



**BUREAU OF ENERGY EFFICIENCY**  
*(Ministry of Power, Government of India)*

***Operations Manual for  
Partial Risk Guarantee Fund for  
Energy Efficiency (PRGFEE)***

**26<sup>th</sup> October 2016**

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## **1 EXECUTIVE SUMMARY**

### **1.1 Background**

Bureau of Energy Efficiency (BEE) has appointed Darashaw & Co. Pvt. Ltd. (Darashaw& Co.) to develop the documents for Partial Risk Guarantee Fund for Energy Efficiency for giving the partial guarantee to Participating Financial Institutions as empanelled with the BEE(PFI). The project is a part of BEE's project titled "Development of documents for Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE) and Venture Capital Fund for Energy Efficiency (VCFEE)".

### **1.2 Brief Overview of the Manual**

The manual is designed to facilitate the Implementing Agency(IA) to appraise the energy efficiency projects proposals submitted by the PFI. The manual provides the standard documents including evaluation process, energy performance contract, Monitoring & Evaluation document, guarantee agreement between PFI and IA required for the PRGFEE.

## **2 ENERGY EFFICIENCY-INTRODUCTION**

### **2.1 Energy Efficiency (EE)**

Energy Efficiency (EE) project refers to any process, technique or equipment that helps to achieve reduction in energy consumption to perform a designated operation to achieve same or better level of output while maintaining or improving processing time, quality, performance and safety with minimal environmental impact.

### **2.2 Advantages/ Importance of Energy Efficiency**

The following are major advantages of implementing EE projects:

- Reduction in energy consumption, thereby adding directly to the profits or bottom-line of the company
- Lowering the vulnerability to energy prices for unit/corporate that has implemented EE projects
- Reducing the need for investment in newer power plants and import of energy
- Reducing the dependence on conventional resources like oil and natural gas
- Reducing emissions of air pollutants

### **2.3 National Action Plan on climate change (NAPCC)**

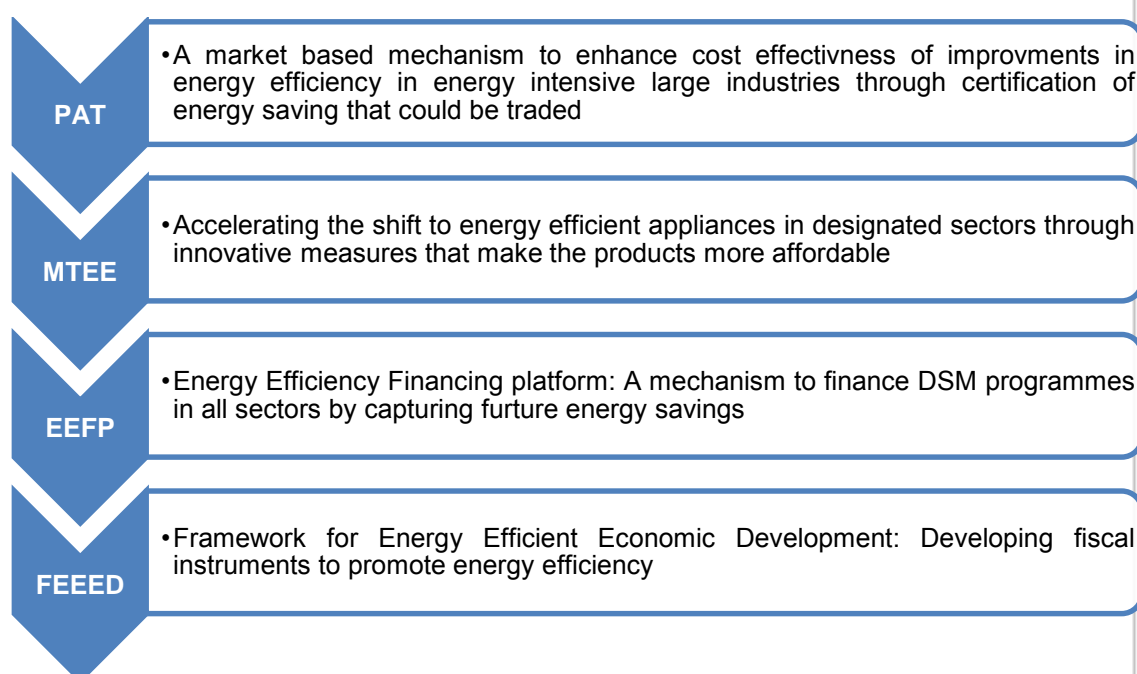
Realizing the growing challenge of climate change and its likely impacts on the Indian economy, the Government of India (GOI) released the National Action Plan on Climate Change (NAPCC)

in June 2008, with the objective of achieving a sustainable path of development that simultaneously advances economic and environmental objectives. The NAPCC enunciates eight key National Missions Figure below guiding the country through the climate change.

- National Solar Mission
- National Mission on Enhanced Energy Efficiency
- National Water Mission
- National Mission for a Green India
- National Mission for Sustaining the Himalaya Ecosystem
- National Mission for Sustainable Agriculture
- National Mission on Strategic Knowledge for Climate Change
- National Mission on Sustainable Habitat

**2.4 National Mission for Enhanced Energy Efficiency (NMEEE)**

NMEEE as a key component of the NAPCC reflects the GOI's increased and renewed emphasis on achieving energy efficiency in Indian economy. This Mission by promoting innovative policy and regulatory regimes, financing mechanisms, and business models seeks to not only create, but also sustain, markets for energy efficiency in a transparent and time bound manner. In addition to the ongoing schemes and programme the NMEEE puts in place four new initiatives to enhance energy efficiency mention in Figure below.



### **2.5 Bureau of Energy Efficiency (BEE)**

The government of India enacted the Energy Conservation Act 2001 (EC 2001) in September 2001 with an objective to promote and enforce the progressive regime of Energy Conservation. The Act laid the foundation for establishment of BEE. BEE's objective was to facilitate the Central Government in formulation of a regulatory framework for energy efficiency and conservation in India, promote energy efficiency by increasing awareness via dissemination of information for efficient use of energy and its conservation, and develop promotional financing schemes.

### **2.6 Energy Service Company (ESCO)**

An energy service company (ESCO) is one that offers comprehensive, customized energy saving solutions to its customers. An ESCO is engaged in developing, installing and financing comprehensive, performance-based projects aimed at energy efficiency or load reduction of facilities owned/operated by customers. Typical services provided by most ESCOs include:

- Energy Audit and formulation of Detailed Project Report (DPR)
- Implementation of EE projects (Includes undertaking implementation and project monitoring)
- Procurement of equipment to be installed
- Arranging Finance (equity and Debt) for the project in select cases
- Equipment maintenance and operation

The ESCOs empanelled with BEE are eligible under PRGFEE. The update list of ESCOs is readily available on the website of BEE at <https://beeindia.gov.in>.

### **2.7 Implementation Agency (IA)**

For implementing and operationalizing the PRGFEE program, BEE shall appoint an Implementation Agency (IA) in terms of the Implementation Agency Agreement (IA Agreement). The IA shall be Public Sector Financial Institution or a consortium of entities including a Public Sector Financial Institution, selected by BEE for implementing all the activities under PRGFEE.

In accordance with the above, BEE has appointed a consortium of Rural Electrification Corporation(REC)- REC Power Distribution Company Ltd.(RECPDCL)- Energy Efficiency Services Ltd.(EESL) as Implementing Agency with RECPDCL as the lead member of the Consortium for implementation PRGFEE with effect from 16<sup>th</sup> July 2015(date of signing of IA Agreement between IA and BEE).

### 3 PARTIAL RISK GUARANTEE FUND

#### 3.1 About Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE)

3.1.1 The Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE) is risk sharing mechanism to provide PFIs with a partial coverage of risk involved in extending loans for energy efficiency projects. The guarantee provided by the fund will directly support financing of energy efficiency projects by:

- Addressing credit risk and barriers to structuring the transactions involved in financing energy efficiency projects.
- Engaging commercial financial institutions and building their capacity to finance energy efficiency projects on a commercially sustainable basis.

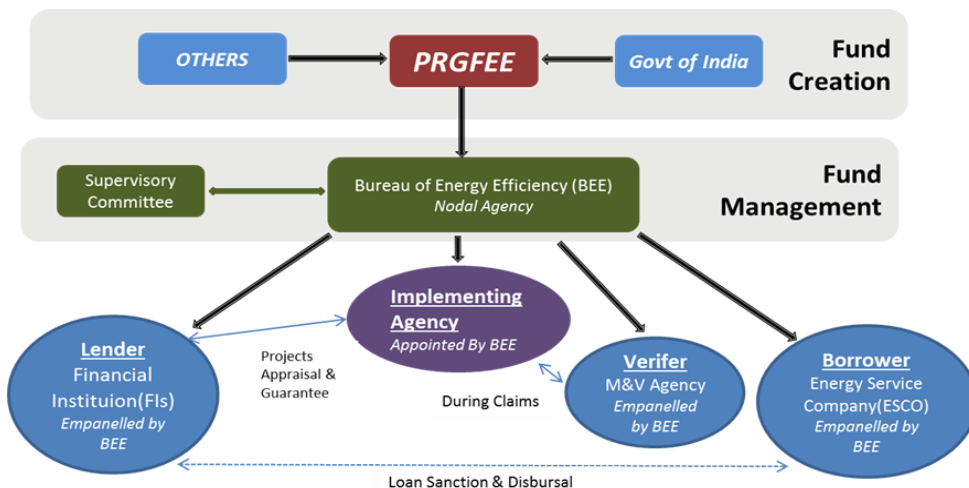
3.1.2 The Partial Risk Guarantee Fund for Energy Efficiency Rules 2016 was notified by Government of India on 26th May 2016 for operationalization of this Fund. A copy of PRGFEE Rules 2016 is attached at **Appendix 12** of this Operations Manual. In case of any discrepancy between “Operations Manual for PRGFEE” and “PRGFEE Rules 2016”, the notified PRGFEE Rules shall be followed.

3.1.3 A Financial Institution empanelled as a Participating Financial Institution (PFI) with BEE will be eligible to participate under PRGFEE. Under PRGFEE, the PFI can take guarantee from the IA or through its designee before disbursement of loan to the borrower.

3.1.4 The support under PRGFEE will be limited to government buildings, private buildings having commercial or multi-storey residential accommodations, municipalities, small & medium enterprises and industry.

Unless otherwise specified by BEE, the PRGFEE shall be operational till the fund corpus allocated by GOI for the same, is exhausted or for a total of 10 complete years from the date of commencement of the program (i.e 26<sup>th</sup> May 2016, date of notification of PRGFEE Rules) whichever is earlier.

#### Institutional Structure of PRGFEE:





### **3.2 Objective of PRGFEE**

The main objective of PRGFEE is to scale-up Energy Efficiency investments through Energy Savings Performance Contracting (ESPC) route in India.

The PRGFEE will support the financing of energy efficiency projects by:

- i. Addressing the risks and barriers faced and/or perceived by the financial institutions to financing ESCOs for implementing ESPC-based EE projects in India,
- ii. Structuring the transactions involved in financing EE projects by standardizing appraisal and other supporting documents, and
- iii. Engaging PFIs and building their capacity to finance EE projects on a commercially-sustainable basis

### **3.3 Type of Guarantee and Risk Sharing Mechanism**

PRGFEE will act as a first-loss and subordinated recovery guarantee, to be placed in a guarantee reserve account and paid out to PFIs in the event of energy efficiency projects becoming a non-performing asset (NPA). PRGFEE shall be used for promoting energy efficiency in India through the ESCO route.

### **3.4 Guarantee Details**

- i. The Fund shall give a guarantee for a maximum 50% of the loan, only principal amount actually disbursed, provided by the PFI, and in case of EE account becoming NPA, the fund shall
  - a. Cover the first loss subject to maximum of 10% of the total guaranteed amount
  - b. Cover the remaining default outstanding principal amount actually disbursed amount on pari-passu basis up to the maximum guaranteed amount.

*Explanation: The total guarantee claim amount (including first –loss) made shall in no case exceed the maximum guaranteed amount i.e. 50% of the sanctioned loan amount, only principal amount actually disbursed or Rs.10crore, whichever is less.*

- ii. The IA shall finalize the percentage of guarantee for each guarantee facility.
- iii. PFI shall take guarantee from the PRGFEE before disbursement of loan to the borrower i.e. ESCO subject to payment of guarantee fees.
- iv. The Guarantee for any one project shall not exceed **Rupees Ten crore (Rs.10crore)** per project or 50% of the sanctioned loan amount only principal amount actually disbursed, whichever is less will not cover the interest or any other fees owed to the PFI by the borrowing entity.
- v. The PRGFEE Guarantees issued in favor of the PFIs shall not be deemed to automatically cover any top-ups or additional loans provided to the Borrower.

### **3.5 Guarantee Tenure**

The tenure of the PRGFEE Guarantee shall be as stated in the Guarantee in each case and shall in no event exceed a period of five (5) years from the date of execution thereof.

### **3.6 Type of Guarantee**

Under the PRGFEE, only individual project guarantees will be given initially. Subsequently, based on the experience of Supervisory Committee it could be extended to portfolio guarantees, after approval of portfolio guarantee rules by Ministry of Power.

### **3.7 Application and Guarantee Fee**

- i) The PRGFEE shall charge an application fee of 0.1% plus service tax if applicable, of the maximum guaranteed amount applied for, by the PFI at the time of application. This fee is non-refundable.
- ii) Each EE Loan, eligible under PRGFEE will entail a one-time Guarantee Fee of 1%, plus applicable service tax, of the amount guaranteed for each project, if borrower is a male entrepreneur and payable after approval and before signing of guarantee agreement. In case the borrower is a female entrepreneur, the Guarantee fee would be 0.50% plus applicable service tax of the amount guaranteed for each project, provided that:
  - ESCO is managed by one or more female entrepreneurs who have stake not less than 51% of the total equity.
- iii) Upon signing of the Guarantee Agreement and disbursement of first tranche of the loan by the bank, guarantee fee shall be non-refundable. However in case of non-disbursement of first tranche of loan within six months from date of signing of guarantee agreement, 50% of the guarantee fee shall be refunded to the PFI on receipt of such request from the PFI, maximum within a period of nine months of signing of guarantee agreement, beyond which the guarantee fee shall be non-refundable. And, this project will never be guaranteed by PRGFEE in future.
- iv) The Guarantee Fee will be valid from the date of disbursement of the EE Loan till the end of the Guarantee tenure for the EE Loan.
- v) Both guarantee fee and application fee shall be deposited in PRGFEE fund and would be utilized for administrative expense in addition to 5% of the total corpus of the PRGFEE fund.
- vi) **Incentive for successful completion of guaranteed projects:** After the successful completion of the guaranteed project i.e. without any guarantee claim made by PFI for that project, the Guarantee fee, mentioned in point 3.7(ii) above, shall be reimbursed to the PFI, without any interest implications. This incentive is expected to support successful implementation of EE projects and shall also give direct/indirect benefits to PFIs as well as ESCOs.

**3.8 EE Loan Agreement**

The details of the EE Loan, as mutually agreed between the PFI, and the Borrower, will be documented in the Loan Agreement signed between PFI and ESCO before signing of Guarantee agreement with IA.

**3.9 EE Loan Repayment Mechanism**

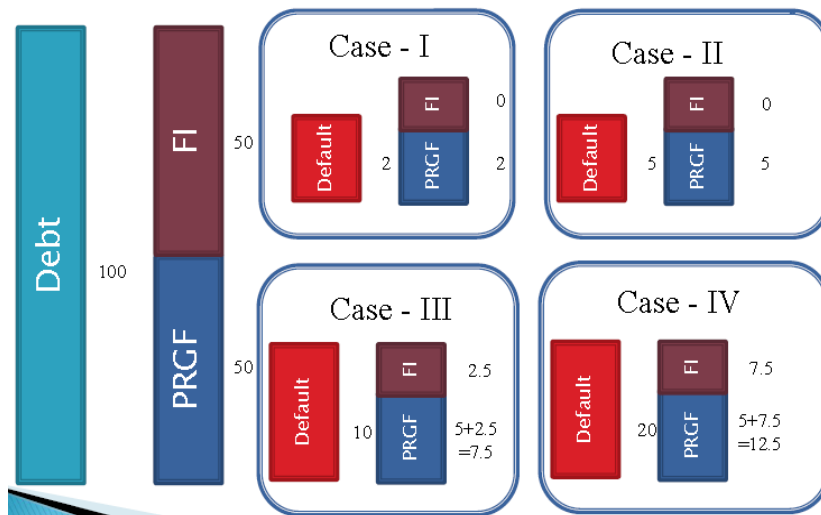
The EE Loan repayment will be done in accordance with terms and conditions of the Loan Agreement and routed through the Trust and Retention Account (TRA) or ESCROW Account maintaining a reserve of principal and interest of minimum 3 months or one quarter as per the payment schedule(Ref. Appendix 6).

**3.10 Guarantee Claim**

i) The Guarantee covered under PRGFEE will be a percentage of the outstanding principal loan amount at the time of the Guarantee Claim. In case of EE account becoming NPA, the fund will:

a) Cover the first loss subject to maximum of 10% of the total guaranteed amount

Note: Calculation method for first loss will be as follows:



It has been assumed that outstanding principal amount (assuming that the entire loan amount has been disbursed) is Rs.100 lakhs and guaranteed amount Rs.50 lakhs.

Case I: If default amount is Rs.2 lakh which is less than 10% of total guaranteed amount i.e. Rs.5 lakhs then the liability for the entire outstanding amount of Rs.2 lakhs will be borne by PRGFEE.

Case IV: If default amount is Rs.20 lakhs which is more than 10% of total guaranteed amount i.e. Rs.5 lakh then Rs.12.5 lakhs will be borne by PRGFEE.

b) Cover the remaining outstanding principal amount on pari-passu basis upto the maximum guaranteed amount.

In the context of PRGFEE coverage of remaining amount on pari-passu basis shall mean that after taking into account the liability towards first loss, the liability for the remaining outstanding principal amount shall be borne by PRGFEE and the PFI in the same proportion in which the risk pertaining to the loan was agreed to be borne between PRGFEE and the PFI at the time of issuance of PRGFEE Guarantee.

- ii) Accordingly, while submitting the Guarantee Claim Form, the PFI is required to state the Claim amount in accordance with the illustration provided under 5.2.1 herein below. The total amount of first loss and guarantee claim made shall in no case exceed the maximum guaranteed amount i.e 50% of the sanctioned loan amount, only principal amount actually disbursed, or Rs.10Crore whichever is less.
- iii) The PRGFEE shall pay 75% of the Claim amount by the PFI, within 60 days, subject to the claim being otherwise found in order and complete in all respects. The balance 25 % of the Claim amount will be paid on conclusion of recovery proceedings. All guarantee claims shall be settled before the last date of operation of PRGFEE and BEE/IA shall not be accountable for any guarantee claims made thereafter. On a claim being paid, the PRGFEE shall be deemed to have been discharged from all its liabilities on account of the guarantee in force in respect of the borrower concerned.
- iv) In case PFI declares the EE Loan as an NPA, based on the instructions and guidelines issued by the Reserve Bank of India from time to time, recall the EE Loan, and make necessary application in the prescribed guarantee claim form to the IA for approval of the guaranteed claim (as per guarantee agreement) at the time of NPA declaration.
- v) Upon receipt of application in the prescribed guarantee claim form from PFIs for approval of their claim, the IA will get the measurement and verification of the claimed amount done by the Measurement & Verification (M&V) agency empanelled by BEE. Based on the recommendations of M&V agency and submission of relevant documents guarantee claim shall be processed by IA. Once the claim of the PFI has been approved by the IA in writing, the same shall be presented by the PFI to the issuer of PRGFEE guarantee for recovery of the claimed amount. The claim of the PFI shall not require any further scrutiny thereafter and shall be made good promptly with a period not exceeding 15 working days from such presentment.
- vi) Once the PFI avails the Guarantee Claim, as outlined above, the particular EE project will no longer be eligible under the provisions of the PRGFEE.

### **3.11 Subrogation of rights and recoveries on account of claim paid**

- The PFI shall furnish to the PRGFEE, the details of its efforts for recovery, realization and such other information as may be demanded or required from time to time.
- The PFI or a security trustee appointed by it shall hold lien on assets created out of the credit facility extended to the borrower, on its own behalf and on behalf of the IA.
- The PRGFEE shall not exercise any subrogation rights and that the responsibility of the recovery of dues including takeover of assets, sale of assets, etc. shall rest with the PFI.

- Every amount recovered and due to be paid to the PRGFEE/IA shall be paid without delay, and if any amount due to the PRGFEE remains unpaid beyond a period of thirty (30) working days from the date on which it was first recovered, interest shall be payable to the PRGFEE by the PFI at the rate of 4% above the base rate of State Bank of India for the period for which payment remains outstanding after the expiry of the said period of thirty (30) working days.

### **3.12 Minimum Eligibility of Projects**

Eligible projects under the PRGFEE, for which Participating Financial Institution (PFI) can apply for a guarantee, could be credit facilities extended by PFI to ESCO for energy efficiency projects. The support under PRGFEE shall be for the government buildings, private buildings having commercial and multi-storey residential accommodations, municipalities, small & medium enterprises and industry.

- a) Each Eligible Project should meet the following criteria:
  - i. Seek to achieve demonstrable energy savings and mitigation in emissions of greenhouse gases;
  - ii. Propose a viable method to monitor and verify energy and greenhouse gas emission savings;
  - iii. Be a new project, not refinancing existing projects or any outstanding obligations of the Eligible Borrower; and
  - iv. Use viable technology and be developed with competent energy audit/feasibility studies;
  - v. Project must be implemented by BEE empanelled ESCO on performance contracting mode, where there is a defined agreement which link payment to certain level of energy savings.
  
- b) Besides, meeting the above mentioned eligibility criteria the project should also ensure that minimum 70% of the eligible loan amount should be towards the cost of the investments required for implementation of the EE project which shall include expenditure on purchase, erection and commissioning, installation or retrofit/ modification of the equipment etc. contributing to energy savings and 30% for others;  
or,  
the project can be a joint project of Renewable Energy and Energy efficiency with a component of 50% for the cost of the investments required for implementation of the EE project as above and 50% for RE and other costs.
  
- c) Loan amount below Rs. 5 Lakh will not be considered under PRGFEE.

***3.13 Projects not eligible under PRGFEE***

- i. any project in respect of which performance risks are additionally covered under a scheme operated or administered by deposit insurance and credit guarantee corporation or the Reserve Bank of India, to the extent they are so covered;
- ii. any project in respect of which performance risks are additionally covered by Government or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered;
- iii. any project, which does not conform to, or is in any way inconsistent with, the provisions of any law, or with any directives or instructions issued by the Central Government or the Reserve Bank of India, which may, for the time being, be in force;
- iv. any project proposal by energy service company which has not repaid any portion of the amount due to a PFI (under any other facility extended by PFI), for a guarantee invoked under PRGFEE, or under scheme mentioned under clause (a) or (b) or (c) above;
- v. projects covering performance risks under any kind of State government or Central government beneficiary scheme; and
- vi. the defaulters listed by Credit Information Bureau (India) Limited, Reserve Bank of India or any other agency

***3.14 Minimum Eligibility of PFIs to be empanelled with BEE under PRGFEE***

- i. Should be a scheduled commercial bank (other than regional rural bank) or public financial institutions (registered under section 4A of the Companies Act 1956 (1 of 1956)) or non-banking financial companies with the certificate of registration from Reserve Bank of India, registered under the category of non-deposit taking non-banking financial companies, Systemically Important Core Investment Company not raising public deposit or Infrastructure Finance Companies.
- ii. Should have a minimum net worth of INR 300 crore or its equivalent in foreign currency in at least two of the last three (3) years.
- iii. Should be in active business for a minimum period of 5 years and profitable for last 3 years.
- iv. Should have appraised and sanctioned at least 5 loans for energy savings/ renewable energy projects/ power projects/ infrastructure projects in last three years.
- v. Should not be involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this contract
- vi. Should not be black-listed by any Central/ State Government/ Public Sector Undertaking in India
- vii. The above points (ii to iv) will not be applicable for Public sector banks (other than regional rural banks).

***3.15 Minimum Eligibility of Borrowers for their project to be guaranteed under PRGFEE.***

- i. No borrower shall be eligible under the PRGFEE unless-
  - a. the BEE's empanelled energy service company(ESCO); or
  - b. the joint venture of energy service companies formed under the laws of India where the BEE's empanelled energy service company shall have share capital of at least 50%,

Provided that the PFI and its affiliates, subsidiaries, joint ventures, associates do not own, separately or in the aggregate, directly or indirectly, more than 10% of the total issued and outstanding share capital of such entity.

- ii. the loan proceeds shall be utilized for the purpose of financing an eligible borrower's investment in goods and services intended for the energy efficiency projects.
- iii. ESCOs who are not yet empaneled or new ESCOs, may be considered eligible under PRGFEE as "Deemed empanelled ESCOs" subject to the grading done by BEE's empanelled rating agencies.

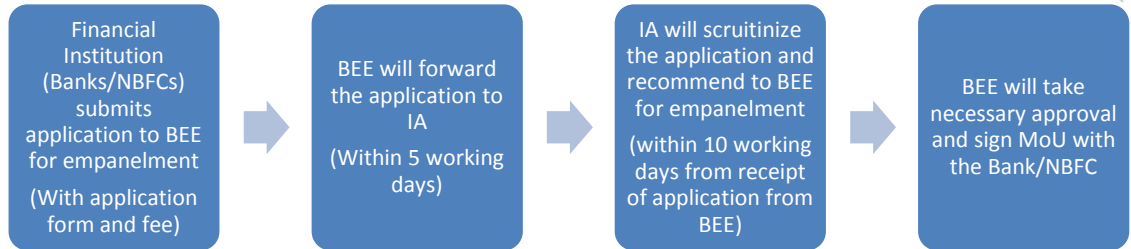
***3.16 Minimum Eligibility of M&V Agency to be empanelled with BEE under PRGFEE.***

- i. The M&V Agency should have at least one BEE Certified Energy Auditor/Certified Energy Manager/Certified M&V Professional on the team (including Team Leader of the bidding entity with minimum 15 years of experience each)
- ii. The M&V Agency should have minimum 5 years of experience in the energy sector (energy efficiency and audit) since its inception and profitable for a minimum of last three years. The team should have a minimum of 5 full-time, permanent personnel.
- iii. The turnover of the M& V agency should be in excess of Rs.1 Crore in the previous three financial years. Also it should have made profits for at least two years during last three financial years.
- iv. Preferably, the M&V Agency should have multiple (more than one) offices across India
- v. The M&V Agency should provide its incorporation type and registration number. The M&V Agency should establish that it's incorporation guidelines does not prohibit it from undertaking role mentioned in clause 3.17.2 of this OM.
- vi. The M&V agency should not have any kind of relation with ESCO and Facility owner during last three years.

**3.17 Roles and Responsibilities of key stake holders**

**3.17.1 Roles and responsibilities of PFI**

- i. PFI shall get empanelled with BEE by signing a MoU with BEE to participate under PRGFEE. The schematic representation of application process for empanelment is as shown below:



- ii. The PFI shall evaluate credit applications by using prudent banking judgment and shall use their business discretion/due diligence in selecting commercially viable proposals and conduct appraisal of the borrowers with normal banking prudence. The PFI shall consider the guidelines defined in Operations Manual for PRGFEE during technical, financial, and economic appraisal of EE loan applications.
- iii. The PFI shall closely monitor the borrower account.
- iv. The PFI shall ensure that it can enforce its liability and enter into subsidiary agreement if necessary.
- v. The PFI shall sign the EE Loan Agreement with the Borrower.
- vi. The PFI shall sign agreement for, and ensure establishment of a Trust and Retention Account (TRA)/ESCROW inter alia with the Borrower and the Trustee Bank (if required)
- vii. The PFI shall safeguard the primary securities taken from the borrower in respect of the credit facility in good and enforceable condition.
- viii. The PFI shall ensure that the guarantee claim in respect of the credit facility of the borrower is lodged with the PRGFEE in the form and in the manner and within such time as may be specified by the PRGFEE in this regard and that there shall not be any delay on its part to notify the default in the borrowers account. The PFI shall not try to raise any claims under the guarantee on the issuer of the PRGFEE guarantees until the verification of claims by the IA has been completed.
- ix. The PFI shall submit the application form along with supporting documents to IA for evaluation of proposals under PRGFEE.
- x. PFI has to provide all the clarification as desired by IA during evaluation of proposal within stipulated timeline.
- xi. PFI shall take guarantee from the PRGFEE before disbursement of loan to the borrower that is ESCO, subject to payment of guarantee fees.
- xii. The PFI shall submit report with reasons for account becoming NPA along with the guarantee claim form(Ref: Appendix 11) to process its claim under the guarantee.



- xiii. The payments of guarantee claim by IA or the person designated by it to the PFI does not in any way take away the responsibility of the PFI to recover the entire outstanding amount of the credit from the borrower. The PFI shall exercise all the necessary precautions and maintain its recourse to the borrower for entire amount of credit facility owed to it under PRGFEE and initiate such necessary actions for recovery of the outstanding amount, including such action as may be advised by the IA.
- xiv. The PFI shall comply with such directions as may be issued by the IA, from time to time, for facilitating recoveries in the guaranteed account, or safeguarding its (its designee's) interest as a guarantor, as the IA may deem fit and the PFI shall be bound to comply with such directions.
- xv. The PFI shall, in respect of any guaranteed account, exercise the same diligence in recovering the dues, and safeguarding the interest of IA in all the ways open to it as it might have exercised in the normal course if no guarantee had been furnished by the IA. The PFI shall, in particular, refrain from any acts of omission or commission, either before or subsequent to invocation of guarantee, which may adversely affect the interest of the IA as the guarantor. In particular, the PFI should intimate the IA while entering into any compromise or arrangement which may have effect of discharge or waiver of personal guarantee(s) or security. The PFI shall also ensure either through a stipulation in an agreement with the borrower or otherwise, that it shall not create any charge on the security held in the account covered by the guarantee for the benefit of any account not covered by the guarantee, with itself or in favor of any other creditor(s) without prior approval of the IA. Further the PFI shall secure for the IA, through a stipulation in an agreement with the borrower or otherwise, the right to list the defaulted borrowers' names and particulars on the website of BEE.
- xvi. Submit progress report on a quarterly basis to IA, and submit annual performance report to BEE.
- xvii. At least one senior officer of empanelled PFIs should attend annual meeting conducted by Implementing Agency to soundboard their experiences and suggestions on successful running of PRGFEE, under the presence of BEE.
- xviii. Comply with directions as may be issued by Supervisory Committee, from time to time.
- xix. If IA/Supervisory Committee want to add any further points under this scope of work, PFI has to adhere to.
- xx. The PFI shall be required to follow approved/ notified PRGFEE Rules for operationalization of PRGFEE as well as the Operations Manual prepared for PRGFEE.
- xxi. The PFI shall ensure that all EE projects proposal applied for guarantee under PRGFEE should be comprehensively insured from theft, natural calamities eg. Earthquake, flood, etc. wherever possible.

**3.17.2 *Roles and Responsibilities of M&V Agency***

- i. The M&V agencies will be responsible for conducting an independent assessment of the energy efficiency project and the loss claimed by the lending Financial Institution at the time of NPA.

- ii. The objective of M&V process is to understand the technical and commercial reasons for the loan account becoming NPA.
- iii. The Scope of Work of the M&V agency appointed to be acted upon in case of a claim under the PRGFEE guarantee is detailed in the following three major Tasks under which there are specified sub-tasks.

**A. Task 1: Pre-site visit desk review:**

- a. Review the project design including the EE measures implemented
- b. Review the M&V protocols for the project, as per the energy services agreement between the ESCO and the project host.
- c. Review the baseline data and any measurements conducted and reported by the ESCO or project host prior to and post implementation
- d. Review any M&V reports submitted to the IA
- e. Comment on the efficacy and appropriateness of the M&V protocols and the related definition of the baseline and pre- and post-installation data collection and measurements relative to the energy efficiency measures implemented
- f. Review any documented reasons for non-performance of the implemented energy efficiency measures and non-repayment of the loan
- g. Prepare a report on initial observations regarding shortcomings (if any) and efficacy of the EE measures and M&V methodology for the project.

**B. TASK 2: Site visit and interviews with concerned ESCO and Project Host**

- a. Conduct site visit at the location of the project host to identify and document:
  - i. definition of the baseline
  - ii. physical inspection of EE measures implemented
  - iii. measurement approach used for defining the baseline and the post-installation energy consumption
  - iv. periodic reports prepared by the ESCO or project host on post-installation performance, if any
  - v. data collection systems implemented, including any metering
  - vi. application of the agreed upon M&V protocols
  - vii. reasons for non-performance or poor performance of the EE measures, if any.
- b. Conduct any additional measurements and inspections of the energy efficiency measures a data collection and metering, as appropriate.
- c. Conduct interviews with the concerned project host, ESCO and any other parties involved in the implementation process to identify any issues with the implementation and performance of the energy efficiency measures.

- d. Conduct interviews with the Participating Financial Institution (PFI) that has provided the loan to the project.
- e. Document clearly the loss claimed by the PFI against the PRGFEE guarantee and identify the main reasons for such loss.

**C. TASK 3: Detailed Assessment and Submission of Report**

- a. Perform a detailed assessment of the results of the site visit and define any unresolved questions/ issues.
- b. Conduct a common meeting with all stakeholders, i.e., project host, ESCO, PFI and any others involved in the implementation and M&V process as well as the IA to discuss any issues and questions and review the overall findings of the site visit and the interviews conducted.
- c. Prepare a detailed Draft Final M&V Report based on the overall findings of the site visit, meetings and discussions, assessments and analyses, and recommendations for the IA regarding the claim against the PRGFEE guarantee.
- d. Incorporate comments as appropriate and prepare Final M&V Report.

**3.17.3 Roles and Responsibilities of IA**

The following are the functions of the implementing agency, namely:-

- i. assist the BEE in scrutinizing and evaluating the documents submitted by PFI for empanelment with BEE under PRGFEE and submit recommendations to BEE;
- ii. appraise guarantee applications of PFI with respect to guidelines approved by Supervisory Committee, and sign the guarantee agreement either by itself or through its designee with the participating financial institution on receipt of the guarantee application, along with the guarantee fee, and other supporting documents;
- iii. be independent of the appraisal carried out by the PFI, and of the development of the project by the eligible borrower;
- iv. shall assess and review the progress reports and statement of accounts provided by the PFI on utilization of the fund and in case of any deviations from the agreement, accordingly bring them to the notice of the Supervisory Committee in each quarter;
- v. update the Supervisory Committee, in every Supervisory Committee meetings, on the progress of the scheme (including guarantees committed or claimed, and other updates) since previous meeting and also submit a quarterly report to BEE regarding the progress and status of scheme;
- vi. shall each year issue an audited report setting out the accounts showing the income and expenditure under PRGFEE;
- vii. to collect guarantee fee and application fee from PFI and deposit it into PRGFEE Administrative Account, which shall be managed by BEE for administrative use such as empanelment process, for consultant fee, for administrative fee of IA, for media or

- workshop or seminar or conference cost, for M&V agency fee, and for other administrative expense of Project team of BEE;
- viii. obliged to pay only a quarterly interest at RBI's prevailing repo rate minus 2% (200 bps) (treasury charges – for meeting cost of any taxes on the interest earned by IA) on the balance of PRGFEE Fund account maintained by the IA. This quarterly interest on corpus amount shall be deposited in the PRGFEE Administrative Account for the purposes of enabling BEE to meet administrative expenses. In this regard BEE has represented to IA that pursuant to Section 49 of the Act, BEE has been exempted from tax on its income or profits and accordingly, IA shall not be liable to deduct any tax at source. However, in the event any action is taken against the IA in this regard by any relevant authority, BEE shall provide the necessary support to IA to defend such an action and to indemnify IA;
  - ix. conduct random due diligence on the appraisal documents on a sample of energy efficiency loans disbursed by PFI and cancel the risk cover for that particular energy efficiency loan, if deviations are found;
  - x. appoint independent M&V agency empanelled by BEE on receipt of Guarantee Claim from PFI, which shall be based on the rates subsequently decided by BEE and shared with IA;
  - xi. the cost of M&V agency shall be reimbursed to implementing agency by BEE;
  - xii. process the guarantee claim procedure and, if found appropriate and mutually agreeable based on the report submitted by the M&V agency, provide the guarantee coverage;
  - xiii. convene an annual meeting with the empanelled PFI to soundboard their experiences and suggestions on successful running of PRGFEE;
  - xiv. market PRGFEE both with PFI and the end users and energy service company to ensure their participation, and prepare pipeline of projects;
  - xv. be responsible for preparation of marketing material and education of potential stakeholders about the Fund;
  - xvi. shall provide a written assurance, along with the institutional structure relating to the independence of implementing agency staff from the review, appraisal and financing of the projects that are put up for guarantee facility to PRGFEE. Further, total guarantees provided to the IA itself under PRGFEE (where any of the members of the Consortium acts as a PFI) shall be limited to 10% (in aggregate) of the total fund value.

**3.17.4 *Roles and responsibilities of BEE***

- i. Act as the nodal agency for PRGFEE;
- ii. Regularly update the list of BEE's empanelled energy service companies on the BEE's website;
- iii. Appoint implementing agency which shall be a public financial institution or a consortium of entities including a public financial institution selected through competitive bidding;
- iv. Regularly monitor the performance of implementing agency, and in case of any non-performance on the part of implementing agency the BEE shall impose penalty on implementing agency;

- v. Empanel M&V agency by signing memorandum of understanding with them, and fix the lowest rates on which the implementing agency shall be paying to the measurement and verification agency for their services and the same shall be reimbursed to implementing agency by BEE;
- vi. Empanel the participating financial institutions under PRGFEE by signing memorandum of understanding with them;
- vii. Carryout annual visits to few projects (selected on random sampling basis) being covered under PRGFEE and submit reports to Supervisory Committee;
- viii. Manage the PRGFEE administrative account with the approval of Director General, BEE and utilize it for administrative use like for empanelment process, for consultant fee, for administrative fee of implementing agency, for media or workshop or seminar or conference cost, for M&V agency fee, and for other administrative expense of project team of BEE;
- ix. Utilize maximum five percent of the total corpus of PRGFEE for Energy Efficiency may be utilized to meet administrative expense related with the fund provided that, interest on corpus amount along with guarantee fee and application fee shall also be utilised for meeting administrative expense.
- x. manage the administrative bank account for clause (i) to meet administrative expense for empanelment process, for consultant fee, for administrative fee of Implementing Agency, for media or workshop or seminar or conference cost, for measurement and verification agency fee, and for other administrative expense of Project team of Bureau.

***3.17.5 Roles and responsibilities of Supervisory Committee (SC)***

- i. The Supervisory Committee is the apex body providing guidance as well as monitoring progress in PRGFEE.
- ii. Provide approvals and take decisions on matters of policy, modification of rules, and PFI compliance as and when they arise.
- iii. To approve Operations Manual for PRGFEE covering detailed roles and responsibilities of all the stakeholders including IA, Participating Financial Institution, Borrower (ESCO) and Beneficiary, and other documents required for operationalization of PRGFEE along with guarantee approval as well as guarantee claim procedure.
- iv. Regularly review the lending performance and process compliance of the empanelled PFIs and take decision on potential de-empanelment of a particular PFI from PRGFEE for any reason whatsoever.
- v. Committee shall meet at least once in each quarter to monitor the funds being managed by IA and approve the fund money which would be transferred from BEE to IA.
- vi. Maximum 5% of the total corpus of PRGFEE may be utilized to meet administrative expenses related with the fund. Both Guarantee fee and Application fee shall be deposited in PRGFEE fund and would be utilized for administrative expense in addition to 5% of the total corpus of the PRGFEE fund.

- vii. provide requisite guidance to the program office at Bureau, which may improve effectiveness of their functioning and implementation of the Partial Risk Guarantee Fund for Energy Efficiency.

### ***3.18 Benefits to key Stakeholders:***

#### ***3.18.1 Benefits for Participating Financial Institution***

- Partial risk coverage for EE Loans.
- Only empanelled ESCOs, reassures competence of ESCO.
- Projects appraised by experts from energy efficiency, legal, risk advisory and financial field.
- Standardized evaluation process and structured transaction.
- Coverage of complete first loss subject to maximum of 10% guaranteed amount.
- Build confidence in tapping a huge potential in EE sector.
- Contributing towards climate change mitigation.

#### ***3.18.2 Benefits for Energy Service Company***

- Ease of financing for implementation of EE projects.
- Opportunity to take up a bigger size EE Projects.
- A common platform to approach PFIs for EE projects financing.
- Combined effort can sensitize utility owners on EE implementation, thus generating more business.

## **4 PROJECT APPRAISAL UNDER PRGFEE:**

### **4.1 Application for PRGFEE**

The PFI seeking guarantee under PRGFEE for an EE project is required to furnish details as per prescribed application form for PRGFEE. (Appendix 1)

List of documents to be submitted with application form is attached at Annexure A of Appendix 1.

### **4.2 EE Project Appraisal**

Post submission of the application form along with appraisal by PFI, IA would formally register the application.

The detailed project appraisal, which would entail the following:

1. Appraisal of PFI, ESCO, Facility owner
2. Technical appraisal of the documents
3. Financial Appraisal of the project
4. Environmental Appraisal
5. Economic Appraisal
6. Legal Appraisal

### **4.3 Appraisal of ESCO**

The promoter/ Promoter Company/ company's background, creditworthiness, track record and their past dealings with institutions/ banks should be ascertained. A proper evaluation of the promoter/ Promoter Company is an important part of the overall EE project appraisal.

Also since every bank has its own unique company appraisal mechanism, individual banks could use their respective company appraisal mechanism when appraising a new customer/promoter. However, an indicative checklist to facilitate promoter appraisal is given below. An indicative framework for promoter information has also been included in the Application Form.

### **4.4 Technical appraisal of the documents**

The technical appraisal of an EE project would primarily focus on three fundamental issues:

1. Are the projected energy saving realistic? Is the basis of calculation appropriate?
2. Which technology will be used for the EE project, and whether it fits with the existing technology/processes at the facility?
3. Are there any drawbacks like impact on production or production schedules during implementation of the project?

### **4.5 Financial Appraisal of the project**

Financial Appraisal of an EE project would review the estimated cost of the project, proposed means of financing, financial and cash flow projections, viability parameters and sensitivity

analysis (Ref: Appendix 3). The past record of the promoters should also be examined with reference to financial statements viz. profit & Loss Account; balance sheet and cash flows for the at least past three years, if available.

***i. Project cost***

The various components of the project cost submitted by the borrower should be thoroughly examined as also the basis of the cost estimates. Realistic estimates should be used so as to prevent cost over-runs and or to avoid over estimation of costs.

The main components of the project costs and key issues to be considered during appraisal are discussed below:

- I. Pre-operative and preliminary expenses
- II. Equipment cost
- III. Design and Engineering Fees and project implementation charges
- IV. Interest during construction period
- V. Contingencies

***ii. Means of Financing***

The proposed means of financing of an EE project should be reviewed so as to assess whether the project is funded adequately, and whether the proposed capital structure for funding the project is in line with the bank's credit guidelines and policies. Some of the important sources of finance for an EE project are defined below:

- I. Promoters Contribution: A certain percentage of the capital cost of the project should be met by promoters contribution to ensure that they have a reasonable stake in and commitment to the project promoters contribution could be in the form of:
  - a. Equity-share capital or unsecured loans from promoters/associates
  - b. Internal Accrual from the existing company
- II. Term Loans: in cases where the project is to be funded by a consortium of lenders, it should be ensured that the other expected sources of loans are properly tied up, since any gap in the project funding would adversely affect the project.

***iii. Profitability projections/ project cash flow:***

Profitability estimates, projected cash flow and balance sheet should be prepared for both the specific EE project (s) and the company as a whole. The projections should cover the entire duration of the loan.

Key Assumptions:

- I. Capacity Utilization: For a retrofit EE project, the present/ immediate past level of capacity utilization achieved by the company would be a good benchmark.
- II. Estimated Energy Savings: Estimation of Energy Savings of this manual for a checklist of items to be reviewed on the calculation on energy savings. Average industry energy consumption per unit of output produced, if available, may be a



good benchmark for projected average energy consumption per unit of output produced post-EE implementation at the plant/facility. However, difference may still exist on account of plant/facility specific factors like age of the plant, the conditions prevailing in the facility capacity utilization etc.

III. Operating, maintenance and repair (OM&R) expenses

OM&R expenses for an EE project may include the following:

- Equipment replacement costs
- Manpower costs
- Cost for spares and tool

**iv. Financial Viability parameters**

The viability parameters recommended for EE projects could be divided into:

- 1 Key financial parameters: Include Internal Rate of Return (IRR), Debt Service Coverage Ratio (DSCR), Debt-Equity Ratio, and Asset Coverage Ratio
- 2 Other financial parameters: Payback period, Interest Coverage Ratio, and Net Cash Accrual Ratio.

(Ref. Appendix 3 and related technical and financial models under Evaluation methodology which may be modified in consultation with PFI depending on type of the project.)

**4.6 Environmental Appraisal**

The environmental appraisal assesses the pollution level of the given facility post EE project implementation, and compares the same with the level pre implementation of the EE project. In case, where pollution level increases post-EE implementation requisite environmental clearances may be required.

**I. Government Notification:**

The ministry of Environment & Forests is the apex body in the administrative structure of the Central Government, for the planning, promotion, co-ordination and overseeing of the implementation of environmental programmes.

Ministry of Environment and Forests (MOEF) notifications S.O. 60 (E), dated 27/01/1994 on Environment Impact Assessment and its subsequent amendments vide S.O. 356 (E) dated 4/5/1994, S.O. 318(E) dated 10/4/1997, S.O. 319 dated 10/4/1997, S.O. 73 (E) dated 27/1/2000, S.O. 1119 (E) dated 13/12/2000, S.O. 737 (E) dated 1/8/2001, S.O. 1148 (E) dated 21/11/2001, S.O. 632 (E) dated 13/06/2002 states.

“expansion or modernization or new project of any activity if pollution load is to exceed the existing one shall not be undertaken in any part of India unless it has been accorded environmental clearances by central government in accordance with the procedure hereinafter specified in this notification”.

**II. Compliance with Statutory Requirements:**

The PFI shall implement the procedures to ensure that each approved project complies with the environmental, health and safety standards.

Energy efficiency retrofit projects are modernization projects as they modernize the projects as they modernize the existing facility by improving processes, installing energy efficiency equipment's, converting wasted energy to useful energy etc.

#### **4.7 Economic Appraisal**

IA will appraise the economic benefits of the project at macro level after receipt of required information from ESCO and PFI as per Appendix 4.

#### **4.8 Legal Appraisal**

Prior to providing the guarantee IA should ensure that all necessary legal documentation is completed.

#### **4.9 Partial reimbursement of Techno Economic Viability (TEV) study cost**

To boost up the appraisal of EE projects by PFIs an incentive has been introduced to partially reimburse the Techno Economic Viability (TEV) study for projects approved under PRGFEE upon successful completion of guaranteed projects. This incentive would be Rs 1 lakh per project or actual cost incurred whichever is lesser for the first 10 empanelled PFIs and Rs 50,000/- per project or actual cost incurred whichever is less for the next 10 empanelled PFIs. This incentive shall be valid for those projects which will be guaranteed till 31st March 2017.

The distribution of the incentive shall be as follows:

<b>No. of PFIs</b>	<b>No. of Projects for each PFI</b>	<b>Max. Total Projects (in nos.)</b>	<b>Maximum Incentive per project (in Rs lakh)</b>
First 10 PFIs empanelled	Upto 5	50	1.00
Next 10 PFIs empanelled	Upto 3	30	0.50

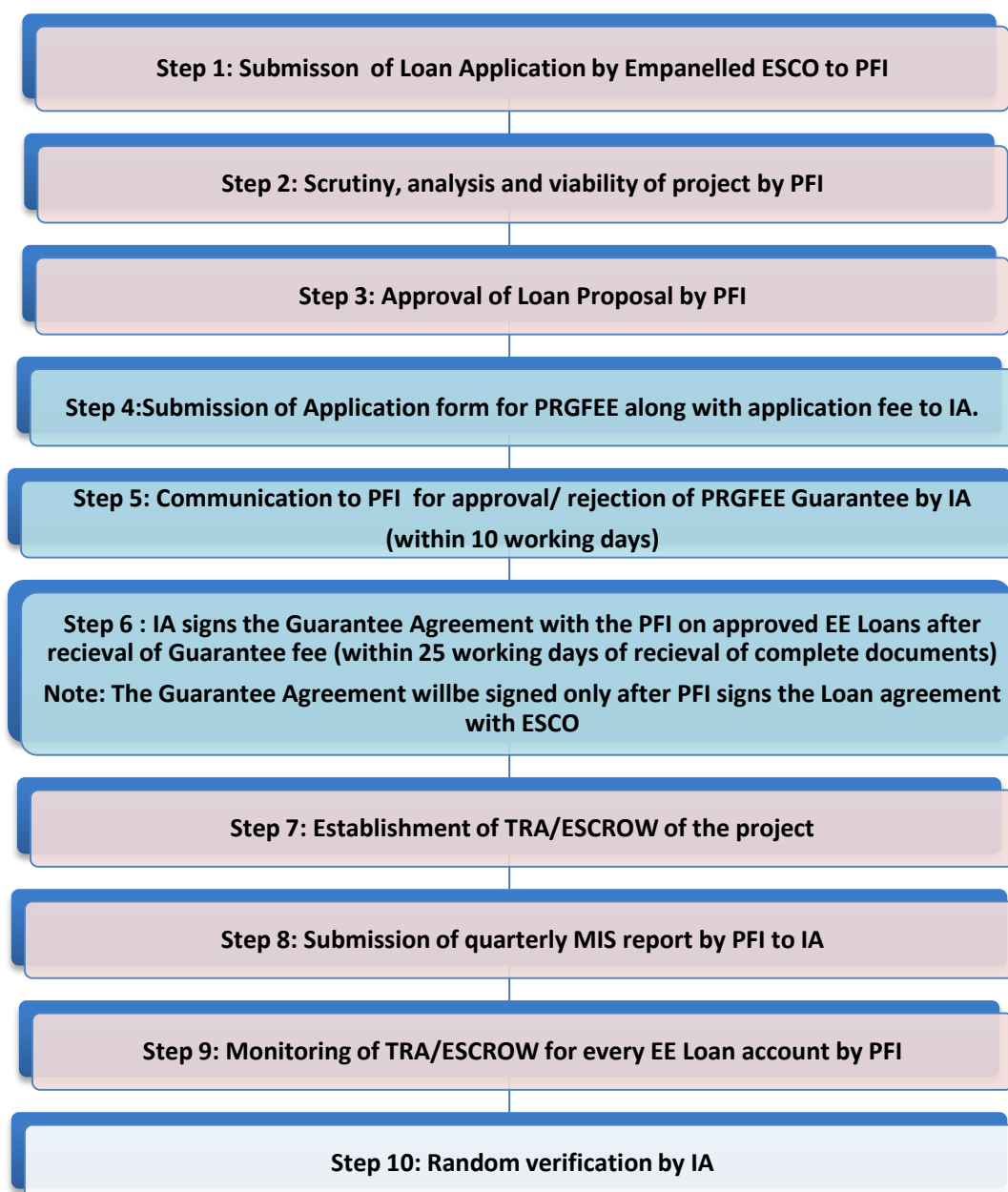
The beneficiaries of this scheme would be:

- a) In case the cost of TEV report is borne by PFI then PFI should submit copy of actual bills/invoices along with reimbursement request letter.
- b) In case the cost of TEV report is borne by ESCO then PFI should submit the utilization certificate along with the actual bills/invoices and certifying that the ESCO has been reimbursed with the same.

## 5 GUARANTEE PROCESS

### 5.1 Guarantee issuance process

The IA shall be required to follow the due process and appraisal guidelines/norms as contained herein prior to issuance of PRGFEE guarantees in favour of the PFIs. Once IA approves the project for issuance of PRGFEE guarantees, it shall either issue PRGFEE guarantees by itself or instruct the relevant bank appointed by it to issue the PRGFEE guarantees in favour of the PFIs. The IA shall not be required to issue PRGFEE guarantees or incur any other financial obligation beyond the amount of PRGFEE fund available with it at any time. Broadly, the following steps would be followed with respect to issuance of PRGFEE Guarantees (unless otherwise permitted by the IA on a case to case basis):



**Step 1: Submission of Loan Application by ESCO**

Empanelled ESCO approaches the empanelled PFI with a request for a loan for establishing an energy efficient project. Amongst other information, the request would be accompanied by the letter of acceptance from the project facility owner accepting the proposal for establishing the energy efficient project at the project facility of the facility owner and ESCO Performance Contract.

**Step 2 & 3: Scrutiny and analysis of project by PFI and subsequent approval/rejection of loan application**

PFI after conducting necessary due diligence and appraisal of the Project as per the energy efficiency project appraisal and monitoring policy of the PFI, accepts/rejects the loan application and if approved issues the sanction letter approving the Loan Amount on the terms and conditions contained therein. In case of rejection the project shall not be referred to PRGFEE.

**Step 4: Submission of Application form for PRGFEE with application fee**

After approval of loan, PFI applies to IA (along with the applicable Application Fee in accordance with the terms hereof) for seeking support of the PRGFEE guarantee available under PRGFEE towards lending for the Project, by submitting an Appraisal Report and essential information as required by IA for approval of the PRGFEE guarantee.

IA after completing the necessary due diligence based on the information submitted by PFI approves (or rejects) the amount for which PRGFEE Guarantee could be issued in favour of the PFI.

**Step 5: Communication to PFI for approval/ rejection of PRGFEE Guarantee:**

If approved, communicates the same to the PFI vide its approval letter.

**Step 6: IA signs the Guarantee Agreement with the PFI on approved EE Loans**

Pursuant to signing of Loan agreement, simultaneously or thereafter, IA and PFI execute the Guarantee Agreement supported by a Bank Guarantee (substantially in the format provided in Appendix 7 hereto and upon receipt of the Guarantee Fee). The guarantee would be granted by IA based on the eligibility and evaluation of the project within 10 working days of receipt of the same.

In case of non-submission of complete details/non-eligibility for a particular EE Loan, IA will intimate the PFI and provide a period of 10 working days to resubmit the completed documents. In case, the resubmitted documents by the PFI, within the specified timelines is complete, the IA will sign the Guarantee Agreement(s) for the respective EE Loan, else, that particular EE Loan will not be covered under PRGFEE.

**Step 7: Sign for establishment of TRA/ ESCROW Account**

The PFI shall sign agreement for, and establishment of a Trust and Retention Account (TRA) or an ESCROW Account maintaining a reserve of principal and interest of minimum 3 months or one month as per the payment schedule along with the ESCO and the Beneficiary and the Trustee Bank (if required).

**Step 8: Submission of quarterly MIS report by PFI to IA**

The PFI shall submit progress report on a quarterly basis to IA, and submit annual performance report to BEE

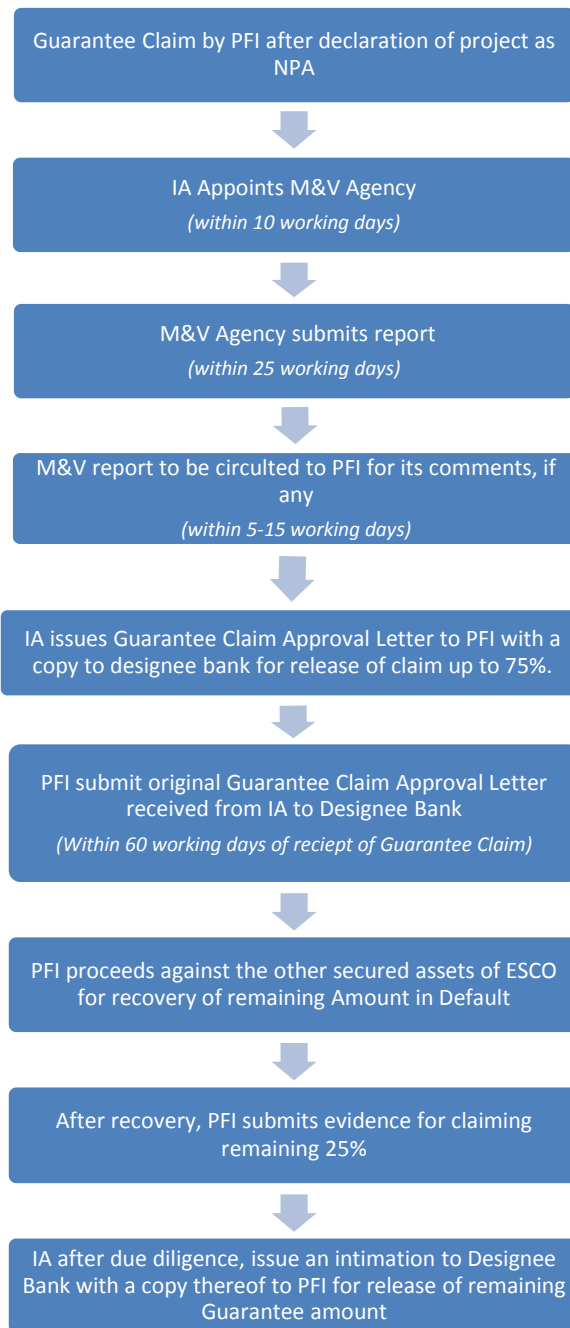
**Step 9: Monitor the TRA/ESCROW for every EE Loan account**

The PFI shall ensure interest and principal repayment, as per terms and conditions of the Loan Agreement, through the TRA/ESCROW Account maintaining a reserve of principal and interest of minimum 3 months or one month as per the payment schedule.

**Step 10: Random due diligence by IA**

IA shall conduct random due diligence on the appraisal documents on a sample of EE loans disbursed by PFIs and cancel the risk cover for that particular EE loan, if deviations are found, wherein project becomes ineligible for being granted any guarantee coverage or borrower is found to be fraudulent

5.2 Guarantee claim process



Step 1: Submit the Guarantee Claim Form, as prescribed in the OM (Appendix 11), to IA within a maximum period of one year from date of declaration of the project as Non-Performing Assets (NPA) providing all the necessary details in relation to the Project, loan account etc. including the claim of PFI against PRGFEE Guarantee calculated in accordance with the illustration provided in 5.2.1 below (“**Claim Amount**”).

Step 2: IA will appoint an Independent M&V Consultant within 10 working days from the date of receipt of Guarantee Claim Form from the PFI, to assess the default in the EE Loan.

Step 3: IA will ensure that the M&V report is submitted within 25 working days of appointment of the Independent M&V Consultant. If found appropriate and mutually agreeable based on the report

submitted by the M&V agency, IA shall provide the guarantee coverage. A copy of the M&V report will be circulated to the concerned PFI for its comments; and

- In case, no comment is received within 5 working days of receipt of the report, it would be deemed that the M&V report is final and legally binding on all the concerned parties;
- The comments/ objections, if any, would be formally discussed and mutually agreed between Independent M&V Consultant, and the PFI, within 15 working days of submission of the Guarantee Claim Form.
- Based on the mutual agreement on the M&V report, IA will decide on the processing of the Guarantee Claim.

Step 4: In case, the Guarantee Claim is found to be fraudulent, or in the event of serious deficiencies, such as inadequate appraisal/ renewal/follow-up/conduct of the project or multiple lodgment of claim, or suppression of any material information for the settlement of claims, etc., the IA will issue a letter communicating the rejection of the Guarantee Claim to the PFI and the Issuing Bank ("**Guarantee Claim Rejection Letter**") and will propose to Supervisory Committee for de-panelment of the PFI from PRGFEE for future Guarantee Application (s) new EE Projects, while continuing other existing EE Projects under PRGFEE with the PFI. In case, the Guarantee Claim is determined to be genuine, IA shall communicate its acceptance thereof and approving the release of up to the maximum extent of 75% of the Claim Amount (kindly refer to the illustrations provided under 5.2.1 for the relevant calculation) in accordance with the terms of the OM by issuing a letter to the PFI and the Issuing Bank ("**Guarantee Claim Approval Letter**").

Step 5: The PFI shall thereafter, submit the demand certificate (*along with the original of the Guarantee if so required by the Issuing Bank*) and the original of the Guarantee Claim Approval Letter received by it from the IA with the Issuing Bank, pursuant to which the Issuing Bank shall promptly process the release of the amount stated in the Guarantee Claim Approval Letter without further scrutiny of the Guarantee Claim.

Step 6: The PFI shall thereafter proceed ESCO for recovery of the remaining Amount in Default (not covered by the Guarantee) and the proceeds of the same shall be distributed on *pro rata* basis amongst the PRGFEE and the PFI in accordance with the terms of the OM.

Step 7: Upon the completion of the recovery process from the ESCO and the consequent *pro rata* distribution of the proceeds of such recovery, the PFI shall submit the necessary Guarantee Claim Form along with the relevant documentary evidence and all other information as may be sought by the IA, towards release of the remaining Claim Amount (being 25% of the Claim Amount). The balance 25 % of the Claim amount will be paid on conclusion of recovery proceedings. All guarantee claims shall be settled before the last date of operation of PRGFEE and BEE/IA shall not be accountable for any guarantee claims made thereafter.

Step 8: The IA shall undertake appropriate due diligence of the documents submitted by the PFI with reference to the recovery proceedings and if found appropriate shall issue an intimation to the Issuing Bank with a copy thereof to the PFI for the release of the remaining Claim Amount (being 25% of the Claim Amount) to the PFI and the Issuing Bank. Pursuant thereto the Issuing Bank shall promptly process the release of the amount stated therein without further scrutiny of the Guarantee

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Claim and the Issuing Bank and/or the IA shall have no further obligations hereunder or under the Guarantee.

### **5.2.1 Illustrations of Guarantee claim**

#### **Illustration 1: (CLAIM AMOUNT CALCULATION WHERE CLAIM AMOUNT IS EQUIVALENT TO FIRST LOSS UNDER PRGFEE GUARANTEE)**

A.	Loan Amount	Rs. 100 Lakh
B.	Actual Disbursed Loan Amount	Rs. 80 Lakh
C.	PRGFEE Guarantee Limit (in percentage)	50% of B
D.	PRGFEE Guarantee Limit (amount)	Rs.40 Lakh
E.	Outstanding Loan Amount at the time of declaration of NPA	Rs. 4 Lakh
F.	Calculation of Claim Amount under PRGFEE Guarantee	10% of D (First Loss) + 50% of NIL (Liability for the remaining outstanding amount (i.e., E minus amount covered under First Loss above) to be covered proportionately between PFI and PRGFEE. In this case this amount will be NIL as no amount will be outstanding after taking account First Loss above.) =4 + 0 = Rs. 4.0 Lakh
G.	75% of the Claim Amount to be settled within 60 days of receipt of the Guarantee Claim Form	75% of Rs.4.00 Lakh= Rs.3.0 Lakh (settled within 60 days of receipt of the Guarantee Claim Form)
H.	25% of the Claim Amount to be paid on conclusion of recovery proceedings by the PFI and the same being credited to PRGFEE on a proportionate basis	25% of Rs.4.00Lakh= Rs.1.0 Lakh (paid on conclusion of recovery proceedings by the PFI and the recovery being credited to PRGFEE on a proportionate basis)



**Illustration 2: (REGULAR MODEL)**

A.	Loan Amount	Rs. 100 Lakh
B.	Actual Disbursed Loan Amount	Rs. 80 Lakh
C.	PRGFEE Guarantee Limit (in percentage)	50% of B
D.	PRGFEE Guarantee Limit (amount)	Rs. 40 Lakh
E.	Outstanding Loan Amount at the time of declaration of NPA	Rs. 62Lakh
F.	Calculation of Claim Amount under PRGFEE Guarantee	10% of D (First Loss) + 50% of 58 (Liability for the remaining outstanding amount (i.e., E minus amount covered under First Loss above) to be covered proportionately between PFI and PRGFEE) =4 + 29 = Rs. 33Lakh
G.	75% of the Claim Amount to be settled within 60 days of receipt of the Guarantee Claim Form	75% of Rs. 33 Lakh= Rs.24.75 Lakh (settled within 60 days of receipt of the Guarantee Claim Form)
H.	25% of the Claim Amount to be paid on conclusion of recovery proceedings by the PFI and the same being credited to PRGFEE on a proportionate basis	25% of Rs.33Lakh= Rs.8.25 Lakh (paid on conclusion of recovery proceedings by the PFI and the recovery being credited to PRGFEE on a proportionate basis)

**Illustration 2: (Total loan amount disbursed and stands outstanding at the time of Guarantee Claim)**

There may be a scenario in which PFI avails PRGFEE's guarantee on certain EE loan, total loan amount disbursed and stands outstanding at the time of Guarantee Claim

A.	Loan Amount	Rs. 100 Lakh
B.	Actual Disbursed Loan Amount	Rs. 100 Lakh
C.	PRGFEE Guarantee Limit (in percentage)	50% of B
D.	PRGFEE Guarantee Limit (amount)	Rs. 50Lakh
E.	Outstanding Loan Amount at the time of declaration of NPA	Rs. 100 Lakh
F.	Calculation of Claim Amount under PRGFEE Guarantee	10% of D (First Loss) + 50% of 95 (Liability for the remaining outstanding amount (i.e., E minus amount covered under First Loss above) to be covered proportionately between PFI and PRGFEE)

## ***PRGFEE-Bureau of Energy Efficiency***

		= 5 + 47.5 = Rs. 53.5Lakh, However as it is exceeding the maximum guaranteed limit(D), the PFI can claim an amount of Rs. 50Lakhs only of which Rs.5Lakhs shall be covered as first-loss and Rs. 45Lakhs as liability for remaining outstanding to be covered under PRGFEE.
G.	75% of the Claim Amount to be settled within 60 days of receipt of the Guarantee Claim Form	75% of Rs.50.00 Lakh= Rs.37.5 Lakh (settled within 60 days of receipt of the Guarantee Claim Form)
H.	25% of the Claim Amount to be paid on conclusion of recovery proceedings by the PFI and the same being credited to PRGFEE on a proportionate basis	25% of Rs. 50Lakh= Rs.12.5 Lakh (paid on conclusion of recovery proceedings by the PFI and the recoverybeing credited to PRGFEE on a proportionate basis)

## 6 MEASUREMENT & VERIFICATION

### 6.1 About Measurement and Verification (M&V)

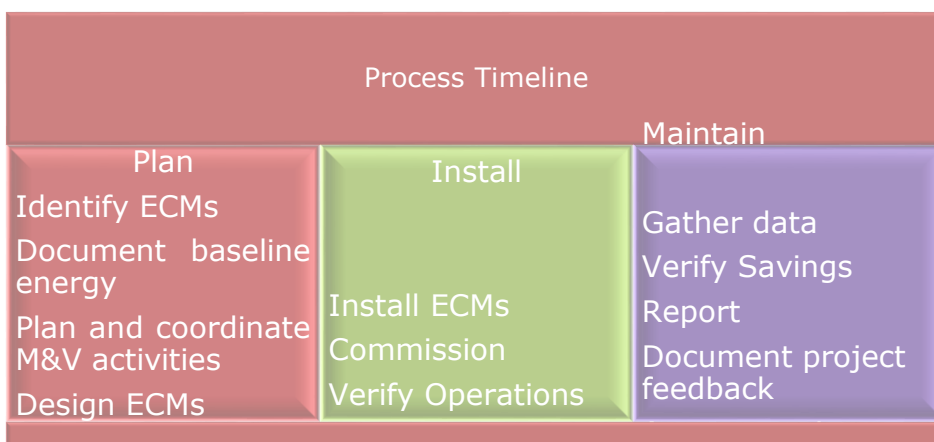
“Measurement and Verification” (M&V) is the process of using measurement to reliably determine actual *savings* created within an individual facility by an energy management program. *Savings* cannot be directly measured, since they represent the absence of *energy* use. Instead, *savings* are determined by comparing measured use before and after implementation of a project, making appropriate adjustments for changes in conditions.

M&V activities consist of some or all of the following:

- meter installation calibration and maintenance,
- data gathering and screening,
- development of a computation method and acceptable estimates,
- computations with measured data, and
- Reporting, quality assurance, and third party verification of reports.

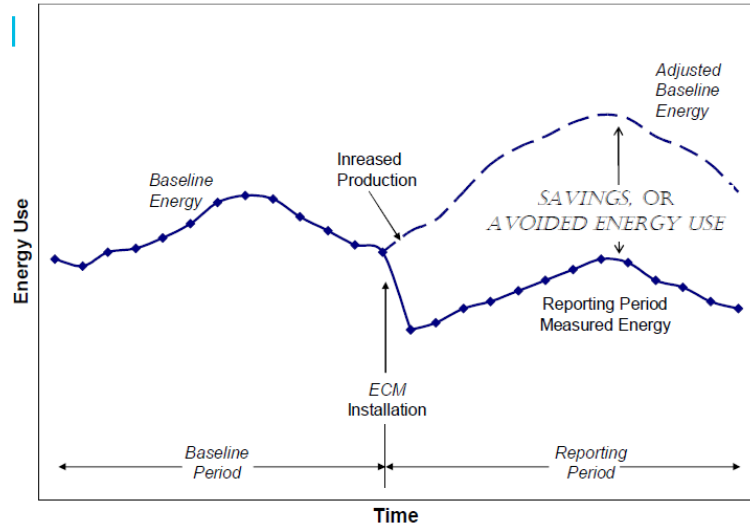
When there is little doubt about the outcome of a project, or no need to prove results to another party, applying M&V methods to calculate savings may not be necessary. However, it is still wise to verify (initially and repeatedly) that the installed equipment is able to produce the expected savings. Verification of the potential to achieve *savings* is referred to as *operational verification*, which may involve inspection, commissioning of equipment, functional performance testing and/or data trending. IPMVP-adherent M&V includes both *operational verification* and an accounting of *savings* based on site energy measurements before and after implementation of a project, and adjustments, as described above.

M&V is not just a collection of tasks conducted to help a project meet IPMVP requirements. Properly integrated, each M&V task serves to enhance and improve facility operation and maintenance of savings. M&V activities overlap with other project efforts (e.g. collecting data to both identify ECMs and establish energy baselines, commissioning and operational verification of installed ECMs, and installing monitoring systems to track and maintain savings persistence, etc.). Identifying these project synergies and establishing roles and responsibilities of involved parties during project planning will support a coordinated team effort. This can leverage complementary scopes and control M&V-related costs.



6.2 International Performance Measurement & Verification Protocol(IPMVP) Framework

Energy demand savings cannot be directly measured, since savings represent the absence of energy use or demand. Instead, savings are determined by comparing measured use or demand before and after implementation of a program, making suitable adjustments for changes in conditions.



As an example of savings determination process, above

Figure shows the energy-usage history of an industrial boiler before and after the addition of an energy conservation measure (ECM) to recover heat from its flue gases. At about the time of ECM installation, plant production also increased.

To properly document the impact of the ECM, its energy effect must be separated from the energy effect of the increased production. The “baseline energy” use pattern before ECM installation was studied to determine the relationship between energy use and production.

Following ECM installation, this baseline relationship was used to estimate how much energy the plant would have used each month if there had been no ECM (called the “adjusted-baseline energy”). The saving, or ‘avoided energy use’ is the difference between the adjusted-baseline energy and the energy that was actually metered during the reporting period. Without the adjustment for the change in production, the difference between baseline energy and reporting period energy would have been much lower, under-reporting the effect of the heat recovery.

It is necessary to segregate the energy effects of a savings program from the effects of other simultaneous changes affecting the energy using systems. The comparison of before and after energy use or demand should be made on a consistent basis, using the following general Equation:

$$Savings = (Baseline\ Period\ Use\ or\ Demand - Reporting\ Period\ Use\ or\ Demand) \pm Adjustments$$

The "Adjustments" term in this general equation is used to **re-state the use or demand of the baseline and reporting periods under a common set of conditions**. This adjustments term distinguishes proper savings reports from a simple comparison of cost or usage before and after implementation of an *energy conservation measure (ECM)*. Simple comparisons of utility costs without such adjustments report only cost changes and fail to report the true performance of a project. To properly report “savings,” adjustments must account for the differences in conditions between the *baseline* and *reporting periods*.

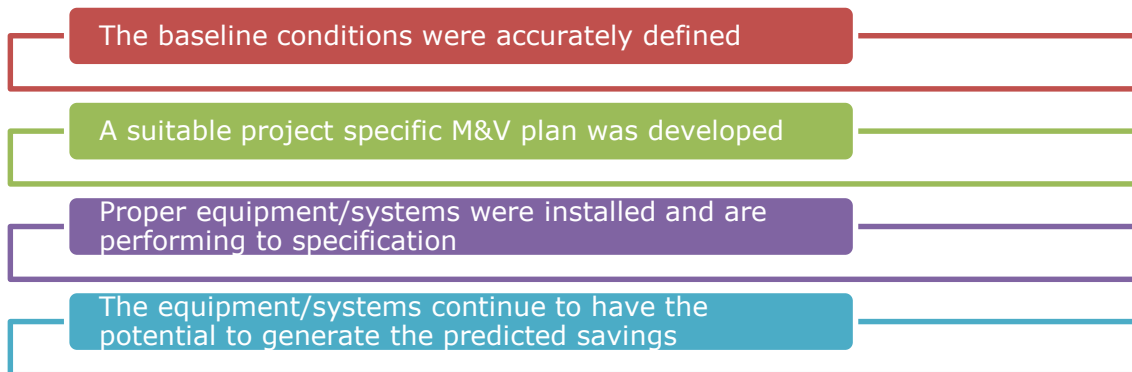
The baseline in an existing *facility* project is usually the performance of the *facility* or system prior to modification. This baseline physically exists and can be measured before changes are implemented. In new construction, the baseline is usually hypothetical and defined based on code, regulation, common practice or documented performance of similar *facilities*. In either case, the baseline model must be capable of accommodating changes in operating parameters and conditions so “adjustments” can be made.

For Greenfield Energy Efficiency projects, the baseline energy use can be modeled, as no energy use data exists prior to implementation. Here, Greenfield projects are defined as the start-up projects, where the investment starts with a bare site in a Greenfield. In case of Greenfield projects the promoters shall be required to prepare pre-feasibility study for the smooth functioning of the project and the baseline energy use can be inferred with due consideration of the following on energy usage:

- **Energy regulations, codes, standards and policy**– The use of available energy regulations, codes, and standards is encouraged in order to provide a convenient, clearly defined, and consistent baseline energy use.
- **Common practice** – under certain circumstances, the use of “standard practice” or “market standard” may be more appropriate for baseline development. The key issue is to have the actual baseline development process well-documented and replicable.
- **Comparison with similar systems/projects (eg. buildings) without any of the proposed energy savings measures implemented** –A similar system or facility which already exists in close proximity or with comparable conditions to the Greenfield project could be used for assessment of baseline energy use.

In buildings, the baseline can be determined by means of a detailed computer simulation method. This method is applied when no baseline data exists for measurements and these simulation tools are already available in India.

Regardless of the M&V strategy used, similar steps are taken to verify the potential for the installed energy conservation measures (ECMs) to generate savings. Verifying the potential to



generate savings can also be stated as confirming that:

**6.3 Responsibilities and Tasks of the M&V Agencies:**

Details of the roles and responsibilities of M&V Agencies are mentioned in clause 3.17.2 in this OM.

## 7 ENERGY SAVINGS PERFORMANCE CONTRACT

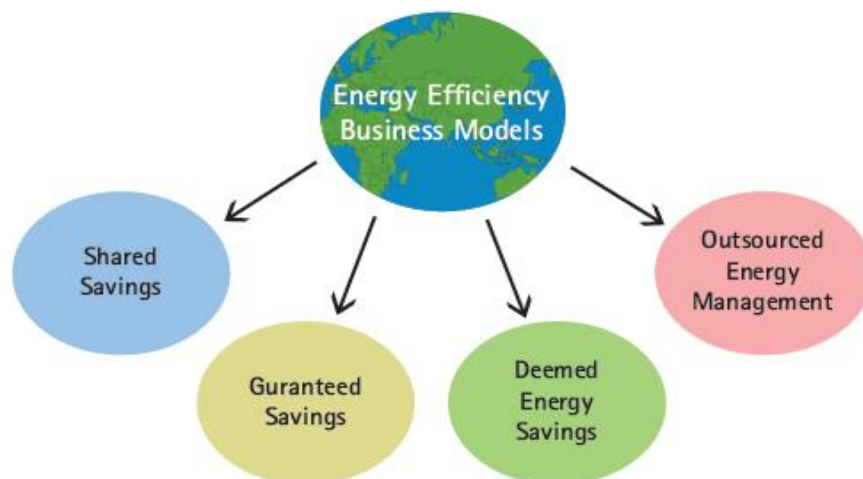
Offering the complete range of energy services has been suggested as the solution to increasing the pace of adoption and implementation of energy efficiency projects in the country. ESCOs have made significant contributions to the growth of energy efficiency business globally. Under the ESCO model, ESCOs provide a range of services, including energy analysis, design, installation, financing, and maintenance of the energy management and other technologies. ESCOs may also offer business and financing models under which customers effectively pay for the energy services from a portion of actual energy savings achieved. ESCOs receive payments based on demonstrable results (that satisfy the performance guarantees provided by the ESCO). In most ESCO models, a large part of the project risks are assumed by the ESCO.

### 7.1 Purpose of the contract

A performance contract guarantees that the cost savings from an energy efficiency improvements project will pay for the costs of the improvements at a facility.

#### ESCO Implementation model

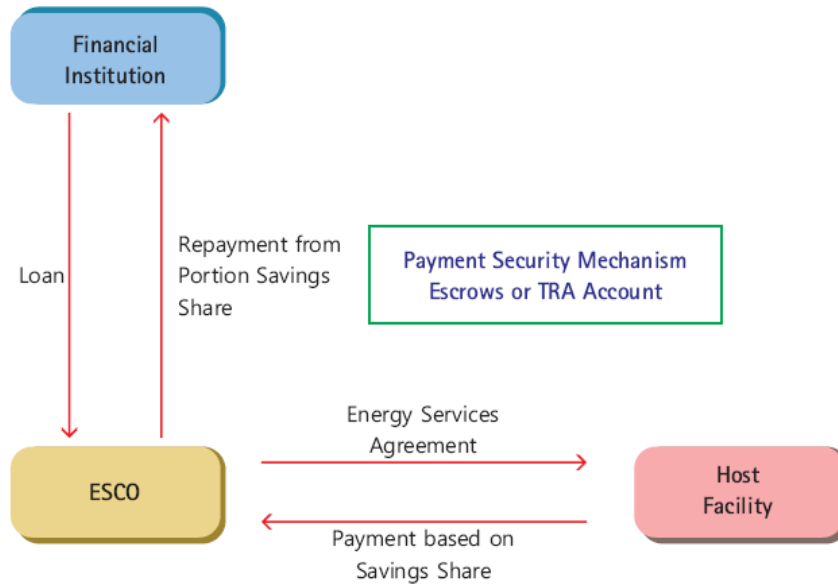
The growth rate of the ESCO market in India has been very slow. The ESCOs face several constraints in their operations, in obtaining finances, besides facing credibility issues with clients. BEE has come forward with an empanelment scheme for ESCOs to promote energy efficiency through credible ESCOs. The list of empanelled ESCO's is available on BEE's website.



ESCOs offer a variation of the following business models.

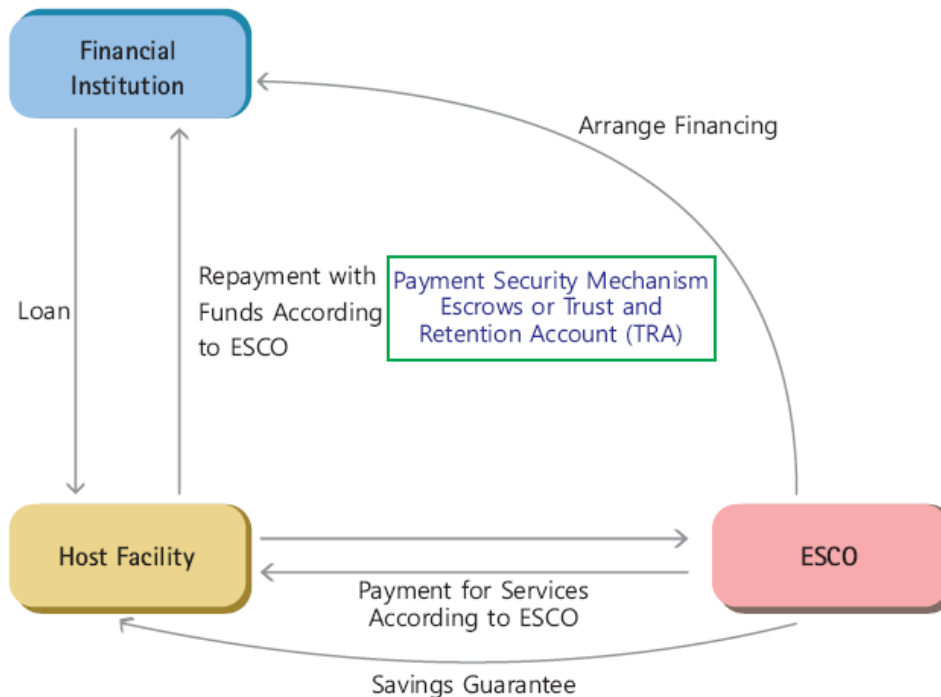
#### Shared Savings Model

Energy Savings Performance Contracting (ESPC) approach is implemented on turnkey basis by energy services providers. ESCO services include design, engineering, construction, installation, commissioning, measurement and verification. ESCOs also undertake operations and maintenance, providing/arranging financing and training. The key criteria here are to share the value of the energy savings, and this is what constitutes the revenue stream for the ESCOs. The facility owner/ host facility gets to retain all the savings beyond the contract period.



**Guaranteed Savings Model**

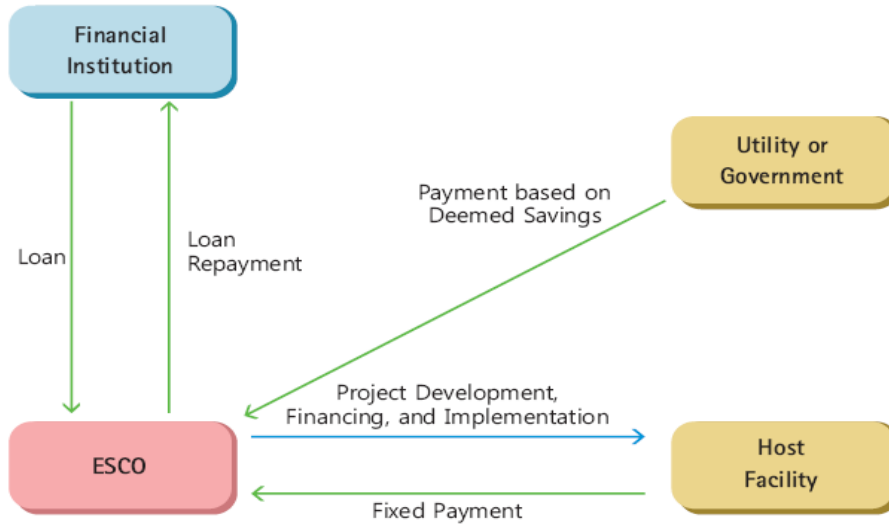
ESCOs implementing the projects offer a guarantee in energy savings, and these translate to cost savings. The facility owner/ host facility pays ESCO a sum agreed upon, linked to the guaranteed energy savings from the energy efficiency project. If savings are lower than the guarantee, the ESCO pays the difference. If the savings are higher, the ESCO may get (but not entitled to a bonus payment). The M&V protocol and terms of payment to the ESCO will be specified in ESPC. In this model, facility owner/ host facility may mobilize equity investment, and the FI will end debt to the ESCO. The facility owner/ host facility then provides for loan repayments and interest to the FI from its savings.



**Deemed Energy Savings Model**

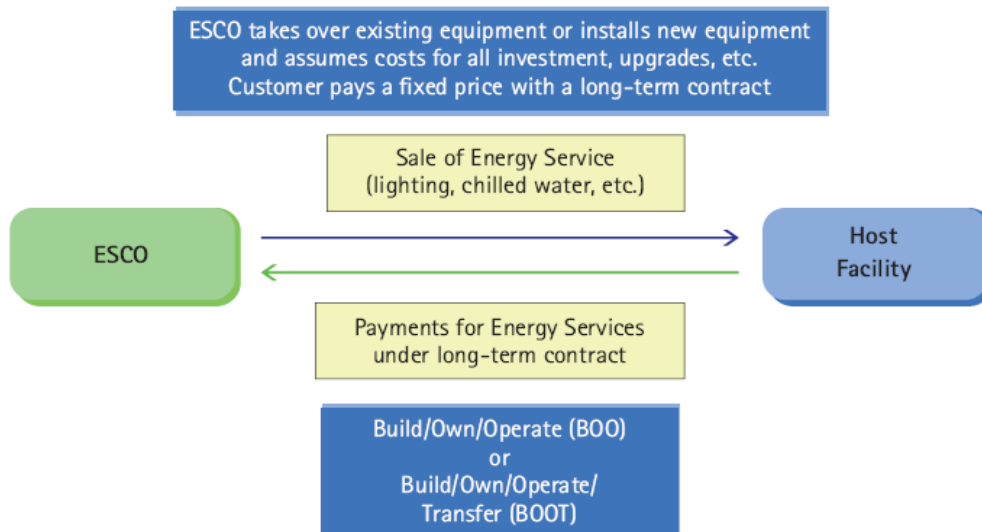
**PRGFEE-Bureau of Energy Efficiency**

Similar to the shared savings model, ESPC will be executed between the ESCO and facility owner/ host facility with a fixed price for services provided and financial agreement will be executed between the ESCO and FI for debt. The former will make loan repayments and interest from facility owner/ host facility and utility/government payments. The ESCO will execute the agreement between itself and the government or utility, for which it receives payments based on deemed savings.



**Outsourced Energy Model**

This model is also known as energy supply contracting. An agreement will be executed between the ESCO and facility owner/ host facility under which the former takes over operation and maintenance of the energy using equipment in the host facility. The ESCO will set the output such as steam, heating/ cooling, lighting to the host facility at an agreed price, generally fixed over a long period of time. It invests in all equipment upgrades, repairs, etc., to improve energy efficiency. Ownership typically remains with the facility owner/ host facility.



The detailed terms & conditions between the Energy Service Company and the Facility Owner are available in the ESCO Agreement/Energy Performance Contract. (Appendix 6)



## **8 REPORTING MECHANISM**

### **8.1 ESCO to PFI**

ESCO has to submit following documents to PFI:

- PRGFEE application form along with the necessary documents
- Detailed Project Report (DPR)
- ESPC Agreement between facility owner and ESCO
- M&V document as per ESPC.
- Financial statements (if any)
- Details of all statutory clearances and approvals obtained (if any)

### **8.2 PFI to IA**

PFI has to submit following documents to IA as a statutory requirement for submission of PRGFEE application form to IA.

- PRGFEE Application form & other required documents as per requirement of IA.
- Quarterly report regarding disbursement details (if any), loan repayment, project status etc.
- Reply to all the queries raised by IA.
- Measurement & Verification report
- Guarantee revoke request (if any)
- Claim Guarantee in-case of project becomes NPA as per format provided (Appendix 11)

### **8.3 PFI to BEE**

With reference to the empanelment of PFIs under PRGFEE following documents shall be submitted to BEE:

- Annual Progress report (Appendix 8)
- Quarterly progress Report (Appendix 9)
- Any other information as directed by SC, BEE or MoP from time to time

### **8.4 IA to BEE**

IA has to submit following documents to BEE:

- Copy of Guarantee approval letter (Appendix 10)
- The IA shall submit the status of committed guarantees and claim status in each quarter to BEE, and request for release of additional fund money (if required)
- The IA submit a quarterly report to BEE, regarding the progress and status of scheme
- Reply to queries raised by Supervisory Committee of BEE.

*(Note: The templates attached herein may be modified/customized in consultation of the legal counsel to suit the requirements of the project.)*

APPENDIX 1

# Application Form for Partial Risk Guarantee Fund for Energy Efficiency



**Cover Letter on Letter Head of Participating Financial Institutions (PFI)**

**Letter Reference No:**

Date:

To,

CFO-RECPDCL & Officer-In-Charge PRGFEE  
REC Power Distribution Company Ltd.  
1016-1023, 10th Floor, Devika Tower  
Nehru Place,  
New Delhi-110019

Sub: Submission of application form for availing guarantee under PRGFEE

Dear Sir,

I/ We hereby apply for Partial Risk Guarantee under PRGFEE for the proposed project of -----  
(Name of ESCO)----- . We have evaluated and examined in detail the  
complete proposal document and respective supporting documents submitted by (Name of ESCO) ---  
----- and also carried out the necessary due diligence and KYC compliance.

The proposal (Loan Case No.-----) submitted by -----(Name of ESCO)-----  
---is bankable and we have sanctioned Loan of Rs------(Rupees-----  
-----) against Loan Application of Rs------(Rupees-----) at  
interest rate of ----- % p.a. (without considering benefit of Partial Risk Guarantee under PRGFEE  
for the proposed project). We wish to apply for a Guarantee under PRGFEE for Rs-----  
-- (Rupees-----).

Kindly process this application for Partial Risk Guarantee under PRGFEE for the proposed project of -  
----- (Name of ESCO) -----.

Thanking you,

Yours faithfully  
(Signature of Authorize representative)

Name:  
Designation:  
Name of (PFI):  
Branch Address:  
Seal:  
Date:  
Place:

Encl: Required documents

## Preliminary Checklist before filling application form

1. % of holding of empanelled ESCO in the project (SPV/JV etc.) (Please mark√ as applicable)  
Below 50%   
50 %   
Above 50%
2. Eligibility of the project for PRGFEE (Please mark√ as applicable)
  - a. Demonstrable energy savings and mitigation in emissions of greenhouse gases;
  - b. Propose a viable method to monitor and verify energy and greenhouse gas emission savings;
  - c. Be a new stand-alone project, and not refinancing existing projects or any outstanding obligations of the eligible Borrower
  - d. Use of viable technology and development with competent energy audit/ feasibility studies;
  - e. None of the above
3. Does the project enjoy any of the following benefits:
  - a. Performance risks are specifically guaranteed under a scheme operated/administered by Deposit Insurance and Credit Guarantee Corporation or the Reserve Bank of India, or any risk sharing mechanism to the extent they are so covered. –  Yes  No
  - b. Performance risks are specifically guaranteed by Government or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered. –  Yes  No
  - c. Project, which does not conform to, or is in any way inconsistent with, the provisions of any law, or with any directives or instructions issued by the Central Government or the Reserve Bank of India, which may, for the time being, be in force.  Yes  No
  - d. Project proposal by a particular ESCO, which has not repaid any portion of the amount due to a PFI for a risk claim under PRGFEE or under scheme mentioned under clause (a) or clause (b) or clause (c) above.  Yes  No
  - e. Projects covering performance risks under any kind of State government or Central Government beneficiary scheme.  Yes  No
4. Purpose of availing loan (Please mark√ as applicable)  
Implementing new project   
Expansion of project   
Diversification of project   
Modernisation of project

5. Collateral Security details (give details in brief)

--

6. Whether PFI Appraise Report attached with application form (Please mark√ as applicable)

Yes

No

7. Tenure for the guarantee under PRGFEE (Please mark√ as applicable)

Less than 3 years

More than 3 years upto 5 years

8. Loan sought for individual projects (Please mark√ as applicable)

Yes

No

9. PFI to adhere responsibility, Reporting, Transaction, Monitoring & Evaluation as per PRGFEE rules specified by BEE (Please mark√ as applicable)

Yes

No

10. Has PFI disbursed the loan to ESCO ?

Yes

No

11. Key Financial parameters

Project Internal Rate of Return (IRR)	
Net Present Value (NPV)	
Accounting Pay Back Period	
Average Debt Service Coverage Ratio (DSCR)	
Current Ratio	
Quick Ratio	
WACC	

**Technical Parameters**

12. Type of Project (Please mark√ as applicable)

Retrofit

Replacement

Greenfield

13. Sustainable development criteria (Please mark√ as applicable)

Energy Efficient BEE Star Label Product

Project registered for availing the CDM benefits of UNFCCC

14. Estimated Energy Savings (%)

15. Has Implementing Agency rejected proposal, if yes please provide details:-

Yes

No

16. Attached all the documents according to ANNEXURE-A

Yes

No

**APPLICATION FORM**

**A) Particulars of PFI**

**1. Name of PFI (in Capital Letters only)**


**2. Address of PFI**

Flat/ Room/ Door/ Block No.

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Name of Premises/ Building/ Village

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Road/ Street/ Lane/ Post Office

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Town/ City/ District

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State/ Union Territory

Pin code

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**3. Name of Project**

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**4. Loan Docket/ Case Number**

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**5. Loan Amount applied by ESCO**

(Rs. (in lakhs) in figures)

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(Rs. in words)


**6. Loan Amount sanctioned by PFI**

(Rs. (in lakhs) in figures)

--

(Rs. in words)


**7. Any benefit extended to ESCO in case of guarantee issued, if yes provide details**

Yes

No

--

**8. Estimated rate of interest that may be offered on this project without PRGFEE support.**

--

**9. Will the PFI consider reducing interest rate in-case PRGFEE is provided? If yes, please specify the approximate reduction possible.**

Yes

No



**B. Particulars of Borrower (ESCO or JVs of ESCO)**

**1. Name of ESCO(in Capital Letters only)**


**2. Name of Project**

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**3. Correspondence Office Address of ESCO**

Flat/ Room/ Door/ Block No.

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Name of Premises/ Building/Village

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Road/Street/ Lane/Post Office

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State/Union Territory

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**4. Registered Office Address**

Flat/ Room/ Door/ Block No.

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Name of Premises/ Building/ Village

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Road/Street/ Lane/Post Office

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Town/ City/ District

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State/ Union Territory

Pin code

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Country code Area

STD Code

Telephone

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Email ID

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**5. Project Site Address & Phone No.**

Flat/ Room/ Door/ Block No.

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Name of Premises/ Building/ Village

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Road/ Street/ Lane/ Post Office

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State/ Union Territory

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Country code Area

STD Code

Telephone

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**6. Status of the ESCO**

*Please select status, ✓ as applicable*

Government

Individual

Hindu undivided family

Company

Partnership Firm

Association of Persons

Trusts

Body of Individuals

Local Authority Artificial Juridical Persons

Limited Liability Partnership

Others (if any please specify)

--

**7. Date of Birth (in case of individual)/ Incorporation/ Date of Partnership Deed**

D	D	M	M	Y	Y	Y	Y

**8. Shareholding Pattern of the ESCO**

Sr. No.	Particulars of Shareholders	Share holding Pattern (%)



**18. Any other loans availed by ESCO**

<b>Sr.No.</b>	<b>Banker Name</b>	<b>Branch Name</b>	<b>Total Loan Amount</b>	<b>Outstanding Loan</b>
1.				
2.				
3.				

**Note: Confirmation that all loan accounts are regular to be provided.**



**24. PAN (Permanent Account Number)**

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**25. Personal/Corporate Guarantee**

Net Worth (in rupees)

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Immovable property details:


**26. (A) Key Highlighted Professional Experience in similar fields**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**27. Are promoters/Directors are interested in other Industries/ Business**

Yes  No

If yes, give details of Business of Industrial concerns in which the Promoter are interested \_\_\_\_\_

**28. Bankers of Promoter/Director**

Bank Name

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Branch Name

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**29. Branch Address & Phone No.**

Flat/Room/ Door / Block No.

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Name of Premises/ Building/ Village

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Road/Street/ Lane/Post Office

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Town / City / District

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State / Union Territory

Pin code

Country code Area			STD Code				Telephone/								

(Note: in case of more than one banks, details to be submitted for all)

30. If the promoter/directors are in the RBIs/wilful defaulters list/ECGC caution list, if yes, action taken. Yes  No

31. If any of them connected in the past with NPA/OTS/compromise with any bank. Yes  No

32. Confirmation that CIRs have been drawn from CICs data base.(CIBIL/Equifax/Experian/high mark) and comments on adverse features, if any.

33. Confirm that payment of statutory liabilities is not in arrears. Yes  No

34. Confirm that no litigation against/by the company is pending. Yes  No

**35. Any other loan availed by Promoter**

Sr.No.	Banker Name	Branch Name	Total Loan Amount	Outstanding Loan
1.				
2.				
3.				

**Note: Confirmation that all loan accounts are regular to be provided.**

**Imp. Points:**

- a) *Information of other Partners or Directors of ESCO to be provided in separate information sheets in similar format.*
- b) *In case of JVs of ESCO, additional information to be submitted for both the ESCOs in similar format.*

**C. Facility Owner (Municipal/ Government Building/ Private Buildings having Commercial and multi-storey residential accommodations/ SME/ Industrial Unit)**

**36. Particulars of Facility Owner**

Name of Facility Owner (in Capital Letters only)


**37. Correspondence Office Address of Facility Owner**

Flat/ Room/ Door/ Block No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of Premises/ Building/ Village

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Road/ Street/ Lane/ Post Office

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Town/ City/ District

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

State/ Union Territory

Pin code

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**38. Registered Office Address**

Flat/ Room/ Door/ Block No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of Premises/ Building/ Village

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Road/ Street/ Lane/ Post Office

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Town/ City/ District

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

State/ Union Territory

Pin code

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Country code Area

STD Code

Telephone

--	--	--

--	--	--	--	--

--	--	--	--	--	--	--	--	--	--

Email ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



**39. Project Site Address & Phone No.**

Flat/ Room/ Door/ Block No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of Premises/ Building/ Village

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Road/ Street/ Lane/ Post Office

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Town/ City/ District

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

State/ Union Territory

Pin code

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Country code Area

STD Code

Telephone

--	--	--

--	--	--	--	--

--	--	--	--	--	--	--	--	--	--

**40. Status of the Facility Owner**

*Please select status, ✓ as applicable*

Government

Individual

Hindu undivided family

Company

Partnership Firm

Association of Persons

Trusts

Body of Individuals

Local Authority Artificial Juridical Persons

Limited Liability Partnership

Others (if any please specify)

--

**41. Date of Birth /Incorporation/Date of Partnership Deed**

D D M M Y Y Y Y

--	--	--	--	--	--	--	--

**42. Shareholding Pattern of the facility Owner**

Sr. No.	Particulars of Shareholders	Share holding Pattern (%)

**43. Incorporation Certificate No.(for companies only)**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

44. If the promoter/directors are in the RBIs/wilful defaulters list/ECGC caution list, if yes, action taken. Yes  No

45. If any of them connected in the past with NPA/OTS/compromise with any bank. Yes  No

46. Confirmation that CIRs have been drawn from CICs data base.(CIBIL/Equifax/Experian/high mark) and comments on adverse features, if any.

47. Confirm that payment of statutory liabilities is not in arrears. Yes  No

48. Confirm that no litigation against/by the company is pending. Yes  No

**49. Any other loan availed by Promoter**

Sr.No.	Banker Name	Branch Name	Total Loan Amount	Outstanding Loan
1.				
2.				
3.				

**Note: Confirmation that all loan accounts are regular to be provided.**

***Imp. Points: Information of other Partners or Directors of Facility owner to be provided in separate information sheets in similar format.***

**D. Particulars of Project**

**50. Project Name**


**51. Brief Project Details**

Brief of project should not be more than 100 words

**52. Category of Project Sector**

Municipal/ Government Building/ Small and Medium Enterprises/private sector/ Any Other

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**53. Type of Project, ✓ as applicable**

- New
- Expansion
- Diversification
- Modernisation

**54. No. of working/ usage hours in a year**

**55. Cost of Project**

(Rs. (in lakhs) in figures)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(Rs. in words)


(Attach Detailed Project Report giving details of Land; Building; Plant & Machinery, Market Survey details; Manufacturing Process (if any); Profitability Estimates Projected Financial Statements viz. Projected Balance Sheet, Projected Profit & Loss Account Statement and Cash Flow statements along with detailed calculations like Debt Repayment Plan, DSCR, IRR, NPV at the discounting rate Bank interest rate + 200 basis points)

Sr. No.	Key Financial Parameters	
1	Project Internal Rate of Return	
2	Net Present Value (NPV)	
3	Accounting Pay Back Period	
4	Debt Service Coverage Ratio (DSCR) (while calculating DSCR accelerated depreciation should not be considered)	
5	Current Ratio	
6	Quick Ratio	

**56. Detailed Project Cost Breakup (including Interest During Construction (IDC), Pre-Project Expenses)**

Sr. No.	Particulars	Amount

**57. Details of Proposed Energy Efficient Technology (Equipment)**

Sr. No.	Name of Equipment	Indigenous Equipment (Amount in Rs. (in lakhs).)	Imported Equipment (Amount in Rs.)	BEE Star Rated or Equivalent
	<b>Total</b>			

**58. Proposed means of Financing (allocation of financing)**

i. Equity	
ii. Debt	
iii. Quasi Equity	
iv. Any Grant / Subsidy	
v. Working Capital	

Sources of Equity Funding

Sr. No.	Name of Equity Investor for project	(Amount in Rs. (in lakhs).)
	<b>Total</b>	

**59. Details of Collateral Securities for the proposed loan (if any)**

Sr. No.	Collateral security	Approx. Value (Rs. (in lakhs).)
1.		
2.		

**60. Details for Energy Sources**

Sr. No.	Fuel Type	Quantity (Unit)	Value (INR)
1.	Electricity (MU)		
2.	Coal (ton)		
3.	Natural Gas (kg)		
4.	Furnace Oil (KL)		
5.	Biomass (MW)		
6.	Any other source		

**61. Details of Energy Savings**

Sr. No.	Fuel Type	Quantity (Unit)	Value (INR)
1.	Electricity (MU)		
2.	Coal (ton)		
3.	Natural Gas (kg)		
4.	Furnace Oil (KL)		
5.	Biomass (MW)		
6.	Any other source		

**62. Total Energy Savings ( % of Energy Savings ) :**

**63. Will this project generate any kind of employment opportunity? If yes, elaborate (w.r.t increase in employee strength (in numbers, future expansions etc. )**

Yes  No

Briefly specify the kind of employment opportunity to be generated

**For existing Units (applicable for energy efficiency projects)**

**Brief Description of Project**

--

**Name of Bank with whom the ESCO has been dealing**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Credit facilities enjoyed by ESCO**

	√	Specify amount (Rs. (in lakhs).)
Short Term Loan	<input type="checkbox"/>	<input type="text"/>
Working Capital Loan	<input type="checkbox"/>	<input type="text"/>
Loan against Share	<input type="checkbox"/>	<input type="text"/>
Loan against deposit	<input type="checkbox"/>	<input type="text"/>
Any other (specify the details)	<input type="checkbox"/>	<input type="text"/>

**For New Unit**

**Name of Bank with whom the ESCO has been dealing**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Credit facilities enjoyed by ESCO**

	√	Specify amount (Rs. (in lakhs).)
Short Term Loan	<input type="checkbox"/>	<input type="text"/>
Working Capital Loan	<input type="checkbox"/>	<input type="text"/>
Loan against Share	<input type="checkbox"/>	<input type="text"/>
Loan against deposit	<input type="checkbox"/>	<input type="text"/>
Any other (specify the details)	<input type="checkbox"/>	<input type="text"/>

**DECLARATION**

I/ We hereby declare that the information given herein before and the statement enclosed are to the best of our knowledge and belief, true and correct in all particulars and in the event of any of the statement being found to be untrue, the facilities granted on the basis of our assertion would be liable to be repaid forthwith interest and other costs accrued thereof to the lender.

Further, I/ We hereby declare that this project does not enjoy any insurance coverage against any performance risks covered by Government or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity; to the extent they are so covered.

Place:

Date:

For and on behalf of  
(Name of ESCO)

Signature  
Name and Designation

Date:

Place:

Note:

1. In case of sole proprietorship, the applicant should sign the declaration
2. In case of a partnership concern, declaration should be signed by all the partners.
3. In case of Companies, at least two directors/persons authorized in this behalf should sign the declaration.

\* A copy of resolution of the Board of Directors duly certified by the Chairman authorizing the director(s) to apply for loan to PFI and submit and sign necessary documents/papers.

## AUTHORISATION FOR VERIFICATION

I/ We certify that all information furnished by me/ us is true; that I/ We have no borrowing arrangements except as indicated in the application, for the project with any other bank, further there are no legal action has been/ is being taken against me/us; that I/ We shall furnish all other information that may be required by you in connection with my/ our application, that this and any other information available with you pertaining to the borrowing unit, present and future, may also be exchanged by you with any agency you may deem fit, and that you; your representatives, or any other Agency as authorized by you, may at any time inspect/verify our assets, books of account etc. in our factory and business premises.

I/ We further certify that as on date there are no over dues to financial institutions/banks from the undersigned, the other promoters and the company/ companies in which I/the other promoters have interest as a Promoter/ director/ partner/ proprietor.

I/ We further certify that there are no statutory over dues pending against me/ the other promoters/ the company or the companies in which I am/the other promoters are Director/ Directors.

Signature  
Name and Designation

Date:

Place:

Name of the ESCO

Note:

1. In case of sole proprietorship, the applicant should sign the declaration
2. In case of a partnership concern, declaration should be signed by all the partners.
3. In case of Companies, at least two directors/persons authorized in this behalf should sign the declaration.

\* A copy of resolution of the Board of Directors duly certified by the Chairman authorizing the director(s) to apply for loan to PFI and submit and sign necessary documents/papers.



**Note:-**

**Eligible Projects for Guarantee facilities under PRGFEE**

1. Eligible projects under the PRGFEE, for which Participating Financial Institution (PFI) can apply for a guarantee, could be credit facilities extended by PFI to ESCO for energy efficiency projects. The support under PRGFEE will be limited to government buildings, private buildings having commercial and multi-storey residential accommodations, municipalities, small and medium enterprises and industry.
2. Each eligible EE Project in the Beneficiary facilities with the above-identified sectors under PRGFEE should:
  - i. Seek to achieve demonstrable energy savings and mitigation in emissions of greenhouse gases;
  - ii. Propose a viable method to monitor and verify energy and greenhouse gas emission savings;
  - iii. Be a new project, not refinancing existing projects or any outstanding obligations of the eligible Borrower; and
  - iv. Use viable technology and be developed with competent energy audit/feasibility studies

**ANNEXURE - A**

Sr. No.	List of documents submitted along with the Application Form:	√*
1.	Memorandum & Articles of Association/ Partnership Deed any other charter document of entity	[ ]
2.	Attach Bio-Data of all the Promoters/Directors with Qualification, experience. (attach self-attested photo copy of TIN and DIN allotment letter)	[ ]
3.	Credit rating of the ESCO/Facility owner if any	[ ]
4.	Financial information on the basis of ABS of the ESCO and Facility owner as per Annexure C of this document.	[ ]
5.	Name of the facility owner of premises on which equipment is to be situated	[ ]
6.	Area of land/Premises [ ] Particular of Land /Premises[ ] documentary evidence viz. land agreement/lease agreement	[ ]
7.	GPS Map of the location (for particular project site)	[ ]
8.	Correspondence Address of Factory/ premises (land is situated at)/ Municipal & Government Building, or private building having commercial and multi-storey residential accommodation or small and medium enterprises or industry address proof viz. shop establishment licence /factory licence etc.	[ ]
9.	Copy of grading of ESCO from BEE.	[ ]
10.	Work order or copy of agreement between facility owner and ESCO	[ ]
11.	Underwriting by the facility owner	[ ]
12.	Whether Equipment proposed for the project are BEE star rated or not? If yes then, provide evidential proof of the same.	[ ]
13.	Sufficient evidence of imported equipment's equivalent to Indian Standards	[ ]
14.	Attach PFI approved copy of Detailed Project Report giving details of building Plant & Machinery, Market Survey, Profitability Estimates, DSCR, Cash Flow Statements, Energy Audit report by ESCO	[ ]
15.	Loan Amount Applied for and amount sanctioned. (Sanctioned letter )	[ ]
16.	New loan agreement, if already signed (or draft, if to be signed after guarantee)	[ ]
17.	PFI Appraisal Report along with details as per Appendix 2 and Appendix 3 of this OM.	[ ]
18.	internal credit rating report of ESCO by PFI	
19.	Copy of Share saving agreement or ESCO agreement	[ ]
20.	Methodology for Measurement& Verification of Savings	[ ]
21.	Electricity Bills for last 12 Months of the proposed facility or project	[ ]
22.	Copy of contract for contracted demand between the facility owner and Electricity Distribution Companies or State Electricity Board	[ ]
23.	Copy of clearances received from the respective department if any i.e. Environment Clearance	[ ]

24.	Process of procurement of Equipment from the supplier	[ ]
25.	Details of work order of procurement of Equipment if any	[ ]
26.	Small Scale Industries (SSI) Registration Certificate (if applicable)	[ ]
27.	Application fee	[ ]

## ANNEXURE - B

### **Instruction to applicants:**

- 1.) The applicant should ensure that the application form is duly filled and complete in all respects.
- 2.) All the documents as mentioned in Annexure-A should be submitted along with the application form.
- 3.) The application fee and the guarantee fee should be submitted in accordance with Clause 3.7 of the Operation Manual.

The fee can be submitted in form of DD or through online transfer to the following account:

Account Name: **PRGFEE-BEE PROJECT**

Account No.: **602001011002931**

Bank Name: VIJAYA BANK

IFSC Code: **VIJB0006020**

Branch Address: Bhikaji Cama Place, R.K. Puram, New Delhi, Delhi 110066

In case of online transfer, the applicant should provide a proof of transfer of fee to the PRGFEE- BEE Project account.

**Annexure C**

**Financial Position of the ESCO/ Facility owner as on close of last financial year, estimates for current year and projected for the next year.**

(Rs. In lakhs)

	Last year Audited	Estimates for the current year	Projections for the Next year
Gross Sales			
% growth *			
Net sales (net of excise duty etc.)			
Other Income			
Operating Profit/Loss*			
Profit before tax			
Profit after tax			
Depreciation/Amortization of expenses			
Cash profit/ (Loss) *			
EBIDTA/PBIDTA			
Paid up capital			
Reserves and Surplus excluding revaluation reserves			
Misc. expenditure not written off			
Accumulated losses *			
Deferred Tax Liability/Asset			
a) Tangible Net Worth			
b) Investment in allied concerns and amount of cross holdings			
c) Net owned funds/Adjusted TNW (a-b)*			
Share application money			
Total Borrowings			
Secured			
Unsecured			
Other investments (excluding investments in allied concerns considered for arriving at Net Owned Funds)			
Total Assets			
Current Assets			
Non current assets			
Out of which net fixed assets			
Net Working Capital*			
Current Ratio			
Debt Equity Ratio			
Term Liability/Adjusted TNW			
TOL/Adjusted TNW			
Operating Profit/Sales			
Long Term Sources			
Long Term Uses			

Surplus/Deficit			
Short Term Sources			
Short Term Uses			
Surplus/Deficit**			

## APPENDIX 2 – TECHNICAL & FINANCIAL MODEL

### PROJECT TECHNICAL MODEL

#### A. Exiting Facility Details

Name of Project	
Name of PFI	
Name of ESCO Company	

Type of Project	New	
	Expansion	
	Diversification	
	Modernization	

Sr. No.	Existing Facility Details							
1	Sr. No.	Name of Equipment	Quantity (No.)	Type of Equipment	Indigenous Equipment	Imported Equipment	BEE Star Rated or Equivalent	
1	Details of existing equipments to be Replaced, Modernize etc.							
	1							
	2							
	3							
	3							
	4							
	5							

		6						
		7						
		8						
		9						
		10						
		11						
		12						
		13						
		14						

		Particulars	Unit (KVA, Ton, etc.)
2	Connected Load	Total Connected Load of Complete Facility	
		Total Connected Load of Proposed Project	

3	Gate to Gate Energy Consumption of existing facility	Please provide the Gate To Gate Energy Consumption Chart or Figure
---	--	--

4	Project Boundary	Please Specify the Project Boundary Chart or Figure
---	------------------	---



5	Last Five Year Energy Consumption of existing Facility (Quantity Unit)	Sr. No.	Type of Fuel	Year 1	Year 2	Year 3	Year 4	Year 5
		1	Electricity (MU)					
		2	Coal (ton)					
		3	Natural Gas (kg)					
		4	Furnace Oil (KL)					
		5	Biomass (MW)					
		6	Any other source					

6	Monetary Value of Last Five Year Energy Consumption of existing Facility (value INR)	Sr. No.	Type of Fuel	Year 1	Year 2	Year 3	Year 4	Year 5
		1	Electricity (MU)					
		2	Coal (ton)					
		3	Natural Gas (kg)					
		4	Furnace Oil (KL)					
		5	Biomass (MW)					
		6	Any other source					

7	Monthly energy consumption for last 12 Months (Quantity Unit)	Sr. No.	Month	Electricity (MU)	Coal (Ton)	Natural Gas	Furnace Oil	Biomass	Any other sources
		1	January						
		2	February						
		3	March						
		4	April						
		5	May						
		6	June						

		7	July						
		8	August						
		9	September						
		10	October						
		11	November						
		12	December						

8	Monthly energy consumption for last 12 Months (Value) INR	Sr. No.	Month	Value (INR)
		1	January	
		2	February	
		3	March	
		4	April	
		5	May	
		6	June	
		7	July	
		8	August	
		9	September	
		10	October	
		11	November	
		12	December	

**B. Project Detail**

Sr. No.	Proposed Energy Efficiency Project					
1	Details of Proposed Energy Efficient equipments	Sr. No.	Name of Equipments	Indigenous Equipment	Imported Equipment	BEE Star Rated or Equivalent
		1				
		2				
		3				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
		11				
		12				
13						
14						
2	Cost Break of the Energy Efficient equipments & associated services	Sr. No.	Name of Equipments	Indigenous Equipment (Amount in Rs.)	Imported Equipment (Amount in Rs.)	BEE Star Rated or Equivalent if any (Amount in Rs.)
		1				
		2				
		3				
3						

		4				
		5				
		6				
		7				
		8				
		9				
		10				
		11				
		12				
		13				
		14				
		Total				
		Sum Total				

3	Connected Load	Particulars	Unit (KVA, Ton, etc.)
		Total Connected Load of Complete Facility after implementation of proposed project	
Total Connected Load of Proposed Project after implementation			

4	Gate to Gate Energy Consumption complete facility with project	Please provide the Gate To Gate Energy Consumption Chart or Figure
5	Project Boundary	Please Specify the Project Boundary Chart or Figure
6	Detailed Calculation considered for Energy saving	Please Specify the detailed Energy Saving calculation

7	Assumption for calculation of Energy Saving	Sr. No.	Particulars	Units					
		1							
		2							
		3							
		4							
		5							
		6							
		7							
8	Forecasted Five Year Energy Saving of Proposed Energy Efficiency Project (Quantity Unit) (after COD)	Sr. No.	Type of Fuel	Year 1	Year 2	Year 3	Year 4	Year 5	
		1	Electricity (MU)						
		2	Coal (ton)						
		3	Natural Gas (kg)						
		4	Furnace Oil (KL)						
		5	Biomass (MW)						
		6	Any other source						
9	Monetary Value of Forecasted Five year Energy Saving (value INR) (after COD)	Sr. No.	Type of Fuel	Year 1	Year 2	Year 3	Year 4	Year 5	
		1	Electricity (MU)						
		2	Coal (ton)						
		3	Natural Gas (kg)						
		4	Furnace Oil						

			(KL)						
		5	Biomass (MW)						
		6	Any other source						
10	Forecasted Monthly energy Saving for First 12 Months after the commissioning date(Quantity Unit)	Sr. No.	Month	Electricity (MU)	Coal (Ton)	Natural gas	Furnace Oil	Biomass	Any other sources
		1	January						
		2	February						
		3	March						
		4	April						
		5	May						
		6	June						
		7	July						
		8	August						
		9	September						
		10	October						
		11	November						
		12	December						
11	Forecasted Monthly energy Saving for First 12 Months after the commissioning date(Quantity Unit)	Sr. No.	Month	Electricity (MU)	Coal (Ton)	Natural gas	Furnace Oil	Biomass	Any other sources
		1	January						
		2	February						
		3	March						
		4	April						
		5	May						
		6	June						
		7	July						

		8	August						
		9	September						
		10	October						
		11	November						
		12	December						



Sr. No.	<u>PROJECT FINANCIAL MODEL</u>			
1	Name of the Company			
2	Type of EE Project			
3	Installed Capacity	-		-
4	Load Factor for ops days		-	
	Y1		-	
	Y2		-	
	Y3+		-	-
	All Amounts in	INR		
	All Denominations	Lakh		
	Currency Conversion (USD/ INR)	-		
5	Total Project Cost		INR Lakh	
6	Equity Contribution (%)			
7	Debt Funding (%)			
	Promoters' Contribution	-	INR Lakh	
	Term Loan from Banks	-	INR Lakh	
8	Rate of Interest on Debt/ Working Capital			
9	Construction Period (months)		-	Construction Period (Years)
10	Moratorium Period (months)			
	Total Moratorium Period (months)			
11	Total Tenure of Loan (months)			
12	Principal Repayment Period (months)	-		
13	Power saved through Energy Efficiency		'000 KWH	
14	Reduction in Energy Efficiency		Per year	
15	Tariff for Power (Rs. / Unit)			
16	Annual Increase in tariff			
17	Number of Working Days in a year			

18 Number of Hours in a day

19 Operations & Maintenance Cost  
(Percentage of Total Project Cost)

Annual Increase

20 Insurance Cost  
(Percentage of Total Project Cost)

Annual Increase

21 Average Cost of Material  
(Average cost of Consumables during the year)

INR Lakhs

22 **PERSONNEL COSTS**

	<u>No. of Workers</u>	<u>Monthly Remun</u>	<u>Annual Increase</u>
Plant Staff		INR	
Plant Manager			
Maintenance Manager			
Shift Supervisor			
Foreman			
Technicians/Instrumentation			
Helpers			
Any other			
Administrative & Management Staff			
General Manager			
Company Secretary cum Finance manager			
Accounts Officer			

23 **ADMINISTRATIVE COSTS**

	<u>No. of Offices</u>	<u>Annual Expense</u>	<u>Ann Increase</u>
Printing & Stationery			
Postage & Telephone			
Travelling & Conveyance			
Legal & Other Professional Charges			
Rents, Rates & Taxes			
Miscellaneous Expenses			

24 Rate for Taxation (MAT)

	Minimum Alternate Tax	
	Basic Tax Rate	
	Surcharge	
	Education cess/ Secondary & Higher Education cess	

25 Corporate Tax Rate

	Corporate Tax Rate	
	Basic Tax Rate	
	Surcharge	
	Education cess/ Secondary & Higher Education cess	

26 Method of Depreciation  
Rates of Depreciation

Building  
Plant & Machinery  
Equipments

	SLM	SLM WDV

27 Working Capital Margins

Current Liabilities  
Cost of Material  
Operating & Maintenance Cost  
Insurance Cost  
Personnel Cost  
Administrative Cost

Time (months)


28	Contingencies	<input type="text"/>	
29	NPV Discounting rate	<input type="text"/>	(Post tax Calculation)
30	Risk Free Rate of Return (10 years Government of India Securities)	<input type="text"/>	
31	Beta	<input type="text"/>	
32	Expected Return on Market Index 20year average of BSE Sensex annual return	<input type="text"/>	
33	Environment Cost (Percentage of Total Project Cost)	<input type="text"/>	
	GHG Emission Reduction	<input type="text"/>	
	+ Average Grid Emission Factor 0.825 tCO2/Mwh		
34	Capacity (W)	<input type="text"/>	
35	No. of system	<input type="text"/>	
36	Guarantee Period	<input type="text"/>	
37	Conversion Factor of Manpower cost for Economic Analysis	<input type="text"/>	
38	Energy Saving shared with Facility owner	<input type="text"/>	

### **APPENDIX 3: Evaluation Methodology**

The prospectus of this evaluation methodology is intended to help ESCO in their project to avail loan for their proposed project for Energy Efficiency and achieve appropriate score for availing guarantee under Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE) by PFI from Implementing Agency (IA) for the said project. The evaluation process of PRGFEE shall include the following procedures explained in subsequent paragraphs.

#### **1. Preliminary scrutiny of Application by Implementing Agency (IA) for Partial Risk Guarantee**

Preliminary scrutiny shall be conducted based on the details provided by PFI in the application form along with requisite documents to avail Partial Risk Guarantee facility for the proposed project.

#### **2. Technical Evaluation**

Detailed evaluation of the project shall be done based on information contained in DPR and additional information submitted by ESCO which has been asked from the ESCO by PFI and subsequently by IA, as a part of requirement for the project evaluation. Technical evaluation shall include various parameters as broadly mentioned in the evaluation model (Annexure-A). Major parameters considered for technical evaluation would be type of project, ESCO grading, proposed energy efficient technology, reduction in energy consumption, GHG abatement during entire life of the project, energy saved etc. Projects which gets qualify at the technical stage would further be evaluated for financial feasibility. Physical verification may be done during the technical evaluation of the project by Implementing Agency (IA).

#### **3. Financial Evaluation**

Projects which are technically qualified shall further be evaluated based on the financial parameters to check the financial feasibility and soundness of the project. Financial evaluation shall be done by PFI and subsequently by IA based on various parameters as mentioned in the evaluation model (Annexure-B). Major parameters considered for financial evaluation would be project cost, Internal Rate of Return (IRR), Net Present Value (NPV), Debt Service Coverage Ratio (DSCR) accounting Payback Period etc.

#### **4. Summary Report of Evaluation**

After completing the Technical and Financial evaluation, PFI shall prepare a summary report and submitted to IA for further action. The summary report would be based on the total marks secured in the technical evaluation marks with the 60% of weighted and financial evaluation marks with the 40% of weighted. (Annexure-C).

#### **5. Grant of Guarantee:**

Based on the marks secured in the technical and financial evaluation, the project would be considered for granting a guarantee based on the criteria as stipulated in Annexure C.

## Annexure – A Technical Evaluation

### Technical Evaluation Form

Title of the Project							
Name of the project (EPC contractor /ESCO company)							
<b>Objective Questions:</b>							
Sr. No.	Particulars	Maximum Marks (with break-up)		Marks Scored	Official Remarks	Supporting Documents	
1	Name of the project (EPC contractor/ESCO company)	10				Copy of grading certificate of ESCO from BEE shall be submitted	
	<b>a</b>		Grade 1	10			
	<b>b</b>		Grade 2	7			
	<b>c</b>		Grade 3	5			
	<b>d</b>		Grade 4	3			
2	Type of Project	10					
	<b>a</b>		Retrofit	6			
	<b>b</b>		Replacement	8			
	<b>c</b>		Green Field	10			
3	Technology to be employed (Whether state of art)	15				Sufficient evidence of energy efficiency for imported equipment's equivalent to Indian Standards	
	<b>a</b>		Indian	15			
	<b>b</b>		Imported	12			
4	Transfer of Technology (methodology) if any	8				ESCO has to provide the supporting documents for the innovative technology proposed for the project activity. The proposed technology should help the sector in improving the energy efficiency.	
5	Brief Details of the Baseline considered for the calculation of the Energy saving						

<b>A</b>		<b>Reduction in energy consumption (kWh/MTOE)</b>	12				Provide the basis of calculation
	<b>a</b>	Below 10 %		0			
	<b>b</b>	10-15%		4			
	<b>c</b>	15-20%		6			
	<b>d</b>	20-25%		8			
	<b>e</b>	25-30%		10			
	<b>f</b>	Above 30%		12			
<b>B</b>		<b>Reduction in Demand (kVA)</b>	10				Provide the basis of calculation
	<b>a</b>	Below 10 %		0			
	<b>b</b>	10-15%		3			
	<b>c</b>	15-20%		4			
	<b>d</b>	20-25%		6			
	<b>e</b>	25-30%		8			
	<b>f</b>	Above 30%		10			
<b>6</b>		<b>Monetary saving Sharing arrangement</b>	10				Electricity Bills for last 12 Months of the proposed facility or project
	<b>a</b>	Below 70% with ESCO		10			
	<b>b</b>	70% - 80% with ESCO		9			
	<b>c</b>	80% - 95% with ESCO		8			
	<b>d</b>	Above 95% with ESCO		6			
<b>7</b>		<b>Estimated GHG abatement during entire life of the project (from the Base Line Emission)</b>	10				Copy of DPR
	<b>a</b>	Below 10% from base line		0			
	<b>b</b>	10 - 15% from base line		2			
	<b>c</b>	15 - 20% from base line		4			
	<b>d</b>	20 - 25% from base line		6			
	<b>e</b>	25 - 30% from base line		8			
	<b>f</b>	Above 30% from base line		10			
<b>8</b>		Sustainable Development Criteria	10				

	<b>a</b>	use of Energy Efficient BEE Star Label Product		5			evidential proof for CDM registration with UNFCCC
	<b>b</b>	Project registered/under registration process for availing the CDM (Clean Development Mechanism) benefits of UNFCCC (United Nation Framework Convention for Climate Change),		2			
	<b>c</b>	Disposal of existing (replaced) inefficient equipment with environment friendly techniques		3			
<b>9</b>		Measurement and Verification cost	<b>5</b>				Measurement & Verification Protocol
	<b>a</b>	Below 2% of total project cost		5			
	<b>b</b>	2-5% of the total project cost		4			
	<b>c</b>	5-8% of the total project cost		3			
	<b>d</b>	Above 8% of the total project cost		2			
		<b>Marks Scored(A)</b>	<b>100</b>				



**Subjective Questions:**

**Brief Comment by PFI/IA:**

Sr. No.	Comments of PFI/IA	Maximum Marks	Marks Scored
1	<b>Comments on the Vendor selection procedure and its capability based on the documents provided in the DPR as annexure &lt;&lt; Track record of Vendor supplying equipments should be verified considering price of Equipment and Technology of Equipments&gt;&gt;</b>	15	
2	<b>Comments on the Base Line &amp; Energy Saving calculation Methodology:</b>	15	
3	<b>Comments on the impact of the variables considered for the calculation of Energy saving :</b>	15	
4	<b>Comments on data format to be used for the Monitoring &amp; verification strategy to be adopted for the monitoring of the project</b>	10	
5	<b>Comments on the past year Energy consumption pattern and variation which will have major impact on the energy saving</b>	10	
6	<b>Comments on the Energy Saving Equipment &amp; Technology used</b>	15	

7	<b>Analysis on Economies of scale w.r.t. the project investment &amp; energy savings</b>	20	
	<b>Marks Scored (A)</b>	100	

<b>Summary Form Technical Evaluations</b>					
<b>Sr. No.</b>	<b>Particular Marks</b>	<b>Maximum Marks</b>	<b>Marks scored(A)</b>	<b>Weightage (B)</b>	<b>Final Score (C = A*B)</b>
1	Objective Questions	100		60%	
2	Subjective Questions	100		40%	
3	<b>Total Technical Score(TS)</b>				

## Annexure – B Financial Evaluation

Financial Evaluation Form							
Sr. No.	Particulars	Maximum Marks	Sectional Marks	Marks Scored	Official Remarks	Supporting	
1	<b>Networth</b>						
<b>A</b>	<b>ESCO Company</b>	<b>20</b>				Management certified copy of Latest Audited Financial Statements of ESCO	
	<b>a</b>		Below 15% of the proposed Project cost	7			
	<b>b</b>		15 - 20% of the proposed Project cost	10			
	<b>c</b>		20 - 25% of the proposed Project cost	13			
	<b>d</b>		25 - 30% of the proposed Project cost	16			
	<b>e</b>		Below 30% of the proposed Project cost	20			
<b>B</b>	<b>Facility Owner</b>	<b>20</b>				Management certified copy of Latest Audited Financial Statements of Facility Owner	
	<b>a</b>		Below 15% of the proposed Project cost	7			
	<b>b</b>		15 - 20% of the proposed Project cost	10			
	<b>c</b>		20 - 25% of the proposed Project cost	13			
	<b>d</b>		25 - 30% of the proposed Project cost	16			
	<b>e</b>		Below 30% of the proposed Project cost	20			

2		<b>Average Annual Gross receipts of Facility Owner for last 3 financial years</b>	12			Management certified copy of Latest Audited Financial Statements of Facility Owner
	a	Below 200% of the proposed project cost		0		
	b	200 - 300% of the proposed project cost		4		
	c	300 - 500% of the proposed project cost		8		
	d	More than 500% of the proposed project cost		12		
3		<b>Project Equity (Promoters Contribution in the Project Equity)</b>	10			Based on the details provided in the Application Form about Equity Financing
	a	less than 26%		0		
	b	26% to 50% (4-8)		5		
	c	More than 50%		10		
4		<b>IRR of the Project</b>	8			Based on the details provided in the Application Form and in the DPR about Internal Rate of Return
	a	Below 10%		0		
	b	10 - 15%		3		
	c	16 - 20%		6		
	d	above 20%		8		
5		<b>average DSCR of the Project</b>	8			<b>While calculation of DSCR accelerated rate depreciation should not be considered.</b> Calculation details shall be provided along with Application Form
	a	Below 1		0		
	b	1 - 1.5		3		
	c	1.6 - 2		6		
	d	above 2		8		

6		<b>Accounting Payback period of the Project</b>	8			Based on the details provided in the Application Form and in the DPR about Accounting Payback Period
	a	above 5		0		
	b	3- 5 years		3		
	c	1.5 - 3 year		6		
	d	Below 1.5 years		8		
7		<b>NPV of the Capital Cost</b>	8			NPV shall be calculated at the discounting rate (Bank Interest Rate + 200 Basis points)
	a	NPV is positive		8		
	b	NPV is negative		0		
	c					
	d					
8		<b>Whether any Concessional Foreign Currency Funding is available to the Project</b>	3			
	a	Yes		3		
	b	No		0		
9		<b>Project appraised by any Financial Institution in below mentioned category:</b>	3			
	a	Scheduled Commercial Nationalised Bank		3		
	b	Scheduled Commercial Private Sector Bank		2		
		<b>Marks Scored(A)</b>	<b>100</b>			

**Subjective Questions:****Brief Comment of PFI/ IA:**

Sr. No.	Parameter	Comments of PFI/ IA	Maximum Marks	Marks Scored
1	Economic Benefits from the proposed project:		25	
2	whether ESCO is currently involved in any other Energy Efficiency Project other than proposed project to understand Economies of scale available to ESCO:		25	
3	Working Capital requirement and managing capacity of the ESCO after considering projects in hand :		15	
4	Execution capability of ESCO		20	
5	any other Comments		15	
	<b>Marks Scored(A)</b>		100	

**Summary Form Financial Evaluation**

Sr. No.	Particular Marks	Maximum Marks	Marks scored(A)	Weightage (B)	Final Score (C=A*B)
1	Objective Questions	100		60%	
2	Subjective Questions	100		40%	
3	<b>Total Financial Score(FS):</b>				

## Annexure – C :Summary of Evaluation

Summary Form							
Sr. No.	Particular Marks	Maximum Marks	Marks scored (A)	Weightage (B)	Final Score (C=A*B)		
1	Total Technical Evaluation Score (TS)	100		60%			
2	Total Financial Evaluation Score (FS)	100		40%			
3	<b>Total Final Score</b>						

Based on the Total Final Score secured above after the technical and financial evaluation, the project would be considered for granting a guarantee based on the criteria as stipulated below:

Partial Risk Guarantee Allowed	Final Score awarded
0%	Less than 50
20%	50 – 56
30%	57 – 63
40%	64 - 70
50%	More than 70

**APPENDIX 4: ECONOMIC EVALUATION & SENSITIVITY ANALYSIS MODEL**

**ECONOMIC EVALUATION**

<b>Name of the Company</b>	
<b>Type of Energy Efficiency Project</b>	

<b>PROJECT COST</b>			
Amount In INR Lakh			
<b>SL NO.</b>	<b>PARTICULARS</b>		<b>AMOUNT</b>
1	Land		-
2	Building		-
3	Plant & Machinery		
4	Physical Contingencies		
	<b>TOTAL PROJECT COST</b>		

<b>Project Cost</b>							
<b>PARTICULARS</b>	<b>Units</b>	<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Capital Cost							
O&M cost (excluding personnel cost)							
Personnel Cost							
Energy bill							
<b>Total Project cost</b>							



<b>Project Benefits</b>						
<b>PARTICULARS</b>	<b>Units</b>	<b>Years</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Energy Saving	'000 KWH/KG/LTR					
Reduction in Energy Efficiency	'000 KWH/KG/LTR					
Net Energy Saving	'000 KWH/KG/LTR					
Tarriff	INR /KWH/KG/LTR					
<b>Total Savings Realization</b>	<b>INR Lakh</b>					
Additional Saving considering (AT&C)	'000 KWH/KG/LTR					
<b>Monetary Saving considering AT&amp;C</b>	<b>INR Lakh</b>					
Emission Reduction+	tCO2					
<b>Monetary Saving Emission Reduction</b>	<b>INR Lakh</b>					
<b>Total Project Benefit</b>	<b>INR Lakh</b>					

<b>Cash flow</b>						
------------------	--	--	--	--	--	--

<b>EIRR</b>	
<b>NPV</b>	

## SENSITIVITY ANALYSIS

<b>Name of the ESCO</b>	
<b>Type of Energy Efficiency Project</b>	

(Amount in INR lakhs)

<u>Parameter</u>	<u>Yrs</u>	1	2	3	4	5
Load Factor						
Sales Tariff						

<u>Key Results</u>						
Net Sales						
PBDIT						
Profit Before Taxes						
Profit After Taxes						

Gross DSCR						
Net DSCR						

Project IRR	
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*APPENDIX- 5 : Monitoring & Evaluation Plan*

Submitted to:



Bureau of Energy Efficiency (BEE)

Delhi

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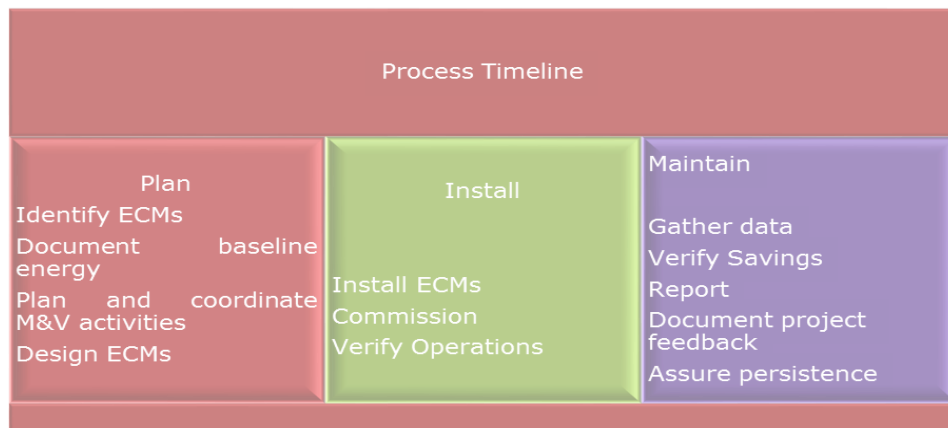
## 1 ABOUT MONITORING & EVALUATION

“*Monitoring & Evaluation*” (M&E) is the process of using measured data to determine actual *savings* created within an individual facility by an energy management program. *Savings* cannot be directly measured, since they represent the absence of *energy* use. Instead, *savings* are determined by comparing measured use before and after implementation of a project, making appropriate adjustments for changes in conditions.

M&E activities consist of some or all of the following:

- data gathering and screening,
- development of a computation method and acceptable estimates,
- computations with measured data, and
- Reporting, quality assurance, and third party verification of reports.

When there is little doubt about the outcome of a project, or no need to prove results to another party, applying *Measurement & Verification* methods to calculate savings may not be necessary. However, it is still wise to Monitor & evaluate (initially and repeatedly) that the installed equipment is able to produce the expected savings. Verification of the potential to achieve *savings* is referred to as *operational verification*, which may involve inspection, commissioning of equipment, functional performance testing and/or data trending.



## 2 PURPOSE OF M&E

M&E techniques can be used by facility owners or *energy* efficiency project investors for the following purposes:

- A. Increase *energy savings*
- B. Document financial transactions
- C. Enhance financing for efficiency projects

- D. Improve engineering design and facility operations and maintenance
- E. Manage *energy* budgets
- F. Enhance the value of emission-reduction credits
- G. Support evaluation of regional efficiency programs
- H. Increase public understanding of energy management as a public policy tool

## 2.1 PRINCIPLES OF M&E

The fundamental principles of good *M&E* practice are described below, in alphabetical order.

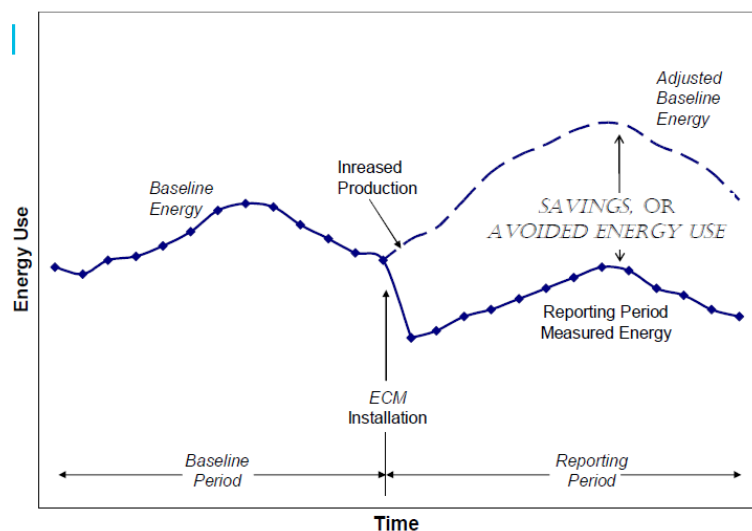
**Accurate** *M&E* reports should be as accurate as the *M&E* budget will allow. *M&E* costs should normally be small relative to the monetary value of the *savings* being evaluated. *M&E* expenditures should also be consistent with the financial implications of over- or under-reporting of a project's performance.

- A. **Complete:** The reporting of *energy savings* should consider all effects of a project.
- B. **Conservative:** Where judgments are made about uncertain quantities, *M&E* procedures should be designed to under-estimate savings.
- C. **Consistent** The reporting of a project's *energy* effectiveness should be consistent between:
  - different types of *energy* efficiency projects;
  - different *energy* management professionals for any one project;
  - Different periods of time for the same project; and *energy* efficiency projects and new *energy* supply projects.
- D. **Relevant:** The determination of *savings* should measure the performance parameters of concern, or least well known, while other less critical or predictable parameters may be estimated.
- E. **Transparent** All *M&E* activities should be clearly and fully disclosed. Full disclosure should include presentation of all of the elements defined in Chapters 5 and 6 for the contents of an *M&E Plan* and a *savings* report, respectively.

## 2.2 IPMVP FRAMEWORK

### 2.2.1 Introduction

Energy demand *savings* cannot be directly measured, since *savings* represent the absence of energy use or demand. Instead, *savings* are determined by comparing measured use or demand before and after implementation of a program, making suitable



adjustments for changes in conditions.

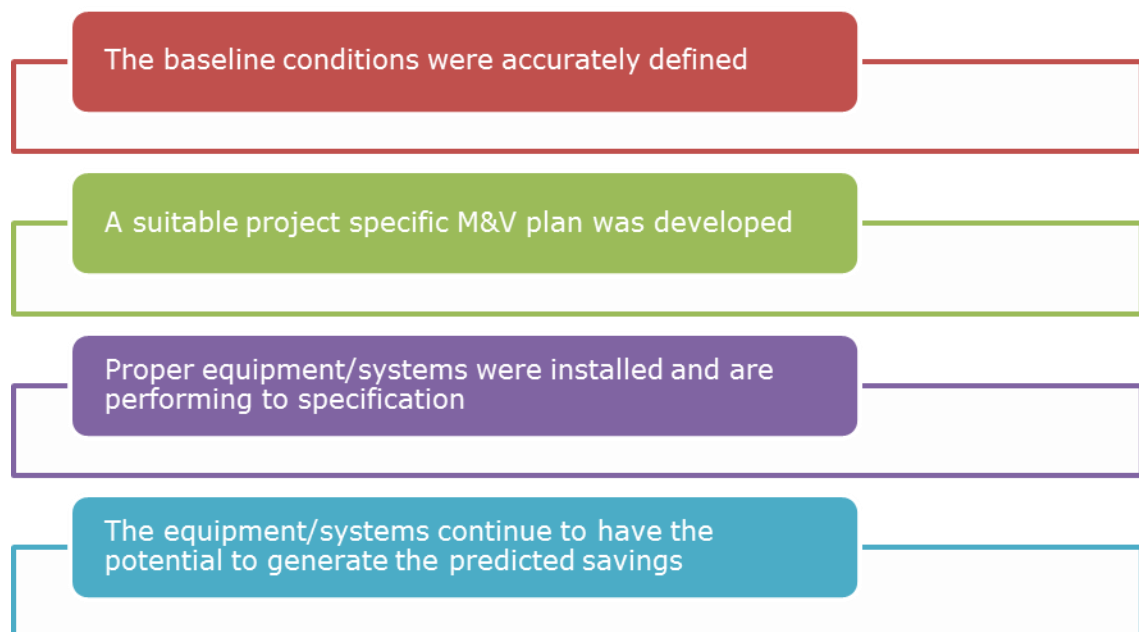
As an example of savings determination process, above Figure shows the energy-usage history of an industrial boiler before and after the addition of an energy conservation measure (ECM) to recover heat from its flue gases. At about the time of ECM installation, plant production also increased.

It is necessary to segregate the energy effects of a savings program from the effects of other simultaneous changes affecting the energy using systems. The comparison of before and after energy use or demand should be made on a consistent basis, using the following general Equation:

$$\text{Savings} = (\text{Baseline-Period Use or Demand} - \text{Reporting-Period Use or Demand}) \pm \text{Adjustments}$$

The "Adjustments" term in this general equation is used to **re-state the use or demand of the baseline and reporting periods under a common set of conditions.**

Regardless of the M&E strategy used, similar steps are taken to verify the potential for the installed energy conservation measures (ECMs) to generate savings. Verifying the potential to generate savings can also be stated as confirming that:



### **2.2.2 Define the Baseline**

Typically the ESCO defines the baseline as part of a Technical Energy Audit. Baseline physical conditions (such as equipment inventory and conditions, occupancy, nameplate data, energy consumption rate, control strategies, and so on) are typically determined through surveys,



inspections, spot measurements, and short-term metering activities. Baseline conditions are established for the purpose of calculating savings by comparing the baseline energy use to the post-installation energy use. Baseline data are used to account for any changes that may occur during the performance period, which may require baseline energy use adjustments. It is the agency's responsibility to ensure the baseline has been properly defined.

### **2.2.3 Develop Project Specific Monitoring & Evaluation Plan**

The project specific M&E plan is developed during contract negotiations. The M&E plan is the single most important item in an energy savings "guarantee."

The project specific M&E plan includes project-wide items as well as details for each ECM, including:

- Details of baseline conditions and data collected
- Documentation of all assumptions and sources of data
- What will be verified
- Who will conduct the M&E activities
- Schedule for all M&E activities
- Discussion on risk and savings uncertainty
- Details of engineering analysis performed
- Detail baseline energy and water rates.
- Provide performance period adjustment factors for energy, water, and O&M rates, if used<sup>1</sup>.
- How energy and cost savings will be calculated
- Detail any operations & maintenance (O&M) cost savings claimed
- Define O&M reporting responsibilities
- Define content and format of all M&E reports (Post-Installation Commissioning and M&E, Annual or periodic)
- How & why the baseline may be adjusted
- Define preventive maintenance responsibilities

Although the M&E plan is usually developed during contract negotiations, it is important that the agency and the ESCO agree upon general M&E approaches to be used prior to starting the Technical Energy Audit.

### **2.2.4 Post-Installation Verification**

Post-installation verification is conducted by both the ESCO and the agency to ensure that proper equipment/systems were installed, are operating correctly, and have the potential to generate the predicted savings. The verification is accomplished through commissioning and M&E activities.

Commissioning of installed equipment and systems should be required. Commissioning ensures that systems are designed, installed, functionally tested in all modes of operation, and

capable of being operated and maintained in conformity with the design intent regardless of energy impact. Commissioning is generally completed by the ESCO and witnessed by the agency. In some cases, however, it is contracted out to a third party.

After system start-up and commissioning activities are completed, the acceptance testing (M&E) activities specified in the contract are implemented. Verification methods may include surveys, inspections, spot measurements, and short-term metering.

### **2.2.5 Periodic Performance Period Verification**

For at least the first two or three years after installation, the ESCO should be required to submit an annual report documenting the savings actually achieved. Inspections should confirm that the installed equipment/ systems have been properly maintained, continue to operate correctly, and continue to have the potential to generate the predicted savings. In many cases, equipment performance measurements should be used to substantiate savings. Sometimes, more frequent verification activities can be appropriate. This ensures that the monitoring and reporting systems are working properly, it allows fine-tuning of measures throughout the year based on operational feedback, and it avoids surprises at the end of the year.

The Annual Performance Reports should include:

- Results/ documentation of performance measurements and inspections
- Realized savings for the year (energy, energy costs, O&M costs, other)
- Comparison of actual savings to the guaranteed amounts
- Details of all analysis and savings calculations, including commodity rates used and any baseline adjustments performed
- Summary of operations and maintenance activities conducted
- Details of any performance or O&M issues that require attention

### **2.3 The Monitoring & Evaluation Plan**

The development of an M&E plan should begin early in the project development phase. Each energy conservation measure should be addressed in the plan. You may find it necessary to drop or ignore savings associated with certain measures because the savings are either not measurable or would be too costly to measure. There are many factors to consider when choosing the method of measurement.

- Cost of measurement vs. savings
- Timing of measure installation
- Likelihood of future ECMs at the same facility
- Likelihood of future construction at the facility
- Degree of sub-metering within the facility
- Complexity of ECMs to be installed

Level of interaction between ECMs

- Dynamics of the facility's historical energy baselines

## *PRGFEE-Bureau of Energy Efficiency*

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- Likelihood of sustainable savings from the measures
- Factors that affect cost and appropriate level of M&E include:
  - Value of projected savings Complexity of efficiency equipment
  - Total amount of equipment
  - Number of interactive effects
  - Level of uncertainty of savings Risk allocation for achieved savings between agency and ESCO
- Other valuable uses of M&E data (e.g., optimizing operations and maintenance)
- Availability and capability of an energy management system

### 3 DOCUMENT PURPOSE AND USE

The monitoring plan sets out a number of monitoring tasks in order to ensure that all aspects of projected energy consumption reduction for the ----- (name of facility owner) project are controlled and reported. This requires an ongoing monitoring of the project to ensure performance according to its design and that claimed energy saving are actually achieved.

#### 3.1 What is monitoring plan?

The ----- (Project Name) monitoring plan is guidance document that provides the set of procedure for preparing key project indicators, tracking and monitoring the impacts of the----- (Project Name). The monitoring plan must be used throughout the concession period of the project (-----date from to-----Up to). Determine and provide documentation of the energy saving impacts from the ----- (Project name).

The monitoring plan monitors the requirement set out by the BEE (Bureau of Energy Efficiency) that energy saving projects under the Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE) have real, measurable and long term benefits.

National standards have not yet been finalized; however details from the International Performance Measurement & Verification Protocol (IPMVP) have been included wherever possible.

#### 3.2 What is required by the Monitoring Plan?

ESCO of the \_\_\_\_\_ (Project name) must maintain credible, transparent and adequate data estimation, measurement, collection and tracking systems to maintain the information required for an audit of an energy efficiency project. These records and monitoring systems are needed to allow the selected PFI (Participating Financial Institutions) and IA (Implementing Agency) as well as facility owner to verify the project performance as part of the verification and certification process, as required by the BEE. This process also reinforce that energy saving are real and credible.

There are four significant energy saving sources has been identified by BEE in the Twelfth Five Year Plan.

- a) Municipal Energy Efficiency
- b) Energy Efficiency Government building
- c) SMEs Energy Efficiency.
- d) Industries Energy Efficiency

The Monitoring plan provides the requirements and instructions for:

- Calculating the energy saving

- Establishing and maintaining the appropriate monitoring systems for the energy saving
- Preparing the necessary measurement and management operations
- Assigning monitoring responsibilities to personnel
- Data storage and filing system
- Preparing for the requirements of an independent, third party audit and verification

### **3.3** *Who uses the monitoring plan?*

Facility Owner, PFI and IA will use this document as their guiding principle in monitoring of the project energy saving and will strictly adhere to the guidelines set out in this monitoring plan. Strict adherence to the guidelines set out in this monitoring plan is necessary for the ESCO and project managers to successfully measure and track project impacts for audit purposes. The monitoring plan is designed to allow ESCO to meet currently accepted Monitoring and verification requirements.

### **3.4** *Key definitions:*

The monitoring plan will use the following definitions of monitoring and verification.

- Monitoring: the systematic surveillance of the project's performance by measuring and recording performance- related indicators relevant in the context of the PRGFEE of BEE and ESCO agreements.
- Verification: the periodic ex-post auditing of monitoring results, the assessment of achieved energy saving and of the project's continued conformance with all relevant project criteria by a selected energy auditor or energy auditing firm.

## 4 PROJECT INFORMATION

### 4.1 Overview of project

Brief about Facility owner, project activity, and energy Service Company which specializes in energy efficiency improvement activities in Municipal, Government building, SMEs and Industrial sectors in India as per **Annexure 1**.

### 4.2 Project Boundaries

The project boundaries define the technical extent to which the effects of the project must be measured, monitored and verified. These boundaries inform which energy impacts arising as a result of the project should be monitored, the criteria used to judge adequate performance, and design of indicators. It is important to differentiate between boundaries that may be drawn around the 'without project' scenario (the continued uncontrolled release of landfill gas) and the 'with project' scenario (energy efficient equipments installed for energy efficiency). Detailed has to be provided as per **Annexure 4**.

### 4.3 Summary of Existing and energy efficient systems

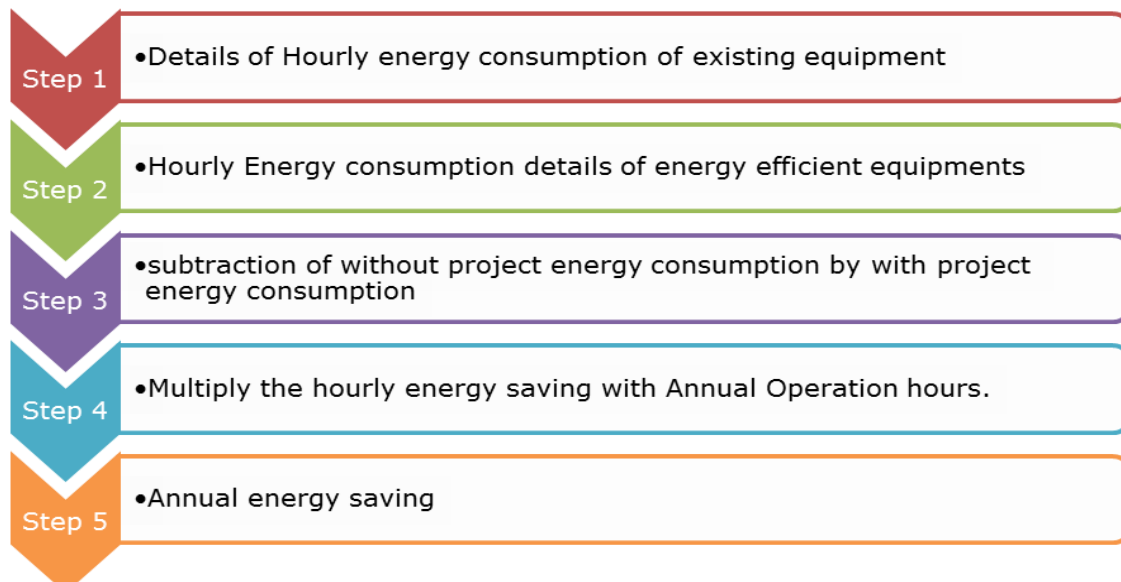
Applicant has to provide the summary of the existing equipment and energy efficiency equipments installed or to be installed in the facility as per **Annexure 5**.

### 4.4 Quantification of energy savings

This section presents the methods for calculating the energy saving. The energy saving to be claimed from the project is potentially realized by the ----- (brief about the energy efficiency technology).

Name of project type:

Quantification of energy saving:



#### **4.5** *Monitoring period*

The concession period for the ----- (Project Name) is----- (Number of Years), starting from----- (DD/MM/YYYY) and ending ----- (DD/MM/YYYY). At the end of each month, monthly data will be aggregated into quarter volumes of energy saving realized through energy efficiency----- (name of Project).

Note: Monitoring result will be audited and subsequent energy saving will be verified on an annual for the first five year of the project or till the guarantee period provided by PRGFEE.

#### **4.6** *Data required for calculation of Energy Saving*

Data requirements for calculation of energy saving:

The following data will be monitored for ----- (Project name) to enable accurate calculation of the energy saving achieved.

##### **4.6.1** *Monthly Gross energy consumption bills*

Energy meters owned by ESCO will record the amount of energy consumed. Monthly records will be aggregated into a quarter volume of energy consumption. Monthly figures will be recorded in the electronic workbook.

##### **4.6.2** *Monthly Gross Energy saving*

Gross project energy saving will be monitored through the use on site metering equipments. Monthly reading will be inputs into the electronic workbook (please refer to section -----), and aggregated into quarter figures.

Reliance on single meters may produce errors if the meter is not properly calibrated and checked periodically for accuracy. Therefore, meters will be subject to a regular maintenance regime.

Variables: The entire variable component considered for the calculation of energy saving should be assumed to be constant therefore no quality assurance procedures will implemented to check these values.

##### **4.6.3** *List of variables & Static factors used*

The variables used in the table above could be subject to change over time therefore quality assurance procedures will be implemented to periodically check the values are still correct. Provide the details as per Annexure 6 & Annexure 7.

#### **4.7** *Quality Assurance*

The ESCO for the ----- (Name of Project) are BEE Certified ESCO specialist in energy saving projects. ESCO will be responsible for the operation of the Energy saving project, as

well as the maintenance of the system. The quality assurance practices they will be implementing are described below:

**4.7.1** *Daily Monitoring Records*

On the larger more active projects ESCO site staff takes daily energy consumption reading and fax / Mail these to head office. These reading are then checked for any anomalies before being filed for future reference. At the smaller project sites the readings are taken at weekly or other set periods depending on the activity and consistency of the energy consumption.

Routine reminder for site technicians: all site technicians are issued with a reminder list to guide them through their daily, weekly and monthly routine. The Engineering manager, operations manager and training and health & safety Co-coordinator go through this routine during site visits to ensure all aspects of the role are being performed. In addition paperwork due at head office is checked to ensure it has arrived. This includes monitoring records, Meter readings etc.



## 5 SUSTAINABLE DEVELOPMENT MONITORING PLAN

This section of the Monitoring establishes a protocol for monitoring and verifying the performance of the project with respect to sustainable development. Being a project under the PRGFEE scheme, The----- (Project Name) must meet the requirements of the PRGFEE and NMEEE.

This sustainable development part of this Monitoring plan seeks to ensure that the project meets expectations regarding its contribution to environmental and social sustainability over its lifetime. For this purpose, the Monitoring Plan (MP) identifies a set of performance indicators, as well as target values for these indicators, which the project expected to meet or exceed.

### 5.1 Monitoring Sustainable Development

The MP compares the project's actual environmental and development performance, as measured by the indicators below, with the set target values and determines whether the targets have been reached. As long as the monitoring process shows that the projects performance meets these targets and it this is confirmed by the verifies, the project is automatically considered to be in compliance with the PRGFEE's sustainable development objective-and so are the energy saving generated by the project.

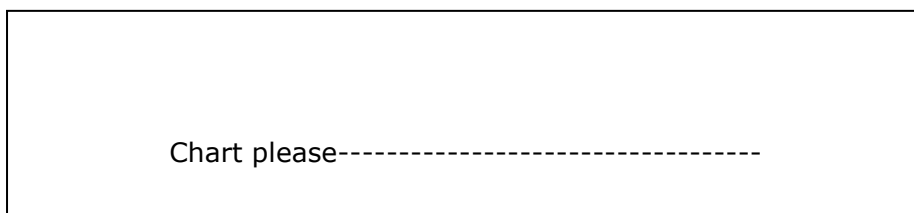
### 5.2 Management of project related information:

This chapter provides information on record keeping of the data collected during monitoring. Record keeping is the most important exercise in relation to the monitoring process. Without accurate and efficient record keeping, project energy saving cannot be verified. The sections below outline how project related records will be managed.

#### 5.2.1 Proposed information management system for Energy saving monitoring

Overall responsibility for monitoring of energy saving will lie with ESCO ----- (name of ESCO). The following section sets out the procedure for tracking information from the primary source to the end data calculations, in paper and electronic formats.

Structure of ----- (Project name) Monitoring system.



**5.2.2 Paper based and electronic documentation management**

Physical documentation such as paper based maps, diagrams and feasibility studies, the baseline study and environmental impact statement will be collated in a central place, together with this monitoring plan. In order to facilitate verifiers' reference of relevant literature relating to the ----- (Project Name) all project material and monitoring results will be indexed. A named person in the office of ESCO will store all paper based information. This person is the person with ultimate responsibility for the energy saving aspect of the ----- (Project name). All electronic documentation also needs to be stored in a named location, and a second back-up copy kept in a different electronic location. ----- (Address of ESCO head office), will store this information.

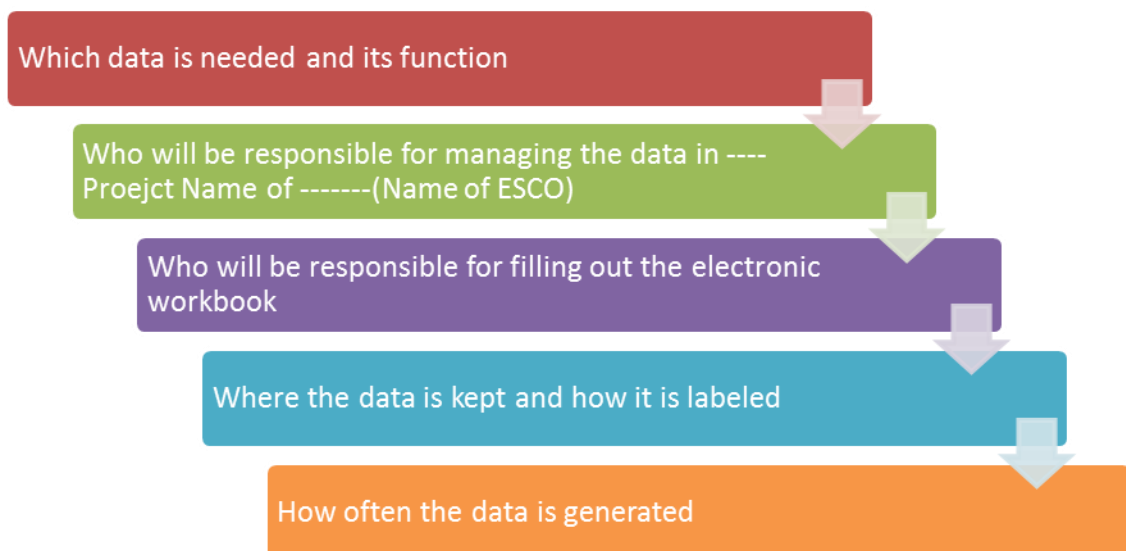
Table below sets out the key documents relevant to monitoring and verification of the energy saving from the project.

Data storage format is available in Annexure 13.

As a result of likely project monitoring and verification requirements, a second copy of this material will be kept in an alternative location as named in the table above.

**5.2.3 ----- (Name of Project) energy saving calculation electronic workbook**

The electronic workbook serves as the data estimation and management system for the project managers and operators. ----- (Name of ESCO) will develop a management system indicating:



The input to and output from the electronic worksheets is the only acceptable verification train of energy saving estimation, data measurement and collection. The staff responsible for the monitoring of the project will complete the electronic worksheets on a monthly basis. The monthly worksheets are linked to an annual summary worksheet that will provide the total annual energy saving.

For tracking, monitoring and verification purposes, all of the annual energy saving worksheets for ----- (Name of Project) will be retained by the project monitors. The project staff that recorded the project energy saving and the appropriate supervisory will sign off each month on this worksheet. Paper records of the officially signed monthly and annual worksheets will be kept.

#### **5.2.4** *Monthly & Annual Energy consumption and saving Information*

The table as per Annexure 10 and Annexure 11 shows the information which will be recorded each month. Monthly entries are aggregated into annual figures and energy saving calculated and displayed on the same page in the table below. The conversion factors and data used to calculate the energy saving area also displayed on the same page.

#### **5.3** *Back-up information*

Copies of electronic information will be stored away from the site of primary generation or use. This is primarily to ensure that copies are kept on a long-term basis (Often longer than if it were to be kept for operational use alone), and to ensure that this information is not lost through periodic deletions or computer malfunctions.

All electronic data will be backed up on a monthly basis and at each moment in time two electronic copies of each document will exist, and be kept in different locations. This information will be stored for a period of 2 years. For each document relevant for the monitoring process both an electronic (including back-up) and paper copy will be stored and archived. Table 4 above sets out where the collected information is kept. This information is aggregated to annual figures by the central information management systems.

#### **5.4** *Validation & verification criteria and Needs*

Verification includes an audit of the project's output information and data and management systems on the basis of following established criteria.

1. Completeness
2. Accuracy
3. Coverage
4. Risk management controls

Verifiers will request information (in the form of records and documentation) from the operator to determine if the key performance indicators meet the objectives of the project as set out in this document. The operator is required to record all such indicators, and provide satisfactory documentation and an audit trail for verification purposes. The information that will be needed includes:

- Records on reported Energy saving including the electronic spreadsheets/ workbooks and supporting and supporting documentation (assumption, data estimations, measurement method, etc).

- Records on reported social and environmental performance as measured by indicator and targets lay down in this MP.
- Records on project management, including monitoring, data collection and management systems

The audit process followed, as with other management systems, is interactive, iterative and participatory. The auditors will determine the credibility and accuracy of the reported performance through spot checks of data measurement and collection systems and interviews with the key project participants. It is necessary for all involved in an audit to understand the audit process and verification requirements.

### **5.5** *verification process*

Verification procedure used to verify energy saving projects is similar to audit of energy audit systems. Principle audit tools are spot check of documents and interview with participating organizations and individuals. Auditors/ verifiers are generally free to apply any method that represents good auditing practice and internationally accepted standards. Auditors typically conduct risk-based spot checks, which are checks of the key parameters and systems with the highest risk for data measurement and collection problems. The planning and scheduling of audits and the verification process is covered in this section.

- Evaluation preparation and requests for information: the Evaluator will familiarize himself with the project documentation, project reports, project requirements, and expected project performance. The auditor will use this MP to prepare the audit process. She will make telephone contact with ESCO and if necessary, will request additional information from the ESCO, facility owner, PFI and IA.
- Development and delivery of an Evaluation checklist: the Evaluator will develop a checklist to guide the Evaluator process. The checklist will cover the key points of the audit. The checklist will be sent to the ESCO accompanied by explanatory materials prior to a site visit.
- The Evaluation: if required visit will be made to the site to undertake the Evaluation. Evaluation on site requires maximum two days. The audit time will be spend checking records and undertaking interviews with staff and other individual, which will allow the auditor to complete the audit checklist. These activities are the basis for completing the verification process and for preparing the verification report.
- Draft verification reports: the verifier will produce a verification report, which summarizes the findings during site visit. The draft verification report will state the number of Energy saving achieved by the project and will point to area of possible non-compliance if warranted. The report will also include conclusions on data quality, the projects monitoring and management and operational system, and other areas where corrective action may be required to come into compliance, improve performance or mitigate risk. The draft report will be submitted to the ESCO, Facility owner, PFI and IA. Facility owner and ESCO will get opportunities to comment on the report. The ESCO

will also have the opportunity to come into compliance, if necessary, by submitting the appropriate evidence or by taking corrective action.

- Final verification report: the verifier will revise the draft report taking into consideration reviewers and further findings and issue the final verification report. If justified, the final verification report will conclude and explain that, within the verification period, the project has saved the stated quantity of energy saving in compliance with all applicable PRGFEE and other requirements. The final verification report is the basis for the issuance of a certificate by the verifier, which will state and confirm the conclusions of the report.
- Non compliance and dispute settlement: in the event of non-compliance findings, the auditor representative will be given sufficient time to demonstrate compliance. It is the responsibility of the verifier to ensure that dispute over any non-compliance issue is communicated clearly and that any attempt is made to resolve it. The verifier will have final decision over the process. The verifier will also provide guidance as appropriate on how identified deficiencies can be met so that the ESCO can come into compliance in the following period.

Verification schedule: Verification of the project will be conducted quarterly or as per requirement. The quality of its monitoring management and operational systems, and the type and number of corrective actions required by the verifier.

### **5.6** *Roles and Responsibilities:*

Verification responsibilities are collected between the project participants as follows:

- ESCO or facility owner will make the arrangements for the verification and select a third party verifier in accordance with IA & PFI requirements.
- It is the ESCO obligation to ensure that the audit process is fair, that verifier are fully independent of the ESCO and facility owner and that and all possible conflicts of interests are avoided.
- ESCO will facilitate the audit work and verification process and will work with the project participants to ensure co-operation.

ESCO ----- (name of project)

- The ESCO will prepare for the audit and verification process to the best of its abilities.
- They will facilitate the audit through providing auditors with all the required information, before, during and, in the event queries after the audit.
- The ESCO will fully cooperate with the auditors and instruct staff and management to be available for interviews and respond honestly to all audit questions.
- It is the operator's contractual obligation and its best interest to fully cooperate with auditors and verifier, since only successful verification will enable the delivery of Energy saving to the facility owner, PFI and IA.

**ANNEXURE 1: BRIEF ABOUT ESCO, FACILITY OWNER & PROJECT ACTIVITY.**

- Name of ESCO company (Brief about the ESCO)-----  
-----
- Brief about the facility owner-----
- Brief about the project activity-----
- Objective of the project-----

**ANNEXURE 2: PROJECT OUTSTANDING WORK NOTICE**

LOG No:	
SITE:	
DATE ISSUED:	

Sr. NO.	Task	Done (x)
1		
2		
3		
4		
5		
6		

EXPECTED COMPLETION DATE:	
ACTUAL COMPLETION DATE:	
ADDITIONAL WORK REPORT	

SIGNED:	DATE:
---------	-------

ENTERED IN RECORD BOOK:	
SIGNED:	DATE:

**ANNEXURE 3: PROJECT IMPLEMENTATION SCHEDULE &  
PROCESS DOWN TIME**



**ANNEXURE 4: PROJECT BOUNDARY**

To clarify the project boundaries, a full diagram should be added. The flow diagram comprises all possible elements of the existing facility and equipment installed for the energy saving. The project boundary encompasses energy inputs sources, energy consumption, and energy saving realized through the project.

Please Provide Project Boundary Chart (Including energy flow system)

**ANNEXURE 5: SUMMARY OF EXISTING AND ENERGY EFFICIENT EQUIPMENTS**

Summary of existing system and energy efficient equipments		
Direct on site	Energy saving associated with the project	Usage of inefficient equipments

**ANNEXURE 6: DETAILS OF VARIABLES**

Sr. No.	Variable	Value	Reference
1			
2			
3			
4			
5			
6			
7			

**ANNEXURE 7: STATIC FACTOR**

Sr. No.	Static Factor	Value	Reference
1			
2			
3			
4			
5			
6			
7			

**ANNEXURE 8: DATA REQUIRED FOR MONITORING PROCESS**

The data to be collected in the monitoring process is summarized in table below as per the monitoring methodology.

Sr. No.	ID Number	Data variable	Data Unit	Measured (M), Calculated ( c ) or Estimated (E)	Recording frequency	Proportion of data to be monitored	How will the data be achieved (electronic / paper)	For how long is archived data to be kept?	Comment
1									
2									
3									
4									
5									
6									
7									

**ANNEXURE 9: MONTHWISE CONTRACTED DEMAND, ENERGY CONSUMPTION & SAVING DETAILS**

Month	Apr	May	Jun	Quarter 1	Jul	Aug	Sep	Quarter 2	Oct	Nov	Dec	Quarter 3	Jan	Feb	Mar	Quarter 4
Contracted Demand (KW)																
Energy consumption (Unit)																
Cumulative Energy consumption (Unit)																
Energy saving (Unit)																
Cumulative Energy Saving (Unit)																

**ANNEXURE 10: MONTHWISE MONETARY SAVING THROUGH CONTRACTED DEMAND & ENERGY SAVING DETAILS**

Month	Apr	May	Jun	Quarter 1	Jul	Aug	Sep	Quarter 2	Oct	Nov	Dec	Quarter 3	Jan	Feb	Mar	Quarter 4
Monetary Saving by reduction in Contracted Demand (Rs.)																
Monetary Saving by reduction in Energy Consumption (Rs.)																

**ANNEXURE 11: ANNUAL ENERGY SAVING**

Annual Energy Saving:

Year	Annual Energy Saving (--- UNIT)	Annual Energy Saving Contracted demand (KW)
-----		
-----		
-----		
-----		
-----		
-----		
Total over project concession period		



**ANNEXURE 12: ANNUAL MONETARY SAVING**

Year	Annual Monetary saving by Energy Saving (Rs.)	Annual Monetary saving by Reduction in Contracted demand (Rs.)
-----		
-----		
-----		
-----		
-----		
-----		
-----		
Total over project concession period		

ANNEXURE 13: DATA STORAGE INDEX

Sr. No.	Documentation index reference Number	Hard Copy (H) or electronic Copy (E)	Document title	General Description of document	Individual or department submitting this information	Date entered	Document Location	Back-up document Location
1.	DPR	Detailed Project Report	Engineering					
2.	Baseline Study	Baseline Study	Engineering					
3.	Baseline Calculation	Baseline Calculation	Engineering					
4.	Monitoring Plan	Monitoring Plan	Engineering					
5.	Monitoring Workbook	Monitoring Workbook	Engineering					
6.	Monitoring Equipments Maintenance report	Monitoring Equipments Maintenance report	Engineering					
7.	Environmental / social	Environmental / social impact statements	Engineering					
8.	Recorded Electricity consumption with project	Recorded Electricity consumption with project (Kwh)	Engineering					
9.	Calibration and	Monthly meter calibration	Engineering					

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	maintenance records	records and equipments maintenance records as required						
10.	Electronic Workbook	Electronic workbook energy consumption data	Engineering					
11.	Verification	Records of verification	Engineering					
12.	Stakeholder	Stakeholder comments	Engineering					
13.	Energy Saving	Records of energy saving	Engineering					
14.	Management	Records of project management including data collection and management system	Engineering					

## **APPENDIX 6: Energy Service Performance Contract & TRA Template**

\*\*\* This document is a template for Energy Service Performance Contract & TRA and can be modified to suit ESCROW. Some of the provisions of this mode Energy Services Performance Contract may not be suitable for a particular project, and parties using this document are advised to consult with legal counsel with expertise in energy services performance contracts to suitably modify the document to suit their specific requirements and facts. This document also contains various drafting notes to aid the parties in customizing the document to their needs and for populating the Schedules to this document.

### **ENERGY SERVICES PERFORMANCE CONTRACT**

**BY AND BETWEEN**

**[•]**

**(AS THE CLIENT)**

**AND**

**[•]**

**(AS THE ESCO)**

**Dated [•]**

## ENERGY SERVICES PERFORMANCE CONTRACT

This Energy Services Performance Contract ("Contract") is made and entered into as of **<date>**, by and Between \_\_\_\_\_ *<name of Facility Owner entity>* having its office at \_\_\_\_\_ (hereinafter referred to as the "**Facility Owner**") which expression shall unless repugnant to the context or meaning there of include its administrators, successors and assigns) of **One Part**;

**AND**

\_\_\_\_\_ *<name of Energy Service Company>* having its office at \_\_\_\_\_ (hereinafter referred to as the "**ESCO**") which expression shall unless repugnant to the context or meaning there of include its administrators, successors and assigns) of **Other Part**.

### WHEREAS:

- A. The Facility Owner owns and operates facilities and wishes to acquire equipment and services to reduce energy costs and related expenses towards the operation cost of the facilities.
- B. ESCO has experience and technical and management capabilities and evaluate energy saving and energy cost saving opportunities and provide for engineering, procurement, installation, financing, maintenance and measurement of cost effective energy saving measures ("ESMs").
- C. The Facility Owner has selected the ESCO for performing, technical energy audit. After conducting the Technical Energy Audit has delivered to the Facility Owner a Technical Energy Audit Report and Project Development Plan (hereinafter Technical Energy Audit Report and Project Development Plan, both together are referred to as "Audit Report") providing an assessment of the energy consumption characteristics of the facilities under operations of the Facility Owner, identification and evaluation of viable ESMs, and estimates of expected energy and operational savings and associated project costs for each recommended ESM.
- D. The Facility owner has accepted the Audit Report submitted by ESCO and desires to enter into Energy Performance Contract with ESCO for design, installation, financing, maintenance and measurement of the ESMs as set forth herein.
- E. Facility Owner and ESCO acknowledge and agree that the purpose of this Contract is to achieve energy savings contemplated by this Contract to the benefit of Facility Owner and agree to cooperate to achieve the purpose of this Contract.

NOW THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the sufficiency and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree to follows:-

## 1. ENERGY MANAGEMENT PLAN

### 1.1 Plan Details

The Audit Report submitted by the ESCO and accepted by the Facility Owner is annexed as Appendix A and incorporated by reference, which specifies the ESMs.

### 1.2 Schedules, Exhibits and Appendices

The Schedules and Exhibits as submitted by the ESCO and accepted by the Facility Owner are annexed and shall be part of this Contract and incorporated by reference.

#### Schedules:

Schedule A	Equipment to be Installed by ESCO
Schedule B	Description of facilities Pre-Existing Equipments Inventory
Schedule C	Energy Savings Assurance
Schedule D	Compensation to ESCO
Schedule E	Baseline Energy Consumption
Schedule F	Savings Measurement & Calculation Formulae; Methodology to Adjust Baseline
Schedule G	Construction and Installation Schedule
Schedule H	System Start-Up and Commissioning; Operating Parameters of Installed Equipment
Schedule I	Standards of Comfort
Schedule J	ESCO's Maintenance Responsibilities
Schedule K	The Facility Owner's Maintenance Responsibilities
Schedule L	Facility Maintenance Checklist
Schedule M	ESCO's Training Responsibilities
Schedule N	General Conditions
Schedule O	Payment Schedule <b>&lt;Or may be titled "Financing Amortization Schedule", "Debt Service Payment Schedule", etc.&gt;</b>
Schedule P	Pre-existing Service Agreements
Schedule Q	Current and Known Capital Projects at Facility
Schedule R	Projected Financial Performance

*<Note: For Schedule N: General Conditions – If any General Conditions are specified in Schedule N, the reference shall be provided to the articles and paragraphs to which such condition is applicable.*

*Schedules P, Q and R are not yet specifically listed in the body of the Contract. If they are used, reference as to their function should be made in the body of the Contract.>*

#### Exhibits:

Exhibit I	Certificate of Acceptance — Installed Equipment
Exhibit II	Operations and Maintenance Manuals (to be provided)
Exhibit III	Equipment Warranties (to be provided)

## Appendices:

- Appendix A Technical Energy Audit Report and Project Development Plan
- Appendix B RFP
- Appendix C ESCO Proposal
- Appendix D Lease Agreements and Documents, if applicable

*<Note: The contract schedules detail the substantive technical parameters of the projects negotiated and agreed to by the parties. These schedules are referenced throughout the Contract. Their titles shall be included in the main body of the Contract for easy reference and details as Schedules at the end of the Contract. If any schedules need to be completed after Contract execution, such clause may be incorporated to that effect.>*

*<Note: Descriptions for each schedule, exhibit and appendix are provided at the end of this sample contract in Attachment I.>*

### 1.3 Other Documents

The RFP and ESCO Proposal for this Project, Appendix B (**RFP**) and Appendix C (**ESCO Proposal**) respectively are attached and incorporated by reference. The provisions of this Contract shall have priority over other documents in the event of any inconsistencies between the RFP, ESCO proposal or Audit Report and the provisions of this Contract. Unless and otherwise expressly provided elsewhere in this agreement, the priority in the event of any conflict between them shall be in the following order:

- a) This agreement;
- b) Schedules and Exhibits
- c) Audit Report
- d) RFP and ESCO Proposal
- e) Other documents

## 2. ENERGY USAGE RECORDS AND DATA

The Facility Owner has furnished or shall furnish (or cause its energy suppliers to furnish if reasonably possible) to ESCO, upon request, available records and data concerning energy usage and energy-related maintenance for the Premises described in Schedule B (*Description of Premises; Pre-Existing Equipment Inventory*), including the following data for the most current twenty-four (24) month period; utility records; occupancy information; descriptions of any changes in the building structure or its heating, cooling, lighting or other systems or energy requirements; descriptions of all energy consuming or saving equipment used in the Premises; bills and records relating to maintenance of energy-related equipment, and a description of energy management procedures presently utilized. If requested, the Facility Owner shall also provide any prior energy audits of the Premises and shall make employees who are familiar with such records available for consultations and discussions with ESCO.

By the \_\_\_\_\_ day after receipt of letter of award, the Facility Owner shall provide ESCO with copies (hard or electronic) of all energy bills for the Premises that it shall have received for the preceding month. Upon receipt of the required information,

ESCO shall calculate the savings in accordance with the agreed-upon calculation formulae in Schedule F (*Savings Calculation Formulae; Methodology to Adjust Baseline*).

### **3. COMMENCEMENT DATE AND TERMS; INTERIM PERIOD**

#### **3.1 Commencement Date**

The Commencement Date shall be the first day of the following month in which all of the following has been met:

- (i) All schedules are in final form and accepted by the Facility Owner;
- (ii) ESCO has delivered a Notice to the Facility Owner that it has installed and commenced operating all the Equipment as specified in Schedule A (*Equipment to be Installed by ESCO*) and in accordance with the provisions of Section 8 (*Construction Schedule and Equipment Installation; Approval*) and Schedule H (*Systems Start-Up and Commissioning; Operating Parameters of Installed Equipment*); and
- (iii) The Facility Owner has inspected and accepted said installation and operation as evidenced by the Certificate of Acceptance as set forth in Exhibit I (Certificate of Acceptance—Installed Equipment). Compensation payments payable to the ESCO for the services and maintenance as set forth in Schedule D (Compensation to ESCO) under this Contract shall begin no earlier than thirty (30) days from the Commencement Date and shall be as per the ESCO Proposal.

#### **3.2 Term of Contract; Interim period**

Subject to the conditions mentioned in this clause, the term of this Contract shall be [●] years beginning from the Commencement Date. Nonetheless, the Contract shall be effective and binding upon the parties immediately upon its execution, and the period from contract execution until the Commencement Date shall be known as the "Interim Period". All energy savings achieved during the Interim Period shall be fully credited to the Facility Owner, unless specifically agreed between the parties during RFP and submission of ESCO Proposal.

### **4. PAYMENTS TO ESCO**

#### **4.1 Energy Savings Assurance**

ESCO has formulated and, subject to the adjustments provided for in Section 14, (***Material Changes***) has assured the annual energy and operations savings to be achieved as a result of the installation and operation of the Equipment and provision of services provided for in this Contract as specified in Schedule J (*ESCO's Maintenance Responsibilities*) and in accordance with the savings calculation formula as set forth in Schedule F (*Savings Calculation Formulae; Methodology to Adjust Baseline*). The Energy Savings assurance is set forth for the term of the Contract as specified in Schedule C (*Energy Savings Assurance*).



## 4.2 Review and Reimbursement/Reconciliation

The Facility Owner and ESCO agree; to work in good faith to resolve any disagreement over the calculation of the energy savings. In the event of any unresolved dispute between the parties regarding calculation of energy savings, following procedure shall be adopted:

- a. an independent Energy Auditor / Energy Auditing Firm mutually agreeable to both the parties shall be appointed by either party to conduct a review and give an opinion on whether the calculation of savings or deficiencies as prepared by ESCO is fairly stated in accordance with this agreement.
- b. If the parties cannot agree upon an accounting firm, then each shall designate a firm; and the two designated firms shall identify a mutually agreeable third firm. The independent Energy Auditor / Energy Auditing Firm shall include in its report any exceptions determined by its review.
- c. Exercise of the right to request a review shall in no way affect the Facility Owner's obligation to make current payments pursuant to this Contract unless otherwise described herein.

Any payments between the parties necessary to resolve any irregularities identified in the review will be made within sixty (60) days after submission of the review to the parties. If any such payments were not made within specified period of Sixty (60) days, then such payment shall be made along with interest @ rate of 4% above the prevailing Bank Rate, as prescribed by the State Bank of India, If ESCO calls the review; ESCO shall pay the cost of the review. If the review is called by the Facility Owner, the following structure will be applied to paying for the review:

If the review determines that ESCO's preparation of the Energy Savings was more than ten percent (10%) in error, ESCO shall pay the entire cost of the review; however if ESCO's determination of the Energy Savings are in error of ten percent (10%) or less than the amounts as determined by the independent Energy Auditor / Energy Auditing Firm, the Facility Owner shall pay for the entire cost of the review.

## 4.3 ESCO Compensation and Fees

ESCO has structured the energy savings assurance referred to in clause 4.1 above, so as to be sufficient to equal or exceed the sum of any and all annual payments required to be made by the Facility Owner in connection with the acquisition of Equipment to be installed by ESCO under this Contract as set forth in Schedule O (*Annual Installment Payment Schedule*) and any and all annual fees to be paid by the Facility Owner to ESCO for the provision of services as set forth and in accordance with the provisions of Schedule D (*Compensation to ESCO*) and Schedule J (*ESCO's Maintenance Responsibilities*).

#### **4.4 Billing Information Procedure**

Payments due to ESCO under this Section 4 shall be calculated in accordance with the provisions of Schedule D. ESCO shall provide the Facility Owner with an invoice of the total amount due.

#### **4.5 Effective Date of Payment Obligation**

Notwithstanding the above provisions in Section 4, the Facility Owner shall not be required to begin any payments to ESCO under this Contract unless and until all equipment installations are completed by ESCO in accordance with the provisions of Section 8 (Construction and Equipment Installation; Approval) and Schedule H (Systems Start-Up and Commissioning; Operating Parameters of Installed Equipment), and accepted by The Facility Owner as evidenced by the signed Certificate of Acceptance as set forth in Exhibit I (Certificate of Acceptance — Installed Equipment), and unless and until said equipment is fully and properly functioning.

### **5. PERMITS AND APPROVALS; COORDINATION**

#### **5.1 Permits and Approvals**

The Facility Owner shall use its best efforts to assist ESCO in obtaining all necessary permits and approvals for installation of the Equipment. In no event shall the Facility Owner be responsible for payment of any permits fees. The Equipment and the operation of the Equipment by ESCO shall at all times conform to all national, State and local code requirements. ESCO shall furnish copies of each permit or license, which is required to perform the work to the Facility Owner, before ESCO commences the portion of the work requiring such permit or license.

ESCO shall pay for electrical permits required by the facility owner. ESCO shall obtain and pay for all licenses and permits and shall pay all fees and charges for connections to outside services and for the use of municipal or private property for storage of materials, parking, utility services, temporary obstructions, enclosures, opening and patching of streets, including any related works, arising from the construction and completion of the installation and maintenance contemplated by this Contract.

#### **5.2 Coordination during Installation**

The Facility Owner and ESCO shall coordinate the activities of ESCO's equipment installers with the Facility Owner employees, and agents. ESCO shall not commit or permit any act that will interfere with the performance of business activities conducted by the Facility Owner or its employees without prior written approval of the Facility Owner.

## **6. LOCATION AND ACCESS**

The Facility Owner shall provide sufficient space on the premises for the installation and operation of the Equipment and shall take reasonable steps to protect such Equipment from harm, theft and misuse. The Facility Owner shall provide access to the premises for ESCO to perform any function related to this Contract during regular business hours, or such other reasonable hours as may be requested by ESCO and acceptable to the Facility Owner. The Facility Owner shall not unreasonably restrict ESCO's access to Premises to make emergency repairs or corrections as ESCO may determine are needed.

## **7. PERFORMANCE BY ESCO**

ESCO shall perform all tasks/phases under the Contract, including construction, and install the Equipment in such a manner so as not to harm the structural integrity of the their operating systems and so as to conform to the standards set forth in Schedule I (*Standards of Comfort*) and the construction schedule specified in Schedule G (*Construction and Installation Schedule*). ESCO shall repair and restore to its original condition any damage caused by ESCO's performance under this Contract. The Facility Owner reserves the right to review the work performed by ESCO and direct ESCO to take certain corrective action if, in the opinion of the Facility Owner, the structural integrity of the Premises or its operating system is or may be harmed. All costs associated with such corrective action due to damage caused or may be caused by ESCO's performance of the work shall be borne by ESCO.

ESCO shall remain responsible for the professional and technical accuracy of all services performed, whether by ESCO or its subcontractors or others on its behalf, throughout the term of this Contract.

## **8. CONSTRUCTION SCHEDULE AND EQUIPMENT INSTALLATION; APPROVAL**

8.1 Construction and equipment installation shall proceed in accordance with the construction schedule approved by the Facility Owner and attached hereto as Schedule G (*Construction and Installation Schedule*).

8.2 ESCO shall conduct a thorough and systematic performance test of each element and total system of the installed Equipment in accordance with the procedures specified in Schedule H (*Systems Start-Up and Commissioning; Operating Parameters of Installed Equipment*) and prior to acceptance by the Facility Owner. ESCO shall provide notice to the Facility Owner of the scheduled test(s) and the Facility Owner and/or its designees shall have the right to be present at any or all such tests conducted by ESCO and/or manufacturers of the Equipment. ESCO shall be responsible for correcting and/or adjusting all deficiencies in systems and Equipment operations that may be observed during system commissioning procedures.

8.3 Inspection and Final Approval:

The Facility Owner shall have right to inspect, test and approve the work conducted in the facilities during construction and operation. The Facility owner shall have right to

access the account books, records, and other compilations of data that pertain to the performance of the provisions and requirements of this Contract. Records shall be kept as per the generally recognized accounting practice, and calculations shall be maintained in a file in legible form. All such records shall maintain at least for three (3) years after close-out or as agreed between the parties.

## **9. STANDARDS OF COMFORT**

ESCO shall maintain and operate the Equipment in a manner so as to provide the standards of heating, cooling, and lighting etc. as described in Schedule I (*Standards of Comfort*).

## **10. EQUIPMENT WARRANTIES AND COMPATIBILITY**

10.1 ESCO covenants and agrees that all equipments installed, as part of this Contract, are New, in good and proper working condition and protected by appropriate written warranties covering all parts and equipment performance. Demonstrators, previously rented, refurbished, or reconditioned items are not considered "New" except as specifically provided in this section. "New" shall mean items that have not been used previously and that are being actively marketed by the manufacturer. Equipment shall have the ESCO as their first customer and must not have been previously sold, installed, demonstrated, or used in any manner (such as rentals, demonstrators, trial units, etc.). Equipment offered must be provided with a full, unadulterated, and undiminished new item warranty against defects in workmanship and materials. The warranty shall include replacement, repair for the warranty period.

10.2 ESCO further agrees to deliver to the Facility Owner for inspection and approval of all such written warranties, which shall be attached and set forth as Exhibit II (Equipment Warranties);

- i. to transfer warranties to the Facility Owner;
- ii. to pursue rights and remedies against the manufacturer of the equipment under the warranties in the event of equipment malfunction or improper or defective function, and defects in parts, workmanship and performance; and
- iii. to notify the Facility Owner whenever defects in equipment parts or performance occur or when warranty rights and remedies are exercised by ESCO; and
- iv. The cost of any risk of damage or damage to the equipment and its performance, including damage to property and equipment of the Facility Owner or the Premises, due to ESCO's failure to exercise its warranty rights shall be borne solely by the ESCO.

10.3 When new equipment is required to be fitted at the time of repair arising out of any malfunction, all warranties shall specify that only new, and not reconditioned parts, have been used and installed. All warranties required hereunder shall be in force for a minimum of one (1) year from the Commencement Date.

Notwithstanding the above, nothing in this Section shall be construed to alleviate/relieve ESCO from complying with its obligations to perform under all terms and conditions of this Contract and as set forth in all attached Schedules.

## **11. TRAINING BY ESCO**

ESCO shall conduct the training program described in Schedule M (*ESCO's Training Responsibilities*) hereto. The training specified in Schedule M (*ESCO's Training Responsibilities*) must be completed prior to acceptance of the Equipment installation. ESCO shall provide ongoing training whenever needed with respect to updated or altered Equipment, including upgraded software, and including to any newly hired maintenance personnel during the term of the Contract. Such training shall be provided at no charge to the Facility Owner.

## **12. EQUIPMENT SERVICE**

### **12.1 Actions by ESCO**

ESCO shall provide all service, repairs, and adjustments to the Equipment installed under terms of this Contract pursuant to Schedule J (*ESCO's Maintenance Responsibilities*). The Facility Owner shall incur no cost for Equipment service, repairs, and adjustments, except as set forth in Schedule D (*Compensation to ESCO*), provided, however, that when there is need for maintenance or repairs due to the negligence or willful misconduct of the Facility Owner or any employee or other agent of the Facility Owner, and ESCO can so demonstrate such negligence or willful misconduct, ESCO may charge the Facility Owner for the actual cost of the maintenance or repair to the extent such cost is not covered by any warranty or insurance proceeds.

### **12.2 Malfunctions and Emergencies**

The Facility Owner shall use its best efforts to notify ESCO or its designee(s) within twenty-four (24) hours after the Facility Owner's actual knowledge and occurrence of:

- i. any malfunction in the operation of the Equipment or any pre-existing energy related equipment that might materially impact upon the assured energy savings,
- ii. any interruption or alteration to the energy supply to the Premises, or
- iii. any alteration or modification in any energy-related equipment or its operation.

Where the Facility Owner exercises due diligence in attempting to assess the existence of a malfunction, interruption, or alteration it shall be deemed not at fault in failing to correctly identify such conditions as having a material impact upon the assured energy savings. The Facility Owner shall notify ESCO within twenty-four (24) hours upon its having actual knowledge of any emergency condition affecting the Equipment. ESCO or its designee shall respond within \_\_\_\_ hours and shall promptly proceed with corrective measures. Any telephonic notice of such conditions by The Facility Owner shall be followed within three (3) business days by written notice to ESCO from the Facility Owner. If the Facility Owner unreasonably delays in notifying ESCO of a malfunction or emergency, and the malfunction or emergency is not otherwise corrected or remedied, such conditions will be treated as a Material Change and the provisions under Section 14 (Material Changes) shall be applicable.

ESCO shall provide a written record of all service work performed. This record shall indicate the reason for the service, description of the problem and the corrective actions performed.

### **12.3 Actions by the Facility Owner**

The Facility Owner shall not move, remove, modify, alter, or change in any way the Equipment or any part thereof without the prior written approval of ESCO except as set forth in Schedule K (*The Facility Owner's Maintenance Responsibilities*). Notwithstanding the foregoing, the Facility Owner may take reasonable steps to protect the Equipment if, due to an emergency, it is not possible or reasonable to notify ESCO before taking any such actions. In the event of such an emergency, Facility Owner shall take reasonable steps to protect the Equipment from damage or injury and shall follow instructions for emergency action provided in advance by ESCO. The Facility Owner agrees to maintain the Premises in good repair and to protect and preserve all portions thereof, which may in any way affect the operation or maintenance of the Equipment.

### **13. UPGRADING OR ALTERING THE EQUIPMENT**

ESCO shall at all times have the right, subject to the Facility Owner's prior written approval, which approval shall not be unreasonably withheld, to change the Equipment, revise any procedures for the operation of the equipment or implement other energy saving actions in the Premises, provided that:

- (i) ESCO complies with the standards of comfort and services set forth in Schedule I (**Standards of Comfort**) herein;
- (ii) such modifications or additions to, or replacement of the Equipment, and any operational changes, or new procedures are necessary to enable ESCO to achieve the energy savings at the Premises and;
- (iii) any cost incurred relative to such modifications, additions or replacement of the Equipment, or operational changes or new procedures shall be the responsibility of ESCO.

All modifications, additions or replacements of the Equipment or revisions to operating or other procedures shall be described in a supplemental Schedule(s) to be provided to the Facility Owner for approval, which shall not be unreasonable withheld, provided that any replacement to be installed shall be the New Equipment as set forth in Section 10 and have equal or better potential to reduce energy consumption at the Premises than the Equipment being replaced. ESCO shall update any and all software to be used in connection with the Equipment in accordance with the provisions of Section 18.1 (**Ownership of Certain Proprietary Rights**). All replacements of and alterations or additions to the Equipment shall become part the Equipment described in Schedule A (*Equipment to be Installed by ESCO*) and shall be covered by the provisions and terms of Section 8 (*Construction Schedule and Equipment Installation; Approval*).

## 14. MATERIAL CHANGES

### 14.1 Material Change Defined

A Material Change shall include any change in or to the Premises, whether structural, operational or otherwise in nature which reasonably could be expected, in the judgment of the Facility Owner, to increase or decrease annual energy consumption in accordance with the provisions and procedures set forth in Schedule E (*Baseline Energy Consumption*) and Schedule F (*Savings Measurement and Calculation Formulae; Methodology to Adjust Baseline*) by at least \_\_\_\_\_ percent (\_\_\_%) after adjustments for climatic variations. Actions by the Facility Owner, which may result in, a Material Change include but are not limited to the following:

- i. manner of use of the Premises by the Facility Owner; or
- ii. hours of operation for the Premises or for any equipment or energy using systems operating at the Premises; or
- iii. permanent changes in the comfort and service parameters set forth in Schedule I (*Standards of Comfort*); or
- iv. occupancy of the Premises; or
- v. structure of the Premises; or
- vi. types and quantities of equipment used at the Premises or
- vii. modification, renovation or construction at the Premises; or
- viii. The Facility Owner's failure to provide maintenance of and repairs to the Equipment in accordance with Schedule K (*The Facility Owner's Maintenance Responsibilities*);
- ix. Any other conditions other than climate affecting energy use at the Premises;
- x. "If at any time, during the continuance of this contract, the performance of whole or in part of any obligations under this contract shall be prevented or delayed by reason of war, hostilities, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts or act of God (herein after referred to events) lying beyond the reasonable control of and unanticipated or unforeseeable by and not brought about at the instance of, the party claiming to be affected by such event provided, notice of the happening of such event is given by either party shall by reason of such event, be neither entitled to terminate this contract nor shall either party have any claim for damages against the other in respect of such non performance or delay in performance and deliveries under the contract shall be resumed as soon as practicable after such event has come to an end or ceased to exist, and the decision of contracting officer as to whether the deliveries have been so resumed or not, shall be final and conclusive.

### 14.2 Reported Material Changes; Notice by the Facility Owner

The Facility Owner shall use its best efforts to deliver to ESCO a written notice describing all actual or proposed Material Changes in the Premises or in the operations of the Premises at least \_\_ (\_\_\_) days before any actual or proposed Material Change is implemented or as soon as is practicable after an emergency or other unplanned event. Notice to ESCO of Material Changes arising due to a bona fide emergency or other situation which precludes advance notification shall be deemed sufficient if given

by the Facility Owner within \_\_\_\_\_ (\_\_\_\_) hours after having actual knowledge that the event constituting the Material Change occurred or was discovered by the Facility Owner to have occurred.

#### **14.3 Unreported Material Change.**

In the absence of any Material Changes in the Premises or in their operations, the baseline energy consumption as set forth in Schedule E (*Baseline Energy Consumption*) should not change more than percent (\_\_\_\_%) during any month from the projected energy usage for that month, after adjustments for changes in climatic conditions. Therefore, if energy consumption for any month as set forth in Schedule E (*Baseline Energy Consumption*) deviates by more than \_\_\_\_percent (%) from the energy consumption for the same month of the preceding contract year after adjustments for changes to climatic conditions, then such deviation shall be timely reviewed by ESCO to ascertain the cause of deviation. ESCO shall report its findings to the Facility Owner in a timely manner and both the parties shall mutually agree to the adjustments to the baseline to be made in accordance with the provisions set forth in Schedule F (*Savings Measurement and Calculation Formulae; Methodology to Adjust Baseline*) and Schedule E (*Baseline Energy Consumption*).

### **15. REPRESENTATIONS AND WARRANTIES**

Each party warrants and represents to the other that:

- (i) it has all requisite power, authority, licenses, permits, and franchises, corporate or otherwise, to execute and deliver this Contract and perform its obligations hereunder;
- (ii) its execution, delivery, and performance of this Contract have been duly authorized by, or are in accordance with, its organic instruments, and this Contract has been duly executed and delivered for it by the signatories so authorized, and it constitutes its legal, valid, and binding obligation;
- (iii) its execution, delivery, and performance of this Contract will not breach or violate, or constitute a default under any Contract, lease or instrument to which it is a party or by which it or its properties may be bound or affected; or
- (iv) it has not received any notice, nor to the best of its knowledge is there pending or threatened any notice, of any violation of any applicable laws, ordinances, regulations, rules, decrees, awards, permits or orders which would materially and adversely affect its ability to perform hereunder.

### **16. ADDITIONAL REPRESENTATIONS OF THE PARTIES**

16.1 The Facility Owner hereby warrants, represents and promises that it has not entered into any undisclosed leases, or contracts with other persons or entities regarding the leasing of energy efficiency equipment or the provision of energy management services for the Premises or with regard to servicing any of the energy related equipment located in the Premises. The Facility Owner shall provide ESCO with the copies of any successor or additional leases of energy efficiency equipment and contracts for management or servicing of pre-existing equipment at Premises that may be executed from time to time hereafter within sixty (60) days after execution thereof.



16.2 The Facility Owner agrees that it shall adhere to, follow and implement the energy conservation procedures and methods of operation to be set forth on Schedule K (*The Facility Owner's Maintenance Responsibilities*), to be attached hereto and made a part hereof after The Facility Owner's approval.

16.3 The Facility Owner agrees that ESCO shall have the right once a month, with prior notice, to inspect Premises to determine if the Facility Owner is complying, and shall have complied with such obligations. For the purpose of determining the Facility Owner's said compliance, the checklist to be set forth at Schedule L (*Facility Maintenance Checklist*) as completed and recorded by ESCO during its monthly inspections, shall be used to measure and record the Facility Owner's said compliance. The Facility Owner shall make the Premises available to ESCO for and during each monthly inspection, and shall have right to witness each inspection and the recordation on the checklist.

16.4 ESCO hereby warrants, represents and promises that:

(i) before commencing performance of this Contract:

(a) it shall have become licensed or otherwise permitted to do business.

(b) it shall have provided proof and documentation of required insurance pursuant to Section 17 (Insurance Requirements);

(c) it shall submit a properly executed Contractor's Affidavit Concerning Taxes.

(ii) it shall make available, upon reasonable request, all documents relating to its performance under this Contract, including but not limited to all contracts and subcontracts entered into;

(iii) It is financially solvent, able to pay its debts as they mature and possessed of sufficient working capital to complete and perform its obligations under this Contract.

16.5 The parties acknowledge and agree that ESCO has entered into this Contract in reliance upon the prospect of earning compensation based on energy savings assurance in energy used at Premises, as set forth on Schedules C (*Energy Saving Assurance*) and D (*Compensation to ESCO*), attached hereto and made a part hereof. The parties further acknowledge and agree that the said energy savings assurance shall not likely be obtained unless certain procedures and methods of operation designed for energy conservation are implemented, and followed by the Facility Owner on a regular and continuous basis.

## **17. PROPERTY/ CASUALTY/ INSURANCE; INDEMNIFICATION**

Prior to commencement of any work and for the duration of this Agreement, ESCO must provide and maintain insurance as set forth below. ESCO shall require all subcontractors to maintain the same insurance required herein of ESCO. All such insurance shall be written on a Comprehensive Form of Policy. Failure to provide satisfactory evidence of coverage may result in rejection of a submission and/ or contract cancellation. The coverage provided by such policy shall provide that the insurance afforded applies separately to each insured against whom a claim is made,

except with respect to the limitation of liability. Any “other insurance” provisions contained in any policy as an additional insured shall not apply. All policies shall contain waivers of subrogation. ESCO shall be responsible for (i) any damage to the Equipment or other property on the Premises and (ii) any personal injury where such damage or injury occurs as a result of ESCO's performance under this Contract.

ESCO shall save and hold harmless the Facility Owner and their officers, agents and employees or any of them from any and all claims, demands, actions or liability of any nature based upon or arising out of any services performed by ESCO, its agents or employees under this Contract.

## **18. OWNERSHIP**

### **18.1 Ownership of Certain Proprietary Property Rights**

The Facility Owner shall not, by virtue of this Contract, acquire any interest in any formulas, patterns, secret inventions or processes, copyrights, patents, or other intellectual or proprietary rights that are or may be used in connection with the Equipment. ESCO shall grant to the Facility Owner a perpetual, irrevocable royalty-free license for any and all software or other intellectual property rights necessary for the Facility Owner to continue to operate, maintain, and repair the Equipment in a manner that will yield maximal energy consumption reductions.

### **18.2 Ownership of Existing Equipment**

The equipment and materials at the Premises at the time of execution of this Contract shall remain the property of the Facility Owner even if it is replaced or its operation made unnecessary by work performed by ESCO pursuant to this Contract. If applicable, ESCO shall advise the Facility Owner in writing of all equipment and materials to be replaced at the Premises and The Facility Owner shall within thirty (30) days designate in writing to ESCO which equipment and materials should not be disposed of off-site by ESCO. It is understood and agreed to by both Parties that the Facility Owner shall be responsible for and designate the storage location for any equipment and materials that should not be disposed of off-site. ESCO shall be responsible for the disposal of all equipment and materials designated by the Facility Owner as disposable off-site in accordance with all applicable laws and regulations regarding such disposal.

### **18.3 Ownership of Drawings**

All drawings, reports and materials prepared by ESCO specifically in performance of this Contract shall become the property of the Facility Owner and will be delivered to the Facility Owner no later than forty-five (45) days after completion.

## **19. TRUST AND RETENTION ACCOUNT**

### **19.1 Trust and Retention Account**

The ESCO shall, within 30 (thirty) days from the date of Trust and Retention Agreement, and in any case prior to the date of signing of Trust and Retention Agreement, open and establish a Trust and Retention Account with a Bank (the "Trust and Retention Bank") in accordance with this Agreement read with the Trust and Retention Agreement.

The nature and scope of the Trust and Retention Account are fully described in the agreement (the "Trust and Retention Agreement") to be entered into amongst the ESCO, the Facility Owner, the Trust and Retention Bank and the Participating Financial Institutions, which shall be substantially in the form set forth in Schedule-S.

The provisions of this Clause 19 and the instructions contained in the Trust and Retention Agreement shall remain in full force and effect until the obligations set forth under this Agreement have been discharged.

## **20. EVENTS OF DEFAULT**

### **20.1 Events of Default by the Facility Owner:**

Each of the following events or conditions shall constitute an "Event of Default" by the Facility Owner:

- (i) any failure by the Facility Owner to pay ESCO any sum due for a service and maintenance period of more than sixty (60) days after written notification by ESCO that the Facility Owner is delinquent in making payment and provided that ESCO is not in default in its performance under the terms of this Contract;
- (ii) any other material failure by the Facility Owner to perform or comply with the terms and conditions of this Contract, including breach of any covenant contained herein, provided that such failure continues for sixty (60) days after notice to the Facility Owner demanding that such failures to perform be cured or if such cure cannot be effected in sixty (60) days, the Facility Owner shall be deemed to have cured default upon the commencement of a cure within sixty (60) days and diligent subsequent completion thereof; or
- (iii) any representation or warranty furnished by the Facility Owner in this Contract, which was false, or misleading in any material respect when made.

### **20.2 Events of Default by ESCO:**

Each of the following events or conditions shall constitute an "Event of Default" by ESCO:

- (i) the standards of comfort and service set forth in Schedule I (*Standards of Comfort*) are not provided due to failure of ESCO to properly design, install, maintain, repair or adjust the Equipment except that such failure, if corrected or cured within thirty (30) days after written notice by the Facility Owner to ESCO demanding that such failure be cured, shall be deemed cured for purposed of this Contract;

- (ii) any representation or warranty furnished by ESCO in this Contract is false or misleading in any material respect when made;
- (iii) failure to furnish and install the Equipment and make it ready for use within the time specified by this Contract as set forth in Schedules A (*Equipment to be Installed by ESCO*) and G (*Construction and Installation Schedule*);
- (iv) provided that the operation of the facility is not adversely affected and provided that the standards of comfort in Schedule I (*Standards of Comfort*) are maintained, any failure by ESCO to perform or comply with the terms and conditions of this Contract, including breach of any covenant contained herein except that such failure, if corrected or cured within thirty (30) days after written notice by the Facility Owner to ESCO demanding that such failure to perform be cured, shall be deemed cured for purposes of this Contract;
- (v) any lien or encumbrance is placed upon the Equipment by any subcontractor, laborer, supplier or lender of ESCO;
- (vi) the filing of a bankruptcy petition whether by ESCO or its creditors against ESCO which proceeding shall not have been dismissed within ninety (90) days of its filing, or an involuntary assignment for the benefit of all creditors or the liquidation of ESCO;
- (vii) any change in ownership or control of ESCO without the prior approval of the Facility Owner, which shall not be unreasonably withheld; or
- (viii) Failure by ESCO to pay any amount due to the Facility Owner or perform any obligation under the terms of this Contract or the Energy Savings Assurance as set forth in Schedule C (*Energy Savings Assurance*).

## **21. REMEDIES UPON DEFAULT**

### **21.1 Remedies upon Default by the Facility Owner**

If an Event of Default by the Facility Owner occurs, ESCO may exercise all remedies available at law or in equity or other appropriate proceedings including bringing an action or actions from time to time for recovery of amounts due and unpaid by the Facility Owner, and/or for damages which shall include all costs and expenses reasonably incurred in exercise of its remedy. Election of one (1) remedy is not a waiver of other available remedies.

### **21.2 Remedies upon Default by ESCO**

In the Event of Default by ESCO, the Facility Owner may exercise and any all remedies at law or equity, or institute other proceedings, including, without limitation, bringing an action or actions from time to time for specific performance, and/or for the recovery of amounts due and unpaid and/or for damages, which shall include all costs and expenses reasonably incurred, including attorney's fees. Election of one (1) remedy is not a waiver of other available remedies.

## **22. CONDITIONS BEYOND CONTROL OF THE PARTIES**

If a party ("performing party") shall be unable to reasonably perform any of its obligations under this Contract due to acts of God, insurrections or riots, or other event beyond its control, this Contract shall at the other party's option (i) remain in

effect but said performing party's obligations shall be suspended until the said events shall have ended; or, (ii) be terminated upon ten (10) days' notice to the performing party, in which event neither party shall have any further liability to the other.

## **23. Termination of Contract**

Save as otherwise provided in this contract, in the event that any of the defaults specified below shall have occurred, and respective Party fails to cure the default within the period set forth below, or where no period is specified, then within a period of 60 (sixty) days, a Party shall be deemed to be in default of this contract and in that event the contract is terminated. The defaults referred to herein shall include:

- (i) Any time after the first anniversary of Contract, the Facility Owner may exercise an option to terminate this contract by giving ninety (90) days notice and paying the Termination Value as mentioned in Table No.4-4 :*Payment Schedule and Termination Value*
- (ii) If at any time conditions beyond control of the parties as mentioned under clause 14.1 (10) and clause 22
- (iii) On completion of five-year contract period, the Facility Owner might avail at its sole options an additional two-year contract for maintenance of energy savings at the same terms and conditions of payments without any enhancements.

## **24. ASSIGNMENT**

### **24.1 Assignment by ESCO**

ESCO acknowledges that the Facility Owner is induced to enter into this Contract by, among other things, the professional qualifications of ESCO. ESCO agrees that neither this Contract nor any right or obligations hereunder shall be assigned in whole or in part to another firm, without the prior written approval of the Facility Owner. Notwithstanding the provisions of this paragraph, ESCO shall remain jointly and severally liable with its assignees(s), or transferee(s) for all of its obligations under this Contract.

### **24.2 Assignment by the Facility Owner**

The Facility Owner may transfer or assign this Contract and its rights and obligations herein to a successor or purchaser of the facility (ies) subject to this Contract or an interest therein.

## **25. DISPUTE RESOLUTION**

25.1 If any dispute or difference or claims of any kind arises between the Parties in connection with interpretation or application of any terms and conditions or any matter or thing in any way connected with or in connection with or arising out of this Agreement, or the rights, duties or liabilities of any Party under this Agreement and so notified in writing by either Party to the other Party (the "Dispute"), whether before or after the termination of this Agreement, then the Parties shall meet together promptly, at the request of any Party, in an effort to resolve such dispute, difference or claim by

discussion between them. The Parties may, in appropriate cases agree to refer the matter to an Expert appointed by them with mutual consent. The Parties agree to abide by the decision/opinion of the Expert. The cost of obtaining the service of the Expert shall be shared equally.

## **25.2 Arbitrators**

In the event the dispute or difference or claim, as the case may be, is not resolved, as evidenced by the signing of the written terms of settlement by the Parties, within 30 (thirty) days of reference for amicable settlement and/or settlement with the assistance of Expert, as the case may be, the same shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be by a panel of three arbitrators, one each to be appointed by the ESCO and the Facility Owner and the third to be appointed by the two arbitrators so appointed, who shall act as chairperson of the arbitral tribunal.

## **25.3 Place of Arbitration**

The place of arbitration shall be New Delhi.

## **25.4 English Language**

The request for arbitration, the answer to the request, the terms of reference, any written submissions, any orders and rulings shall be in English and, if oral hearings take place, English shall be the language to be used in the hearings.

## **25.5 Enforcement of Award**

Any decision or award resulting from arbitration shall be final and binding upon the Parties. The Parties hereto hereby waive, to the extent permitted by law, any rights to appeal or to review of such award by any court or tribunal. The Parties hereto agree that the arbitral award may be enforced against the Parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

## **25.6 Fees and Expenses**

The fees and expenses of the arbitrators and all other expenses of the arbitration shall be initially borne and paid by respective Parties subject to determination by the arbitrators. The arbitrators may provide in the arbitral award for the reimbursement to the prevailing Party of its costs and expenses in bringing or defending the arbitration claim, including legal fees and expenses incurred by such Party.

## **25.7 Performance during Arbitration**

Pending the submission of and/or decision on a dispute, difference or claim or until the arbitral award is published; the Parties shall continue to perform all of their obligations under this Agreement without prejudice to a final adjustment in accordance with such award.

## **26. MISCELLANEOUS PROVISIONS**

### **26.1 Waiver of Claims/Liens**

ESCO shall obtain and furnish to the Facility Owner a Waiver of Claims or Liens from each vendor, material manufacturer and laborer in the supply, installation and servicing of each piece of Equipment.

### **26.2 Compliance with Law and Standard Practices**

ESCO shall perform its obligations hereunder in compliance with any and all applicable federal, state, and local laws, rules, and regulations, in accordance with sound engineering and safety practices and in compliance with any and all reasonable rules of relative to the Premises. ESCO shall be responsible for obtaining all governmental permits, consents, and authorizations as may be required to perform its obligations hereunder. Failure in this Contract to specifically identify any applicable law does not affect its applicability.

### **26.3 Independent Capacity of the Contractor**

It is distinctly and particularly understood and agreed between the parties hereto that the Facility Owner is in no way associated or otherwise connected with the performance of any service under this Contract on the part of ESCO or with the employment of labor or the incurring of expenses by ESCO. Said ESCO is an independent contractor in the performance of each and every part of this Contract, and solely and personally liable for all labor, taxes, insurance, required bonding and other expenses, and for any and all damages in connection with the operation of this Contract, whether it may be for personal injuries or damages of any other kind.

### **26.4 Severability**

In the event that any clause or provision of this Contract or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Contract unless the result would be manifestly inequitable or unconscionable.

### **26.5 Complete Contract**

This Contract, when executed, together with all Schedules attached hereto or to be attached hereto, as provided for by this Contract shall constitute the entire Contract between both parties and this Contract may not be amended, modified, or terminated except by a written amendment signed by the parties hereto.

### **26.6 Further Documents**

The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Contract.

### **26.7 Applicable Law**

This Agreement shall be construed in accordance with, and governed by the laws of the Government of India. Any action to enforce the provisions of this Agreement shall be brought in the court of \_\_\_\_\_. In the event any term of this Agreement is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in force.

## **26.8 Notice**

Any notice required or permitted hereunder shall be deemed sufficient if given in writing and delivered personally or sent by registered post or courier, to the address shown below or to such other persons or addresses as are specified by similar notice.

TO ESCO:

**<ESCO Name, Attention:, Mailing address.>**

TO THE FACILITY OWNER:

**<The Facility Owner Name, Attention:, Mailing address.>**

## **26.9 Headings**

Headings and subtitles used throughout this Contract are for the purpose of convenience only, and no heading or subtitle shall modify or be used to interpret the text of any section.

## **26.10 Handling of Hazardous Materials**

All work completed under this Contract must be in compliance with all applicable laws of Government of India, any applicable State laws, local laws, rules and regulations regarding waste disposal and treatment/disposal of any hazardous materials that could result from this project, including any clearances and licenses that may be required to be taken for the purpose of implementation and the operations of the Facility.

## **26.11 Licenses as per Law**

ESCO and its subcontractors and contractors of subcontractors, if any shall comply with existing laws for getting necessary Licenses, permits and approvals.

## **26.12 Architects**

If applicable, construction work done under this Contract shall have plans and specifications approved by the local authority.

## **26.13 As-Built Drawings**

Where applicable, ESCO must provide durable, reproducible record drawings (and such CADD documents as may be agreed to by the Facility Owner) from the "as-built drawings" of all existing and modified conditions associated with the project, conforming to typical engineering standards. These should include architectural, mechanical, electrical, structural, and control drawings and operating manuals and will be delivered prior to acceptance. Drawing format should be in an electronic format and



shall be as per the relevant IS codes.

#### **26.14 Follow-up Monitoring/ Measurement and Maintenance Services**

Following the installation and implementation of improvements, ESCO shall be responsible for maintaining and measuring to ensure optimal performance, however, the Facility Owner shall have rights to decline these services or negotiate for a reduced term of services. All maintenance and measurement fees shall be paid through assured savings.

#### **26.15 Operation and Maintenance Manuals**

At least three (3) maintenance manuals for each site shall be provided for all equipment replacements and/or upgrades at each location. Manuals shall be subject to approval of the Facility Owner.

#### **26.16 Continuing Activities**

The Facility Owner reserves the right to make energy and water improvements to the work sites and to monitor the performance of the installations independently of ESCO.

Additionally, the Facility Owner may wish to integrate other identified capital needs with ESCO projects, which may or may not contain energy and water savings opportunities.

#### **26.17 Taxes**

ESCO agrees:

- (i) To pay promptly when due all taxes, duties and license fees due to the State, its subdivisions, and municipal and quasi-municipal corporations;

#### **26.18 Contract Re-Negotiation**

Both the parties shall have right to renegotiate the terms of the Contract due to changes in the regulatory or utility climates or the Facility Owner's non-discretionary use of energy, or if the Facility Owner desires to change the Scope.

#### **26.19 Preventive Maintenance Schedule**

Upon completion of measurement and verification by ESCO, ESCO shall provide to the Facility Owner a single comprehensive schedule of necessary preventive maintenance for all installations for the five (5) years following Contract expiration or termination.

#### **26.20 Minimum Wage Law**

It will be the responsibility of ESCO to fully comply with laws of land, regarding the minimum wage law for employees hired on the project.

#### **26.21 Officials, Agents and Employees of the Facility Owner Not Personally Liable**

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the Facility Owner be in any way personally liable or responsible for any covenant or agreement contained in this Contract whether express or implied, nor for any statement, representation or warranty made herein or in any way connected with this Contract.

#### **26.22 Drafting Not to be Construed against any Party**

All parties acknowledge and agree that each has had a full opportunity to review and have input into this Contract and that any ambiguity found shall not be construed against any party as drafter. Reference to "year" shall mean calendar year unless a fiscal year is specified. If a fiscal year is specified that year is April 1 through March 30.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto subscribe their names to this Contract by their duly authorized officers on the date first above written.

\_\_\_\_\_  
**<Name of ESCO>**

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
**<Name of the Facility Owner>**

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name and Title)

## **ATTACHMENT I : Schedules, Exhibits, and Appendices**

### **SCHEDULE A. EQUIPMENT TO BE INSTALLED BY ESCO**

*<Note: Schedule A: This schedule will be furnished by ESCO based on the final Audit Report. It should specify all of the newly installed equipment including manufacturer, quantity, location and warranties (you can also have a separate schedule for warranties). This schedule should also describe any modifications that may have been made to existing equipment, if applicable.>*

### **SCHEDULE B. DESCRIPTION OF PREMISES; PRE-EXISTING EQUIPMENT INVENTORY**

*<Note: Schedule B: This schedule is based on the final Audit Report. It contains basic information about the condition of the premises at the time of contract execution. Such information would include facility square footage, building construction, use, occupancy, hours of operation etc., and any special conditions that may exist.*

*The inventory is important to include for the purpose of identifying what equipment was in place and how it was configured at the time of contract execution. This schedule is important to the accurate establishment of baseline, savings measurement and may need to be referred to in the later years of the contract.>*

### **SCHEDULE C: ENERGY SAVINGS ASSURANCE**

*<Note: Schedule C: This schedule should fully describe all provisions and conditions of the energy saving assurance provided by ESCO. The assurance should be defined in units of energy to be saved for the duration of the contract term and provide a mechanism to calculate dollar savings. Reference to the annual reconciliation of achieved vs. assured savings should be included (there is also language in the body of the contract regarding annual reconciliation See Section 4.2).>*

*<Note: Actual savings of energy costs attributable to all measures for each year of the contract should be more than the calculated savings for that year.>*

*<Note: This schedule should contain the projected energy savings in units for each year of the contract. Often these projections are broken down on a measure by measure basis, although some measures may be aggregated into general categories such as lighting or HVAC. If there are several buildings involved in the project, this schedule should contain projections for each facility, even though they may all be covered under a single assurance.>*

### **SCHEDULE D: COMPENSATION TO ESCO**

*<Note: Schedule D: This should contain the amount and frequency of any payments that may be made to ESCO for maintenance, measurement and verification or other services negotiated as part of the contract. It should contain information about how the compensation is calculated (e.g. a percentage of savings above and beyond the assurance, flat fee etc.), and if an annual inflation index is to be used to escalate fees over the duration of the contract term. An hourly fee structure can also be included to cover ESCO costs for any services provided beyond the scope agreed to at the time of contract execution. If ESCO is not the financing arm and will be paid for audit services previously performed, that could be included here.>*

## **SCHEDULE E: BASELINE ENERGY CONSUMPTION**

*<Note: Schedule E: The baseline energy consumption is the "yardstick" by which all savings achieved by the installed project will be measured. The methodology and all supporting documentation used to calculate the baseline should be in this schedule including unit consumption and current utility rates for each fuel type. This schedule may also include baseline documentation regarding other cost savings such as material savings (e.g. bulbs, ballast, filters, chemicals etc.), and cost savings associated with the elimination of outside maintenance contracts. >*

*<For each site or project, the baseline and post-installation energy use will usually be defined using metering, billing analysis and/or engineering calculations (including computer simulations) either individually or in combination. In addition, values for certain factors that affect energy use and savings that are beyond ESCO's control may be stipulated using historical data, analyses and/or results of spot or short-term metering. The Facility Owner or ESCO can define baseline conditions. If The Facility Owner defines the baseline, ESCO will have the opportunity to verify it. If the baseline is defined by ESCO, The Facility Owner will have the opportunity to verify.*

*<Baseline physical conditions (equipment inventory and conditions, occupancy, nameplate data, energy consumption rate, control strategies, etc.) are typically determined through well-documented audits, surveys, inspections and/or spot or short-term metering. This documentation will define the baseline for calculating savings and document baseline conditions in case future changes require baseline energy use adjustments.>*

## **SCHEDULE F: SAVINGS CALCULATION FORMULAE; METHODOLOGY TO ADJUST BASELINE**

*<Note: Schedule F: This schedule contains a description of the energy savings measurement, monitoring and calculation procedures used to verify and compute the savings performance of the installed equipment. This calculation will include a method to compare the level of energy that would have been consumed without the project (referred to as the "Baseline") with what amount of energy actually consumed during a specific time period (monthly, quarterly, etc.). All methods of measuring savings including engineered calculations, metering, equipment run times, pre- and post-installation measurements, etc. should be explicitly described for all equipment that is installed.*

*Periodically (typically on an annual basis), the baseline will be adjusted to account for the prevailing conditions (e.g., weather, billing days, occupancy, etc.) during the measurement period. All methodologies used to account for any adjustments to the baseline needs to be clearly defined in this schedule.*

*Use FEMP Measurement and Verification Guidelines. You will need to incorporate these by reference. Be sure to identify by current year, edition or version.>*

*Examples of baseline adjustments include: change in the amount of space being air conditioned, changes in auxiliary systems (towers, pumps, etc.), and changes in occupancy or schedule. For example, if a chiller retrofit was completed in a building with 100,000 square feet of conditioned space and during the contract term the conditioned space is*

reduced to 75,000 square feet, post-installation energy use would be lower making savings higher. If there are no records of the amount of originally conditioned space, the baseline could not be adjusted. Baseline adjustments for issues such as changes in production shifts, facility closures, adding new wings or loads (such as computer labs) require a conceptual approach versus a method to cover each eventuality. Clearly predictable annual variations are usually handled through established procedures for each identified factor in the savings formulas. Permanent changes, such as changes in square footage, are handled through agreement clauses that allow predictable or expected changes and/or through a "re-open" clause that allows either party to renegotiate the baseline.>

<A Facility Changes Checklist or other method may be provided by ESCO for The Facility Owner to notify ESCO of any changes in the facility that could have an impact on energy use (occupancy, new equipment, hours of use, etc.). This checklist is generally submitted on a monthly or quarterly basis.>

#### **SCHEDULE G: CONSTRUCTION AND INSTALLATION SCHEDULE**

<Schedule G: The timetables and milestones for project construction and installation should be contained in this schedule. If so desired, documentation of required insurance, and subcontractor lists may be included in this schedule or broken out into a separate schedule. NOTE: It is important that the construction/installation phase of the project (for example bonds and insurance) be treated in compliance with individual institutional requirements and the appropriate governing statutes. Since construction is just one component of the overall project, a separate construction contract may be desirable and in some cases necessary. The construction contract would then be referred to in the body of the contract and attached as an exhibit, appendix or other type of attachment. Another approach would be to consolidate the appropriate construction language for inclusion in the body of the final contract. This will need to be decided as appropriate on a case-by-case basis.>

#### **SCHEDULE H: SYSTEMS START-UP AND COMMISSIONING; OPERATING PARAMETERS OF INSTALLED EQUIPMENT**

<Note: Schedule H: This section should specify the performance testing procedures that will be used to start-up and commission the installed equipment and total system. The schedule also provides for The Facility Owner to be notified of and have the right to be present during all commissioning procedures. This schedule should contain a provision for the documentation of The Facility Owner's attendance at the various tests and acceptance of ESCO's certification that the tests followed the specified procedures and met or exceed the expected results. Use of manufacturer's start up and performance sheets are required.

<The operating parameters should contain any specified parameters for the operation of the installed equipment such as temperature setbacks, equipment run times, load controlling specifications and other conditions for the operation of the equipment.>

#### **SCHEDULE I: STANDARDS OF COMFORT**

<Note: Schedule I: The standards of comfort to be maintained for heating, cooling, lighting levels, hot water temperatures, humidity levels and/or any special conditions for occupied and unoccupied areas of the facility should be explicitly described in this schedule. >

#### **SCHEDULE J: ESCO'S MAINTENANCE RESPONSIBILITIES**

*<Note: Schedule J: A complete description of ESCO's specific operations and maintenance responsibilities should be included in this schedule along with the time intervals for their performance of the stated O&M activities.>*

**SCHEDULE K: THE FACILITY OWNER'S MAINTENANCE RESPONSIBILITIES**

*<Note: Schedule K: This schedule describes the operations and maintenance responsibilities that may be assigned to facility staff as agreed to by both parties. In some instances it will contain no more than a description of routine O&M currently being performed on existing energy consuming equipment in the facility. In other cases, facility staff may be used to provide some maintenance on the new equipment installed under the performance contract, with ESCO providing any specialized services as needed.>*

**SCHEDULE L: FACILITY MAINTENANCE CHECKLIST**

*<Note: Schedule L: This checklist is a method by which ESCO may record and track compliance with operations and maintenance procedures performed by facility personnel. The checklist typically specifies simple list of tasks and the corresponding schedule for the performance of the prescribed procedures. Facility staff will complete the checklist and forward it to ESCO, usually on a monthly basis. (This checklist is a very useful tool for both ESCO and The Facility Owner to verify that the required maintenance activities are being performed at the scheduled intervals).>*

**SCHEDULE M: ESCO'S TRAINING RESPONSIBILITIES**

*<Note: Schedule M: The description of ESCO's training program or sessions for facility personnel should be contained in this schedule. The duration and frequency of the specified training should also be included. Any provisions for on-going training, commitments to train newly hired facility personnel, and training with respect to possible future equipment or software upgrades should also be described. Any fees associated with requests for training beyond what ESCO is contractually bound to provide should also be specified.>*

**SCHEDULE N: GENERAL CONDITIONS**

*<Note: Schedule N: Where applicable, insert standard GENERAL CONDITIONS. Where referenced in Section 1.2, describe which of the paragraphs of the general conditions apply to this contract.>*

**SCHEDULE O: ANNUAL INSTALLMENT PAYMENT SCHEDULE**

*<Schedule O: This schedule contains the amortized financing payments to be made to the financing institution for the total, itemized capitalized costs (principal and interest) of the project. This schedule will indicate the frequency (monthly, quarterly semi-annually) of payment, the specific amount due. The actual lease agreement and associated documents are located in Appendix D. This Schedule may identify the costs of the audit that the ESCO will expect to recover, if ESCO is the financing institution. If ESCO is not the financing institution, be sure to identify in some schedule the costs of the audit that ESCO will be paid for.>*

**SCHEDULE P: PRE-EXISTING SERVICE AGREEMENTS**

*<Note: Schedule P: Include information on the scope and cost of pre-existing equipment service contracts. This gives The Facility Owner and ESCO information about how and when existing equipment is being serviced. If ESCO is credited with any maintenance*

*savings or is taking over any existing service contracts, the scopes and costs of these agreements will be useful in tracking the performance of ESCO in providing required services and documenting attributable cost savings.>*

**SCHEDULE Q: CURRENT AND KNOWN CAPITAL PROJECTS AT FACILITY**

*<Note: Schedule Q: Include a description or discussion of any current or planned capital projects to be implemented. This information could prove useful in the out-years of the contract to avoid potential disputes over long-term energy savings performance. An installment payment/amortization schedule may need to be included depending on the type of financing used.>*

**SCHEDULE R: PROJECTED FINANCIAL PERFORMANCE**

*<Note: Schedule R: This schedule should include a spreadsheet depiction of expected financial performance of the project for the entire contract term. It should clearly identify all financial components of the project including interest rates, current fuel prices, any escalation rates to be applied, assured savings, ESCO compensation figures, cash-flow projections and projected Net Present Value of any cumulative positive cash flow benefits to the building owner.>*



**SCHEDULE S: TRUST AND RETENTION AGREEMENT**

**TRUST AND RETENTION AGREEMENT**

This TRUST AND RETENTION AGREEMENT made this [insert date] .....at by and between:

1. \_\_\_\_\_<name of Energy Service Company> having its office at \_\_\_\_\_(hereinafter referred to as the “**ESCO**” which expression shall unless repugnant to the context or meaning there of include its administrators, successors and assigns);
  
2. ....<name of Participating Financial Institution (PFI)> and having its office at ..... (hereinafter referred to as the “**PFI**” which expression shall, unless repugnant to the context or meaning thereof, include its successors and substitutes);
  
3. ....<name of the Trust and Retention Bank> and having its office at .....(hereinafter referred to as the “**Trust and Retention Bank**” which expression shall, unless repugnant to the context or meaning thereof, include its successors and substitutes); and
  
4. \_\_\_\_\_ <name of Facility Owner entity> having its office at \_\_\_\_\_ (hereinafter referred to as the “**Facility Owner**” which expression shall unless repugnant to the context or meaning there of include its administrators, successors and assigns) of other Part;

**WHEREAS:**

- A. The Facility Owner had entered into Energy Performance Contract dated ..... with ESCO (the “**Energy Performance Contract**”) for \_\_\_\_\_<Name of the Project>, and a copy of which is annexed hereto and marked as Annex-A to form part of this Agreement.
  
- B. Participating Financial Institution (PFI) has agreed to finance the Project in accordance with the terms and conditions set forth in the Financing Agreements.
  
- C. The ESCO Agreement requires the ESCO to establish the Trust and Retention Account, inter alia, on the terms and conditions stated therein.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1. Definitions**

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them

**“Agreement”** means this Trust and Retention Agreement and any amendment thereto made in accordance with the provisions contained herein;

**“Energy Performance Contract”** means the Energy Performance Contract referred to in Recital (A) above and annexed hereto as Annex-A, and shall include all of its Recitals and Schedules and any amendments made thereto in accordance with the provisions contained in this behalf therein;

**“Cure Period”** means the period specified in this Agreement for curing any breach or default of any provision of this Agreement by the ESCO, and shall commence from the date on which a notice is delivered by the Facility Owner or the Participating Financial Institution as the case may be, to the ESCO asking the latter to cure the breach or default specified in such notice;

**“Trust and Retention Account”** means trust and retention account established in terms of and under this Agreement, and shall include the Sub-Accounts;

**“Trust and Retention Default”** shall have the meaning ascribed thereto in Clause 8.1;

**“Participating Financial Institution”** means the financial institution referred to as the Participating Financial Institution in the foregoing Recitals;

**“Parties”** means the parties to this Agreement collectively and “Party” shall mean any of the Parties to this Agreement individually;

**“Payment Date”** means, in relation to any payment specified in Clause 5.1, the date(s) specified for such payment; and

**“Sub-Accounts”** means the respective Sub-Accounts of the Trust and Retention Account, into which the monies specified in Clause 5.1, would be credited every month and paid out if due, and if not due in a month then appropriated proportionately in such month and retained in the respective Sub Accounts and paid out therefrom on the Payment Date(s).

### **1.2. Interpretation**

1.2.1. The words and expressions beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein, and the words and expressions used in this Agreement and not defined herein but defined in the Energy

Performance Contract shall, unless repugnant to the context, have the meaning ascribed thereto in the Energy Performance Contract.

1.2.2. References to Clauses are, unless stated otherwise, references to Clauses of this Agreement.

## **2. TRUST AND RETNETION ACCOUNT**

### **2.1. Trust and Retention Bank to act as trustee**

2.1.1. The ESCO hereby appoints the Trust and Retention Bank to act as trustee for the Facility Owner, the PFI and the ESCO in connection herewith and authorizes the Trust and Retention Bank to exercise such rights, powers, authorities and discretion as are specifically delegated to the Trust and Retention Bank by the terms hereof together with all such rights, powers, authorities and discretion as are reasonably incidental hereto, and the Trust and Retention Bank accepts such appointment pursuant to the terms hereof.

2.1.2. The ESCO hereby declares that all rights, title and interest in and to the Trust and Retention Account shall be vested in the Trust and Retention Bank and held in trust for the Facility Owner, the PFI and the ESCO, and applied in accordance with the terms of this Agreement. No person other than the Facility Owner, the PFI and the ESCO shall have any rights hereunder as the beneficiaries of or as third party beneficiaries under this Agreement.

### **2.2. Acceptance of Trust and Retention Bank**

The Trust and Retention Bank hereby agrees to act as such and to accept all payments and other amounts to be delivered to and held by the Trust and Retention Bank pursuant to the provisions of this Agreement. The Trust and Retention Bank shall hold and safeguard the Trust and Retention Account during the term of this Agreement and shall treat the amount in the Trust and Retention Account as monies deposited by the Facility Owner with the Trust and Retention Bank. In performing its functions and duties under this Agreement, the Trust and Retention Bank shall act in trust for the benefit of, and as agent for, the Facility Owner, the PFI and the ESCO or their nominees, successors or assigns, in accordance with the provisions of this Agreement.

### **2.3. Establishment and operation of Trust and Retention Account**

2.3.1. Within 30 (thirty) days from the date of this Agreement, and in any case prior to the date of signing of this agreement, the ESCO shall open and establish the Trust and Retention Account with the ..... (name of Branch) Branch of the Trust and Retention Bank. The Trust and Retention Account shall be denominated in Rupees.

2.3.2. The Trust and Retention Bank shall maintain the Trust and Retention Account in accordance with the terms of this Agreement and its usual practices and applicable

regulations, and pay the maximum rate of interest payable to similar customers on the balance in the said account from time to time.

- 2.3.3. The Trust and Retention Bank and the ESCO shall, after consultation with the PFI, agree on the detailed mandates, terms and conditions, and operating procedures for the Trust and Retention, but in the event of any conflict or inconsistency between this Agreement and such mandates, terms and conditions, or procedures, this Agreement shall prevail.

#### **2.4. Trust and Retention Bank's fee**

The Trust and Retention Bank shall be entitled to receive its fee and expenses in an amount, and at such times, as may be agreed between the Trust and Retention Bank and the ESCO. For the avoidance of doubt, such fee and expenses shall form part of the O&M Expenses and shall be appropriated from the Trust and Retention Account in accordance with Clause 5.1.

#### **2.5. Rights of the parties**

The rights of the Facility Owner in the monies held in the Trust and Retention Account are set forth in this Agreement and the Facility Owner, the PFI and the ESCO shall have no other rights against or to the monies in the Trust and Retention Account.

#### **2.6. Substitution of the ESCO**

The Parties hereto acknowledge and agree that upon substitution of the ESCO with the nominated company, pursuant to the substitution agreement, it shall be deemed for the purposes of this Agreement that the Nominated Company is a Party hereto and the Nominated Company shall accordingly be deemed to have succeeded to the rights and obligations of the ESCO under this Agreement on and with effect from the date of substitution of the ESCO with the nominated company.

### **3. Deposits into Trust and Retention Account**

#### **3.1. Deposits by the Facility Owner**

- 3.1.1. The Facility Owner agrees and undertakes that it shall deposit into and/or credit the Trust and Retention Account with all periodic proceeds from the actual energy savings by Facility Owner, resulting from the implementation of Energy Efficiency project as per Energy Saving Performance Contract and as mutually agreed between the ESCO and the Facility Owner for following two separate durations:

- Till the end of the Moratorium Period of Energy Efficiency Loan
- The Energy Efficiency repayment period - from end of the Moratorium Period till the end of Energy Efficiency Loan tenure

- 3.1.2. The Facility Owner agrees and undertakes that the following shall be deposited into and/or credited to the Trust and Retention Account:

- (a) All periodic proceeds as per the Energy Saving Performance Contract will be deposited in to the Trust and Retention Account.

(b) In case periodic proceeds from the implementation of Energy Efficiency project as per Energy Saving Performance Contract are more than the periodic proceeds as mutually agreed between the ESCO and the Facility Owner then \_\_\_\_\_ % ( \_\_\_\_\_ percent) of the particular periodic proceeds from Energy Saving Performance Contract will be deposited in the Trust and Retention Account.

(c) In case periodic proceeds from the implementation of Energy Efficiency project as per Energy Saving Performance Contract are less than the periodic proceeds as mutually agreed between the ESCO and the Facility Owner then the particular proceeds will be deposited in the Trust and Retention Account and deficit from the level defined in Energy Performance Contract and the particular proceed will be replenished from the Reserve Account

3.1.3. Each of the above-mentioned proceeds, mutually agreed upon and signed by both the Facility Owner and the ESCO will be deposited by the Facility Owner within 10 (ten) days from the end of the respective period.

### **3.2. Interest on deposits**

The Trust and Retention Bank agrees and undertakes that all interest accruing on the balances of the Trust and Retention Account shall be credited to the Trust and Retention Account; provided that the Trust and Retention Bank shall be entitled to appropriate therefrom the fee and expenses due to it from the ESCO in relation to the Trust and Retention Account and credit the balance remaining to the Trust and Retention Account.

## **4. DEPOSITS INTO RESERVE ACCOUNT**

### **4.1. Deposits by the Facility Owner**

4.1.1. The Facility Owner agrees and undertakes that all periodic proceeds from the project will be deposited in Reserve Account to act as a buffer against any potential future fluctuations in energy saving during loan repayment period.

4.1.2. The Facility Owner agrees and undertakes that the following shall be deposited into and/or credited to the Reserve Account:

(a) In case periodic proceeds from the implementation of Energy Efficiency project as per Energy Saving Performance Contract are more than the periodic proceeds as mutually agreed between the ESCO and the Facility Owner then excess proceeds above \_\_\_\_\_ % ( \_\_\_\_\_ percent) as mentioned in Clause 3.1.2 (b) will be deposited in the Reserve Account.

4.1.3. Each of the above-mentioned proceeds, mutually agreed upon and signed by both the Facility Owner and the ESCO will be deposited by the Facility Owner within 10 days from the end of the respective period.

## **5. WITHDRAWALS FROM TRUST AND RETENTION ACCOUNT**

### **5.1. Withdrawals during Agreement Period**

5.1.1. At the beginning of every month, or at such shorter intervals as the PFI and the Facility Owner and the ESCO may by written instructions determine, the Trust and Retention Bank shall withdraw amounts from the Trust and Retention Account and appropriate them in the following order by depositing such amounts in the relevant Sub-Accounts for making due payments, and if such payments are not due in any month, then retain such monies in such Sub-Accounts and pay out therefrom on the Payment Date(s):

- a. Loan Installments due to PFI (Principal amount + Interest due)
- b. all taxes due and payable by the ESCO for and in respect of the Project;
- c. all payments relating to construction of the Project, subject to and in accordance with the conditions, if any, set forth in the Financing Agreements;
- d. O&M Expenses, subject to the ceiling, if any, set forth in the Financing Agreements;
- e. O&M Expenses incurred by the Facility Owner, provided it certifies to the Trust and Retention Bank that it had incurred such expenses in accordance with the provisions of the Energy Performance Contract and that the amounts claimed are due to it from the ESCO;
- f. all payments and Damages certified by the Facility Owner as due and payable to it by the ESCO pursuant to the Energy Performance Contract;
- g. any reserve requirements set forth in the Financing Agreements; and
- h. balance, if any, in accordance with the instructions of the PFI.

5.1.2. No later than 60 (sixty) days prior to the commencement of each Accounting Year, the ESCO shall provide to the Trust and Retention Bank, with prior written approval of the PFI, details of the amounts likely to be required for each of the payment obligations set forth in this Clause 5.1.1; provided that such amounts may be subsequently modified, with prior written approval of the PFI, if fresh information received during the course of the year makes such modification necessary.

### **5.2. Withdrawals upon Termination**

Upon Termination of the Energy Performance Contract, all amounts standing to the credit of the Trust and Retention Account shall, notwithstanding anything in this Agreement, be appropriated and dealt with in the following order:

- (a) Outstanding payments to PFI
- (b) all taxes due and payable by the ESCO for and in respect of the Project;
- (c) outstanding fees;
- (d) all payments and Damages certified by the Facility Owner as due and payable to it by the ESCO pursuant to the Energy performance Contract, including {Premium,} and any claims in connection with or arising out of

Termination;

- (e) retention and payments arising out of, or in relation to, liability for defects and deficiencies;
- (f) incurred or accrued O&M Expenses;
- (g) any other payments required to be made under the Energy Performance Contract; and
- (h) balance, if any, in accordance with the instructions of the ESCO.

### **5.3. Application of insufficient funds**

Funds in the Trust and Retention Account shall be applied in the serial order of priority set forth in Clauses 5.1 and 5.2, as the case may be. If the funds available are not sufficient to meet all the requirements, the Trust and Retention Bank shall apply such funds in the serial order of priority until exhaustion thereof.

### **5.4. Application of insurance proceeds**

Notwithstanding anything in this Agreement, the proceeds from all insurance claims, except life and injury, shall be deposited into and/or credited to the Trust and Retention Account and utilized for any necessary repair, reconstruction, reinstatement, replacement, improvement, delivery or installation of the Project, and the balance remaining, if any, shall be applied in accordance with the provisions contained in this behalf in the Financing Agreements.

### **5.5. Withdrawals during Suspension**

Notwithstanding anything to the contrary contained in this Agreement, the Facility Owner may exercise all or any of the rights of the ESCO during the period of Suspension. Any instructions given by the Facility Owner to the Trust and Retention Bank during such period shall be complied with as if such instructions were given by the ESCO under this Agreement and all actions of the Facility Owner hereunder shall be deemed to have been taken for and on behalf of the ESCO.

## **6. WITHDRAWALS FROM RESERVE ACCOUNT**

### **6.1. Withdrawals during Agreement Period**

6.1.1. At the beginning of every month, or at such shorter intervals as the PFI and the ESCO may by written instructions determine, the Trust and Retention Bank shall withdraw amounts from the Reserve Account and appropriate them in the Trust and Retention Account:

- (a) In case periodic proceeds from the implementation of Energy Efficiency project are less than the periodic proceeds as mutually agreed between the ESCO and the Facility Owner in the Energy Performance Contract then deficit between the actual periodic proceeds and agreed periodic proceeds as per Energy Performance Contract

### **6.2. Withdrawals Upon Termination**

Upon Termination of the Energy Performance Contract, all amounts standing to the credit of the Reserve Account shall, notwithstanding anything in this Agreement, be appropriated in the Trust and Retention Account.

## **7. OBLIGATIONS OF THE TRUST AND RETENTION BANK**

### **7.1. Segregation of funds**

Cash, Cash equivalents and deposits received by the Trust and Retention Bank under this Agreement shall, until used or applied in accordance with this Agreement, be held by the Trust and Retention Bank in trust for the purposes for which they were received, and shall be segregated from other funds and property of the Trust and Retention Bank.

### **7.2. Notification of balances**

7 (seven) business days prior to each Payment Date (and for this purpose the Trust and Retention Bank shall be entitled to rely on an affirmation by the ESCO and/or the PFI as to the relevant Payment Dates), the Trust and Retention Bank shall notify the PFI of the balances in the Trust and Retention Account and Sub-Accounts as at the close of business on the immediately preceding business day. The Trust and Retention Account and the Reserve Account will be regularly monitored by the PFI.

### **7.3. Communications and notices**

In discharge of its duties and obligations hereunder, the Trust and Retention Bank:

- (a) may, in the absence of bad faith or gross negligence on its part, rely as to any matters of fact which might reasonably be expected to be within the knowledge of the ESCO upon a certificate signed by or on behalf of the ESCO;
- (b) may, in the absence of bad faith or gross negligence on its part, rely upon the authenticity of any communication or document believed by it to be authentic;
- (c) shall, within 5 (five) business days after receipt, deliver a copy to the PFI of any notice or document received by it in its capacity as the Trust and Retention Bank from the ESCO or any other person hereunder or in connection herewith; and
- (d) shall, within 5 (five) business days after receipt, deliver a copy to the ESCO of any notice or document received by it from the PFI in connection herewith.

### **7.4. No set off**



The Trust and Retention Bank agrees not to claim or exercise any right of set off, banker's lien or other right or remedy with respect to amounts standing to the credit of the Trust and Retention Account and the Reserve Account. For the avoidance of doubt, it is hereby acknowledged and agreed by the Trust and Retention Bank that the Cash, Cash equivalents and deposits held by the Trust and Retention Bank in the Trust and Retention Account and the Reserve Account shall not be considered as part of the assets of the Trust and Retention Bank and being trust property, shall in the case of bankruptcy or liquidation of the Trust and Retention Bank, be wholly excluded from the assets of the Trust and Retention Bank in such bankruptcy or liquidation.

## **7.5. Regulatory approvals**

The Trust and Retention Bank shall use its best efforts to procure, and thereafter maintain and comply with, all regulatory approvals required for it to establish and operate the Trust and Retention Account. The Trust and Retention Bank represents and warrants that it is not aware of any reason why such regulatory approvals will not ordinarily be granted to the Trust and Retention Bank.

## **8. TRUST AND RETENTION DEFAULT**

### **8.1. Trust and Retention Default**

8.1.1. Following events shall constitute an event of default by the Facility Owner (an "Trust and Retention Default") unless such event of default has occurred as a result of Force Majeure or any act or omission of the ESCO or the PFI:

- (a) the Facility Owner commits breach of this Agreement by failing to deposit any receipts into the Trust and Retention Account as provided herein and fails to cure such breach by depositing the same into the Trust and Retention Account within a Cure Period of 5 (five) business days;
- (b) the Facility Owner causes the Trust and Retention Bank to transfer funds to any account of the ESCO in breach of the terms of this Agreement and fails to cure such breach by depositing the relevant funds into the Trust and Retention Account or any Sub-Account in which such transfer should have been made, within a Cure Period of 5 (five) business days; or
- (c) the Facility Owner commits or causes any other breach of the provisions of this Agreement and fails to cure the same within a Cure Period of 5 (five) business days.

8.1.2. Upon occurrence of Trust and Retention Default, the consequences thereof shall be dealt with under and in accordance with the provisions of the energy performance contract.

## **9. TERMINATION OF TRUST AND RETENTION AGREEMENT**

### **9.1. Duration of the Trust and Retention Agreement**

This Agreement shall remain in full force and effect so long as any sum remains to be advanced or is outstanding from the ESCO in respect of the debt or financial assistance

received by it from the PFI, or any of its obligations to the Facility Owner remain to be discharged, unless terminated earlier by consent of all the Parties or otherwise in accordance with the provisions of this Agreement.

## **9.2. Substitution of Trust and Retention Bank**

The ESCO may, by not less than 45 (forty five) days prior notice to the Trust and Retention Bank, the PFI and the Facility Owner, terminate this Agreement and appoint a new Trust and Retention Bank, provided that the new Trust and Retention Bank is acceptable to the PFI and arrangements are made satisfactory to the PFI for transfer of amounts deposited in the Trust and Retention Account to a new Trust and Retention Account established with the successor Trust and Retention Bank. The termination of this Agreement shall take effect only upon coming into force of Trust and Retention Agreement with the substitute Trust and Retention Bank.

## **9.3. Closure of Trust and Retention Account**

The Trust and Retention Bank shall, at the request of the ESCO and the PFI or after the payment by the ESCO of all outstanding amounts under the energy Performance Contract and the Financing Agreements including the payments specified in Clause 5.1, and upon confirmation of receipt of such payments, close the Trust and Retention Account and Sub-Accounts and pay any amount standing to the credit thereof to the ESCO. Upon closure of the Trust and Retention Account hereunder, the Trust and Retention Agreement shall be deemed to be terminated.

## **10. SUPPLEMENTARY TRUST AND RETENTION AGREEMENT**

### **10.1. Supplementary Trust and Retention agreement**

The PFI and the ESCO shall be entitled to enter into a supplementary Trust and Retention agreement with the Trust and Retention Bank providing, inter alia, for detailed procedures and documentation for withdrawals from Sub-Accounts pursuant to Clause 5.1.1 and for matters not covered under this Agreement such as investment of surplus funds, restrictions on withdrawals by the ESCO in the event of breach of this Agreement or upon occurrence of a Trust and Retention Default, procedures relating to operation of the Trust and Retention Account and withdrawal there from, reporting requirements and any matters incidental thereto; provided that such supplementary Trust and Retention agreement shall not contain any provision which is inconsistent with this Agreement and in the event of any conflict or inconsistency between provisions of this Agreement and such supplementary Trust and Retention agreement, the provisions of this Agreement shall prevail.

## **11. INDEMNITY**

### **11.1. General indemnity**

11.1.1. The Facility Owner will indemnify, defend and hold the ESCO harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Facility Owner to fulfill any of its obligations under this Agreement materially and adversely affecting the performance of the ESCO's obligations under the Energy Performance Contract or this Agreement

other than any loss, damage, cost and expense arising out of acts done in discharge of their lawful functions by the Facility Owner, its officers, servants and agents.

11.1.2. The Trust and Retention Bank will indemnify, defend and hold the ESCO harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Trust and Retention Bank to fulfill its obligations under this Agreement materially and adversely affecting the performance of the ESCO's obligations under the Energy Performance Contract other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Trust and Retention Bank, its officers, servants and agents.

### **11.2. Notice and contest of claims**

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 11.1 or in respect of which it is entitled to reimbursement (the "**Indemnified Party**"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "**Indemnifying Party**") within 15 (fifteen) days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, which approval shall not be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

## **12. DISPUTE RESOLUTION**

### **12.1. Dispute resolution**

12.1.1. In case of any disagreement on actual energy savings in a particular period between the ESCO and the Facility Owner

- (a) The PFI might be informed by the ESCO for a potential appointment of Third-Party M & V Consultant to resolve the disagreement;
- (b) The proceeds for the period will be deposited in the Trust and Retention Account as per Facility Owner's own calculation methodology defined in the Energy Saving Performance Contract within 15 days of the respective period.
- (c) The funds from Reserve Account will be routed through the ESCO's account for repayment of principal and interest to PFI.
- (d) ESCO may agree to deploy its own funds to service the Energy Efficiency (EE) loan, if necessary;
- (e) the proceeds mentioned in Clause 3.1.2(c) above will be shared between the Facility Owner and the ESCO, as per the mutually agreed upon shared savings ratio defined in the Energy Saving Performance Contract, only after the disagreement is resolved with or without the intervention of a Third-Party M&V Consultant;

- (f) the ESCO receives its respective full share of actual energy savings proceeds and the Facility Owner receives the remaining, corresponding lesser share of actual energy savings proceeds, in case the Performance Default is attributed to the ESCO, or the Facility Owner receives its respective full share of actual energy savings proceeds and the ESCO receives the remaining, corresponding lesser share of actual energy savings proceeds, in case the Performance Default is attributed to the ESCO;
- (g) the disagreement is resolved within 30 days from the end of the respective period; and,
- (h) the Reserve Account funds, routed through the Borrower's account during the disagreement period, would be subsequently adjusted within 10 days of the resolution of the disagreement.

### **13. MISCELLANEOUS PROVISIONS**

#### **13.1. Governing law and jurisdiction**

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India, and the Courts at New Delhi shall have jurisdiction over all matters arising out of or relating to this Agreement.

#### **13.2. Waiver of sovereign immunity**

The Facility Owner unconditionally and irrevocably:

- (a) agrees that the execution, delivery and performance by it of this Agreement constitute commercial acts done and performed for commercial purpose;
- (b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the Facility Owner with respect to its assets;
- (c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- (d) consents generally in respect of the enforcement of any judgment or award against it in any such proceedings to the giving of any relief or the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgment that may be made or given in connection therewith).

#### **13.3. Priority of agreements**

In the event of any conflict between the Energy Performance Contract and this Agreement, the provisions contained in the Energy Performance Contract shall prevail over this Agreement.

#### **13.4. Alteration of terms**

All additions, amendments, modifications and variations to this Agreement shall be

effectual and binding only if in writing and signed by the duly authorised representatives of the Parties.

### **13.5. Waiver**

13.5.1. Waiver by any Party of a default by another Party in the observance and performance of any provision of or obligations under this Agreement:

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;
- (b) shall not be effective unless it is in writing and executed by a duly authorized representative of the Party; and
- (c) shall not affect the validity or enforceability of this Agreement in any manner.

13.5.2. Neither the failure by any Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by any Party to another Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

### **13.6. No third party beneficiaries**

This Agreement is solely for the benefit of the Parties and no other person or entity shall have any rights hereunder.

### **13.7. Survival**

13.7.1. Termination of this Agreement:

- (a) shall not relieve the Parties of any obligations hereunder which expressly or by implication survive termination hereof; and
- (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

13.7.2. All obligations surviving the cancellation, expiration or termination of this Agreement shall only survive for a period of 3 (three) years following the date of such termination or expiry of this Agreement.

### **13.8. Severability**

If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under Clause 12.1 of this Agreement or otherwise.

### **13.9. Successors and assigns**

This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

### **13.10. Notices**

All notices or other communications to be given or made under this Agreement shall be in writing and shall either be delivered personally or sent by courier or registered post with an additional copy to be sent by facsimile or e-mail. The address for service of each Party, its facsimile number or e-mail are set out under its name on the signing pages hereto. A notice shall be effective upon actual receipt thereof, save that where it is received after 5.30 (five thirty) p.m. on a business day, or on a day that is not a business day, the notice shall be deemed to be received on the first business day following the date of actual receipt. Without prejudice to the foregoing, a Party giving or making a notice or communication by facsimile or e-mail shall promptly deliver a copy thereof personally, or send it by courier or registered post to the addressee of such notice or communication. It is hereby agreed and acknowledged that any Party may by notice change the address to which such notices and communications to it are to be delivered or mailed. Such change shall be effective when all the Parties have notice of it.

**13.11. Language**

All notices, certificates, correspondence and proceedings under or in connection with this Agreement shall be in English.

**13.12. Authorized representatives**

Each of the Parties shall, by notice in writing, designate their respective authorized representatives through whom only all communications shall be made. A Party hereto shall be entitled to remove and/or substitute or make fresh appointment of such authorized representative by similar notice.

**13.13. Original Document**

This Agreement may be executed in four counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement effective as of the date first above written.

<p>SIGNED, SEALED AND DELIVERED For and on behalf of ESCO by:</p> <p style="text-align: center;">(Signature) (Name) (Designation) (Address) (Fax No.) (e-mail address)</p>	<p>SIGNED, SEALED AND DELIVERED For and on behalf of FACILITY OWNER by:</p> <p style="text-align: center;">(Signature) (Name) (Designation) (Address) (Fax No.) (e-mail address)</p>
<p>SIGNED, SEALED AND DELIVERED For and on behalf of Trust and Retention Bank by:</p> <p style="text-align: center;">(Signature) (Name) (Designation) (Address) (Fax No.) (e-mail address)</p>	<p>SIGNED, SEALED AND DELIVERED For and on behalf of Participating Financial Institution by:</p> <p style="text-align: center;">(Signature) (Name) (Designation) (Address) (Fax No.) (e-mail address)</p>
<p>In the Presence of :</p>	
<p>1.</p>	<p>2.</p>

**EXHIBITS**

**EXHIBIT I      CERTIFICATE OF ACCEPTANCE — INSTALLED EQUIPMENT**



## APPENDICES

### APPENDIX A: TECHNICAL ENERGY AUDIT REPORT AND PROJECT DEVELOPMENT

The Contractor shall perform a detailed study of the Government Facility and document its findings in a report including, at a minimum, all of the following information:

#### 1. Cover

The cover page should provide the following information:

- The words “Energy study for (the Government Facility’s name)”
- Name(s) and address (es) of the building(s) analyzed in the study ( Along with building owner details & parent organization ) ( It will also require
- Name of the contractor producing study
- Period during which study is made

#### 2. Table of Contents

Must be complete with page numbers and descriptive title for each section, table, exhibit, attachment, etc. Tables, charts, attachments, and exhibits should be listed separately by number, title and page number.

#### 3. Page Numbers and Revisions

Each page should be numbered and dated. Should revisions be requested, a listing of original pages and replacement pages should be provided. Each revised page should indicate at bottom right corner “Revised--date.” The pattern of page number could be page no of total no of pages i.e. 6-100

#### 4. Executive Summary

A short (one or two page) narrative summary of the project, including discussion of the project’s energy savings and financing should be included in the Executive Summary.

The following tables must be included:

- 1) A summary of EEM measures for the project (Table 1);
- 2) A summary of the all project costs which includes capital cost, O&M , Associated M&V costs, replacement costs etc. (Table 4-2);
- 3) Maintenance services provided by equipment covered, scope, and frequency (Table 3)
- 4) A cost savings & IRR calculations (Table 4-3); and
- 5) A payment schedule (Table 4-4)

#### **Savings guarantee. The following statement shall be included:**

“The Contractor guarantees that in each year of the Term following Substantial Completion, the government facility will realize energy savings of at least \_\_\_\_\_ kWh/annum (..... % of baseline value). At current tariff structure, these energy savings have a value of \_\_\_\_\_ Rupees (Rs. \_\_\_\_\_).”

#### 5. Existing Conditions

Document the existing conditions of the Government Facility, including the following information itemized for each building in the Government Facility:

- a) Building physical condition;
- b) Hours of use or occupancy;
- c) Area of conditioned space;
- d) Area of unconditioned space;
- e) Inventory of energy consuming equipment or systems;
- f) Energy consuming equipment operating conditions and loads;
- g) Standards of service and comfort observed (e.g. light levels, ventilation, and temperatures); and
- h) Current practices that unnecessarily increase energy use or impact baseline.
- i) Measurement details and techniques
- j) Type of instruments used

## 6. Energy Efficiency Measures (EEMs)

EEM--Energy Efficiency Measure Provide a narrative description of each proposed cost effective energy efficiency measure (EEM) to be installed including:

- a. The proposed upgrade, replacement, operational change, or maintenance requirement;
- b. The interface between the proposed EEM and remaining government facility equipment;
- c. The impact on remaining government facility equipment (changes in load, run time, etc.);
- d. Any impact on standards of service and comfort;
- e. Complete Table 1 for all measures.
- f. Describe EEM's analyzed but disqualified under cost effectiveness criteria.
- g. An indication of any altered or new operating or maintenance requirements that will apply due to implementation of the improvements, and an estimate of the cost of any upgrading or maintenance work that the contractor recommends to be undertaken prior to/or during the implementation of the modifications/improvements to maximize their effects

EEM's should be presented in the order that interactions are considered; The measures should be divided into low cost, medium cost and high cost. Energy Management System (EMS) savings must not be calculated as a percentage of total energy use. Each process controlled by the EMS should be analyzed separately, and savings associated with that process improvement calculated; Operation & Maintenance measures should be analyzed for savings in the same manner as other EEMs; An EEM summary sheet must be provided for each measure.

## 7. Tariff Structure in Place & Power quality

Provide detailed tariff structure prevalent in the building and give a comment about the power quality observed during the baseline estimation.

## 8. Energy Savings Proposed

- Provide a detailed energy analysis for each EEM proposed, documenting the estimated annual energy savings.

- Document assumptions on current and proposed equipment operating conditions and energy savings calculations.
- Energy consumption and saving formula used need to be clearly mentioned.  
Software Used

#### **9. Government Facility Support Required**

For each EEM proposed, identify any utility interruptions needed and any other Government Facility support that may be required during installation.

#### **10. EEM Installation Schedule**

For each EEM provide a proposed implementation schedule. Include the following milestones:

- a. Design completed;
- b. Permits;
- c. Submittals (plans and specifications);
- d. Equipment/Material acquisition;
- e. Mobilization;
- f. Installation;
- g. Clean up;
- h. Startup/Testing;
- i. Final inspection and Notice of Substantial Completion;
- j. Post installation submittals; and
- k. Training.

#### **11. Disposal Plan for old equipment**

Provide mechanism for disposal of old energy consuming equipment. This need to be finalized in discussion with government facility as per their rules.

#### **12. Hazardous Waste Disposal Plan**

Provide a descriptive hazardous waste disposal plan for the project.

#### **13. Energy Baseline and Savings Measurement**

The Contractor shall establish and document on a site-specific basis:

- a. An Energy Baseline, including data, methodology, and variables used to compute it.
- b. The method it will use to measure energy savings and energy cost savings for each energy type after proposed EEMs have been installed.
- c. The method it will use to verify installed EEM compliance with requirements of General Provision Number 13 (Standards of Service and Comfort).
- d. The method of determining energy savings and compliance with Standards of Service and Comfort annually throughout the contract term.
- e. If a computer program or programs will be used to establish the baseline, modify the baseline, or measure savings, furnish the name of the program, the name, address, and phone number of the program developer or supplier, and descriptive literature. The government facility may require contractor to

furnish a properly licensed copy of the program(s) to the State for its use in administering the contract, at no cost to the State. A draft for M&V plan for one option is provided along with.

**14. Description of Maintenance Services and Training**

Provide a complete description of the maintenance services Contractor will provide, including schedules. Summarize on Table 3. (Note: refer to Article 3.4 and General Provision Numbers 8 and 10.). Describe any training being provided.

**15. Pricing and Project Financing**

Contractor shall complete Table 4, Parts 1-4. This includes a payment schedule with termination value for each year of the contract.

**16. Calculations**

- a) All calculations must be complete and easy to follow. Spreadsheet formats must include a description of the assumptions and calculations.
- b) All Formulas should be provided with the performance contract.
- c) Units must be indicated and only so many significant digits as the accuracy of the calculation warrants included.
- d) Weather data source should be described.
- e) Calculation details and supporting documentation shall be placed in an Appendix.
- f) A M & V plan, which is acceptable to all monitoring, verifying and guaranteeing savings from the implementation of EEMs, including identification of monitoring equipment, availability, data collection procedures etc.

**Table -1**

**(Refer Appendix A –Point No. 4 Executive Summary)**

**Energy Efficiency Measure Summary**

Company Name: \_\_\_\_\_

Building or Government Facility Name: \_\_\_\_\_

(Aggregates data from summary sheets)

<b>EEM No.</b>	<b>Energy Efficiency Measure (EEM)</b>	<b>Electricity Savings (kWh/yr.)</b>	<b>Peak Demand Reduction (kW)</b>	<b>Fuel Savings (include units)</b>	<b>Energy Cost Savings (Rs./yr)</b>	<b>Estimated Measure Cost (Rs.) from Table .2</b>	<b>Estimated Life of Measure (years)</b>	<b>Refer to Page(s)</b>

**Table No. 2**  
**(Refer Appendix A –Point No 4 Executive Summary)**

**Summary Sheet for EEM Number \_\_\_\_\_**

Building: \_\_\_\_\_

Name of EEM: \_\_\_\_\_

1. DESCRIPTION (include quantities, types, sizes, locations, etc.
  - a. Existing Conditions: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
  - b. Proposed Conditions with EEM: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. NET FIRST YEAR ENERGY SAVINGS

Fuel Type (electric, gas, oil)	Fuel Units (kWh, Therms, KW, gallons)	First Year Fuel Savings (kWh, Therms, KW, gallons)	Unit Cost for the Fuel	Cost Savings
<b>TOTALS</b>				

3. Cost Estimate Summary of Measure
  - Materials Rs. \_\_\_\_\_
  - Labor \_\_\_\_\_
  - Contingency \_\_\_\_\_
  - Other (Specify) \_\_\_\_\_
  - Total Rs. \_\_\_\_\_
4. Expected useful life: \_\_\_\_\_ years.
5. The measure interacts with EEM or MM No(s) \_\_\_\_\_
6. The measure impacts EEM or MM No(s) \_\_\_\_\_
7. Impact on standards of service and comfort.

**Table No. 3**  
**(Refer Appendix A –Point No 4 Executive Summary)**  
**Maintenance Services**

(Contractor-installed, existing Government Facility)

Building (if appropriate): \_\_\_\_\_

<b>EEM No.</b>	<b>Equipment</b>	<b>Scope</b>	<b>Frequency</b>	<b>Party Responsible (Contractor/Government Facility)</b>	<b>Cost (INR)</b>

**Table No. 4-1  
(Refer Appendix A –Point No 4 Executive Summary)**

**Price Formula**

<b>Year</b>	<b>Baseline</b>				<b>Post EEM</b>	<b>Savings for Government Facility</b>	<b>Share of savings</b>	<b>Due to CONTRACTOR</b>
	Energy bill-Rs/year 1	Maintenance-Rs/year 2	Others-Rs/year 3	Total-Rs/year 4 (1+2+3)	Energy bill-Rs/year 5	Rs/year 6 (4-5)		% 7
<b>0</b>								
<b>1</b>								
<b>2</b>								
<b>3</b>								

1. For the purpose of payment, annual dues to Contractor calculated as above immediately post PMV, would be determined and signed by both the parties. Payment to Contractor would be released prorata monthly, on the basis of invoice raised for the same by the Contractor.
2. In case of termination of the contract due to whatsoever reason, Contractor shall be paid the termination value at indicated in column
4. For the purpose of determination of savings on annual basis, any variation in the present energy consumption up to 10% shall be ignored and Contractor would continue to get paid as per the rate determined post EEM performance verification as stated in the table above.
5. The cost of salaries to Government Facility maintenance personnel shall not be included as the cost of maintenance.



**Table No.4-2  
(Refer Appendix A –Point No 4 Executive Summary)**

**Financial Model Capturing all the Cost and Savings should be provided in the performance contract**

(Few of the important costs are indicated below)

<b>Financial Assumptions</b>	
Project Cost	
Debt Ratio if loan availed	
ESCO Loan Amount	
ESCO Loan Interest Rate	
ESCO Loan Term (yrs.)	
ESCO Loan Grace Period (yrs.)	
ESCO Equity	
ESCO Discount Rate	
Other Information	

<b>Equipment Costs</b>	
Hard Cost	
Equipment Costs/Capital Cost	
Duties and taxes	
Contingency cost	
Subtotal Hard Costs	
Soft Costs	
Technical Audit Cost	
Engineering Costs	
Construction Mgmt. Fee	
Subtotal Soft Costs	
Other costs	
Marketing Fee	
Project Management. Fee	
Legal	
Interest During Construction	
Subtotal Overhead	
Subtotal Hard, Soft and Overhead	

<b>Operating Costs</b>	
Annual Inflation	
Income Tax Rate	
Duties and Taxes on	

Equipment/Services	
Duties and Taxes on Services	
Depreciation	
Equipment Salvage Value	
O&M Charges to ESCO	
O&M Charges to Facility	
M&V Program Term	
M&V Program cost	

<b>Energy Escalators for Savings</b>	
Electricity Energy Cost Escalator	
Fuel Energy Cost Escalator	
Maintenance Cost Escalator	

<b>Savings and Contract Assumptions</b>	
Contract period (yrs.)	
Annual Projected Savings	
Savings Split to ESCO	
Savings Split to government facility	
Share Maintenance Savings	
Net Savings to Company	

<b>Project Return</b>	
Project Cost (Amount Financed)	
Project Simple Payback	
Project IRR ( Overall)	

**Table No. 4-3**

**(Refer Appendix A –Point No 4 Executive Summary)**

**Calculation of Cost Savings**

<b>Year</b>	<b>Annual Energy Cost Savings {A}</b>	<b>Maintenance Cost Savings {B}</b>	<b>Other Cost Savings {C}</b>	<b>Gross Savings {D}={A}+{B}+{C}</b>	<b>Total Payments (from Table 4-4) {E}</b>	<b>Net Savings {F}={D}-{E}</b>
<b>1</b>						
<b>2</b>						
<b>3</b>						
<b>4</b>						
<b>5</b>						
<b>6</b>						
<b>7</b>						
<b>8</b>						
<b>9</b>						
<b>10</b>						
<b>TOTAL</b>						

Notes: Include utility rebates in “Other Cost Savings” if they will be included as part of the project.

**Table No.4-4**  
**(Refer Appendix A –Point No 4 Executive Summary and Clause 22.1)**  
**Payment Schedule and Termination Value**

Payment Summary

Year	Contract Payments {A}	Maintenance Services Fee {B}	Operations Monitoring Fee {C}	Other (Specify) {D}	Total Payments {E}={A}+{B}+{C}
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
<b>TOTAL</b>					

Notes: Operations Monitoring Fee equals ..... of Gross Annual Energy Cost Savings.  
Maintenance service fee is for other than contractor-installed equipment.

**APPENDIX B: RFQ**

**APPENDIX C: ESCO PROPOSAL**

**APPENDIX D: LEASE AGREEMENTS AND DOCUMENTS (if applicable)**

## **ADDITIONAL OPTIONAL SCHEDULES**

*<The following schedules can be included as optional and included or combined with others or may be contained in the audit report, as desired. If any of the following schedules are used, references to these schedules may need to be added to the contract body.>*

### **1. ENERGY SAVINGS PROJECTIONS**

*<This schedule should contain the projected energy savings in units for each year of the contract. Oftentimes these projections are broken down on a measure by measure basis although some measures may be aggregated into general categories such as lighting or HVAC. If there are several buildings involved in the project, this schedule should contain projections for each facility, even though they may all be covered under a single assurance.>*

### **2. FACILITY CHANGES CHECKLIST**

*<A "Facility Changes Checklist" or other method may be provided by ESCO for the client to notify ESCO of any changes in the facility that could have an impact on energy consumption (e.g. occupancy, new equipment acquisition, hours of use etc.). This checklist is generally submitted on a monthly basis or quarterly basis.>*

**APPENDIX 7**

*(Note: The Guarantee agreement provided herein is draft and may be modified on case to case basis.)*

TEMPLATE FOR  
**GUARANTEE AGREEMENT**

Between

**Implementing Agency (IA)**

**And**

**Participating Financial Institution (PFI)**

**For**

**Partial Risk Guarantee**

**Under**

**Partial Risk Guarantee Fund for Energy Efficiency**

This Guarantee Agreement is made on this \_\_\_\_day of \_\_\_\_\_ at \_\_\_\_\_ (hereinafter referred to as the “**Guarantee Agreement**” or the “**Agreement**”)

**BETWEEN**

**REC Power Distribution Company Ltd.**, a company incorporated under the Companies Act, 1956, having its registered office at Core-4, Scope Complex, 7, Lodhi Road New Delhi- 110003 and its corporate office at 1016-1023, 10<sup>th</sup> Floor, Devika Tower, Nehru Place, New Delhi - 110019 (hereinafter referred to as the “**Implementing Agency**” or the “**IA**”, which expression shall, unless contrary to the context, mean and include its successors and permitted assigns), of the **First Part**;

**AND**

\_\_\_\_\_ having its office at \_\_\_\_\_ (hereinafter referred to as “**PFI**”), which expression shall, unless contrary to the context, mean and include its successors and permitted assigns, Party of the **Other Part**;

(IA and PFI are individually also referred to as “Party” and collectively as “Parties”.)

**WHEREAS**

**[RECITALS APPLICABLE IN CASE APPLICATION FOR PRGFEE IS MADE PRIOR TO SIGNING OF THE LOAN AGREEMENT]**

- A) The Implementing Agency is appointed by BEE for assisting in successful implementation of projects under PRGFEE scheme in terms of the Implementing Agency Agreement dated July 16, 2015 (“**IA Agreement**”) read with the Operations Manual as appended hereto as **Annexure I (“OM”)** and the PRGFEE Rules as appended herewith hereto as **Annexure II**.
- B) The mission of the BEE is to assist in developing policies and strategies with a thrust on self-regulation and market principles, within the overall framework of the Energy Conservation Act, 2001 with the primary objective of reducing energy intensity of the Indian economy.
- C) BEE is empowered by section 13 (2) (m) of the Energy Conservation Act, 2001 to give financial assistance to the institutions for promoting efficient use of energy and its conservation.
- D) The Government of India has decided to implement the National Mission for Enhanced Energy Efficiency (NMEEE) to significantly scale up energy efficiency implementation in specified sectors.
- E) BEE in its efforts to achieve the objectives set under the NMEEE of scaling up the efforts to create the market for energy efficiency has decided to set up Partial Risk Guarantee Fund for Energy Efficiency (hereinafter called the “**PRGFEE**”). It is envisaged that the IA, after conducting necessary due diligence, will cause the provision of PRGFEE guarantees to



Participating Financial Institutions (PFIs) operating in India with the objective of reducing the credit risk of the PFIs, while lending towards energy efficiency projects.

- F) \_\_\_\_\_ (“**Facility Owner**”) for its facility located at \_\_\_\_\_ (“**Project**”) has accepted the proposal of \_\_\_\_\_ (hereinafter referred to as “**ESCO**”) being an ESCO empanelled with BEE through its Letter of Acceptance No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter called the “**LOA**”).
- G) ESCO had submitted loan application bearing No ----- dated ----- to PFI supported by completed ESCO Performance Contract along with Schedules, Exhibits and Appendices for energy efficiency Project seeking a loan of Rs. \_\_\_\_\_/- (“**Loan Amount**”) from the PFI for the purposes of setting-up the Project.
- H) PFI after conducting necessary due diligence has accepted the loan application and issued the sanction letter bearing No ----- dated ----- approving the Loan Amount on the terms and conditions contained therein and had simultaneously applied for seeking support of the PRGFEE guarantee available under PRGFEE towards lending for the Project, by submitting an Appraisal Report and essential information as required by IA for approval of the PRGFEE guarantee.
- I) IA after completing the necessary due diligence based on the information submitted by PFI and had approved Rs. \_\_\_\_\_ (amount) as the amount being \_\_\_% of the Loan Amount (“**Guarantee Amount**”) for which PRGFEE guarantee could be issued in favour of the PFI in relation to the Project vide its approval letter no. \_\_\_\_\_ dated \_\_\_\_\_ on the terms and conditions as mentioned in this Agreement (“**PRGFEE Guarantee Approval Letter**”).
- J) Pursuant thereto, the facility/loan agreement dated \_\_\_\_\_ has been entered into *inter alia* by and between the PFI and the ESCO (“**Loan Agreement**” attached herewith as **Annexure III**).
- K) The PFI has now submitted a PRGFEE guarantee fee of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) to IA towards issuance of PRGFEE guarantee as approved by the IA vide the PRGFEE Guarantee Approval Letter.
- L) Accordingly, the IA has agreed to provide the support and the PFI has agreed to avail the support of the Guarantee to be issued by the designee of the IA (“**Issuing Bank**”) up to the maximum extent of the Guarantee Amount on the terms and conditions contained in this Guarantee Agreement detailing the respective roles and responsibilities and functioning principles applicable to the Guarantee, during the tenure of the Guarantee.

**[RECITALS APPLICABLE IN CASE APPLICATION FOR PRGFEE IS MADE AFTER SIGNING OF THE LOAN AGREEMENT]**

- A) The Implementing Agency is appointed by BEE for assisting in successful implementation of projects under PRGFEE scheme in terms of the Implementing Agency Agreement dated July 16, 2015 (“**IA Agreement**”) read with the Operations Manual as appended hereto as **Annexure I** (“**OM**”) and the PRGFEE Rules as appended herewith hereto as **Annexure II**.

- B) The mission of the BEE is to assist in developing policies and strategies with a thrust on self-regulation and market principles, within the overall framework of the Energy Conservation Act, 2001 with the primary objective of reducing energy intensity of the Indian economy.
- C) BEE is empowered by section 13 (2) (m) of the Energy Conservation Act, 2001 to give financial assistance to the institutions for promoting efficient use of energy and its conservation.
- D) The Government of India has decided to implement the National Mission for Enhanced Energy Efficiency (NMEEE) to significantly scale up energy efficiency implementation in specified sectors.
- E) BEE in its efforts to achieve the objectives set under the NMEEE of scaling up the efforts to create the market for energy efficiency has decided to set up Partial Risk Guarantee Fund for Energy Efficiency (hereinafter called the “**PRGFEE**”). It is envisaged that the IA, after conducting necessary due diligence, will cause the provision of PRGFEE guarantees to Participating Financial Institutions (PFIs) operating in India with the objective of reducing the credit risk of the PFIs, while lending towards energy efficiency projects.
- F) The PFI has entered into a Loan Agreement dated \_\_\_\_\_ (“**Loan Agreement**” attached herewith as **Annexure III**) with the \_\_\_\_\_ (“**ESCO**”) in relation to grant of a maximum amount of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) (“**Loan Amount**”) as loan for the energy efficiency project located at \_\_\_\_\_ (“**Project**”) of \_\_\_\_\_ (“**Facility Owner**”). The ESCO is empanelled with BEE through its Letter of Acceptance No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter called the “**LOA**”). One of the pre-conditions to disbursement of the Loan Amount (or any part thereof) under the Loan Agreement is that the support of the PRGFEE Guarantee should have been obtained.
- G) Pursuant thereto, the PFI had applied for seeking support of the PRGFEE guarantee available under PRGFEE towards lending for the Project, by submitting an Appraisal Report along with the Loan and other essential information as required by IA for approval of the PRGFEE guarantee.
- H) IA after completing the necessary due diligence based on the information submitted by PFI and had approved Rs. \_\_\_\_\_ (amount) as the amount being \_\_\_% of the Loan Amount (“**Guarantee Amount**”) for which PRGFEE guarantee could be issued in favour of the PFI in relation to the Project vide its approval letter no. \_\_\_\_\_ dated \_\_\_\_\_ on the terms and conditions as mentioned in this Agreement (“**PRGFEE Guarantee Approval Letter**”).
- I) The PFI has now submitted a PRGFEE guarantee fee of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) to IA towards issuance of PRGFEE guarantee as approved by the IA vide the PRGFEE Guarantee Approval Letter.
- J) Accordingly, the IA has agreed to provide the support and the PFI has agreed to avail the support of the Guarantee to be issued by the designee of the IA (“**Issuing Bank**”) up to the maximum extent of the Guarantee Amount on the terms and conditions contained in this Guarantee Agreement detailing the respective roles and functioning principles applicable to the Guarantee, during the tenure of the Guarantee.

Now this Agreement witnesses as under Both Parties have agreed as follows:-

## 1. DEFINITIONS

The capitalized terms used herein but not defined shall have the same meaning ascribed thereto in the Operations Manual. In addition to the terms defined hereinabove the following terms shall have the meaning provided there against:-

“**Amount in Default**” for the purpose of this Agreement shall mean the lower of the following:

- (a) principal Loan Amount outstanding in the account(s) of the borrower, as on the date of the account becoming NPA and
- (b) Guarantee Amount under PRGFEE on the date of account becoming NPA;

“**IA**” shall have the meaning ascribed to such term in the party clause above;

“**ESCO**” shall have the meaning ascribed to such term in the Recitals above;

“**Guarantee**” means the guarantee for a maximum amount of Rs. \_\_\_\_\_/- and for a tenure of \_\_\_\_ years (as more particularly laid down in the Guarantee) caused to be provided by the IA through the Issuing Bank under PRGFEE pursuant to the terms of the OM and this Agreement in relation to the facilities being extended by the PFI to ESCO substantially in the format annexed hereto as Annexure III;

“**Guarantor**” means the Issuing Bank appointed by the IA for issuing the Guarantee for the purpose of granting guarantee under PRGFEE and this Agreement;

“**Non-Performing Assets (NPA)**” means an asset classified as non-performing by the PFI based on the instructions and guidelines issued by the Reserve Bank of India from time to time.

“**Supervisory Committee**” means the committee set-up by BEE with representatives from, BEE, Ministry of Power, Ministry of Finance and other members nominated by MoP for taking decision towards providing Guarantee on the application submitted by the PFI for any energy efficiency project.

## 2. ISSUANCE OF PRGFEE GUARANTEE

The IA hereby agrees to extend through its designee and the PFI hereby agrees to accept the Guarantee up to the maximum amount of Rs. \_\_\_\_\_/- being \_\_\_\_% of the Loan Amount, issued substantially in the format annexed hereto as **Annexure IV** on the terms and conditions contained herein and in the OM. The Parties hereby agree to abide by the terms of the OM, being the primary document governing the operation of PRGFEE and hereby undertake to comply with the terms and conditions thereof and hereof including their respective roles and responsibilities under PRGFEE as detailed under the OM.

### **3. APPLICATION AND GUARANTEE FEES**

The IA hereby acknowledges the receipt of the Guarantee Fee of Rs. \_\_\_\_\_/- being 1% of the Guarantee Amount submitted by the PFI towards issuance of the Guarantee and Application Fee of Rs. \_\_\_\_\_/- being 0.1% of the amount of the Guarantee sought by PFI at the time of submission of its application for approval of the Guarantee with the IA. The PFI acknowledges and accepts that on and from the date hereof the Application Fee shall be non-refundable.

Upon signing of the Guarantee Agreement and disbursement of first tranche of the loan by the bank, Guarantee fee shall be non-refundable. However in case of non-disbursement of first tranche of loan within six months from date of signing of guarantee agreement, 50% of the guarantee fee shall be refunded to the PFI on receipt of such request from the PFI, maximum within a period of nine months of signing of guarantee agreement, beyond which the guarantee fee shall be non-refundable

### **4. REPORTING, TRANSACTION & EVALUATION**

#### **A. PFI shall provide quarterly and annual reports to the IA that includes the following information:**

- i. Quarterly report regarding disbursement details (if any), loan repayment, project status etc ;
- ii. The status, including payment performance, of all transactions for which Guarantee have been issued;
- iii. The PFI's quarterly and annual financial statements, performance indicators, and indicators regarding the quality of its overall loan/lease portfolio in relation which PRGFEE Guarantees have been issued;
- iv. Any changes in PFI's credit and monitoring procedures; and
- v. Any other information as directed by Supervising Committee, BEE or Ministry of power from time to time

B. In addition, PFIs shall cooperate, and shall cause the other parties in the transaction to cooperate, in the monitoring and evaluation of energy and cost savings performance of the Project supported by the Guarantee.

### **5. CLAIMS**

#### **5.1 Guarantee Claim Procedure**

In case the PFI decides to raise a claim under PRGFEE, the same shall be settled only by following the process laid down herein below:

Step 1: Submit the Guarantee Claim Form, as prescribed in the OM, to IA within a maximum period of one year from date of declaration of the project as Non-Performing Assets (NPA) providing all the necessary details in relation to the Project, loan account etc.

Step 2: IA will appoint an Independent M&V Consultant within 10 working days from the date of receipt of Guarantee Claim Form from the PFI, to assess the default in the EE Loan.

Step 3: IA will ensure that the M&V report is submitted within 25 working days of appointment of the Independent M&V Consultant. If found appropriate and mutually agreeable based on the report submitted by the M&V agency, IA shall provide the guarantee coverage. A copy of the M&V report will be circulated to the concerned PFI, Beneficiary and Borrower for their respective comments; and

- In case, no comment is received from any of the parties within 10 working days of receipt of the report, it would be deemed that the M&V report is final and legally binding on all the concerned parties;
- The comments/ objections, if any, would be formally discussed and mutually agreed between Independent M&V Consultant, and the PFI, within 60 working days of submission of the Guarantee Claim Form.
- Based on the mutual agreement on the M&V report, Implementing Agency will decide on the processing of the Guarantee Claim.

Step 4: In case, the Guarantee Claim is found to be fraudulent, or in the event of serious deficiencies, such as inadequate appraisal/ renewal/follow-up/conduct of the project or multiple lodgment of claim, or suppression of any material information for the settlement of claims, etc., the IA will issue a letter communicating the rejection of the Guarantee Claim to the PFI and the Issuing Bank ("**Guarantee Claim Rejection Letter**") and will propose to Supervisory Committee for de-empowerment of the PFI from PRGFEE for future Guarantee Application (s) new EE Projects, while continuing other existing EE Projects under PRGFEE with the PFI. In case, the Guarantee Claim is determined to be genuine, Implementing Agency shall communicate its acceptance thereof and approving the release of up to the maximum extent of 75% of the Guarantee Amount in accordance with the terms of the OM by issuing a letter to the PFI and the Issuing Bank ("**Guarantee Claim Approval Letter**").

Step 5: The PFI shall thereafter, submit the demand notice (*along with the original of the Guarantee if so required by the Issuing Bank*) and the original of the Guarantee Claim Approval Letter received by it from the IA with the Issuing Bank, pursuant to which the Issuing Bank shall promptly process the release of the amount stated in the Guarantee Claim Approval Letter without further scrutiny of the Guarantee Claim. [The original of the Guarantee shall thereafter be released back to the PFI with an appropriate endorsement of the Issuing Bank with respect to the Guarantee Amount released (75% of the Claim Amount) and the Guarantee Amount pending (25% of the Claim Amount) and to be released upon receipt of intimation from the Implementing Agency.]

Step 6: The PFI shall thereafter proceed and against the other secured assets of the ESCO for recovery of the remaining Amount in Default (not covered by the Guarantee) and the proceeds of the same shall be distributed on *pro rata* basis amongst the PRGFEE and the PFI in accordance with the terms of the OM.

Step 7: Upon the completion of the recovery process from the ESCO and the consequent *pro rata* distribution of the proceeds of such recovery, the PFI shall submit the necessary Guarantee Claim Form along with the relevant documentary evidence and all other information as may be sought by the IA, towards release of the remaining Claim Amount (being 25% of the Claim Amount). The balance 25 % of the Claim amount will be paid on conclusion of recovery proceedings or receipt of approval letter of the PFI for adjustment of the account from the books. All guarantee claims shall be settled before the last date of operation of PRGFEE and BEE/IA shall not be accountable for any guarantee claims made thereafter.

Step 8: The IA shall undertake appropriate due diligence of the documents submitted by the PFI with reference to the recovery proceedings and if found appropriate shall issue an intimation to the Issuing Bank with a copy thereof to the PFI for the release of the remaining Claim Amount (being 25% of the Claim Amount) to the PFI and the Issuing Bank. Pursuant thereto the Issuing Bank shall promptly process the release of the amount stated therein without further scrutiny of the Guarantee Claim and the Issuing Bank and/or the IA shall have no further obligations hereunder or under the Guarantee.

- 5.2 PFI shall not make or be entitled to make any claim on the PRGFEE in respect of the default of the said credit facility owing to actions/ decisions taken contrary to or in contravention of the guidelines issued by the PRGFEE.
- 5.3 **The** claim should be preferred by the PFI in such manner and within such time as may be specified by the PRGFEE in this behalf.
- 5.4 **The** PFI shall be liable to refund the claim released by the PRGFEE together with penal interest at the rate of 4% above the prevailing bank base rate, as prescribed by the State Bank of India, if such a recall is made by PRGFEE in the event of serious deficiencies, such as inadequate appraisal/ renewal/follow-up/conduct of the project or multiple lodgment of claim, or suppression of any material information for the settlement of claims, etc. The PFI shall pay such penal interest, when demanded by the PRGFEE, from the date of the initial release of the claim by the PRGFEE to the date of refund of the claim.
- 5.5 **Subrogation of rights and recoveries on account of claim paid:**
- 5.1.1 The PFI shall furnish to PRGFEE, the details of its efforts for recovery, realization and such other information as may be demanded or required from time to time.
- 5.1.2 The PFI will hold lien on assets created out of the credit facility extended to the borrower, on its own behalf and on behalf of PRGFEE.
- 5.1.3 The PRGFEE shall not exercise any subrogation rights and that the responsibility of the recovery of dues including takeover of assets, sale of assets, etc, shall rest with the PFI;
- 5.1.4 Every amount recovered and due to be paid to the PRGFEE shall be paid without delay, and if any amount due to the PRGFEE remains unpaid beyond a period of 30 days from the date on which it was first recovered, interest shall be payable to the PRGFEE by the PFI at the rate which

is 4% above State Bank of India base Rate for the period for which payment remains outstanding after the expiry of the said period of 30 days.

## **6. CONFIDENTIALITY**

6.1 Both the Parties shall maintain the confidentiality of and shall not disclose or use any information at any time furnished to the Party (Receiving Party) by the other Party (Disclosing Party) or to which the Receiving Party is exposed during the relationship between the Parties, concerning the Disclosing Party's business, operations or activities, including without limitation any commercial information, know-how, data and/or documentation exchanged or received by the Disclosing Party. The Parties shall disclose such information only to those employees who require such knowledge of use in the ordinary course and scope of their employment under this agreement; provided that the Disclosing Party first advises each of its employees of the Disclosing Party's obligations under this section to maintain the confidentiality of the information.

6.2 The obligations and limitations set forth herein regarding Confidential Information will not apply to information that the Receiving Party can establish:

- i. is or becomes generally available to the public other than as a result of a breach of this Agreement or other wrongful act or omission by the Receiving Party,
- ii. is lawfully received from a third party which is not under a known obligation of confidentiality for the benefit of the Disclosing Party,
- iii. was either in the possession of or known to the Receiving Party at the time of disclosure without any limitation on use or disclosure for the benefit of the Disclosing Party, or
- iv. is independently developed by or for the Receiving Party without the use or benefit of the Disclosing Party's Confidential Information.

6.3 In addition, a receiving party will not be restricted from disclosing Confidential Information as required pursuant to any law, regulation or judicial or governmental order, provided that any such disclosure will be limited to the extent of the legal requirement and the Receiving Party will promptly notify the Disclosing Party and cooperate with the Disclosing Party at the Disclosing Party's expense, so that it may intervene and object to such disclosure or seek a protective order or other appropriate protection. The Parties agree to hold each other's Confidential Information in confidence during the term of this agreement and for a period of one (1) year after termination of this agreement.

## **7. EFFECTIVE DATE, DURATION, ABANDONMENT, TERMINATION OF THE AGREEMENT**

7.1 Unless terminated earlier in accordance with the terms hereof/OM, this Agreement shall be effective from the date of signing ("Effective Date") and shall be co-terminus with the

termination/expiration of the Guarantee. In the event of earlier termination of this Agreement as provided hereinbelow, the Guarantee issued pursuant to the terms hereof shall immediately cease to have any effect forthwith.

- 7.2 During the tenure of the Agreement, parties hereto can terminate the Agreement for material breach of any of the terms and conditions of this Agreement by giving a three-months notice in writing to the defaulting party, provided that in the event of breach, the defaulting party fails to rectify the breach within the notice period.
- 7.3 Any Party may terminate this Agreement if, at any time, the other Party shall file in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of the Party or of its assets, or if the other Party shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within sixty (60) days after the filing thereof, or if the other Party shall propose or be a party to any dissolution or liquidation, or if the other Party shall make an assignment for the benefit of creditors. Notwithstanding the bankruptcy of either Party, the other Party shall be entitled to retain the rights granted herein, subject to, and in accordance with, the remaining provisions of this Agreement.
- 7.4 PRGFEE's liability to be terminated in certain cases :
- i. If a project becomes ineligible for being granted any Guarantee Amount coverage under the scheme, by any reason, the liability of the PRGFEE in respect of Guarantee Amount coverage granted to PFI for the respective project under the scheme shall lapse.
  - ii. If the Guarantee Claim submitted by the PFI/borrower is found to be fraudulent, or if there are serious deficiencies, such as inadequate appraisal / renewal / follow-up / conduct of the project or multiple lodgement of claim, or suppression of any material information for the settlement of claims, etc.

## **8. FORCE MAJEURE**

- 8.1 The parties shall not be liable for any damages, including liquidated damages, if any, for delay or inability to perform their obligations due to causes beyond their reasonable control, including but not limited to delay or inability to perform due to climatic or other weather related conditions or elements. Acts of India or the government of any other nation, province, State, territory or other political subdivision, acts of god, interference by civil or military authorities, fires, floods, epidemics, quarantine restrictions, embargoes, war, civil insurrection, commotion, riots or strikes, compliance with government laws, rules and regulations, delays in transit, or delivery beyond their control, inability to secure necessary governmental priorities for goods, materials, equipment or services or any fault beyond their control and not involving any fault on its part. Any of the events set forth in the preceding sentence is hereinafter referred to as "Force Majeure Condition". If a Force Majeure Condition occurs, as soon as reasonably practicable thereafter, the affected party



shall immediately notify the other in writing advising such other parties of the nature and extent of the Force Majeure Condition, and collectively develop a plan to manage the Project under the current conditions until the Force Majeure Condition has ceased.

## 9. NOTICES

9.1 Any notice or other communication to be given under this Agreement shall be in writing and sent by registered AD post and may also be delivered by a courier agency of repute or in person or sent by fax to the relevant Party as follows:

**a) For Implementing Agency (IA) at:**

Attn. of:

Designation:

Address:

Fax no:

E-mail address:

**b) For \_\_\_\_\_ (PFI) at:**

Attn. of:

Designation:

Address:

Fax no:

E-mail address:

And/Or

Address of the Controlling officer of PFI.

9.2 The Parties agree that the provision of this clause shall not apply to the service of any writ, summons, order, judgment or other document relating to or in connection with any legal proceedings.

## 10. AMENDMENTS TO THE AGREEMENT

10.1 No amendment or modifications of this Agreement shall be valid unless the same is made in writing by all the parties or their authorized representatives and specifically stating the same to be an amendment of this agreement. The modifications/changes shall be effective from the date on which they are made/executed unless otherwise agreed to.

10.2 The parties hereto agree that all activities in furtherance of this Agreement shall be in the form of written documents, signed by duly authorized representatives of the parties.

## 11. ASSIGNMENT OF THE AGREEMENT

Except for assignment to Affiliates, the rights and/or liabilities arising to any party to this Agreement shall not be assigned without the written consent of the other party and subject to such terms and conditions as may be mutually agreed upon. This Agreement shall be binding upon and inure to the benefit of \_\_\_\_\_ and \_\_\_\_\_ and their successors or assignees, provided that any such successor or assignee has acquired the controlling Interest, all the shares or assets of the predecessor by merger, purchase or otherwise. Otherwise, the rights and obligations set forth in this Agreement shall not be assignable or transferable without the prior consent in writing of the other Party hereto.

## **12. DISPUTE RESOLUTION**

- 12.1 If any dispute or difference or claims of any kind arises between the Parties in connection with interpretation or application of any terms and conditions or any matter or thing in any way connected with or in connection with or arising out of this Agreement, or the rights, duties or liabilities of any Party under this Agreement and so notified in writing by either Party to the other Party (the “**Dispute**”), whether before or after the termination of this Agreement, then the Parties shall meet together promptly, at the request of any Party, in an effort to resolve such dispute, difference or claim by discussion between them.
- 12.2 In the case of any dispute between the Parties under this Agreement, then either of the Parties can approach the SC constituted under PRGFEE for adjudication of such a dispute. Any decision taken by SC will be final and binding except as provided hereunder.
- 12.3 Any Party aggrieved, by an order made by SC under the Act, may prefer an appeal to the Appellate Tribunal for Energy Conservation established under Section 30 of the Act. The person making appeal to Appellate Tribunal shall file the same in accordance with Appellate Tribunal for Energy Conservation (Procedure, Form, Fee and Record of Proceedings) Rules, 2012 notified vide G.S.R. 510 (E) dated 28th June 2012. The orders of the Appellate Tribunal would be final and binding to all the Parties.
- 12.4 Nothing contained in this Agreement shall prohibit or shall be deemed to prohibit either Party from exercising their rights as may be available to them under applicable law.

## **13. INDEMNITY**

- 13.1 The Parties shall take due care that all its documents comply with all relevant laws and statutory regulations and ordinances, guidelines in force which includes all laws in force and effect as of the date hereof and which may be promulgated or brought into force and effect hereinafter in India including judgments, decrees, injunctions, writs of or orders of any court or record, as may be in force and effect during the subsistence of this Agreement applicable to the Parties.
- 13.2 In the event that any action by any of the Parties is found to be in violation of the laws of the land and the same cause the other Party to be prosecuted, fined or charge-sheeted in any manner then the Party responsible shall keep the other Party indemnified as to the extent of losses incurred by the other Party.

#### **14. NON-DISCRIMINATION**

Specifically, both institutions agree not to discriminate against any person because of age, ancestry, color, disability or handicap, origin, race, caste, religion. PFI shall abide by these principles in the administration of this agreement and neither institution shall impose criteria which would violate the principles of non-discrimination. Breach of this covenant may be regarded as a material breach of this Agreement and any related agreements.

#### **15. SURVIVING RIGHTS**

Expiration or termination of this Agreement shall not affect each Party's obligations to pay any amount accruing to the other Party under this Agreement while it was in effect. Further, the expiration or termination of this Agreement in its entirety shall not affect any rights or obligations of the Parties' under this Agreement that are intended to survive such expiration or termination. In addition, any other provision required for interpreting and enforcing the Parties' rights and obligations under this Agreement shall also survive, but only to the extent required for the full observation and performance of this Agreement. Termination of this Agreement in accordance with the provisions hereof shall not limit remedies, which may be otherwise available in law or equity.

#### **16. WAIVER**

The failure of either Party to enforce any provision of this Agreement at any time shall not be construed as a present or future waiver of such or any other provision of this Agreement. The express waiver by either Party of any provision or requirement hereunder shall neither be deemed to be original and be equally authentic.

#### **17. ENTIRE AGREEMENT**

This Agreement represents the entire agreement and understanding, as of the Effective Date, between the Parties with respect to the subject matter hereof and shall supersede all prior agreements, negotiations, understanding, representations, statements, and writings between the Parties relating thereto. No modification, alteration, waiver or change in any term or provision of this Agreement shall be valid or binding upon the Parties unless made in writing and duly executed by each of the Parties. The Annexure appended hereto are hereby incorporated in, and form part of, this Agreement.

#### **18. LAW AND JURISDICTION**

This Agreement may be executed in two or more counterparts, each of which will contain the signature of the Parties, each of which shall be deemed an original and shall be equally authentic.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT AT NEW DELHI ON THE DAY AND YEAR HEREIN WRITTEN ABOVE**

<p><b>SIGNED, SEALED AND DELIVERED</b></p> <p><b>For and on behalf of</b></p> <p>Implementing Agency (IA)</p> <p>_____ (Signature)</p> <p>_____ (Name)</p> <p>_____ (Designation)</p>	<p><b>SIGNED, SEALED AND DELIVERED</b></p> <p><b>For and on behalf of</b></p> <p>_____</p> <p>(Participating Financial Institution)</p> <p>_____ (Signature)</p> <p>_____ (Name)</p> <p>_____ (Designation)</p>
<p><b>In the presence of:</b></p> <p>1.</p> <p>2.</p>	

**Annexure I**

**OPERATIONS MANUAL**

**Appendix II**

**PRGFEE Rules 2016**

**ANNEXURE III**

**COPY OF THE LOAN AGREEMENT**

**ANNEXURE IV**

**FORMAT OF BANK GUARANTEE**

## **PRGFEE BANK GUARANTEE**

Bank Guarantee No.:

Dated:

To,

[Name and address

of the Participating Financial Institution]

This Deed of Guarantee (“**PRGFEE Guarantee**”) is executed by [*Complete Name and address of the Issuing Bank*] (herein after referred to as “**Bank**”) in favour of [*Complete Name and address of the Participating Financial Institution*] (hereinafter referred to as the “**Beneficiary**” or “**EE Loan Lender**” which expression shall, unless repugnant to the context thereof, include its successors, assignees, novatees and transferees) for a maximum amount not exceeding Rs.[●]/- (Rupees [●] only) (hereinafter referred to as the “**Guarantee Amount**”) payable in the manner stated herein, at the request of **REC Power Distribution Company Ltd.**, a company incorporated under the Companies Act, 1956, having its registered office at Core-4, Scope Complex, 7, Lodhi Road New Delhi- 110003 and its corporate office at 1016-1023, 10<sup>th</sup> Floor, Devika Tower, Nehru Place, New Delhi – 110019 (hereinafter referred to as the “**Implementation Agency**” or “**IA**” which expression shall, unless repugnant to the context thereof, include its successors, assignees, novatees and transferees).

1. The EE Loan Lender had approached the Implementation Agency with a request that the project of the Borrower be appraised by the Implementation Agency from the perspective eligibility for availment of the benefit under the Partial Risk Guarantee Fund for Energy Efficiency (“**PRGFEE**”) being managed by the Implementation Agency pursuant to the terms of the Implementation Agency Agreement dated July 16, 2015 (“**IA Agreement**”) and the Operations Manual (“**OM**”). Pursuant to such request, the Implementation Agency has approved the project of the Borrower (as defined hereinafter) for drawing benefit under PRGFEE vide its guarantee approval letter dated [●].
2. Subsequently, the EE Loan Lender has agreed to extend facilities aggregating to Rs. [●] /- (Rupees [●] Only) (“**Facility**”) in terms of the facility/loan agreement dated [●] entered into by and between the EE Loan Lender and [*Complete Name and address of the Energy Services Company availing the loan facility*] (hereinafter referred to as the “**Borrower**” or “**ESCO**”, which expression shall, unless repugnant to the context thereof, include its successors and permitted assigns). Simultaneously, the EE Loan Lender and the Implementing Agency have entered into the Guarantee Agreement dated [●], 2015 and pursuant to the terms thereof the Implementing Agency had instructed the Bank to issue this PRGFEE Guarantee up to the maximum extent of the Guarantee Amount.



3. Accordingly, the Bank does hereby undertake to pay, immediately upon receipt of demand from the EE Loan Lender (substantially in the format annexed hereto) (“**Demand Notice**”) along with the approval letter from the Implementation Agency confirming the claim to be released to the EE Loan Lender (“**Guarantee Claim Approval Letter**”) in accordance with the terms of the OM and without any demur or protest, 75% of the Guarantee Amount or as may be approved by the Implementing Agency vide the Guarantee Claim Approval Letter. The Guarantee Amount, or part thereof, as may be claimed under the Demand Notice, shall be credited to the bank account of the Beneficiary specified in the Demand Notice or by way of a demand draft drawn in favour of the Beneficiary. Any demand made on the Bank by way of a Demand Notice shall be conclusive as regards the amount due and payable by the Bank under this Bank Guarantee on or before the claim expiry date. Thereafter, the Bank shall release the remaining 25% of the Guarantee Amount in accordance with the terms of the Demand Notice.
4. Subject to the provisions hereof, the Bank’s liability hereunder shall be absolute and unequivocal and the Bank undertakes to pay to the EE Loan Lender any amount of money so demanded upto the Guarantee Amount, without any delay, demur or reference to the Borrower and notwithstanding any dispute or disputes raised by the Borrower in any suit or proceeding pending before any court or tribunal relating thereto. The payment made by the Bank under this Bank Guarantee pursuant to any Demand Notice shall be a valid discharge of its liability for payment hereunder and the Borrower shall have no claim against the Bank for making such payment.
5. The Bank agrees that this Bank Guarantee shall remain in force from \_\_\_\_\_ until \_\_\_\_\_ (“**Expiry Date**”) and unless a demand or claim hereunder is made on the Bank until 60 days after the Expiry Date (“**Claim Date**”) of this Bank Guarantee in writing and paid by the Bank in accordance with the terms hereof, and the Bank shall be discharged from all liabilities under this Bank Guarantee thereafter.
6. The issuance of this Bank Guarantee shall not have the effect of deemed acceptance of the Bank to renew this Bank Guarantee or issue any further bank guarantees in relation to the Borrower or the Facility.
7. The EE Loan Lender shall have the fullest liberty, without the Bank’s consent and without affecting in any manner the Bank’s obligations hereunder, to vary any of the terms and conditions of the Facility and to forbear or enforce any of the terms and conditions there under. The Bank agrees that no change or addition to or other modification of the terms of the Facility Agreement shall in any way release the Bank from any liability under this Bank Guarantee and hereby waives notice of any such change, addition or modification. However, the EE Loan Lender shall always be bound by the terms of the OM and the Bank shall only be liable to honour any claim of the EE Loan Lender if the same has been raised on the Bank in accordance with the terms of the OM.
8. This Bank Guarantee will not be discharged due to the change in the constitution of the Bank or the Borrower or Implementation Agency or the EE Loan Lender.
9. The EE Loan Lenders shall not assign or transfer all or any of its rights, benefits and obligations under the Bank Guarantee.

10. The Bank undertakes not to revoke and not cause the revocation of this Bank Guarantee during its currency except with the prior consent (in writing) of the EE Loan Lender/BENEFICIARY
11. The liability of the Bank under this Bank Guarantee shall not be affected on account of:
  - i) any change in the constitution or winding up of the Borrower/the Bank or the EE Loan Lender or any absorption, merger or amalgamation of the Borrower/the Bank or the EE Loan Lender; or
  - ii) any change in the management of the Borrower/the Bank or the EE Loan Lender or take over of the management of the Borrower/the Bank or the EE Loan Lender by any Government or by any other authority; or
  - iii) acquisition or nationalization of the Borrower/the Bank or the EE Loan Lender and/or of any of their undertaking(s) pursuant to any law; or
  - iv) bankruptcy/insolvency of the Bank or the Borrower.
12. This Bank Guarantee shall be governed by the laws of India. The courts / tribunals at New Delhi shall have exclusive jurisdiction in relation to all matters arising in relation to this Bank Guarantee. The EE Loan Lender/other beneficiaries of this Bank Guarantee shall be free to approach any court in NEW DELHI in connection with matters arising out of or in relation to this Bank Guarantee.
13. The Bank shall not in the event of the liquidation / insolvency of the Borrower prove in competition with the EE Loan Lender in the liquidation/insolvency proceedings in respect of any amounts to be recovered by the Bank from the Borrower pursuant to invocation of this Bank Guarantee and for assets exclusively charged to the EE Loan Lender by the Borrower.
14. Any sum or sums that are payable to the EE Loan Lender under this Bank Guarantee shall be paid at the place and in the account as specified in the Demand Notice.
15. The Bank shall be discharged from all its liabilities hereunder, upon full invocation of this Bank Guarantee and realization of the entire Guarantee Amount by the EE Loan Lender in terms hereof. No partial invocation is permitted.
16. The Bank hereby specifically acceptssubject to the terms hereof that:
  - i) The Bank Guarantee shall be unconditional and absolute.
  - ii) The Bank Guarantee shall be without any delay or demur if claim arises.
  - iii) The Bank Guarantee shall guarantee all losses, claims, damages and costs suffered by the EE Loan Lender.
17. Any provision of the Bank Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of prohibition or unenforceability but shall not invalidate the remaining provisions of the Bank Guarantee or affect such provision in any other jurisdiction.

18. The Bank represents that it has the requisite authority and the power to issue this Bank Guarantee in favour of the EE Loan Lender and hereby declares that Mr. [●], [●] of the Bank and Mr. [●], [●] of the Bank, are authorized to sign this Bank Guarantee on behalf of the Bank and to bind the Bank hereby.

Notwithstanding anything contained hereinabove:

- (a) Our liabilities under this Bank Guarantee shall not exceed Rs. \_\_\_\_\_/-.
- (b) This Bank Guarantee shall be valid up to \_\_\_\_\_ [*Please insert Expiry Date*].
- (c) We are liable to pay Guarantee Amount or any part thereof under this Bank Guarantee only and if we receive (if you serve upon us) a written claim or demand on or before [*Please insert Claim Date*] at ICICI Bank Ltd , 9-A , Phelps Building, Connaught Place New Delhi 110001 , thereafter we shall be discharged from all liabilities under this Bank Guarantee whether or not the original Bank Guarantee is returned to us.

**For [*Issuing Bank*]**

**(Authorised Signatory)**

**(Name and Designation /SS NO)**

*(Note: In case, the Designee Bank/ Guarantee issuing bank is also the PFI for the ESCO loan, suitable undertaking may be obtained from IA in consultation with the legal counsel.)*

ANNEX

FORM OF DEMAND CERTIFICATE

Date: [•]

To: [*Issuing Bank*]

Kind Attn[•]

Dear Sir,

**Re:** Bank Guarantee dated [•] and bearing no..... issued by [*Issuing Bank*](the “**PRGFEE Guarantee**”) for the maximum guarantee amount of Rs.\_\_\_\_\_/-(“**Guarantee Amount**”)

Please find enclosed the approval letter issued by REC Power Distribution Company Limited (“**Implementation Agency**”) approving our claim for the Guarantee Amount and authorizing the release of Rs. [•] under the PRGFEE Guarantee being 75% of the Guarantee Amount. Accordingly, we hereby give you this notice pursuant to the Bank Guarantee that we require you to pay such amount. We hereby agree that the remaining amount being 25% of the Guarantee Amount shall be released by you upon receipt of an intimation in that regard from Implementing Agency.

All amounts due should be paid through demand draft or telegraph transfer or RTGS (the details whereof are as follows)immediately and no later than 5 days from the date hereof:

Name of Beneficiary: [•]

[Account/RTGS Details]: [•]

Yours faithfully,

---

(Authorized Signatory)

**Appendix 8: Annual Performance Report by PFI template**

**Actual performance**

S. No.	Year	Project Name	Loan amount disbursed to ESCO (INR)	Date of loan disbursement to ESCO	Status of Re-payment (Smooth/Default)	Guarantee claimed under PRGFEE (Y/N)	Status/Remarks	Enclosed loan disbursed proof * (Yes/No)
	Year-1							
	Year-2							
	Year-3							
	Year-4							
	Year-5							

\* Loan disbursement letter and latest loan account statement.

Authorized Signature [In full and initials]:  
 Name and Title of Signatory:  
 Date:

### Appendix 9: Quarterly progress Report template

1. Loan/Guarantee details by PFI:

Sl no	PFI Name	Borrower Name	Loan Ref	Loan Amount	Guarantee Amount	Loan Particulars and Purpose	Loan Period (Date)		Loan Outstanding
							From	To	Principal

2. Summary Guarantee Claim Status as on \_\_\_\_\_ (INR)

Project Name	Total Amount of Loan	Loan Outstanding (only principal disbursed)	Guarantee Claim Amount (Total)	Guarantee Claims Paid	Recovery	Balance guarantee amount paid after recovery	Guarantee Status - Open/ Close	Remarks
<b>Total</b>								

3. Quarter disbursement and re-payment details for the projects guaranteed under PRGFEE to be attached.
4. Information regarding initiatives taken and new financial products launched by PFI, if any for promoting EE project financing.

Signature \_\_\_\_\_

Authorised Signatory

PFI \_\_\_\_\_ Date \_\_\_\_\_

## Appendix 10: Guarantee Claim Approval Letter

### On the Letter Head of Implementing Agency

**Guarantee Application No:**

**Date:**

**To,**

**< Participating Financial Institution >**

Sub: Approval for availing guarantee under Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE)

Dear Sir/Madam,

Based on the information you have submitted along with the application form for PRGFEE, we have completed the necessary due diligence and evaluation.

Subject to the correctness of the information provided against the application no. \_\_\_\_\_, we are pleased to confirm that your application applied for a Guarantee amount of Rs. \_\_\_\_\_ (\_\_\_\_\_ amount in words), has been approved for Rs. \_\_\_\_\_ (\_\_\_\_\_ amount in words) for a tenure of \_\_\_ years. The approved Guarantee amount is \_\_\_% of disbursed loan amount.

You are hereby requested to submit the applicable Guarantee fee on the guaranteed amount within 10 working days after issuance of the letter. If delayed without any prior written information to IA, the proposed guarantee may be cancelled.

Thanking you,

Yours faithfully,

(Signature of authorized signatory with seal)

**Details of authorized signatory:**

Name of authorized signatory:

Designation:

Name of organization:

Address:

Date:

Place:

## Appendix 11 : Guarantee Claim Form

### a) Guarantee Claim letter:

#### On the Letter Head of Participating Financial Institution

**Guarantee Application No:**

**Date:**

To,

CFO-RECPDCL & Officer-In-Charge PRGFEE  
REC Power Distribution Company Ltd.  
1016-1023, 10th Floor, Devika Tower  
Nehru Place,  
New Delhi-110019

Sub: Claim of guarantee under Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE)

Dear Sir/Madam,

Based on the information and report submitted to you regarding the declaration of NPA of EE loan for \_\_\_\_\_(name of project), we have completed necessary evaluation for raising claim on the guarantee granted under PRGFEE.

Subject to the correctness of the information provided against the PRGFEE, Guarantee no.\_\_\_\_\_, we hereby confirm that a Guarantee amount of Rs.\_\_\_\_\_ (\_\_\_\_\_amount in words), which was approved for Rs\_\_\_\_\_ (\_\_\_\_\_amount in words) for a tenure of \_\_\_years.

The Project has defaulted and declared as NPA for \_\_\_\_\_(outstanding principal amount) dated\_\_\_\_\_.

Therefore, we request you to release the total claim amount of Rs.\_\_\_\_\_(in words).

Thanking you,

Yours faithfully,

(Signature of authorized signatory with seal)

**Details of authorized signatory:**

Name of authorized signatory:

Designation:

Name of PFI:

Address:

Date:

Place:



**b) Guarantee Claim Form:**

1	Disbursement details					
Sanction Start date	Guarantee date	Total Guaranteed Amount	Total Amount disbursed	First Disbursement date	Last Disbursement date	Moratorium in Months

2	<b>NPA Date(as per RBI guidelines :</b>	
---	---	--

3	Repayment and Outstanding Details :			
Total Amount disbursed	Repayment (before NPA date)		Outstanding Amount (As on NPA Date)	
	Principal	Interest	principal	Interest

4	Primary & collateral Security details :			
Particulars	Security		Net worth of Promoter (in Rs.)	Reasons for reduction in value security,if any
	Nature	Value (in `)		

5	Status of Account(s):	
Date on which Account was Classified as NPA		
Has the account been classified as fraud	Yes	No
Internal and/or external enquiry has been concluded*	Yes	No
Reasons for Account turning NPA		
Date of issue of Recall Notice**		

\* If yes, the enquiry report should be submitted

\*\* Recall notice to be submitted

6	Details of Legal proceedings	
Forum through which legal proceedings were initiated against borrower		
Suit / Case Registration No.*		

Amount Claimed in the Suit (in )*	
-----------------------------------	--

\* Relevant supporting documents to be submitted.

7 Recovery made from Borrower / Unit after account classified as NPA				
Term Loan / Composite Loan(in Rs.)		Working Capital (in Rs. )		Mode of recovery
Principal	Interest and other charges	Amount including interest	Other charges	

8 Total Amount for which PRGFEE Guarantee Claim is applied** :					
Total Principal Amount disbursed(A)	Guaranteed Amount(B)	Principal outstanding at the time of NPA (C)	Amount equivalent to First loss (D= 10% * C)	Guarantee claim amount for remaining outstanding (E= 50% *(C-D)	Total Guarantee claim amount (F= D+E)

\*\* Refer to illustrations 5.2.1 for Claim amount calculations

(On letterhead of PFI)

**Declaration and Undertaking by PFI**

(To be signed by the officer not below the rank of AGM or equivalent rank of the Bank)

**Declaration –**

We declare that the information given above is true and correct in every respect. We further declare that there has been no fault or negligence on the part of the PFI or any of its officers in conducting the account. We also declare that the officer preferring the claim on behalf of PFI is having the authority to do so.

**Undertaking –** We hereby undertake:

- a) To pursue all recovery steps including legal proceedings.
- b) To report to PRGFEE the position of outstanding dues from the borrower on half-yearly basis (as on 31 March and 30 September of each year till final settlement of guarantee claim by PRGFEE).
- c) To refund to PRGFEE the claim amount settled along with interest thereof at 4% over and above the prevailing SBI base rate, if in the view of PRGFEE we fail or neglect to take any action for recovery of the guaranteed debt from the borrower or any other person from whom the amount is to be recovered.
- d) On payment of claim by PRGFEE, to remit to PRGFEE all such recoveries, after adjusting towards the incurred for recovery of the amount, which we or our agents acting on our behalf, may make from the person or persons responsible for the administration of debt, or otherwise, in respect of the debt due from him / them to us.

Signature

Name of official:

Designation:

PFI Name & Seal

Date:

Place:

- 
- 1. PRGFEE reserves the right to ask for any additional information/document, if required.
  - 2. PRGFEE reserves the right to appoint any official or institution to verify the facts as mentioned above and if found incorrect reserves the right to treat the claim as invalid.



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 372]

नई दिल्ली, बृहस्पतिवार, मई 26, 2016/ज्येष्ठ 5, 1938

No. 372]

NEW DELHI, THURSDAY, MAY 26, 2016/JYAISTHA 5, 1938

विद्युत मंत्रालय

अधिसूचना

नई दिल्ली, 26 मई, 2016

**सा.का.नि. 549(अ).**—केंद्रीय सरकार ऊर्जा संरक्षण अधिनियम, 2001 (2001 का 52) की धारा 13 की उप-धारा (2) के खण्ड (उ), (ड) और (ढ) के साथ पठित धारा 56 की उप धारा (2) के खण्ड (फ) और धारा 46 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए ऊर्जा दक्षता ब्यूरो के परामर्श से निम्नलिखित नियम बनाती हैं, अर्थात् :—

1. **संक्षिप्त नाम और आरंभ** : - (1) इन नियमों का संक्षिप्त नाम ऊर्जा संरक्षण (ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि), नियम, 2016 है।
  - (2) ये राजपत्र में इनके प्रकाशन की तारीख को लागू होंगे।
2. **परिभाषाएं** :- (1) इन नियमों में, जब तक संदर्भ में अन्यथा अपेक्षित न हो, -
  - (क) "अधिनियम" से ऊर्जा संरक्षण अधिनियम, 2001 (2001 का 52) अभिप्रेत है;
  - (ख) "हिताधिकारी" से अभिप्रेत है जो वह व्यक्ति ऊर्जा बचत निष्पादन करार के आधार पर अपने स्वामित्व में परिसर में स्थित ऊर्जा दक्ष परियोजना के निष्पादन के लिए जो ब्यूरो के साथ नामिकाबद्ध ऊर्जा सेवा कंपनी के साथ एक करार करता है;
  - (ग) "ब्यूरो" से अभिप्रेत जो ऊर्जा दक्षता ब्यूरो, अधिनियम के अधीन गठित एक संगठन है;
  - (घ) "चूक" से अभिप्रेत जो वह घटना है जिसमें न्यास और प्रतिधारण खाता प्रत्याभूति की अवधि के अंदर ऋण की मूल राशि के ब्याज या किश्त का सम्मान नहीं किया जाता और परियोजना भागीदारी वित्तीय संस्थान के लिए गैर निष्पादनकारी आस्ति बन जाती है;
  - (ङ) "पात्र उधार करने वाला" से अभिप्रेत है ऊर्जा सेवा कंपनी, ब्यूरो द्वारा पैनलीकृत या ऊर्जा सेवा कंपनियों का संयुक्त उद्यम, जिन्हें नियम 5 में निर्दिष्ट भागीदारी द्वारा वित्तीय संस्थानों द्वारा ऋण सुविधा प्रदान की गई है;

- (च) "ऊर्जा दक्षता उधार" से अभिप्रेत है जो ऊर्जा बचत निष्पादन संविदा के आधार पर ऊर्जा दक्षता परियोजना के निष्पादन के लिए भागीदारी वित्तीय संस्थान द्वारा उधार करने वाले को मंजूर की गई ऋण की राशि है;
- (छ) "ऊर्जा बचत निष्पादन संविदा" से अभिप्रेत है ऐसा लाभार्थी और उधारकर्ता के बीच एक करार में प्रवेश करना, जिसके अधीन उधारकर्ता के भुगतान निधि के अधीन ऊर्जा दक्षता परियोजना के कार्यान्वयन से संबंधित निर्दिष्ट निष्पादन प्रत्याभूति को पूरा करने पर आधारित है;
- (ज) "ऊर्जा सेवा कंपनी" से अभिप्रेत है जो ऊर्जा दक्षता परियोजनाओं के कार्यान्वयन के लिए एक कंपनी या व्यवस्था, जो ब्यूरो के साथ पैनलीकृत है;
- (झ) "निधि" नियम 3 के अधीन स्थापित ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि अभिप्रेत है;
- (ञ) "प्रत्याभूति की सुविधा" से ऐसा अभिप्रेत है जो निश्चित पूर्व परिभाषित मानदण्ड के आधार पर एक पात्र उधारकर्ता को भागीदारी वित्तीय संस्थान द्वारा प्रदान किए गए ऋण पर ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा दी गई प्रत्याभूति;
- (ट) "प्रत्याभूति करार" से अभिप्रेत है जो ऊर्जा दक्षता ऋण के संबंध में कार्यान्वयन अभिकरण और भागीदारी वित्तीय संस्थान के बीच एक करार जो पक्षकारों के बीच संबंध का नियंत्रण करने के साथ एक विशेष ऊर्जा दक्षता ऋण के लिए पात्रता की शर्तों, देयता सीमाओं और अनुमोदन, ऋण मूल्य निरूपण और समापन पश्चात रिपोर्टिंग मार्गदर्शक सिद्धांतों या प्रक्रियाओं और अन्य संबंधित मामलों को निर्दिष्ट करेगा;
- (ठ) "प्रत्याभूति का दावा" से अभिप्रेत है जोखिम व्याप्ति की राशि, जिसे ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति के अधीन ब्यूरो से दावा करने के लिए भागीदारी वित्तीय संस्थान अपनाता है;
- (ड) "प्रत्याभूति - दाता" से ऐसे ब्यूरो द्वारा चयनित कार्यान्वयन अभिकरण अभिप्रेत है;
- (ढ) "कार्यान्वयन अभिकरण" से अभिप्रेत है ऐसा एक सार्वजनिक वित्तीय संस्थान जो कंपनी अधिनियम 1956 (1956 का 1) की धारा 4 क के अधीन रजिस्ट्रीकृत नियम 9 में निर्दिष्ट, ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन गतिविधियों के निष्पादन के लिए ब्यूरो द्वारा चुना गया है;
- (ण) "मापन और सत्यापन अभिकरण" से अभिप्रेत है ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन ब्यूरो की नामिकाबद्ध मापन और सत्यापन अभिकरण नियुक्त किया गया;
- (त) "समझौता ज्ञापन" से अभिप्रेत है जो ब्यूरो और ब्यूरो के साथ नामिकाबद्ध भागीदारी वित्तीय संस्थान के बीच एक औपचारिक करार है ;
- (थ) "मापन और सत्यापन" से अभिप्रेत है उधार देने वाला और हिताधिकारी के बीच ऊर्जा दक्षता परियोजनाओं की कमिशनिंग के बाद समय समय पर होने वाली ऊर्जा की बचत के मापन और सत्यापन के लिए आपसी सहमति की प्रक्रियाएं हैं;
- (द) "गैर-निष्पादनकारी आस्ति" से अभिप्रेत है जो भागीदारी वित्तीय संस्थान की बहियों में परिसंपत्तियां, जो भारतीय रिजर्व बैंक द्वारा समय समय पर जारी अनुदेशों और मार्गदर्शक सिद्धांतों के आधार पर गैर निष्पादनकारी परिसंपत्ति आस्ति की गई हैं;
- (ध) "भागीदारी वित्तीय संस्थान" से अभिप्रेत है ब्यूरो के साथ पैनलीकृत एक वित्तीय संस्थान, निधि में भागीदारी के लिए नियम 7 के उप नियम 3 (ख) में उल्लिखित प्रचालन पुस्तिका के अनुसार, जैसे अनुसूचित वाणिज्यिक बैंक (क्षेत्रीय ग्रामीण बैंक के अलावा) या सार्वजनिक वित्तीय संस्थान (कंपनी अधिनियम 1956 (1956 का 1)) की धारा 4 क के अधीन रजिस्ट्रीकृत या भारतीय रिजर्व बैंक से रजिस्ट्रीकरण प्रमाणपत्र के साथ गैर बैंकिंग वित्तीय कंपनियां, जो गैर बैंकिंग वित्तीय कंपनियां लेने वाली गैर जमा श्रेणी के अधीन रजिस्ट्री हैं, व्यवस्थित रूप से महत्वपूर्ण कोर निवेश कंपनियां जो सार्वजनिक निक्षेप राशि की उगाही नहीं करती हैं या मूल संरचना वित्त कंपनियां जो ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन प्रत्याभूति सुविधा के लिए आवेदन करती हैं;

- (न) "ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि" से अभिप्रेत है ऐसी ऊर्जा दक्षता परियोजनाओं के लिए मौजूदा ऋण प्रदान करने में शामिल जोखिम के आंशिक व्याप्ति के साथ भागीदारी वित्तीय संस्थानों में जोखिम भागीदारी प्रदान करने की प्रक्रिया है;
- (प) "परियोजनाएं" से अभिप्रेत है जो नियम 4 के उप नियम (7) और (8) में निर्दिष्ट, ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि में भागीदारी वित्तीय संस्थानों द्वारा जमा किए गए ऊर्जा सेवा कंपनी के लिए ऋण की प्रत्याभूति के लिए पात्र एक प्रस्ताव है;
- (फ) "पर्यवेक्षी समिति" से अभिप्रेत है ब्यूरो, विद्युत मंत्रालय, वित्त मंत्रालय से लिए गए प्रतिनिधियों तथा विद्युत मंत्रालय द्वारा मनोनीत अन्य सदस्यों के साथ ब्यूरो द्वारा गठित समिति, जैसा नियम 7 में संदर्भित है;
- (ब) "न्यास और प्रतिधारण खाता" से अभिप्रेत है जिसके पास के माध्यम से खाता, जो न्यासी बैंक के अंदर बनाया गया है, जो भागीदारी वित्तीय संस्थान स्वयं हो सकता है, जिसे भागीदारी वित्तीय संस्थान, उधार करने वाला और हिताधिकारी के बीच करार पर हस्ताक्षर द्वारा बनाया जाता है, जिसके माध्यम से स्कीम के अधीन के विशेष ऊर्जा दक्षता परियोजना की सभी प्राप्तियां हिताधिकारी को भेजी जाएंगी।

**3. ऊर्जा दक्षता के लिए आंशिक प्रत्याभूति निधि की स्थापना -** (1) ब्यूरो की ओर से ऊर्जा सेवा कंपनियों द्वारा प्रस्तावित ऊर्जा दक्षता परियोजनाओं के वित्तपोषण के लिए आंशिक जोखिम प्रत्याभूति प्रदान करने के लिए ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की स्थापना की जाएगी।

- (2) निधि ऊर्जा दक्षता ब्यूरो द्वारा प्रशासित किया जाएगा।
- (3) निधि की सभी गतिविधियों का निष्पादन कार्यान्वयन अभिकरण द्वारा किया जाएगा, जो ब्यूरो द्वारा चुने गए सार्वजनिक वित्तीय संस्थान होंगे, जैसा नियम 9 में विनिर्दिष्ट किया गया है।
- (4) सभी अनुदान और उधार जो केन्द्रीय सरकार द्वारा इन नियमों में कथित प्रयोजनों के लिए दिए जाते हैं और निधि पर ब्याज तथा प्रदान की जाने वाली प्रत्याभूति पर फीस निधि में प्रत्यायित की जाएगी।
- (5) निधि के प्रयोजन के लिए -
- क) ब्यूरो प्रत्याभूति फीस और आवेदन फीस प्रभारित करेगा;
- ख) अप्रतिदेय आवेदन फीस, भागीदारी वित्तीय संस्थान द्वारा आवेदन के समय उपयोजना की गई अधिकतम प्रत्याभूति प्राप्त राशि पर आधारित होगी;
- ग) प्रत्याभूति फीस प्रत्येक परियोजना की प्रत्याभूति रकम का एक बार दी जाने वाली फीस होगी, जो अनुमोदन के बाद और प्रत्याभूति करार पर हस्ताक्षर से पहले देय होगा।

**4. निधि का प्रचालन -** (1) इस निधि से उधार की अधिकतम पचास प्रतिशत राशि पर प्रत्याभूति होगी, भागीदारी वित्तीय संस्थान द्वारा वास्तव में केवल मूलधन का संवितरण किया जाएगा, बशर्ते चूक के मामले में निधि -

- क) कुल प्रत्याभूत रकम के अधिकतम दस प्रतिशत के अधीन प्रथम हानि को व्याप्ति की जाएगी ;
- ख) शेष चूक बकाया मूलधन को व्याप्ति करना जो अधिकतम प्रत्याभूति प्राप्त राशि तक एक ही समय में वास्तव में संवितरित राशि है, किया जाएगा।
- (2) प्रत्येक प्रत्याभूति की सुविधा के लिए कार्यान्वयन अभिकरण प्रत्याभूति के प्रतिशत को अंतिम रूप देगा।
- (3) भागीदारी वित्तीय संस्थान उधारकर्ता को ऋण के संवितरण के पहले ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि से प्रत्याभूति शुल्क के भुगतान के अध्यक्षीन प्रत्याभूति लेगी, जो ऊर्जा सेवा कंपनी है।
- (4) प्रत्याभूति की राशि प्रति परियोजना दस करोड़ रुपए या ऋण राशि के पचास प्रतिशत से अधिक नहीं होगी, इनमें से जो भी कम हो।

- (5) प्रत्याभूति की अधिकतम अवधि ऊर्जा दक्षता ऋण के प्रथम संवितरण की तारीख या ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की प्रचालन अवधि की अंतिम तारीख से पांच वर्ष होगी, इनमें से जो भी पूर्ववर्ती हो।
- (6) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन केवल वैयक्तिक परियोजना प्रत्याभूति आरंभ में दी जाएगी और इसके बाद पर्यवेक्षक समिति के अनुभव के आधार पर विद्युत मंत्रालय द्वारा पोर्टफोलियो प्रत्याभूति नियमों के अनुमोदन के बाद पोर्टफोलियो प्रत्याभूति दिया जाएगा।
- (7) प्रत्येक पात्र परियोजना शर्तों को पूरी करेगी कि, ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन सरकारी भवनों, वाणिज्यिक और बहु मंजिला आवासीय रिहाइश वाले निजी भवनों, नगर पालिकाओं, लघु और मध्यम उद्यम तथा उद्योग को सहायता देगा।
- (8) प्रत्येक पात्र परियोजना निम्नलिखित उद्देश्यों को पूरा करेगी अर्थात् :
- (क) ग्रीन हाउस गैसों के उत्सर्जन में शमन और प्रत्यक्ष ऊर्जा बचत प्राप्त करने का प्रयास करें;
- (ख) ऊर्जा तथा ग्रीन हाउस गैस उत्सर्जन बचत और निगरानी सत्यापित करने के लिए एक व्यावहारिक विधि का प्रस्ताव;
- (ग) एक नई परियोजना जो विद्यमान परियोजनाओं का पुनः निधीयन या किसी पात्र उधारकर्ता के दायित्वों का बकाया नहीं है;
- (घ) व्यवहार्य प्रौद्योगिकी का उपयोग और सक्षम ऊर्जा लेखा परीक्षा या व्यवहार्यता अध्ययन के साथ विकसित किया जाए; और
- (ङ) ब्यूरो में पैनलीकृत ऊर्जा सेवा कंपनी द्वारा निष्पादन संविदा विधि पर परियोजना कार्यान्वित की जाए, जहां एक परिभाषित करार है, जिससे ऊर्जा की बचतों के एक निश्चित स्तर तक भुगतान को जोड़ा जाता है।
- (9) निम्नलिखित परियोजनाओं को ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के लिए पात्रता नहीं है, अर्थात् :
- क) कोई ऐसी स्कीम इस प्रकार की जाती है, जिसकी बाबत निष्पादन जोखिम को डिपॉजिट इंश्योरेंस एण्ड क्रेडिट प्रत्याभूति कॉर्पोरेशन या भारतीय रिजर्व बैंक द्वारा प्रचालित या प्रशासित योजना के अधीन अतिरिक्त रूप से उस सीमा तक जहां उन्हें व्याप्ति किया गया है;
- ख) कोई परियोजना की बाबत में निष्पादन जोखिमों को सरकार या किसी अन्य साधारण बीमाकर्ता या किसी अन्य व्यक्ति या व्यक्तियों के संघ द्वारा अतिरिक्त रूप से व्याप्ति किया जाता है जो इस प्रकार आच्छेदन की गई सीमा तक बीमा, प्रत्याभूति या क्षति पूर्ति के व्यापार जिसकी बाबत करते हैं;
- ग) कोई परियोजना, जो केंद्रीय सरकार या भारतीय रिजर्व बैंक द्वारा जारी किसी कानूनी के उपबंधों या किसी निर्देश या अनुदेश के अनुरूप नहीं है या किसी प्रकार से असंगत है, जो मौजूदा तत्समय प्रवृत्त है;
- घ) ऊर्जा सेवा कंपनी द्वारा कोई परियोजना प्रस्ताव, जिसने ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति के अधीन लागू एक प्रत्याभूति के लिए एक भागीदारी वित्तीय संस्थान को देय राशि के किसी भाग का भुगतान नहीं किया है या उपरोक्त खण्ड (क) या उपखंड (ख) या (ग) के अधीन उल्लिखित कोई स्कीम;
- ङ) किसी प्रकार से राज्य सरकार या केंद्रीय सरकार की हिताधिकारी योजना के अधीन निष्पादन जोखिमों को व्याप्ति करने वाली किसी परियोजना; और
- च) क्रेडिट इन्फॉर्मेशन ब्यूरो (इंडिया) लिमिटेड या भारतीय रिजर्व बैंक द्वारा सूचीबद्ध कोई चूककर्ता।

**5. उधार करने वाले के लिए पात्रता** - (1) किसी भी उधार करने वाले को ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन पात्रता नहीं होगी, जब तक :-

(2) ब्यूरो की पैलनीकृत ऊर्जा सेवा कंपनी, या

(3) भारत के कानूनों के अधीन गठित ऊर्जा सेवा कंपनियों का संयुक्त उद्यम, जहां ब्यूरो की पैलनीकृत ऊर्जा सेवा कंपनी की कम से कम पचास प्रतिशत शेयर पूंजी है :

परंतु भागीदारी वित्तीय संस्थान और इसके सहयोगी, सहायक कंपनियों, संयुक्त उद्यमों, सहयोगियों के पास, अलग से या मिले जुले रूप में, प्रत्यक्ष या अप्रत्यक्ष, उक्त इकाई की कुल जारी की गई तथा बकाया शेयर पूंजी में से दस प्रतिशत से अधिक अपने स्वामित्व में नहीं हैं;

(2) ऋण का आगम ऊर्जा दक्षता परियोजनाओं के लिए आशयित वस्तुओं और सेवाओं में एक पात्र उधार करने वाले के निवेश के निधिकरण के प्रयोजन के लिए उपयोग की जाएंगी।

**6. निधि की अवधि** - (1) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि कार्यक्रम के अधीन निधि संग्रह के समाप्त हो जाने या कार्यक्रम के आरंभ होने की तिथि से कुल अवधि दस वर्ष की अवधि तक प्रचालनरत होंगे, इनमें से जो भी पहले होता है।

(2) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के समापन पर शेष निधि भारत सरकार की राशि में क्रेडिट की जाएगी।

**7. पर्यवेक्षी समिति** - (1) निम्नलिखित सदस्यों की पर्यवेक्षी समिति होगी; अर्थात् :

(i)	महानिदेशक, ब्यूरो	- पदेन अध्यक्ष
(ii)	संयुक्त सचिव (ऊर्जा संरक्षण), विद्युत मंत्रालय या निर्देशित व्यक्ति	- पदेन सदस्य ;
(iii)	संयुक्त सचिव (बैंककारी सेवा विभाग), वित्त मंत्रालय या निर्देशित व्यक्ति	- पदेन सदस्य ;
(iv)	गैर बैंककारी वित्तीय कंपनियों, अधिमान्यतः पावर फाइनेंस कॉर्पोरेशन/ग्रामीण विद्युतीकरण निगम के प्रतिनिधि निदेशक के स्तर पर या निर्देशित व्यक्ति	- पदेन सदस्य ;
(v)	अनुसूचित बैंक के प्रतिनिधि, जैसे भारतीय स्टेट बैंक, पंजाब नेशनल बैंक या बैंक ऑफ इंडिया जहां कार्यपालक निदेशक या निर्देशित व्यक्ति के स्तर पर विशाल ऊर्जा दक्षता पोर्टफोलियो है	- पदेन सदस्य ;

(2) पर्यवेक्षी समिति ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि को मार्गदर्शन प्रदान करने तथा प्रगति की निगरानी के लिए शीर्ष निकाय होगी।

(3) पर्यवेक्षक समिति के कार्य इस प्रकार होंगे -

क) नीति के मामलों पर अनुमोदन देना है और निर्णय लेना, नियमों में उपांतरण और जब और जैसे मामले उत्पन्न होते हैं, भागीदारी वित्तीय संस्थान अनुपालन;

ख) सभी पणधारियों की विभिन्न भूमिकाओं और जिम्मेदारियों को कवर करते हुए ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के लिए प्रचालन मैनुअल के अनुमोदन सहित कार्यान्वयन अभिकरण, भागीदारी वित्तीय संस्थान, उधारकर्ता और लाभार्थी तथा अन्य दस्तावेज जो ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के प्रचालन के लिए आवश्यक हैं एवं प्रत्याभूति का अनुमोदन तथा प्रत्याभूति की दावा प्रक्रिया;

ग) नामिकाबद्ध भागीदारी वित्तीय संस्थानों के ऋण निष्पादन और प्रक्रम अनुपालन की नियमित पुनर्विलोकन करना और किसी भी कारण से ऊर्जा दक्षता नियुक्त आंशिक जोखिम प्रत्याभूति निधि से किसी एक विशेष भागीदारी वित्तीय संस्थान को सूची से हटाने की संभावना पर निर्णय लेना;



- घ) आवश्यक होने पर बैठक की जाएगी, किन्तु कार्यान्वयन अभिकरण द्वारा संचालित किए जा रहे निधि की निगरानी के लिए प्रत्येक तिमाही में कम से कम एक बैठक होगी और निधि निधि को अनुमोदन दिया जाएगा, जिसे ब्यूरो से कार्यान्वयन अभिकरण के पास हस्तांतरित किया जाएगा; और
- ड) ब्यूरो में कार्यक्रम कार्यालय को अपेक्षित मार्गदर्शन प्रदान करना, जिससे ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की कार्यशैली और कार्यान्वयन की प्रभावशीलता में सुधार आ सकता है।
- (4) पर्यवेक्षी समिति का कार्यकाल निधि के साथ साथ समाप्त होगा।
- (5) पर्यवेक्षी समिति की बैठक निधि के सुचारू प्रचालन का सुनिश्चय करने और ब्यूरो के साथ कार्य करने के लिए प्रत्येक तिमाही में कम से कम एक बार की जाएगी।
- (6) जारी करने की तिथि से कम से कम सात दिन की अवधि में एक सूचना पर्यवेक्षी समिति की प्रत्येक बैठक के सदस्यों को साधारण तौर पर दी जाएगी और बैठक की कार्यसूची बैठक से कम से कम तीन दिन पहले सदस्यों के बीच परिचालित की जाएगी।
- (7) सलाहकार समिति की बैठक में कार्य के आदान प्रदान के लिए अनिवार्य कोरम अध्यक्ष के अलावा समिति के सदस्यों की कुल संख्या का एक तिहाई होगा।

**8. ऊर्जा दक्षता ब्यूरो की भूमिका – ब्यूरो द्वारा निम्नलिखित कार्य किए जाएंगे -**

- क) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के लिए केन्द्रक अभिकरण के रूप में कार्य करना;
- ख) ब्यूरो की पैनलीकृत ऊर्जा सेवा कंपनियों की सूची को ब्यूरो की वेबसाइट पर नियमित रूप से अद्यतन करना;
- ग) कार्यान्वयन अभिकरण की नियुक्ति, जो प्रतिस्पर्द्धात्मक बोली के माध्यम से चुना गया एक सार्वजनिक वित्तीय संस्थान होगा;
- घ) कार्यान्वयन अभिकरण के निष्पादन की नियमित निगरानी करना और कार्यान्वयन अभिकरण की ओर से निष्पादन के किसी मामले में ब्यूरो द्वारा कार्यान्वयन अभिकरण के विरुद्ध अनुशासनिक कार्यवाई की जाएगी या कार्यान्वयन अभिकरण पर जुर्माना अधिरोपित किया जाएगा;
- ड) स्वतंत्र मापन और सत्यापन अभिकरण को पैनलीकृत करने के लिए उनके साथ समझौता ज्ञापन पर हस्ताक्षर करना और निम्नतम दरें नियत करना जिस पर कार्यान्वयन अभिकरण द्वारा मापन और सत्यापन अभिकरण को उनकी सेवाओं के लिए भुगतान किया जाएगा तथा इसकी प्रतिपूर्ति ब्यूरो द्वारा कार्यान्वयन अभिकरण को की जाएगी।
- च) भागीदारी वित्तीय संस्थानों को ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन पैनलीकृत करने के लिए उनके साथ समझौता ज्ञापन पर हस्ताक्षर करना;
- छ) कुछ परियोजनाओं के वार्षिक दौरे करना, जिन्हें यादृच्छिक रूप से प्रतिदर्श आधार पर चुना गया हो, जिन्हें ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन व्याप्ति किया जा रहा है और पर्यवेक्षी समिति के पास रिपोर्ट जमा करें।
- ज) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के प्रशासनिक लेखा का प्रबंधन महा निदेशक, ब्यूरो के अनुमोदन से करना और इसे प्रशासनिक उपयोग के लिए उपयोग करना जैसे पैनलीकृत करने की प्रक्रिया के लिए, परामर्श फीस हेतु, कार्यान्वयन अभिकरण फीस हेतु, मीडिया या कार्यशाला या गोष्ठी या सम्मेलन लागत हेतु, मापन और सत्यापन अभिकरण के शुल्क के लिए और ब्यूरो के परियोजना दल के अन्य प्रशासनिक व्यय हेतु;
- झ) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के कुल कॉर्पस की अधिकतम पांच प्रतिशत राशि का उपयोग निधि से संबंधित प्रशासनिक व्यय पूरे करने में किया जा सकता है बशर्ते कि

प्रत्याभूति फीस और आवेदन फीस के साथ कॉर्पस राशि पर ब्याज का उपयोग प्रशासनिक व्यय पूरे करने के लिए किया जाएगा; और

- ज) खण्ड (i) के लिए पैनलीकृत करने की प्रक्रिया, परामर्श फीस, कार्यान्वयन अभिकरण के प्रशासनिक फीस हेतु, मीडिया या कार्यशाला या गोष्ठी या सम्मेलन की लागत हेतु, मापन और सत्यापन अभिकरण फीस के लिए और ब्यूरो के परियोजना दल के अन्य प्रशासनिक व्यय के लिए प्रशासनिक व्यय पूरे करने के लिए प्रशासनिक बैंक खाते का प्रबंधन।

**9. कार्यान्वयन अभिकरण के कार्य** – कार्यान्वयन अभिकरण के निम्नलिखित कार्य हैं, अर्थात्

- क) ब्यूरो को ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन ब्यूरो के साथ पैनलीकृत करने के लिए भागीदारी वित्तीय संस्थानों द्वारा जमा किए गए दस्तावेजों की संवीक्षा तथा मूल्यांकन में सहायता देना और इसकी सिफारिशें ब्यूरो में जमा करना;
- ख) पर्यवेक्षी समिति द्वारा अनुमोदित दिशानिर्देशों के संबंध में भागीदारी संस्थानों के प्रत्याभूति आवेदनों से अवगत कराना और प्रत्याभूति के आवेदन प्राप्त होने पर प्रत्याभूति फीस और अन्य समर्थक दस्तावेजों के साथ भागीदारी वित्तीय संस्थान के साथ प्रत्याभूति करार पर हस्ताक्षर करना;
- ग) प्रतिभागी वित्तीय संस्थाओं द्वारा किए गए मूल्यांकन और पात्र उधारकर्ताओं द्वारा परियोजना के विकास से स्वतंत्र रहें;
- घ) निधि की उपयोगिता पर भागीदारी वित्तीय संस्थानों द्वारा दी गई प्रगति रिपोर्ट और लेखा के विवरणों का आकलन और समीक्षा करना तथा करार से किसी विचलन के मामले में तदनुसार प्रत्येक तिमाही में उन्हें पर्यवेक्षी समिति की जानकारी में लाना;
- ङ) प्रत्येक पर्यवेक्षी समिति की बैठक में पिछली बैठक के बाद से ऊर्जा दक्षता आंशिक जोखिम प्रत्याभूति निधि की प्रगति पर (प्रतिबद्ध या दावा की गई प्रत्याभूति सहित और अन्य अद्यतन) पर्यवेक्षी समिति को अद्यतन जानकारी देना और ऊर्जा दक्षता आंशिक जोखिम प्रत्याभूति निधि की प्रगति तथा स्थिति के विषय में ब्यूरो को तिमाही रिपोर्ट भी जमा करना;
- च) प्रति वर्ष ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन आय और व्यय दर्शाने वाले लेखा में लेखा परीक्षित रिपोर्ट जारी करना;
- छ) भागीदारी वित्तीय संस्थानों से प्रत्याभूति फीस और आवेदन फीस संग्रह करना तथा इसे ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के प्रशासनिक खाते में जमा करना, जिसका प्रबंधन ब्यूरो द्वारा प्रशासनिक उपयोग के लिए किया जाएगा, जैसे पैनलीकृत करने की प्रक्रिया हेतु, परामर्श फीस हेतु, कार्यान्वयन अभिकरण फीस के लिए, मीडिया या कार्यशाला या गोष्ठी या सम्मेलन लागत हेतु, मापन और सत्यापन अभिकरण के फीस के लिए और ब्यूरो के परियोजना दल के अन्य प्रशासनिक व्यय के लिए;
- ज) यह प्रशासनिक व्यय पूरे करने के लिए ब्यूरो को समग्र राशि पर ब्याज भी निक्षेप करेगा;
- झ) भागीदारी वित्तीय संस्थानों द्वारा संवितरित ऊर्जा दक्षता ऋणों के एक नमूने पर मूल्य निरूपण दस्तावेजों पर यादृच्छिक उचित परिश्रम किया जाए और उस विशिष्ट ऊर्जा दक्षता ऋण में यदि विचलन पाए जाते हैं तो जोखिम व्याप्ति रद्द किया जाए;
- ञ) अधिभागी वित्तीय संस्थानों से प्रत्याभूति दावे की प्राप्ति पर ब्यूरो द्वारा नामिकाबद्ध स्वतंत्र मापन और सत्यापन अभिकरण की नियुक्ति करना, जो ब्यूरो द्वारा तय की गई दरों पर आधारित होगी;
- ट) ब्यूरो द्वारा कार्यान्वयन अभिकरण को मापन और सत्यापन अभिकरण की लागत की प्रतिपूर्ति की जाएगी;

- ठ) प्रत्याभूति दावा प्रक्रिया पर कार्रवाई और यदि इसे उचित पाया जाता है और स्वतंत्र मापन एवं सत्यापन अभिकरण द्वारा जमा की गई रिपोर्ट के आधार पर आपसी सहमति होती है तो प्रत्याभूति विस्तार प्रदान करना;
- ड) पैनलीकृत भागीदारी वित्तीय संस्थानों के साथ ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि को सफलतापूर्वक चलाने के लिए सुझावों और उनके अनुभवों से बोर्ड को अवगत कराना;
- ढ) भागीदारी वित्तीय संस्थानों और वास्तविक प्रयोक्ताओं एवं ऊर्जा सेवा कंपनी के साथ उनकी प्रतिभागिता सुनिश्चित करने और भावी परियोजनाओं की तैयारी के लिए बाजार ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि;
- ण) निधि के बारे में संभावित पणधारियों की विपणन सामग्री तैयार करने और शिक्षा के लिए उत्तरदायी होना; और
- त) परियोजनाओं की समीक्षा मूल्य निरूपण और निधिकरण से कार्यान्वयन अभिकरण कर्मचारिवृंद की स्वतंत्रता से संबंधित एक लिखित आश्वासन के साथ संस्थान की संरचना प्रदान की जाएगी जिन्हें ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की प्रत्याभूति सुविधा के लिए रखा गया है। इसके अतिरिक्त कार्यान्वयन अभिकरण (सार्वजनिक वित्तीय संस्थानों) को दी गई कुल प्रत्याभूति कुल निधि मूल्य के दस प्रतिशत तक सीमित होगी।

- 10. प्रत्याभूति का आह्वान -** (1) भागीदारी वित्तीय संस्थानों द्वारा ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन प्रत्याभूति दावे का निर्णय लेने के मामले में यह गैर निष्पादन कारी आस्तियों के रूप में परियोजना की घोषणा की तारीख के एक वर्ष की अवधि के अंदर कार्यान्वयन अभिकरण के पास प्रत्याभूति दावा प्रारूप जमा करेगा।
- (2) भागीदारी वित्तीय संस्थान कथित ऋण सुविधा की चूक के मामले में ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि पर कोई दावा करने की पात्रता नहीं रखता या दावा नहीं करेगा, जो ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा जारी दिशानिर्देशों के विपरीत या इनके उल्लंघन में किए गए कार्य या निर्णय है।
  - (3) भागीदारी वित्तीय संस्थान द्वारा वरीयतः प्राप्त दावे इस प्रकार के होंगे और उक्त समय के अंदर किए जाएंगे जो इस ओर ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा निर्दिष्ट किया जाए।
  - (4) कार्यान्वयन अभिकरण द्वारा एक स्वतंत्र मापन और सत्यापन अभिकरण की नियुक्ति की जाएगी, जिसे ब्यूरो द्वारा मापन और सत्यापन कराने के लिए नामिकाबद्ध किया जाएगा एवं मापन और सत्यापन अभिकरण की सिफारिशों के आधार पर कार्यान्वयन अभिकरण द्वारा संगत दस्तावेजों को जमा किया जाएगा और प्रत्याभूति दावे पर कार्रवाई की जाएगी।
  - (5) भागीदारी वित्तीय संस्थान द्वारा साठ दिनों के अंदर किए गए दावे के अधीन, जिन्हें अन्यथा सही और सभी प्रकार से पूरा पाया गया है, प्रत्याभूति की तुलना में पिछ्तर प्रतिशत राशि का भुगतान ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा किया जाएगा और प्रत्याभूति राशि की बची हुई पच्चीस प्रतिशत राशि का भुगतान भागीदारी वित्तीय संस्थान द्वारा वसूली प्राप्तियों के समापन पर किया जाएगा।
  - (6) भुगतान किए जाने वाले दावे पर ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि से संबंधित उधार करने वाले के संबंध में लागू प्रत्याभूति के खाते पर इसकी सभी देयताओं से प्रभारित माना जाएगा।
  - (7) भागीदारी वित्तीय संस्थान की चूक के मामले में इसके अधिकारों का उपयोग किया जाएगा, यदि कोई हों, और उधार करने वाले से आस्तियों का अधिग्रहण किया जाएगा और राशि की वसूली की जाएगी, यदि कोई हों, इसे उक्त आस्तियों की बिक्री या अन्यथा ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि में उस परियोजना की कुल ऋण राशि पर दी गई प्रत्याभूति के अनुपात में प्रत्याभूति की तुलना में दावे की शेष पच्चीस प्रतिशत राशि के दावे से पहले प्रत्यय किया जाएगा।

- (8) भागीदारी वित्तीय संस्थान ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा जारी दावे की वापसी के लिए दायी होगा जिसमें भारतीय स्टेट बैंक की दर से चार प्रतिशत अधिक दण्डात्मक ब्याज दर होगी, जैसा कि भारतीय रिजर्व बैंक द्वारा निर्दिष्ट किया गया है, यदि उक्त वापसी ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा गंभीर कमियों के मामले में की गई है, जैसे अपर्याप्त मूल्य निरूपण या नवीकरण या अनुवर्तन या परियोजना का आयोजन या कई बार दावे दायर करना या दावों के निपटान के लिए किसी तथ्यात्मक जानकारी को छिपाना या अन्य कोई कमी।
- (9) भागीदारी वित्तीय संस्थान द्वारा उक्त दण्डात्मक ब्याज का भुगतान किया जाएगा, जब ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा इसकी मांग की जाती है और यह ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा किए गए दावे की शुरूआती निर्मुक्ति की तिथि से दावे की वापसी की तारीख तक होगी।
- 11. भुगतान दावे के खाते पर अधिकार और वसूली का प्रत्यासीन** - (1) भागीदारी वित्तीय संस्थान ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि को वसूली के लिए किए गए इसके प्रयासों के विवरण, वसूली और अन्य जानकारी प्रदान करेगा, जिसकी मांग समय-समय पर की जाती है या अपेक्षित होती है।
- (2) भागीदारी वित्तीय संस्थान ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की ओर से और अपनी ओर से उधार करने वाले को दी जाने वाली ऋण सुविधा से सृजित आस्तियों पर ग्रहणाधिकार रखेगा।
- (3) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा किसी प्रतिस्थापना अधिकार का उपयोग नहीं किया जाएगा और देय राशियों की वसूली की जिम्मेदारी सहित परिसंपत्तियों के अधिग्रहण, परिसंपत्तियों की बिक्री आदि का दायित्व भागीदारी वित्तीय संस्थान पर होगा।
- (4) वसूल की गई प्रत्येक राशि और ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि को संदत्त की जाने वाली राशि का भुगतान किसी विलंब के बिना किया जाएगा और ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के कारण यदि कोई राशि उस तारीख से तीस दिन की अवधि तक भुगतान नहीं की जाती है, जब इसे पहली बार वसूल किया गया था तो भागीदारी वित्तीय संस्थान द्वारा भारतीय स्टेट बैंक की आधार दर से चार प्रतिशत अधिक की दर पर ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति को ब्याज का भुगतान उस अवधि के लिए किया जाएगा जिसके लिए भुगतान तीस दिन की कथित अवधि समाप्त होने के बाद बकाया बना हुआ है।
- 12. विवाद समाधान** - (1) कार्यान्वयन अभिकरण द्वारा दिए गए किसी आदेश से व्यथित एक व्यक्ति ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन गठित पर्यवेक्षी समिति से निर्णय कर सकता है।
- (2) अधिनियम के अधीन पर्यवेक्षी समिति द्वारा दिए गए किसी आदेश से व्यथित अधिनियम की धारा 30 के अधीन स्थापित ऊर्जा संरक्षण अपील अधिकरण में अपील कर सकता है।
- (3) अपील अधिकरण में अपील करने वाला व्यक्ति ऊर्जा संरक्षण अपील अधिकरण (प्रक्रिया, प्रारूप, फीस और कार्रवाइयों का अभिलेख) नियम, 2012 के अनुसार इसे फाइल कर सकता है।
- 13. कुछ मामलों में दायित्व की समाप्ति** - ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की देयता इस प्रकार समाप्त की जा सकती है -
- क) यदि एक परियोजना किसी व्यक्ति द्वारा नियमों के अधिन किसी प्रत्याभूति व्याप्ति को प्रदान करने के कारण अपात्र हो जाती है तो संबंधित परियोजना के लिए नियमों के अधीन भागीदारी वित्तीय संस्थानों को दिए जाने वाले प्रत्याभूति व्याप्ति के संदर्भ में ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की देयता समाप्त हो जाएगी;
- ख) यदि भागीदारी वित्तीय संस्थान या उधारकर्ता द्वारा जमा किए गए प्रत्याभूति दावे को जारी पाया जाता है या इसमें गंभीर कमियां हैं, जैसे अपर्याप्त मूल्य निरूपण या नवीकरण या अनुवर्तन या परियोजना का आयोजन या कई बार दावे दायर करना या दावों के निपटान के लिए किसी तथ्यात्मक जानकारी को छिपाना या अन्य कोई कमी।

14. **भारतीय रिजर्व बैंक के दिशानिर्देश** – भागीदारी में वित्तीय संस्थान के कार्य अनुदेशों और दिशानिर्देशों का पुनरीक्षण जो भारतीय रिजर्व बैंक द्वारा समय समय पर जारी किए जाते हैं।
15. **नियमों में संशोधन** — केंद्रीय सरकार द्वारा पर्यवेक्षी समिति की सिफारिश पर पुनरीक्षित किए गए नियम, जब और जैसे अनिवार्य है।
16. **रिटर्न और निरीक्षण** - (1) भागीदारी वित्तीय संस्थान द्वारा ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि में उक्त सभी दस्तावेज, रसीदें, प्रमाणपत्र और अन्य लिखत कार्य प्रस्तुत किए जाएंगे, जिसकी आवश्यकता इसे हो सकती है और उक्त दस्तावेजों, रसीदों, प्रमाणपत्रों और अन्य लिखतों की सामग्री पर पुष्टि समझी जाएगी, बशर्ते कि किसी भी दावे को अस्वीकार नहीं किया जाएगा और भागीदारी वित्तीय संस्थान या उनके अन्य किसी अधिकारी तक सदभावपूर्वक पर की गई कोई भी जिम्मेदारी जोड़ी नहीं जाती है;
- (2) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि को जहां तक नियमों के प्रयोजन के लिए आवश्यक पाया जाता है, इसे लेखा की बहियों और अन्य अभिलेख की प्रति सहित अनुदेशों की कोई पुस्तक या पुस्तिका या परिपत्र का निरीक्षण करने या मांगने का अधिकार है, जिसमें भागीदारी वित्तीय संस्थान और भागीदारी वित्तीय संस्थान के किसी उधारकर्ता की अग्रिम राशियों के बारे में साधारण अनुदेश दिए गए हैं;
- (3) यह निरीक्षण ब्यूरो या कार्यान्वयन अधिकरण या ब्यूरो अथवा कार्यान्वयन अधिकरण द्वारा नियुक्त किसी अन्य व्यक्ति द्वारा निरीक्षण के प्रयोजन से किया जा सकेगा।
- (4) भागीदारी वित्तीय संस्थान के प्रत्येक अधिकारी या कर्मचारी या उधार करने वाला जो यह कार्य करने की स्थिति में हैं, वे ब्यूरो या निरीक्षण के लिए नियुक्त व्यक्ति के लिए उपलब्ध रहेंगे, यथास्थिति, लेखा की बहियां और अन्य अभिलेख तथा जानकारी उनके कब्जे में हैं।
17. **भाग लेने वाले वित्तीय संस्थान पर ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन लागू शर्तें अधिरोपित हों** (1) ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि द्वारा दिए गए किसी प्रत्याभूति व्याप्ति का अभिशासन ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि नियमों के उपबंधों द्वारा किया जाएगा, यदि इन्हें जोखिम व्याप्ति जैसे साक्ष्य वाले दस्तावेजों में लिखा गया है;
- (2) भागीदारी वित्तीय संस्थान द्वारा जहां तक संभव हो यह सुनिश्चित किया जाएगा कि ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन शामिल लेखा से संबंधित किसी संविदा की शर्तें ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के उपाबंधों के विवाद में नहीं होनी चाहिए, किन्तु इसमें किसी अन्य दस्तावेज या संविदा के उपाबंध के बावजूद अंतर्विष्ट किसी उपाबंध के होते हुए भी भागीदारी वित्तीय संस्थान ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के संबंध में ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि नियमों के अधीन अधिरोपित शर्तों द्वारा बाध्य है।
18. **उपांतरण और छूट** - ब्यूरो को विद्युत मंत्रालय के परामर्श से ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि में उपांतरण करने, रद्द या प्रतिस्थापित करने का अधिकार है।
19. **पूरक और साधारण उपाबंध** - ऐसे किसी मामले के विषय में जो विशेष तौर पर इन नियम में प्रदान नहीं किया गया है, ब्यूरो द्वारा विद्युत मंत्रालय के अनुमोदन से उक्त नियमों के लिए उक्त पूरक या अतिरिक्त उपाबंध या मुद्दे बनाए जा सकते हैं या उक्त अनुदेश या स्पष्टीकरण जारी किए जा सकते हैं, जो इन नियमों के प्रयोजन के लिए अनिवार्य है।
20. **लेखा और लेखा परीक्षा** - (1) ब्यूरो द्वारा ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की सभी धनराशि और सभी आय तथा व्यय का सत्य और सही लेखा रखा जाएगा।
- (2) कार्यान्वयन अधिकरण द्वारा ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन जारी और प्रतिबद्ध की गई प्रत्याभूति धनराशि के सत्य और सही लेखा और अन्य व्ययों का अभिलेख रखा जाएगा जैसे मापन और सत्यापन और अन्य व्यय और निधि पर उसमें ब्याज है।

- (3) ब्यूरो द्वारा विद्यमान ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि की पञ्चानवे प्रतिशत राशि कार्यान्वयन अभिकरण निधि में जारी की जाएगी और प्रत्येक तिमाही में कार्यान्वयन अभिकरण से प्रतिबद्धता जारी की गई तिमाही प्रत्याभूति की स्थिति प्राप्त की जाएगी।
- (4) कार्यान्वयन अभिकरण द्वारा ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के लिए एक पृथक खाता खोला जाएगा और इसमें ब्याज और उपयोगिता या प्रतिबद्धता के सभी विवरणों का अभिलेख रखा जाएगा। कार्यान्वयन अभिकरण प्रशासनिक व्यय पूरे करने के लिए ब्यूरो को कॉर्पस राशि पर ब्याज निक्षेप करेगी।
- (5) प्रशासनिक व्यय में कार्यान्वयन अभिकरण का फीस, मीडिया या कर्मशाला व्यय या गोष्ठी या सम्मेलन लागत, मापन और सत्यापन लागत, वित्तीय संस्थानों, मापन और सत्यापन अभिकरण की नामांकन प्रक्रिया के लिए लागत, ब्यूरो के परियोजना दल के व्यय तथा अन्य प्रशासनिक लागत सम्मिलित होंगे।
- (6) कार्यान्वयन अभिकरण एक लेखा परीक्षण रिपोर्ट हर वर्ष जारी करेगी जिसमें ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन पिछले वर्ष में लेखा के पिछले वर्ष के समापन से अधिक से अधिक छह मास के लिए आय और व्यय दर्शाए जाएंगे।
- (7) लेखा वर्ष वित्तीय वर्ष होगा जो 1 अप्रैल से आरंभ होकर प्रति वर्ष 31 मार्च को समाप्त होगा;
- (8) निधि के लेखा का लेखा परीक्षण भारतीय नियंत्रक और महालेखाकार द्वारा किया जाएगा और लेखा के लेखा परीक्षित कथन सहित लेखा परीक्षक की रिपोर्ट अनुमोदन के लिए परिवीक्षा समिति के समक्ष रखी जाएगी।
- 21. कानूनी अपेक्षा के साथ अनुपालन** - भागीदारी वित्तीय संस्थान यह सुनिश्चित करने के लिए प्रक्रियाओं का कार्यान्वयन करेंगे कि पर्यावरण, स्वास्थ्य और सुरक्षा मानकों के अनुसार प्रत्येक अनुमोदित परियोजना में इसका क्रियान्वयन किया जाएगा।
- 22. आय की उपयोगिता** - ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि के अधीन प्राप्त सभी आय इस निधि का भाग होंगी, जिसमें निधि से अर्जित ब्याज, अप्रकंट प्रत्याभूति फीस और भागीदारी वित्तीय संस्थानों से वसूल किया गया आवेदन फीस सम्मिलित होगा;
- (2) निधि संग्रह, प्रत्याभूति फीस और आवेदन फीस पर अर्जित ब्याज का उपयोग ब्यूरो द्वारा ऊर्जा दक्षता के लिए आंशिक जोखिम प्रत्याभूति निधि से संबंधित प्रशासनिक व्यय पूरे करने में किया जाएगा।

[फा. सं. 12/4/2015-ईसी]

राज पाल, आर्थिक सलाहकार

**MINISTRY OF POWER****NOTIFICATION**

New Delhi, the 26th May, 2016

**G.S.R. 549(E).**—In exercise of the powers conferred by clause (v) of sub-section (2) of section 56 read with clauses (l), (m) and (n) of sub-section (2) of section 13 and section 46 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government, in consultation with the Bureau of Energy Efficiency, hereby makes the following rules, namely:—

**1. Short title and commencement.**—(1) These rules may be called the Energy Conservation (Partial Risk Guarantee Fund for Energy Efficiency) Rules, 2016.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**—(1) In these rules, unless the context otherwise requires,—

(a) “**Act**” means the Energy Conservation Act, 2001 (52 of 2001);

(b) “**beneficiary**” means any person who enters into a contract with an energy service company empanelled with the Bureau for execution of an energy efficiency project in the premises in its possession, based on energy savings performance contract;

(c) “**Bureau**” means the Bureau of Energy Efficiency, an organisation setup under the Act;

- (d) **“default”** means an event when the Trust and Retention Account is not able to honour the interest or instalment of the principal of loan amount within the guarantee tenure and the project becomes non-performing asset for the participating financial institution;
- (e) **“eligible borrower”** means the energy service company, empanelled by the Bureau or joint venture of energy service companies to whom credit facility has been provided by the participating financial institution, referred to rule 5;
- (f) **“energy efficiency loan”** means the loan sanctioned by the participating financial institution to the borrower for execution of energy efficiency project based on energy savings performance contract;
- (g) **“energy savings performance contract”** means a contract entered into the beneficiary and the borrower under which payments to the borrower are based on the meeting specified performance guarantees related to the implementation of energy efficiency project under Fund;
- (h) **“energy service company”** means a company or set-up for implementing energy efficiency projects, which is empanelled with the Bureau;
- (i) **“Fund”** means the Partial Risk Guarantee Fund for Energy Efficiency established under rule 3;
- (j) **“guarantee agreement”** means an agreement between the implementing agency and the participating financial institution in respect of energy efficiency loan which shall govern the relationship between the parties and specify, inter alia, eligibility conditions, limits of liability and approval, loan appraisal and post-closing reporting guidelines or procedures and other related matters for a particular energy efficiency loan;
- (k) **“guarantee claim”** is the amount of risk coverage which the participating financial institution opts to claim from the Bureau under Partial Risk Guarantee Fund for Energy Efficiency;
- (l) **“guarantee facility”** means guarantee provided by Partial Risk Guarantee Fund for Energy Efficiency based on certain pre-defined criterion, to any loan extended by the participating financial institution to an eligible borrower;
- (m) **“guarantor”** means the implementing agency selected by the Bureau;
- (n) **“implementing agency”** means a public financial institution, registered under section 4A of the Companies Act 1956 (1 of 1956), selected by the Bureau for executing the activities under the Partial Risk Guarantee Fund for Energy Efficiency, specified in rule 9;
- (o) **“measurement and verification agency”** means an empanelled measurement and verification agency of the Bureau under Partial Risk Guarantee Fund for Energy Efficiency;
- (p) **“memorandum of understanding ”** means a formal agreement between the Bureau and the participating financial institution empanelled with the Bureau;
- (q) **“measurement and verification”** means the mutually agreed procedures, between the borrower and the beneficiary, for measurement and verification of energy savings achieved periodically after the commissioning of the energy efficiency projects;
- (r) **“non-performing assets”** means an asset in the books of participating financial institution, classified as non-performing asset based on the instructions and guidelines issued by the Reserve Bank of India from time-to-time;
- (s) **“participating financial institution”** means a financial institution empanelled with the Bureau, in accordance with the operations manual mentioned in clause (b) of sub-rule(3) of rule 7, for participating in the Fund, such as scheduled commercial bank (other than regional rural bank) or public financial institutions (registered under section 4A of the Companies Act 1956 (1 of 1956)) or non-banking financial companies with the certificate of registration from Reserve Bank of India, registered under the category of non-deposit taking non-banking financial companies, Systemically Important Core Investment Company not raising public deposit or Infrastructure Finance Companies applying for guarantee facility under Partial Risk Guarantee Fund for Energy Efficiency;
- (t) **“Partial Risk Guarantee Fund for Energy Efficiency”** means a risk-sharing mechanism to provide participating financial institutions with a partial coverage of risk involved in extending loans for energy-efficiency projects;

- (u) **“projects”** means a proposal eligible for guarantee of loans for energy service company submitted by participating financial institution to Partial Risk Guarantee Fund for Energy Efficiency, as referred to sub-rule (7) and (8) of rule 4;
- (v) **“Supervisory Committee”** means the committee set up by the Bureau with the representatives from the Bureau, Ministry of Power, Ministry of Finance and other members nominated by the Ministry of Power, as referred to rule 7;
- (w) **“Trust and Retention Account”** means a pass-through account, created within a Trustee Bank, which may be the participating financial institution itself, by signing an agreement between the participating financial institution, the borrower and the beneficiary through which all proceeds in a particular energy efficiency project under the scheme would be routed by the beneficiary.
- 3. Establishment of Partial Risk Guarantee Fund for Energy Efficiency.**—(1) The Bureau shall establish a Partial Risk Guarantee Fund for Energy Efficiency for providing Partial Risk Guarantee to the financing of energy efficiency projects proposed by the energy service companies.
- (2) The Fund shall be administered by the Bureau of Energy Efficiency.
- (3) The activities of the Fund shall be executed by the implementing agency, which shall be a public financial institution selected by the Bureau, as specified in rule 9.
- (4) All the grants and loans that may be made by the Central Government for the purposes stated in these rules and interest on fund money and fees charged for providing guarantees shall be credited to the fund.
- (5) For the purpose of the Fund –
- (a) the Bureau shall charge guarantee fee and application fee;
- (b) application fee shall be of the maximum guaranteed amount applied for by the participating financial institution at the time of application which shall be non-refundable;
- (c) the guarantee fee shall be one-time fee of the amount guaranteed for each project which shall be payable after approval and before signing of guarantee agreement.
- 4. Operation of Fund.**— (1) The Fund shall give a guarantee for a maximum fifty percent of the loan , only principal amount actually disbursed, provided by the participating financial institution and in case of default, the fund shall -
- (a) cover the first loss subject to maximum of ten percent of the total guaranteed amount;
- (b) cover the remaining default outstanding principal amount actually disbursed amount on pari-passu basis upto the maximum guaranteed amount.
- (2) The implementing agency shall finalise the percentage of guarantee for each guarantee facility.
- (3) The participating financial institution shall take guarantee from the Partial Risk Guarantee Fund for Energy Efficiency before disbursement of loan to the borrower that is energy service company subject to payment of guarantee fees.
- (4) The guarantee shall not exceed rupees ten crore per project or fifty percent of loan amount, whichever is less.
- (5) The maximum tenure of the guarantee shall be five years from the date of first disbursement of the energy efficiency loan or the last date of the operational period of Partial Risk Guarantee Fund for Energy Efficiency, whichever is earlier.
- (6) Under the Partial Risk Guarantee Fund for Energy Efficiency, only individual project guarantee shall be given initially and subsequently, based on the experience, the supervisory committee may extend it to portfolio guarantees after approval of portfolio guarantee rules by the Ministry of Power.
- (7) Each eligible project shall fulfil the conditions that the support under Partial Risk Guarantee Fund for Energy Efficiency shall be for the government buildings, private buildings having commercial or multi-storey residential accommodations, municipalities, small and medium enterprises and industry.
- (8) Each eligible project shall meet the following objectives, namely:—
- (a) seek to achieve demonstrable energy savings and mitigation in emissions of greenhouse gases;



- (b) propose a viable method to monitor and verify energy and greenhouse gas emission savings;
- (c) be a new project, not refinancing existing projects or any outstanding obligations of the eligible borrower;
- (d) use viable technology and be developed with competent energy audit or feasibility studies; and
- (e) project shall be implemented by Bureau empanelled energy service company on performance contracting mode, where there is a defined agreement which link payment to certain level of energy savings.

(9) The following projects are not eligible for Partial Risk Guarantee Fund for Energy Efficiency, namely:—

- (a) any project in respect of which performance risks are additionally covered under a scheme operated or administered by deposit insurance and credit guarantee corporation or the Reserve Bank of India, to the extent they are so covered;
- (b) any project in respect of which performance risks are additionally covered by Government or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered;
- (c) any project, which does not conform to or is in any way inconsistent with the provisions of any law or with any directives or instructions issued by the Central Government or the Reserve Bank of India, which may, for the time being, be in force;
- (d) any project proposal by energy service company which has not repaid any portion of the amount due to a participating financial institution for a guarantee invoked under the Partial Risk Guarantee Fund for Energy Efficiency or under scheme mentioned under clause (a) or (b) or (c);
- (e) any project covering performance risks under any kind of State Government or Central Government beneficiary scheme; and
- (f) any defaulter listed by Credit Information Bureau (India) Limited or Reserve Bank of India.

**5. Eligibility for the borrowers.**—(1) No borrower shall be eligible under the Partial Risk Guarantee Fund for Energy Efficiency unless-

- (a) the empanelled energy service company of the Bureau; or
- (b) the joint venture of energy service companies formed under the laws of India where the empanelled energy service company of the Bureau shall have share capital of at least fifty percent:

Provided that the participating financial institution and its affiliates, subsidiaries, joint ventures, associates do not own, separately or in the aggregate, directly or indirectly, more than ten percent of the total issued and outstanding share capital of such entity;

(2) The loan proceeds shall be utilised for the purpose of financing investment of an eligible borrower in goods and services intended for the energy efficiency projects.

**6. Duration of Fund.**— (1) The Partial Risk Guarantee Fund for Energy Efficiency shall be operational till the fund corpus, under the programme, is exhausted or for a total period of ten years from the date of commencement of the programme whichever happens earlier.

(2) On closure of the Partial Risk Guarantee Fund for Energy Efficiency, the balance funds shall be credited to the amount of the Government of India.

**7. Supervisory Committee.**—(1) There shall be a Supervisory Committee with the following members; namely:-

i. Director General , Bureau	- Ex-officio Chairperson;
ii. Joint Secretary (Energy Conservation), Ministry of Power or nominee	- Ex-officio Member;
iii. Joint Secretary (Department of Banking Services), Ministry of Finance or nominee	- Ex-officio Member;
iv. Representative of Non-Banking Financial Companies, preferably organisations like Power Finance Corporation or Rural Electrification Corporation at the level of Director or nominee	- Ex-officio Member;

v. Representative of a public sector bank such as State Bank of India or Punjab National Bank or Bank of India which has large energy efficiency portfolio, at the level of executive director or nominee	- Ex-officio Member;
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(2) The supervisory committee shall be the apex body for providing guidance and monitoring progress in Partial Risk Guarantee Fund for Energy Efficiency.

(3) Functions of Supervisory Committee shall be to—

- (a) approve and take decisions on matters of policy, modification of rules and participating financial institution compliance as and when they arise;
- (b) approve Operations Manual for Partial Risk Guarantee Fund for Energy Efficiency covering detailed role and responsibility of all the stakeholders including implementing agency, participating financial institution, borrower and beneficiary, and other documents required for operationalisation of Partial Risk Guarantee Fund for Energy Efficiency alongwith guarantee approval and guarantee claim procedure;
- (c) regularly review the lending performance and process compliance of the empanelled participating financial institutions and take decision on potential de-empanelment of a particular participating financial institution from Partial Risk Guarantee Fund for Energy Efficiency for any reason whatsoever;
- (d) shall meet as often as required, but at least once in each quarter to monitor the funds being managed by implementing agency and approve the fund money which would be transferred from Bureau to implementing agency; and
- (e) provide requisite guidance to the program office at Bureau, which may improve effectiveness of their functioning and implementation of the Partial Risk Guarantee Fund for Energy Efficiency.

(4) The tenure of the Supervisory Committee shall be co-terminus with the Fund.

(5) The Supervisory Committee shall meet at least once in each quarter to ensure smooth operationalization of the Fund and work with the Bureau.

(6) A notice of not less than seven days, from the date of issue, shall be ordinarily given to the members of each meeting of the Supervisory Committee and the agenda of the meeting shall be circulated to the members, not later than three days before the meeting.

(7) The quorum necessary for transaction of business at a meeting of the Advisory Committee shall be one-third of the total number of Members of the Committee besides the Chairperson.

**8. Role of Bureau of Energy Efficiency.**—The Bureau shall—

- (a) act as the nodal agency for Partial Risk Guarantee Fund for Energy Efficiency;
- (b) regularly update the list of empanelled energy service companies of the Bureau on the website of the Bureau;
- (c) appoint implementing agency which shall be a public financial institution selected through competitive bidding;
- (d) regularly monitor the performance of implementing agency and in case of any non-performance on the part of implementing agency, the Bureau shall take any disciplinary action against implementing agency or impose penalty on implementing agency;
- (e) empanel independent measurement and verification agency by signing memorandum of understanding with the Bureau and fix the lowest rate on which the implementing agency shall be paying to the measurement and verification agency for their services and the same shall be reimbursed to implementing agency by the Bureau;
- (f) empanel the participating financial institutions under the Partial Risk Guarantee Fund for Energy Efficiency by signing memorandum of understanding with the Bureau;

- (g) carry out annual visits to few projects, selected on random sampling basis, being covered under the Partial Risk Guarantee Fund for Energy Efficiency and submit reports to Supervisory Committee;
- (h) manage the Partial Risk Guarantee Fund for Energy Efficiency administrative account with the approval of the Director General, Bureau and utilise it for administrative use like for empanelment process, for consultant fee, for administrative fee of implementing agency, for media or workshop or seminar or conference cost, for measurement and verification agency fee and for other administrative expense of project team of Bureau;
- (i) utilise maximum five percent of the total corpus of the Partial Risk Guarantee Fund for Energy Efficiency to meet administrative expense related with the fund provided that, interest on corpus amount along with guarantee fee and application fee shall also be utilised for meeting administrative expense; and
- (j) manage the administrative bank account for clause (i) to meet administrative expense for empanelment process, for consultant fee, for administrative fee of Implementing Agency, for media or workshop or seminar or conference cost, for measurement and verification agency fee, and for other administrative expense of Project team of Bureau.

**9. Functions of Implementing Agency.**—The following are the functions of the implementing agency, namely:-

- (a) assist the Bureau in scrutinizing and evaluating the documents submitted by participating financial institutions for empanelment with Bureau under Partial Risk Guarantee Fund for Energy Efficiency and submit recommendations to the Bureau;
- (b) to appraise guarantee applications of participating financial institutions with respect to guidelines approved by Supervisory Committee and sign the guarantee agreement with the participating financial institution on receipt of the guarantee application along with the guarantee fee and other supporting documents;
- (c) be independent of the appraisal carried out by the participating financial institution and of the development of the project by the eligible borrower;
- (d) shall assess and review the progress reports and statement of accounts provided by the Participating Financial Institutions on utilisation of the fund and in case of any deviations from the agreement, accordingly bring them to the notice of the Supervisory Committee in each quarter;
- (e) update the Supervisory Committee, in every Supervisory Committee meetings, on the progress of the Partial Risk Guarantee Fund for Energy Efficiency (including guarantees committed or claimed, and other updates) since previous meeting and also submit a quarterly report to Bureau regarding the progress and status of Partial Risk Guarantee Fund for Energy Efficiency;
- (f) shall each year issue an audited report setting out the accounts showing the income and expenditure under Partial Risk Guarantee Fund for Energy Efficiency;
- (g) to collect guarantee fee and application fee from Participating Financial Institutions and deposit it into Partial Risk Guarantee Fund for Energy Efficiency administrative bank account, which shall be managed by the Bureau;
- (h) deposit interest on corpus amount to the Bureau for meeting administrative expense;
- (i) conduct random due diligence on the appraisal documents on a sample of energy efficiency loans disbursed by participating financial institutions and cancel the risk cover for that particular energy efficiency loan, if deviations are found;
- (j) appoint independent measurement and verification agency empanelled by the Bureau on receipt of guarantee claim from participating financial institutions;
- (k) the cost of measurement and verification agency shall be reimbursed to implementing agency by the Bureau;
- (l) process the guarantee claim procedure and, if found appropriate and mutually agreeable based on the report submitted by independent measurement and verification agency, provide the guarantee coverage;

- (m) convene an annual meeting with the empanelled participating financial institutions to soundboard their experiences and suggestions on successful running of Partial Risk Guarantee Fund for Energy Efficiency;
- (n) market Partial Risk Guarantee Fund for Energy Efficiency both with participating financial institutions and the end users and energy service company to ensure their participation and prepare pipeline of projects;
- (o) be responsible for preparation of marketing material and education of potential stakeholders about the Fund; and
- (p) provide a written assurance alongwith the institutional structure relating to the independence of implementing agency staff from the review, appraisal and financing of the projects that are put up for guarantee facility to Partial Risk Guarantee Fund for Energy Efficiency. Further, total guarantees provided to the implementing agency (Public Financial Institution) shall be limited to ten percent of the total fund value.

**10. Invocation of Guarantee.**—(1) In case the participating financial institution decides for a guarantee claim under the Partial Risk Guarantee Fund for Energy Efficiency, it shall submit the guarantee claim Form to implementing agency within a period of one year from the date of declaration of the project as non-performing assets.

- (2) The participating financial institution shall not make or be entitled to make any claim on the Partial Risk Guarantee Fund for Energy Efficiency in respect of the default of the said credit facility owing to actions or decisions taken contrary to or in contravention of the guidelines issued by the Partial Risk Guarantee Fund for Energy Efficiency.
- (3) The claim shall be preferred by the participating financial institution in such manner and within such time as may be specified by the Partial Risk Guarantee Fund for Energy Efficiency in this behalf.
- (4) The implementing agency shall appoint an independent measurement and verification agency, empanelled by Bureau, to do the measurement and verification. Based on the recommendations of measurement and verification agency and submission of relevant documents guarantee claim shall be processed by implementing agency.
- (5) The Partial Risk Guarantee Fund for Energy Efficiency shall pay seventy five percent of the claim against guarantee by the participating financial institution, within sixty days, subject to the claim being otherwise found in order and complete in all respects and the balance twenty five percent of the guaranteed amount shall be paid on conclusion of recovery proceedings by the participating financial institution.
- (6) On a claim being paid, the Partial Risk Guarantee Fund for Energy Efficiency shall be deemed to have been discharged from all its liabilities on account of the guarantee in force in respect of the borrower concerned.
- (7) In the event of default the participating financial institution shall exercise its rights, if any, to take over the assets of the borrowers and the amount realised, if any, from the sale of such assets or otherwise shall be credited in proportion to the guarantee given on the total loan amount for that project to Partial Risk Guarantee Fund for Energy Efficiency before it claims the remaining twenty five percent of the claim against guarantee.
- (8) In the event of serious deficiencies, the participating financial institution shall be liable to refund the claim released by the Partial Risk Guarantee Fund for Energy Efficiency together with penal interest at the rate of four percent above the base rate of State Bank of India. These serious deficiencies shall be such as inadequate appraisal or renewal or follow-up or conduct of the project or multiple lodgement of claim, or suppression of any material information for the settlement of claims or any other deficiency.
- (9) The participating financial institution shall pay such penal interest, when demanded by the Partial Risk Guarantee Fund for Energy Efficiency, from the date of the initial release of the claim by the Partial Risk Guarantee Fund for Energy Efficiency to the date of refund of the claim.

**11. Subrogation of rights and recoveries on account of claim paid.**— (1) The participating financial institution shall furnish to the Partial Risk Guarantee Fund for Energy Efficiency, the details of its efforts for recovery, realisation and such other information as may be demanded or required from time to time.

- (2) The participating financial institution shall hold lien on assets created out of the credit facility extended to the borrower on its own behalf and on behalf of Partial Risk Guarantee Fund for Energy Efficiency.

- (3) The Partial Risk Guarantee Fund for Energy Efficiency shall not exercise any right of subrogation and that the responsibility of the recovery of dues including takeover of assets sale of assets and such other acts shall be with the participating financial institution.
- (4) Every amount recovered and due to be paid to the Partial Risk Guarantee Fund for Energy Efficiency shall be paid without delay and if any amount due to the Partial Risk Guarantee Fund for Energy Efficiency remains unpaid beyond a period of thirty days from the date on which it was first recovered, interest shall be payable to the Partial Risk Guarantee Fund for Energy Efficiency by the participating financial institution at the rate which is four percent above base rate of State Bank of India for the period for which payment remains outstanding after the expiry of the said period of thirty days.
- 12. Dispute Resolution.**— (1) Any person aggrieved by an order made by the Implementing Agency may approach the Supervisory Committee constituted under Partial Risk Guarantee Fund for Energy Efficiency for decision.
- (2) Any person aggrieved, by an order made by Supervisory Committee under the Act, may prefer an appeal to the Appellate Tribunal for Energy Conservation established under section 30 of the Act.
- (3) The person making appeal to the Appellate Tribunal shall file the same in accordance with Appellate Tribunal for Energy Conservation (Procedure, Form, Fee and Record of Proceedings) Rules, 2012.
- 13. Termination of liability in certain cases.**—The liability of Partial Risk Guarantee Fund for Energy Efficiency may be terminated—
- (a) if a project becomes ineligible for being granted any guarantee coverage under these rules, by any reason, the liability of the Partial Risk Guarantee Fund for Energy Efficiency in respect of the guarantee coverage granted to participating financial institution for the respective project under these rules shall lapse;
- (b) if the guarantee claim submitted by the participating financial institution or borrower is found to be fraudulent or if there are serious deficiencies, such as inadequate appraisal or renewal or follow-up or conduct of the project or multiple lodgement of claim or suppression of any material information for the settlement of claims or any of the deficiency.
- 14. Guidelines of Reserve Bank of India.**—The participating financial institution shall follow the instructions and guidelines issued by the Reserve Bank of India from time to time.
- 15. Revision of Rules.**—The Central Government may revise these rules on the recommendations of Supervisory Committee, as and when necessary.
- 16. Returns and Inspection.**—(1)The participating financial institution shall furnish to the Partial Risk Guarantee Fund for Energy Efficiency all such documents, receipts, certificates and other writings as the latter may require and shall be deemed to have affirmed that the contents of such documents, receipt, certificate and other writings are true, provided that no claim shall be rejected and no liability shall attach to the participating financial institution or any officer thereof for anything done in good faith.
- (2) The Partial Risk Guarantee Fund for Energy Efficiency shall, insofar as it may be necessary for the purposes of these rules, have the right to inspect or call for copies of the books of account and other records, including any book of instructions or manual or circulars covering general instructions regarding conduct of advances of the participating financial institution, and of any Borrower from the participating financial institution.
- (3)The Bureau or the Implementing Agency or any other person appointed by the Bureau or the Implementing Agency may carry out inspection.
- (4) Every officer or other employee of the participating financial institution or the Borrower, who is in a position to do so, shall make available to Bureau or the person appointed for the inspection, as the case may be, the books of account and other records and information which are in his possession.
- 17. Conditions imposed under Partial Risk Guarantee Fund for Energy Efficiency be binding on the participating financial institution.**—(1) Any guarantee coverage given by the Partial Risk Guarantee Fund for Energy Efficiency shall be governed by the provisions of the Partial Risk Guarantee Fund for Energy Efficiency rules as if the same had been written in the documents evidencing such risk coverage.
- (2) The participating financial institution shall as far as possible ensure that the conditions of any contract relating to an account covered under the Partial Risk Guarantee Fund for Energy Efficiency rules are not in conflict with the provisions of the Partial Risk Guarantee Fund for Energy Efficiency rules but notwithstanding any provision in any other documents or contract, the participating financial institution shall in relation to the

Partial Risk Guarantee Fund for Energy Efficiency be bound by the conditions imposed under the Partial Risk Guarantee Fund for Energy Efficiency rules.

- 18. Modifications and exemptions.**—the Bureau reserves to itself the right to modify, cancel or replace the Partial Risk Guarantee Fund for Energy Efficiency in consultation with the Ministry of Power.
- 19. Supplementary and General Provisions.**—In respect of any matter not specifically provided for in this rule, the Bureau may make such supplementary or additional provisions or issue such instructions or clarifications as may be necessary for the purpose of these rules with the approval of the Ministry of Power.
- 20. Accounts and Audit.**—(1) The Bureau shall maintain true and correct accounts of all monies and of all the income and expenditure made out of Partial Risk Guarantee Fund for Energy Efficiency.
- (2) The implementing agency shall maintain true and correct accounts of the guarantee money committed and released under the Partial Risk Guarantee Fund for Energy Efficiency and the records of other expenditure like measurement and verification and other expenditure and interest accrued on the fund.
- (3) The Bureau shall release ninety five percent of the existing Partial Risk Guarantee Fund for Energy Efficiency corpus to implementing agency and seek status of guarantees committed or released quarterly from the implementing agency every quarter.
- (4) The implementing agency shall open a separate account for Partial Risk Guarantee Fund for Energy Efficiency fund and shall track all details of interest and utilisation or commitment. Implementing agency shall deposit interest on corpus amount to the Bureau for meeting administrative expense.
- (5) The administrative expense shall include the fees of implementing agency, media or workshop or seminar or conference cost, measurement and verification cost, for empanelment process of financial institutions, measurement and verification agency, expense of project team of the Bureau and other administrative cost.
- (6) The Implementing Agency shall each year issue an audited report setting out the accounts showing the income and expenditure under the Partial Risk Guarantee Fund for Energy Efficiency for the preceding year not later than six months from the end of the preceding year of accounts.
- (7) The year of account shall be the financial year commencing from the 1st April and ending on the 31st March of the subsequent year.
- (8) The accounts of the fund shall be audited every year by the Comptroller and Auditor General of India and the audited statement of accounts together with report of the auditor shall be laid before the Supervisory Committee for approval.
- 21. Compliance with Statutory Requirements.**—The participating financial institution shall implement the procedures to ensure that each approved project complies with the environmental, health and safety standards.
- 22. Utilisation of Income.**—(1) All income received under the Partial Risk Guarantee Fund for Energy Efficiency shall be part of this fund including interest earned on the fund, upfront Guarantee Fee and application fee recovered from the participating financial institutions.
- (2) The Bureau may utilise the interest accumulated on fund corpus, guarantee fee and application fee to meet the administrative expense related with the Partial Risk Guarantee Fund for Energy Efficiency.

[F. No. 12/4/2015-EC]

RAJ PAL, Economic Adviser