

Final

**F. No- 1/2/2015/PMC-Island- Part File
Ministry of New & Renewable Energy**

**Block No. 14, CGO Complex,
Lodhi Road, New Delhi - 110 003**

Dated: 05.04.2016

**To
Pay and Account Officer,
Ministry of New and Renewable Energy,
New Delhi**

Subject: Guidelines for Implementation of Scheme for Setting up of 40 MW Distributed Grid-Connected Solar PV Power Projects in Andaman & Nicobar and Lakshadweep Islands with Capital Subsidy from MNRE - Reg.

Sir,

I am directed to convey the sanction of the President for Implementation of a scheme for setting up distributed Grid-Connected Solar PV Power Projects of an aggregate capacity of 40 MW in Andaman & Nicobar and Lakshadweep Islands in a span of 3 years period i.e. 2015-16 to 2017-18 with an estimated Central Financial Assistance (CFA) of Rs. 192.20 crore.

2. Objective

The objective of the scheme is to develop Carbon Free Islands by phasing out use of diesel for generation of electricity and to contribute to the National Action Plan on Climate Change and Greening of the Islands. The initiative will also help in reduction in cost of electricity generation which is at present over Rs. 25 per kWh.

3. Spatial Coverage

Distributed grid-connected solar PV power projects of an aggregate capacity of 40 MW would be established in different Islands in Andaman & Nicobar (about 40 MW at 4 -5 locations in Port Blair, 2-3 MW each at Havelock and Neil) including 5 MW floating solar in different Islands of Lakshadweep.

4. Implementation Arrangement -

The Implementation Modality of the Scheme will be as under -

- i) The scheme will be implemented through Central Public Sector Undertakings (CPSUs) viz., National Thermal Power Corporation (NTPC), Neyveli Lignite Corporation (NLC), Rajasthan Electronic & Instruments Ltd. (REIL), Solar Energy Corporation of India (SECI) etc. or by UT Administration on Build, Own and Operate (BOO) basis.

- ii) Procurement of all Services and Hardwares for setting up the power plants by Implementing Agencies (IAs) viz. NTPC, NLC, REIL, SECI etc. or UTs would be done through competitive bidding process.
- iii) The total project cost will include cost of solar power plant, battery storage of upto 6 hrs and cost of infrastructure development such as land development, evacuation & transmission etc.
- iv) A&N and Lakshadweep Administrations will buy the electricity from the Implementing Agencies at a tariff determined by JERC/CERC by taking into account the CFA.
- v) A provision of Rs. 20.0 lakh will be for hiring project staff [One (1) Technical Officer and One (1) Secretarial Assistant] in MNRE on contract basis for the duration of the scheme for overseeing execution and Monitoring and Evaluation (M&E) of project.

5. Central Financial Assistance (CFA) and Release Pattern

Total eligible Financial Assistance and its release pattern will be as under –

- i) Ministry will provide 40% of the project cost discovered through competitive bidding process as grant;
- ii) No additional grant for the preparation of DPR, conducting field survey, fund handling / service charge will be provided
- iii) The Capital Subsidy will be released in three tranches as mentioned below - :
 - 15% on completion of site development and civil works at site;
 - 60% on successful commissioning of the plant; and
 - Balance 25% after one year of operation of the plant.

The release patter mentioned above can be modified if felt necessary during implementation with the approval of the Competent Authority.

6. Other Terms and Conditions for Release

- i) Implementing Agency(s) will be required to submit audit Statement of Expenditure (SoE) and Utilization Certificate in Prescribed format given at **Annexure**; and
- ii) As per provision in Rule 211 (1) of the GFR 2005, the Accounts of the Implementing Agency(s) shall be open for inspection by the sanctioning authority and audit (CAG) and internal audit by the Principal Accounts Office of the Ministry.

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7. The expenditure involved is debitable to Demand No. 69, Ministry of New and Renewable Energy, Major Head 2810, New and Renewable Energy 00-101-02- Off Grid / Distributed & Decentralized Renewable Power, 04 Solar Power, 31 for GIA for the Financial Year 2016- 17 (Plan).

8. This sanction issues in exercise of the delegated powers and with the concurrence of IFD vide their Diary No. 1939 dated 1st February 2016.

9. The sanction has been entered at S. No.1 at page No.1 of the Expenditure Register maintained in the group for 2016-17.

VK Jain

**VK Jain
Adviser**

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To :

- i) Shri Arun Baroka, Principal Secretary (Power), A&N Administration, Port Blair.
- ii) Shri J. Ashok Kumar, Secretary (Power), Admn. of U.T. of Lakshadweep, Administrator Lakshadweep, Administration, Kavaratti., Lakshadweep.
- iii) The Principal Director of Audit, (Science Department), AGCR Building, I.P. Estate, New Delhi - 110002.

Internal Distribution :

- i) JS(TK)/JS&FA, MNRE
- ii) Adviser (NSM)
- iii) CA, MNRE/DDO, MNRE.
- iv) Dy. Secretary (F)/US (F), MNRE
- v) NIC to upload this on the Ministry's website
- vi) Sanction Folder

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Annexure

FORM GFR 19-A
(See Government of India's Decision (1) below Rule 150)
FORM OF UTILIZATION CERTIFICATE

S. No.	Letter No. & Date	Amount
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Total:

Certified that out of Rs. _____ of grants - in - aid sanctioned during the year _____ in favour of _____ under this Ministry / Department Letter No. given in the margin and Rs. _____ on account of unspent balance of the previous year, a sum of Rs. _____ has been utilized for the purpose of _____ for which it was sanctioned and that the balance of Rs. _____ remaining unutilized at the end of the year has been surrendered to Government (vide no. _____ dated _____) / will be adjusted during towards the grants - in - aid payable during the next year _____.

2. Certify that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled / are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

- 1.
- 2.

Signature _____
Designation _____
Date _____

To be countersigned by the Division concerned.