry of Road Transport & Highways, Transport Bhavan, New Delhi.
5. Shri Sanjay Malhotra, Secretary (Energy), Government of Rajasthan, Jaipur 302 004.
6. Shri Ram Awadhesh Kumar, Chief General Manager, Bihar State Road Development Corporation Limited, RCD Central Mechanical Workshop Campus, Near Patna Airport, Sheikhpura, Patna 800014
7. Dr. Arun Paliwal, General Manager, Madhya Pradesh Roads Development Corporation Limited, 16A, Arera Hills, Bhopal 462 011.

Copy to:

1. Sr. PPS to Additional Secretary (EA), 2. PS to JS (Infra), 3. PS to Director (PPP).

F. No. 3A/9/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell

**Empowered Institution for the Scheme for Financial Support to Public Private
Partnerships in Infrastructure**

61st Meeting on December 19, 2014

Record Note of Discussions

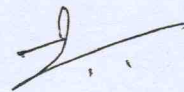
The sixty-first meeting of the Empowered Institution (EI), chaired by Additional Secretary, Department of Economic Affairs (DEA) was held on December 19, 2014. The list of participants is attached.

The EI noted that there were three (3) proposals for consideration for viability gap funding (VGF) under the Scheme. Of these proposals, one power sector proposal is for in-principle approval from Government of Rajasthan and one each road sector proposal for in-principle approval from Government of Bihar and Government of Madhya Pradesh.

The EI noted that the Scheme for Support to PPPs in Infrastructure prescribes that VGF up to Rs. 100 crore for each project may be sanctioned by the EI, proposals for VGF up to Rs. 200 crore may be sanctioned by the EC, and amounts exceeding Rs. 200 crore may be sanctioned by the EC, with the approval of the Finance Minister.

A. Power sector proposal from Government of Rajasthan for grant of In-Principle Approval

Agenda Item I: Development of a 400 kV Bikaner-Sikar D/C Power Transmission line project for evacuation of power from wind and solar power in Rajasthan on Design, Build, Finance, Operation and Transfer (DBFOT) basis.



Total length of transmission line: 169 km; Total Project Cost: Rs. 260 crore; Concession Period: 25 years with extension of 10 years including 21 months of construction period.

Major development works/ structures: Development of the 169 Km long Transmission Line Project i.e. 400 KV Bikaner-Sikar DCDS twin Moose ACSR Transmission Line for evacuation of wind and solar power in Rajasthan. The design capacity to transfer electricity would be equivalent to 1066 MW. The scope of work includes:

- (i) "MOOSE" ACSR conductor with maximum permissible DC resistance calculated at 20o C shall be 0.05552 Ohm/km;
- (ii) number of conductors in each phase shall be two;
- (iii) maximum operating conductor temperature shall be 75o C;
- (iv) 12.54 MVA and 1066 MW at 0.85 (zero point eighty five) power factor; and
- (v) Two earth wires – one of GSW minimum size 7/3.66 mm and other of OPGW size 24/2.34 mm

1. Joint Secretary , DEA while introducing the project state that Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPN), a fully owned company of the Government of Rajasthan, proposes development of a 400 kV Bikaner-Sikar D/C Power Transmission line project for evacuation of power from wind and solar power in Rajasthan on Design, Build, Finance, Operation and Transfer (DBFOT) basis. The sponsoring authority has applied for in-principle approval of VGF support for the project. The EI was informed that clarifications and necessary justifications to the appraisal of EI members had been provided and only a few issues remained outstanding for discussion.
2. Joint Secretary, DEA stated that as per Article 3 of the RVPN DTA, concession period is 25 years, extendable by another 20 years, whereas the approved provisions of the Model Transmission Agreement (MTA), as also in another DTA approved by the EI at its meeting held on 53rd Meeting on 3rd March 2014, provided for 25 years CP with extension of 10 years. Secretary, Energy Department, GoR responded that as per the revised MTA circulated by the Planning Commission, concession period is 25 years, extendable by 20 years - these provisions had been adopted as is from the revised document of Planning Commission and they were unaware that project-specific changes to the documents can be made. Director, Ministry of Power, and Director, CEA also confirmed that as per the CERC tariff regulations, the life of transmission system is also 35 years and accordingly concession period of 35 years including extension period is considered reasonable for the project. Further, on the issue of whether the Planning Commission version is a duly approved and notified MTA of the Ministry of Power, both GoR officials and Ministry of Power officials could not confirm this at the EI Meeting and only stated that as per a Ministry of Power



Notification, they were to use Guidelines issued by Planning Commission for the project. The representatives of Planning Commission also did not confirm that this was a duly approved MTA and stated that this was only by way of Best Practices that they share. Director, PPP informed the EI that the MTA in use, as circulated by Ministry of Power has not been replaced, as per records, and this was confirmed by Ministry of power. All members of the EI were in agreement that a 35 year Concession period (25 years , extendable by 10 years, including construction period of 21 months) appeared to be reasonable and in line with the CERC's Tariff regulations which lay down the life of transmission system as 35 years. Secretary, Energy Department, GoR stated that they had no objection to adopting this and agreed to revise the Concession Period accordingly.

(Action: GoR/ RVPN)

3. Joint Secretary, DEA informed the EI that clarifications had been sought on Clauses 3.2.2 & 37.4 of the DTA, wherein the payment of unitary charges for the entire period of twenty years is due in case extension is not granted for any reasons – this includes non extension of license after 25 years, without any capping of/limits on the unitary charges for the termination payment. However, RVPN had just responded that an Addendum has been issued indicating that the termination payment would not exceed the amount payable as clearly delineated in clause 37.3.2. This was accepted by the EI.

(Action: GoR/ RVPN)

4. Director, DEA indicated that Clause 25.2.2 should indicate maximum admissible Grant upto 40% of TPC in line with the VGF Guidelines so that there is clarity that the maximum VGF available under the Scheme cannot exceed 40 percent. Secretary, Energy Department, GoR stated that while Clause 25.2.5 clarifies that VGF assistance from Government of India (GoI) will be subject to the provisions of the VGF scheme, this clarity would be provided in the documents and explicitly stated.

(Action: GoR/ RVPN)

5. All members of the EI supported grant of in-principle approval to the project.
6. The EI granted in-principle approval to the project for TPC of Rs. 260 crore with VGF contribution as per the VGF Scheme subject to fulfillment of the following conditions:



Page 3 of 6

- a. RVPN shall undertake corrections in the project DTA regarding extension of Concession Period to 10 years (Article 3) and incorporating maximum admissible Grant upto 40% of TPC (Clause 25.2.2) as agreed to at the EI meeting.
- b. RVPN shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents and the final DTA shall be shared expeditiously with short-listed bidders.
- c. RVPN shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- d. RVPN shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. RVPN shall circulate the final documents to the members of the EI for the record.

(Action: GoR/ RVPN)

B. Road sector proposal from Government of Bihar

Agenda Item II: Proposal from Government of Bihar (GoB) for grant of in-principle approval for: Development of Ara End Connectivity from Km. 116.76 to Km. 125 of NH-30 in the state of Bihar on Design, Build, Finance, Operate and Transfer (DBFOT) toll basis.

7. Director, DEA indicated that Chief General Manager, Bihar State Road Development Corporation Limited (BSRDC) vide letter dated December 18, 2014 informed that the above project is being restructured and requested to exempt it from consideration of project by EI in its 61st meeting.

8. Accordingly, EI returned the project to the project authorities for restructuring.
(Action: GoB)

Agenda Item III: Proposal from Government of Madhya Pradesh (GoMP) for grant of in-principle approval for: Development of 18 Railway Over Bridges (ROBs) & 9 Limited Height Subways (LHS) on 18 locations of existing Railway Level Crossing in the state of Madhya Pradesh on BOT (Toll) basis.

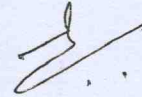
9. Director, DEA indicated that Chief Engineer, Madhya Pradesh Road Development Corporation Limited (MPRDC) vide letter dated December 18, 2014

informed that the above project is being restructured as a similar project for 16 RoBs did not receive any bids, and requested exemption from consideration of project by EI in its 61st meeting.

10. Accordingly, EI returned the project for restructuring.

(Action: GoMP)

11. The meeting ended with a Vote of Thanks to the Chair.



Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell

Empowered Institution for the
Scheme to Support Public Private Partnerships in Infrastructure
61st Meeting on December 19, 2014

List of Participants

- I. Department of Economic Affairs**
1. Shri Dinesh Sharma, Additional Secretary (In Chair)
 2. Ms. Sharmila Chavaly, Joint Secretary
 3. Smt. Abhilasha Mahapatra, Director
 4. Shri V. Srikanth, Deputy Director
- II. Planning Commission**
5. Dr. A. Manohar, Joint Advisor
 6. K. Ranga Reddy, Consultant
- III. Department of Expenditure**
7. Shri Arunish Chawla, Joint Secretary
- IV. Ministry of Power**
8. Shri Ghanshyam Prashad, Director
- V. Central Electricity Authority (CEA)**
9. Shri Goutam Roy, Director
 10. Shri Chandra Prakash, Deputy Director
- VI. Government of Rajasthan**
11. Shri Sanjay Malhotra, Secretary, Energy Department
- VII. Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPN)**
12. Shri M.L.Gupta, Sup-in-Engineer, RVPN
 13. Shri D.C.Gupta, Executive Engineer, RVPN

