

F. No. 1/27/2023-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
Infrastructure Support & Development Division
Private Investment Unit (PIU)

5th Floor, Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi
Dated 15th March 2024

Office Memorandum

Record of Discussion of the 20th Meeting of the Approval Committee, to consider granting approval for support under the IIPDF Scheme, to the proposal of Power & Electricity Department, Government of Mizoram, for hiring Transaction Advisor (TA) for undertaking development of Tuivai 210 MW Hydel Project on PPP mode.

The undersigned is directed to forward Record of Discussion of the 20th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Power & Electricity Department, Government of Mizoram, for hiring Transaction Advisor (TA) for undertaking development of Tuivai 210 MW HEP on PPP mode, held on 8th March 2024 for information and necessary action.

2. This issues with the approval of Competent Authority.

(Arya Balan Kumari)
Joint Director

To,

- i. Shri. Partha Sarathi Reddy, Adviser, NITI Aayog
- ii. Lalhmingliani Hmar Engineer in Chief, Govt of Mizoram
- iii. Sr. PPS to JS (ISD)

Copy for information:
The Chief Secretary, Government of Mizoram

Record of Discussion of the 20th Meeting of the Approval Committee, to consider granting approval for support under the IIPDF Scheme, to the proposal of Power & Electricity Department, Government of Mizoram, for hiring Transaction Advisor (TA) for undertaking development of Tuivai 210 MW HEP on PPP mode.

The 20th Meeting of the Approval Committee (AC) chaired by the Joint Secretary ISD Division, Department of Economic Affairs (DEA) was held on 8th March 2024 at 1115 hours to consider granting approval for support under the IIPDF Scheme to the proposal of Power & Electricity Department, Government of Mizoram, for hiring Transaction Advisor (TA) for undertaking development of Tuivai 210 MW HEP on PPP mode. List of participants (attendees) is placed at **Annexure – I**.

2. Project Overview:

A brief overview of the project is provided below:

Project Name	Support under IIPDF Scheme for hiring Transaction Advisor (TA) for undertaking development of Tuivai 210 MW HEP in Mizoram on PPP modality
Purpose of Assistance	PPP Transaction Advisory (TA) Costs
Sector	Energy
Project Sponsoring Authority	Government of Mizoram
Location	Saitual District, Mizoram
PPP Mode Envisaged	BOOT/DBFOT
Estimated TA Costs	Rs. 1.77 crore (inclusive of taxes)[Rs.1.5 Cr + 18% GST]
Payment Milestone Proposed	As per IIPDF Scheme
IIPDF contribution sought (%)	100%
Current Status	RFP for engaging TA floated. TA yet to be onboarded.

3. On behalf of the Chair, Joint Director (PIU) welcomed the attendees to the 20th Meeting of the Approval Committee and informed that the project proposal of Hiring Transaction Advisors (TA) for undertaking development of Tuivai HEP on PPP mode has been received from Power & Electricity Department, Govt of Mizoram seeking funding to the tune of Rs. 1.77 crore.
4. JD (PIU) informed the committee members that the project proposal was earlier considered in the 14th AC meeting; however, the project approval was deferred with the recommendation to revise the Terms of Reference (TOR). JD (PIU) further informed that the revised proposal has been received for consideration of Approval Committee (AC). With the permission of the Chair, Power & Electricity Department made a presentation on the revised proposal.
5. Power & Electricity Department, Government of Mizoram highlighted that as per the recommendations made by AC in its 14th meeting, the TOR has been revised and the main ToR as follows: -

- i. The Transaction Advisor (TA) shall review the DPR, by reducing the original dam height from 155 m to 104 m so that reservoir will be fully contained within Mizoram and make necessary changes accordingly.
 - a. The DPR shall be reviewed technically
 - b. The DPR shall be reviewed financially
 - ii. The TA will work out the amount for VGF based on newly reviewed DPR. Finalize the financial and PPP model and the financing Plan to the satisfaction of the sponsoring authorities.
 - iii. The TA shall ensure completion of the work within the timeframe.
 - iv. TA shall finalize the timelines for PPP bid process with the Project Sponsor.
 - v. RfP launch: Launch RfQ process in market and conduct all Stakeholders consultation and evaluation as appropriate to provide a shortlisting of qualified bidders to the project to the sponsor for approval.
 - vi. RfQ Preparation and launch: Develop appropriate bid documents for RfP process including legal inputs on contract documents and assist in the bid process including evaluation and contract negotiation.
 - vii. Deliverables/report
 - a. Completion of RfQ related pre-bid conference
 - b. Submission of reports; Final PPP and financial structure, social and environmental reports.
 - c. Submission of Draft Project information Memorandum (PIM/RfP)
 - d. Contract Negotiations Completion-Contract signing of 3 months post bid closure date.
6. With respect to the reasons for earlier failure of the project as enquired by 14th AC, the representative of Mizoram informed that the banks were reluctant at that time to fund hydel project. However, the situation has improved and it is expected that the banks would fund this time.
7. With respect to the fixing the responsibility of obtaining approvals and clearances, GoM stated that as suggested by the 14th AC, the responsibility of obtaining applicable clearances would be kept within the domain of the State Government. Further, as desired by 14th AC, GoM has submitted the final bid documents floated earlier for the information of AC.
8. After the presentation, the following points were deliberated during the meeting :
 - i. The Chair highlighted that a lot of work has already been done by the Authority. Hence, it was recommended that the work already done by the PSA be mentioned upfront in the tender documents so that TA makes appropriate cost estimation and any duplication of work is avoided.
 - ii. The Chair further informed that the approval under IIPDF is not a guarantee of approval under VGF. For obtaining VGF grant, the proposal has to be submitted to Empowered Committee as per VGF Scheme of DEA.
 - iii. NITI Aayog highlighted that the concession agreement need not be developed again and only needs to be reviewed in accordance with latest project contours.
 - iv. NITI Aayog conveyed their support for the project and suggested Government of Mizoram to take up the project in a proactive manner and any unnecessary gap between achieving milestones may be avoided.

9. In light of the above, AC unanimously decided to approve funding for hiring of TA for undertaking development of Tuivai 210 MW HEP in Mizoram on PPP mode, subject to following:
- i. Funding for TA expenses under the IIPDF Scheme is approved up to Rs. 1.77 Cr inclusive of taxes [Rs.1.5 Cr +18% GST].
 - ii. Actual disbursement under the IIPDF Scheme shall be upto maximum of funding approved or actual cost quoted by the TA, whichever is less, subject to accomplishment of milestones and fulfilment of other conditions under the IIPDF Scheme.
 - iii. The work already done by the PSA be mentioned upfront in the tender documents so that TA makes appropriate cost estimation and any duplication of work is avoided.
 - iv. The payment milestones specified under the IIPDF Scheme will be followed.
 - v. All conditions of the IIPDF Scheme shall be complied to by Power & Electricity Department and the Government of Mizoram.
10. The meeting ended with vote of thanks to the Chair.
