

**O.M.No.1(3)/PF II/05
Department of Expenditure
(PF II Division)**

New Delhi, 22nd August, 2005.

Office Memorandum

Subject: Guidelines for Formulation, Appraisal and Approval of Government Funded Plan Schemes/Projects - Revised for Power and Coal Projects.

Guidelines for formulation, appraisal and approval of Government funded plan schemes/projects are contained in this Department's O.M.No.1(2)-PF II/03 dated 7th May, 2003.

2. With a view to expediting implementation of Power and Coal Projects, the following revisions are made in the procedure for appraisal and approval of Power and Coal Projects.


- (i) A time limit of 24 weeks is stipulated for the investment appraisal and approval process, with a trigger mechanism at each stage to move to the next stage in a time-bound manner. The zero date for investment appraisal and approval will be the date on which draft PIB Memo, complete in all respects (with check list duly filled and signed), is sent to Planning Commission, Department of Expenditure and other concerned departments and agencies of Government of India. The time schedule envisaged for the appraisal and approval cycle is at Annexure I.
- (ii) A special dispensation is established for appraisal of 45 hydro generation projects and 29 transmission projects (List at Annexure II). This dispensation will apply only in respect of listed projects costing less than Rs.500 crore. These projects will be appraised by a Power Projects Investment Committee chaired by Secretary, Ministry of Power with Secretary (Expenditure), Secretary (Planning Commission), Secretary (Ministry of Statistics & Programme Implementation), Secretary (Department of Economic Affairs) and Secretary (Environment & Forests) as members. Financial Adviser of the Ministry of Power shall be the Member Secretary of the Committee. Chairman, Central Electricity Authority/Chairman, Central Water Commission will be Special Invitees. The time frame

for appraisal and approval will be as per Annexure I. All other proposals of the Power Sector would continue to be referred to and appraised by the PIB, as hithertofore.

- (iii) Environment and Forest (E&F) clearance shall be mandatory prior to CCEA approval (with existing special dispensation for Transmission projects). Further, if the cost estimates have escalations after/due to E&F clearance, the proposal would need to be referred back to PIB before the project is considered by CCEA in cases where the overall cost escalation exceeds 10% of the cost estimate approved by PIB, regardless of the reasons for cost escalation.
- (iv) The requirement of pre-PIB clearance is dispensed with for all Power and Coal sector projects.

3. Instructions regarding dispensing with "in principle" approval by Planning Commission for Coal and Power sector projects will be issued separately by Planning Commission.

4. The remaining guidelines contained in this Department's O.M.No.1(2)-PF II/03 dated 7.5.03 will continue unchanged.


(K.M. Gupta)
Director (PF II)

To

- (1) Secretaries of M/o Power, Deptt. of Coal, M/o Environment & Forests, Planning Commission, Deptt. of Expenditure, Deptt. of Economic Affairs, Ministry of Statistics & Programme Implementation.
- (2) FAs of M/o Power, Deptt. of Coal, M/o Environment & Forests, Planning Commission, Ministry of Finance, Ministry of Statistics & Programme Implementation.
- (3) Adviser, PAMD, Planning Commission (3 copies).

Copy to: PS to Secy (E)/AS (E)/JS (PF II)/Dir (C)/Dir (P)/Dir (K)/Dir (L)/Dir (G).

Annexure I

Time Schedule for appraisal and approval cycle for Power and Coal Project

(i)	Circulation of draft PIB Memo alongwith DPR, complete in all respects as per prescribed check list	Zero date
(ii)	Comments to be offered on draft PIB memo by Planning Commission and concerned Ministries/agencies	Five weeks
(iii)	Circulation of final PIB Memo by the Administrative Ministry, after incorporating response to comments issued by various appraising agencies	Two weeks
(iv)	Convening of PIB meeting after receipt of final PIB memo	Four weeks
(v)	Issue of PIB minutes after the PIB meeting	Two weeks
(vi)	Circulation of draft CCEA Note	Four weeks
(vii)	Issue of comments by different Ministries/Departments on draft-CCEA Note with approval of the concerned Minister	Two weeks
(viii)	Forwarding the proposal finalised by Administrative Ministry to Cabinet Secretariat for consideration by Cabinet/CCEA	Three weeks
(ix)	Meeting of Cabinet/CCEA and issue of minutes of Cabinet/CCEA	Two weeks
	Total	24 Weeks

50,000 MW H.E. Initiative
Selected low tariff schemes
List of projects below 300 MW

Sl. No.	Scheme	State	IC (MW)	Allotted To
1	Kapak leyak	Ar.Pradesh	160	NEEPCO
2	Badao	Ar.Pradesh	120	NEEPCO
3	Dibbin	Ar.Pradesh	100	NEEPCO
		Sub Total	380	
4	Panan	Sikkim	200	IPP
5	Dikchu	Sikkim	105	IPP
6	Lachen	Sikkim	210	NHPC
		Sub Total	515	
7	Khoksar	H.P.	90	HPSEB
8	Gharopa	H.P.	114	HPSEB
9	Gondhala	H.P.	144	HPSEB
10	Chamba	H.P.	126	HPSEB
11	Bajoli Holi	H.P.	180	HPSEB
12	Yangthang	H.P.	261	HPSEB
13	Tidong-II	H.P.	70	IPP
		Sub Total	985	
14	Sela Urthing	Uttaranchal	230	UJVNL
15	Bogudiyar-Sirkari Bhyal	Uttaranchal	170	IPP
16	Karmoli	Uttaranchal	140	THDC
17	Bhaironghati	Uttaranchal	65	UJVNL
18	Nand Prayag	Uttaranchal	141	UJVNL
19	Tamak lata	Uttaranchal	280	UJVNL
20	Harsil	Uttaranchal	210	UJVNL
21	Sirkari Bhyol Rupsiabagar	Uttaranchal	210	UJVNL
22	Gangotri	Uttaranchal	55	UJVNL
23	Badrinath	Uttaranchal	140	IPP
24	Mapang - Bogidiyar	Uttaranchal	200	IPP
25	Arakot Tiuni	Uttaranchal	72	UJVNL
26	Rupsiabagar Khasiyabara	Uttaranchal	260	NTPC
27	Taluka Sankri	Uttaranchal	140	UJVNL
28	Jelam Tamak	Uttaranchal	60	THDC
29	Maleri Jelam	Uttaranchal	55	THDC
30	Chhunger - Chal	Uttaranchal	240	NHPC

Sl. No.	Scheme	State	IC (MW)	Allotted To
31	Jakhol Sankri	Uttaranchal	33	SJVNL
32	Naitwar-Mori	Uttaranchal	33	SJVNL
33	Jadh Ganga	Uttaranchal	50	THDC
34	Gohana Tal	Uttaranchal	60	THDC
		Sub Total	2844	
35	Maphu	Meghalaya	120	NEEPCO
36	Nongkolait	Meghalaya	120	MeSEB
37	Nongnaw	Meghalaya	50	MeSEB
38	Rangmaw	Meghalaya	65	MeSEB
39	Umduna	Meghalaya	57	CWC
40	Selim	Meghalaya	170	CWC
		Sub Total	582	
41	Bichlari	J&K	35	WAPCOS
		Sub Total	35	
		Total	5341	

Additional Projects				
1	Tidong-I	H.P.	60	IPP
2	Deodi	Uttaranchal	60	IPP
3	Kalika Dantu	Uttaranchal	230	IPP
4	Karmoli Lumti Talli	Uttaranchal	55	NHPC
		Sub Total	405	
		Grand Total	5746	

Initially 41 low tariff hydro electric projects having first year indicative tariff of Rs. 2.50 / unit were identified. However, 4 more projects in Uttaranchal and Himachal Pradesh having first year indicative tariff between Rs. 2.50 to Rs. 3.00 / unit have also been included in the list for detailed survey and investigations and preparation of DPR. Thus, the list of selected low tariff schemes below 300 MW has increased to 45 with a total installed capacity of 5746 MW.

Note: Only Preliminary Feasibility Reports of these projects have been prepared and it is proposed to prepare detailed project reports of these projects. After detailed geological and hydrological survey, the location and installed capacity of some of the projects may change and some of the projects may even have to be dropped. Such dropped projects will be replaced by other schemes.

TRANSMISSION PROJECTS IN THE PIPELINE

No	Project	Estimated Cost (Rs in Crs)
1	Parbati-II Tr. System	374.18
2	Koldam Tr. System	478.37
3	East-West Tr. Corridor Strengthening Scheme	690.05
4	North-West Tr. Corridor Strengthening Scheme	476.27
5	Western Region System Strengthening scheme-I	4987.89
6	Barh Transmission System	3779.46
7	Gandhar-II Tr. System	539.44
8	Kawas-II Tr. System	776.24
9	Parbati-III Tr. System	515
10	Northern Region System Strengthening scheme-V and RAPP-5&6 Suppl.	976.59
11	Tehri PSP-II Tr. System	900
12	RAPP - 7&8 Tr. System	450

No	Project	State	Estimated Cost (Rs in Crs)
13	Chamera-III Tr. System	Uttaranchal	400
14	Maithon Right Bank Tr. System	Meghalaya	1700
15	Eastern Region System Strengthening scheme-I	Meghalaya	500
16	Eastern Region System Strengthening scheme-II	Meghalaya	1200
17	Eastern Region System Strengthening scheme-II ₁	Meghalaya	800
18	North Karanpura Trans. System	Jharkhand	2500
19	Nabinagar Tr. System	West Bengal	1600
20	Lower Subansari Strengthening Tr. System	Assam	6300
21	Kameng Transmission System	Assam	1200
22	Tipaimukh Tr. System	Assam	1300
23	Lohari Nagpal Tr. System	Assam	400
24	Tapovan Vishnugadh Tr. system	Uttaranchal	400
25	Kayamkulam-II Tr. system	Kerala	500
26	Tuticorin Tr. System	Kerala	400
27	Tr. System for ILFS Gas project in Tripura- (system beyond Bongaigaon)	Tripura	1000
28	Palamaneri Tr. System	Tamil Nadu	400
29	Srinagar Tr. system	Jammu & Kashmir	325