F.No. 48-15/7/2025-NRE Section
Government of India
Ministry of Power
(NRE Section)

Shram Shakti Bhawan,Rafi Marg
New Delhi-110001,
Dated the 22nd September, 2025

To,

The Principal Secretaries (Energy) of the Government of Rajasthan, Gujarat, Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh, Madhya Pradesh, Telangana, Uttar Pradesh, Haryana, Kerala, Punjab, Chhattisgarh, Odisha and Uttarakhand.

Subject: **Amendment in Guidelines for Viability Gap Funding for development of Battery Energy Storage System (BESS) funded through PSDF -regarding**

Sir,

I am directed to invite reference to the Guidelines for Viability Gap Funding for development of Battery Energy Storage Systems supported through Power System Development Fund (PSDF) dated 09.06.2025 and to convey that the following amendments are made to the Guidelines.

2. A new clause 2.3A is hereby inserted in the said guidelines, after Clause 2.3 (Commissioning Period), which is as under:

"2.3(A) Financial Closure*: The BESS Developer shall attain Financial Closure within 6 months from the date of signing of BESPA."*

3. Clause 3.8 of the Guidelines is amended as under:

3.8*.* ***Bank Guarantee:*** *The Eligible Entities / REIAs shall be required to obtain a Bank Guarantee (BG) or Insurance Surety Bond (ISB) of the value equal to the VGF to be disbursed, prior to its release to the developer, as specified in the RfS. This BG / ISB shall be liable for encashment to recover the VGF amount in the event of non-fulfilment of the scheme conditions specified in the Bidding Documents. The BG/ ISB for VGF sanctioned up to COD shall be released within one year of COD. No BG/ ISB is required against the disbursement of the last tranche of VGF post completion of one year*

of operation.

4. This issues with the approval of competent authority.

Yours faithfully,

(**Vishal Kumar**)
Under Secretary to the Government of India,
Email: usnre-mop@gov.in.

Copy for information to

1. Chairperson, CEA
2. CMD, Grid India
3. Sr.PPS to Secretary (Power)
4. Sr PPS to Addl Secretary (R&R)
5. PSO to CE (R&R)/ PA to Director (NRE), Ministry of Power