



Government of India  
Ministry of Power  
Central Electricity Authority  
Power System Planning & Appraisal-I Division  
Sewa Bhawan, R. K. Puram, New Delhi-110066



[ISO: 9001:2008]

No. 200/6/PSP&PA-2016

1668-682

Dated: 1<sup>st</sup> June, 2016

To

1. Chairman, Tamil Nadu Transmission Corp. Ltd., 6<sup>th</sup> floor, Eastern Wing , 800, Anna Salai, Chennai-600 002.
2. Chairman and Managing Director, RRVPNL, Vidyut Bhawan, Janpath, Jyoti Nagar, Jaipur.
3. Chairman and Managing Director, Transmission Corporation of Andhra Pradesh Limited, Vidyut Soudha, Khairatabad, Hyderabad-500082
4. Managing Director, Gujarat Energy Transmission Corp. Ltd., Sardar Patel Vidyut Bhawan, Race Course, Vadodra -390 007
5. Managing Director, H.P. Power Transmission Corporation Ltd. Barowalias House, Khalini, Shimla-171002.
6. Chairman and Managing Director, HPSEBL, Vidyut Bhawan, , Shimla-171004
7. Managing Director, Karnataka Power Transmission Corporation Ltd., Kaveri Bhawan, Bengaluru – 560 009.
8. Chairman and Managing Director, Maharashtra State Electricity Trans. Co. Ltd., C-19, E-Block, Prakashganga, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
9. Managing Director, MPPTCL, Shakti Bhawan, Rampur, Jabalpur (MP) - 482 008
10. General Manager (Corporate Planning), Saudamini Plot No. 2, Sector 29, Gurgaon-122001
11. Director, KfW, 46 Pashchimi Marg, Block C, Vasant Vihar, New Delhi- 110057

**Subject:** Minutes of meeting to finalize the RfP document for appointment of Monitoring consultant and to review the status of NIT and Awards for the intra-state transmission works under Green Energy Corridor.

Madam/Sir,

The minutes of the meeting held on 18.05.2016 in CEA to finalize the RfP document for appointment of Monitoring consultant and to review the status of NIT and Awards for the intra-state transmission works under Green Energy Corridor is enclosed herewith.

Yours faithfully,

*Chandra*  
(Chandra Prakash) 1/6/2016  
Director

**Copy to:**

1. Joint Secretary (Trans), Ministry of Power, Shram Shakti Bhawan, New Delhi.
2. Joint Secretary (Grid Integration), MNRE, Block-14, CGO Complex, Lodhi Road, New Delhi-110 001
3. Joint Secretary (ABC), Department of Economic Affairs Ministry of Finance, , Room No. 39-B, New Delhi - 110001

*etc*

**Minutes of the meeting taken by Chief Engineer (PSP&PA-I), CEA on 18/05/2016 to finalize the RfP document for appointment of Monitoring consultant and to review the status of NIT and Awards for the intra-state transmission works under Green Energy Corridor.**

List of participants is attached at **Annexure-I**.

Chief Engineer (PSP&PA-I), CEA welcomed the participants of the meeting. He stated that the meeting was to be chaired by Member (Power System), CEA, but due to last moment engagement, he could not make it to attend the meeting. He also stated that the draft RfP for appointment of Monitoring Consultant was forwarded to States and they were requested to furnish their observations, if any, on the same, by 30<sup>th</sup> April, 2016. He requested the States to furnish their considered opinion on the appointment of the monitoring consultant. No representative from Powergrid attended the meeting.

The representative of Andhra Pradesh stated that they have already hired M/s KPMG as consultant for monitoring of entire APTRANSCO transmission projects worth Rs. 1600 crore which includes the intra-state transmission schemes under GEC. Hence, they would not be requiring another Consultant to monitor intra-state GEC works under KfW funding. He also stated that since the cost of hiring monitoring Consultant is to be funded from loan component of KfW and that States would be required to pay 1% of the total project cost which is not limited to the KfW loan amount and is on much higher side. It will be an additional financial burden on the States as the KfW loan would become very costly. He further stated that for monitoring of Rs 1600 Crore, M/s KPMG is charging Rs. 2 Crore per annum for four (4) years.

Director (PSP&PA-I), CEA stated that AP can share with KfW, the format in which KPMG is furnishing the monitoring report or KfW may share its own format for seeking the report from APTRANSCO.

The representative of Maharashtra enquired whether it is mandatory to appoint Monitoring Consultant for availing KfW loan, as they have been implementing projects with financial assistance from ADB without any Monitoring Consultant.

The representative of KfW informed that since in case of Maharashtra the project cost is small (Rs 367 Crore) and during the appraisal mission by KfW for Maharashtra, KfW conveyed that Maharashtra can proceed with local competitive bidding and therefore, they may not require a monitoring consultant. However, MSETCL may seek concurrence in this regard from KfW by specifically writing for awarding the projects through local competitive bidding and no requirement of monitoring consultant. Further, the representative of Maharashtra submitted certain queries seeking replies from CEA. The same are enclosed as **Annexure-II**.

The representative from HPSEBL stated that although HPPTCL has agreed on appointing Implementation Consultant, given a chance HPSEBL will like to review the same, as the cost of hiring implementation consultant is approx. 4% of the project cost and will pose huge financial implications.

Director (PSP&PA-I), CEA stated that since other States like Gujarat and Tamil Nadu are also reluctant in appointing Monitoring Consultant, an alternative can be explored, like KfW can share with States a generalized format in which they desire the review report on the progress of works. He also stated that the matter would be discussed with DEA, MoF, GoI.

Assistant Director (PSP&PA-I), CEA stated that GETCO vide e-mail dated 03.05.2016 intimated that they are not in favour of any Monitoring Consultant. Similarly, MPPTCL vide letter dated 12.05.2016 intimated that since MPPTCL has conveyed expression of interest for appointment of separate Implementation Consultant for the intra state transmission works, therefore there shall not be any requirement of Monitoring Consultant by MPPTCL.

Chief Engineer (PSP&PA-I), CEA subsequently enquired about the status of NITs and Awards of intra-transmission works under KfW funding from the State representatives present. Based on the information furnished, the status is attached at **Annexure – III** and **Annexure – IV**, respectively.

After detailed deliberations, it was decided that KfW would review the requirement of monitoring consultant, as the expenditure is around 1% of the project cost and moreover all the States have already implemented similar transmission projects.

**List of Participants of the meeting taken by Member (PS), CEA on 18/05/2016 to finalize the RfP document for appointment of Monitoring consultant and to review the status of NIT and Awards for the intra-state transmission works under Green Energy Corridor.**

<b>S. No.</b>	<b>Name (Shri/ Ku./Smt.)</b>	<b>Designation</b>
<b>CEA</b>		
(1)	K.K. Arya	Chief Engineer (in-chair)
(2)	Chandra Prakash	Director
(3)	Manjari Chaturvedi	Deputy Director
(4)	Priyam Srivastava	Assistant Director
<b>MSETCL</b>		
(5)	Mangesh P. Hote	Executive Engineer
<b>HPSEBL</b>		
(6)	Ajay Kr. Sharma	Sr. Engineer
<b>APTRANSCO</b>		
(7)	J. Devanand	Chief Engineer
<b>KFW</b>		
(8)	Ramya Parijat	Sec.Sp.

**Questionnaire posed by MSETCL to CEA**

<b>Sl. No.</b>	<b>Questions</b>	<b>Answers</b>
1.	Whether KfW loan is compulsory for NCEF grant?	No, this has been confirmed from DEA/MoF. Further, this issue may be taken up with MNRE. Karnataka has availed NCEF grant without availing KfW loan.
2.	How change in project cost will be accounted for?	In case of increase in scheme cost, the loan amount can be restricted to amount for which loan agreement has been signed. However, in case of decrease in scheme cost, this needs to be worked in consultation with MNRE, KfW and CEA.
3.	Will MSETCL be required to float tender for appointing Monitoring Consultant even for Domestic Competitive Bidding?	No. it is being done by PGCIL on behalf of other States. But the States have to bear the charges for the same. It is in the order of 1% of the project cost and not the loan amount. As per DEA/MoF, this is a bilateral issue between the lender (KfW) and the borrower. DEA has no role in the appointment of PMC.
4.	Can grant amount be utilized before taking loan?	Make tenders like this (NCEF, KfW, Equity)
5.	Can we float NIT for 60% project elements even without receiving KfW approval for 40% project elements?	Yes. States may write to MNRE, CEA, MOP, DEA etc. with a copy to KfW in their regard.
6.	After approval of DPR by CEA, whether approval by MNRE is required?	No. CEA sends the copy of approval to the concerned State, MoP, MNRE, DEA and KfW.
7.	After commissioning of project element, will loan/ grant reconciliation as per actual expenditure incurred (higher/lower than estimated/tendered cost) be done	Yes, The reconciliation would be done as per actuals.

NIT DETAILS (Financial Targets and achievement) - Intra State transmission Schemes												
S.no	NIT Plan	Estimated Cost	March'2016		Cumulative NIT done upto March'16	April' 2016		Cumulative NIT done upto April' 16	May'2016		Cumulative till date	Remarks
			Target	Achievement		Target	Achievement		Target	Achievement		
1	Tamil Nadu (Tr.1)	1593	0	0	1593	0	0	1593	0	0	1593	Target achieved
2	Rajasthan	1018	461	0	557	461	90	647	371	146	793	
3	Andhra Pradesh	1110	315	0	529	315	0	529	271	0	529	NOC awaited for 152 Cr. &
4	Himachal Pradesh	910	174	8	154	50	24	178	84	26	204	Bid documents for 25 Cr. s
5	Gujarat	1963	992	83	548	509	509	1057	674	0	1057	
6	Madhya Pradesh	2026	2026	0	0	419	0	0	419	108	108	Bid docs for P.c I (Rs 166 Cr
7	Karnataka	906	74	0	664	74	0	664	74	0	664	Revised estimate to be rec
8	Maharashtra	367	96	0	0	96	0	0	107	0	0	Bid docs for 107 Cr. with K
9	Tamil Nadu (Tr.3)	900	0	0	0	0	0	0			0	
10	Rajasthan (Tr-3)	2100	0	0	0	0	0	0	2000	280	0	
		12893	4138	91	4045	1924	269	4314	2000	280	4948	

AWARD DETAILS (Financial Targets and achievement)- Intra State transmission Schemes												
Sno	Award Plan	Estimated Cost	March'2016		Cumulative Award done upto March'16	April' 2016		Cumulative Award done upto April' 16	May'2016		Cumulative Award done upto May'16	Remarks
			Target	Achievement		Target	Achievement		Target	Achievement		
1	Tamil Nadu (Tr-1)	1593	311	0	1398	311	0	1398	311	0	1398	Pk II (311 Cr.) Award sp change in scope of wor
2	Rajasthan	1018	0	0	383	0	0	383	0	0	383	After issuing NIT
3	Andhra Pradesh	1110	529	0	0	529	529	529	0	0	529	Works to commence
4	Himachal Pradesh	910	0	0	0	0	0	0	0	0	0	NITs in progress
5	Gujarat	1963	0	0	91	0	0	91	0	0	91	Further Awards after is
6	Madhya Pradesh	2026	0	0	0	0	0	0	0	0	0	NITs yet to be done.
7	Karnataka	906	334	0	0	334	0	0	334	0	0	Price evaluation under
8	Maharashtra	367	0	0	0	0	0	0	0	0	0	NITs yet to be issued
9	Tamil Nadu (Tr-3)	900	0	0	0	0	0	0	0	0	0	
10	Rajasthan (Tr-3)	2100	0	0	0	0	0	0	0	0	0	
	<b>Total</b>	<b>12893</b>	<b>1174</b>	<b>0</b>	<b>1872</b>	<b>1174</b>	<b>529</b>	<b>2401</b>	<b>645</b>	<b>0</b>	<b>2401</b>	