

SOLAR ENERGY CORPORATION OF INDIA LIMITED																																													
Ref. No. SECI/C&P/IPP/15/0015/25-26/Clarifications-01			New Delhi		Date: 16/01/2026																																								
Clarifications to the queries on the RfS for setting up of Projects of 125 MW/ 500 MWh Standalone Battery Energy Storage Systems in Odisha under Tariff-Based Competitive Bidding with Viability Gap Funding supported through PSDF (RIS No. SECI/C&P/IPP/15/0015/25-26 dated 18.12.2025)																																													
S. No.	Documents	Clause No.	Existing Clause	Proposed Modifications	Rationale/Remarks	SECI's response																																							
1	RfS	4.4	<p>Project Configuration: The Projects shall be set up inside the identified Substations, as per the distribution matrix as follows:</p> <table><tr><th>S. No.</th><th>Cluster Number</th><th>Project ID</th><th>Name of the Grid Sub-Station/Project</th><th>Connectivity</th><th>BESS Capacity</th></tr><tr><td>1</td><td rowspan="2">Cluster-1</td><td>Project-1</td><td>132/33 kV GSS Padampur</td><td>Space available for 2 nos. of 33 kV Bays</td><td>20 MW/60 MWh</td></tr><tr><td>2</td><td>Project-2</td><td>220/132/33 kV GSS New Balingara</td><td>Space available for 2 nos. of 33 kV Bays</td><td>20 MW/60 MWh</td></tr><tr><td>3</td><td rowspan="2">Cluster-2</td><td>Project-3</td><td>132/33 kV GSS Bhanu</td><td>Space available for 2 nos. of 33 kV Bays</td><td>20 MW/60 MWh</td></tr><tr><td>4</td><td>Project-4</td><td>132/33 kV GSS Banta</td><td>Space available for 2 nos. of 33 kV Bays</td><td>20 MW/60 MWh</td></tr><tr><td>5</td><td rowspan="2">Cluster-3</td><td>Project-5</td><td>220/132/33 kV GSS Narandapur</td><td>Space available for 2 nos. of 33 kV Bays</td><td>25 MW/100 MWh</td></tr><tr><td>6</td><td>Project-6</td><td>132/33 kV GSS Tenua Khunt</td><td>Space available for 2 nos. of 33 kV Bays</td><td>20 MW/60 MWh</td></tr></table>	S. No.	Cluster Number	Project ID	Name of the Grid Sub-Station/Project	Connectivity	BESS Capacity	1	Cluster-1	Project-1	132/33 kV GSS Padampur	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh	2	Project-2	220/132/33 kV GSS New Balingara	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh	3	Cluster-2	Project-3	132/33 kV GSS Bhanu	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh	4	Project-4	132/33 kV GSS Banta	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh	5	Cluster-3	Project-5	220/132/33 kV GSS Narandapur	Space available for 2 nos. of 33 kV Bays	25 MW/100 MWh	6	Project-6	132/33 kV GSS Tenua Khunt	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh	<p>As per Tender document, it is Mentioned that two Bays are Available at the identified Locations. However the required Power delivery at a single location is 20MW and 25MW, Which can technically be evacuated through a single Bay. In this regard, Kindly Clarify whether:</p> <p>1.Utilization of both available bays is Mandatory. 2.Single Bay can be utilized provided the complete 20MW or 25MW Power is delivered in compliance with the technical and grid requirements specified in the tender</p>		<p>The Project shall include construction of two (2) nos. of 33 kV Bays. The provision for construction of 2 nos of Bays has been mandated for each Project, keeping in view of the n-1 contingency. The Operational engagement of both the bays shall be as per real time necessity.</p>
S. No.	Cluster Number	Project ID	Name of the Grid Sub-Station/Project	Connectivity	BESS Capacity																																								
1	Cluster-1	Project-1	132/33 kV GSS Padampur	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh																																								
2		Project-2	220/132/33 kV GSS New Balingara	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh																																								
3	Cluster-2	Project-3	132/33 kV GSS Bhanu	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh																																								
4		Project-4	132/33 kV GSS Banta	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh																																								
5	Cluster-3	Project-5	220/132/33 kV GSS Narandapur	Space available for 2 nos. of 33 kV Bays	25 MW/100 MWh																																								
6		Project-6	132/33 kV GSS Tenua Khunt	Space available for 2 nos. of 33 kV Bays	20 MW/60 MWh																																								
2	RfS	18	EMD General Query	Please Clarify whether the EMD is required to be submitted separately for each project/Location, or Whether EMD can be clubbed for Multiple Projects/capacities bid by the same bidder under this Tender.		EMD may be submitted either separately for each Project/Location or as a consolidated (clubbed) EMD for multiple Projects/capacities bid by the same bidder under this Tender.																																							
3	RfS	6.2	<p>“.....If the land area provided proves to be inadequate for the Project, the BESSD shall be responsible for acquiring additional land required, until commissioning of the first part capacity of the Project. For avoidance of doubt, it is clarified that there is no merchant capacity allowed to be set up with Projects to be set up under this RfS.”</p>		<p>i.Kindly clarify the meaning and scope of the term “first part capacity of the Project” as used in the tender document. ii.The timelines stipulated in the tender document are highly stringent. It is submitted that in the event the land available within the selected grid substation is inadequate for commissioning the contracted BESS capacity, the project timelines may be adversely affected, as acquisition of additional land is a time-consuming process. Further, any delay in land acquisition may result in non-achievement of commissioning milestones, thereby jeopardizing the availability of VGF benefits to the GRIDCO/ BESSD. In this regard, it is requested to clarify whether, in case of inadequacy of land within the grid substation: •GRIDCO shall be responsible for facilitating acquisition of additional land; or •The contracted commissioning capacity shall be allowed to be proportionately reduced without any adverse consequences to the BESSD.</p>	<p>The Clause has been suitably amended. Kindly refer amendments. As mentioned in the RfS, bidders are required to visit the concerned Grid Substations for assessment of feasibility of the proposed BESS capacity in the available land area in the respective GSS.</p>																																							
4	RfS	12.5	<p>“GRIDCO shall disburse the tranche wise VGF to BESSD only after receipt of the same from the Govt. of India and Submission of BG by BESSD as per Clause 12.6.”</p>		<p>i.It is submitted that development of a BESS project entails significant upfront capital expenditure. Any delay in receipt of eligible VGF amounts would adversely impact the project cash flows and financial viability. Further, as GRIDCO shall be coordinating with CEA and/or other central agencies for disbursement of VGF, it is suggested that GRIDCO may consider to disburse the applicable VGF amounts directly to the BESSD upon achievement of prescribed milestones, in accordance with the VGF disbursement schedule pending receipt of the VGF amount from the central authorities. Subsequently, GRIDCO may seek reimbursement of the aforesaid VGF amount from the concerned central agencies. ii.The VGF amount specified in the tender document is a critical input for determination of the financial bid. Any downward revision of the VGF at a later stage would materially impact the financial assumptions of the BESSD. In view of the above, and to encourage wider participation, it is requested that GRIDCO shall guarantee the VGF amount of Rs. 18,00,000/- per MWh to the BESSD, irrespective of any subsequent downward revision by the central authorities.</p>	<p>The disbursement of VGF shall be strictly in accordance to the "Guidelines for Viability Gap Funding (VGF) scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF)" dated 09.06.2025, including subsequent amendments and clarifications thereof.</p>																																							
5	RfS	12.6	<p>BESS Developer is required to submit a Bank Guarantee (BG) or Insurance Surety Bond (ISB) to GRIDCO of value equal to the VGF to be disbursed, prior to its release to BESSD by GRIDCO (i.e. BG/ISB shall be submitted in three parts as per the disbursement of VGF amount). This BG shall be liable for encashment to recover the VGF amount in the event of non-fulfilment of scheme conditions specified in the RfS and BESPA documents. The BG/ISB for the VGF sanctioned up to COD will be released 01 year subsequent to the Commercial Operational Date (COD), after taking into account recovery of VGF, if any.</p>		<p>i.Kindly clarify whether three or two separate Bank Guarantees are required to be submitted by the BESSD corresponding to the stages of VGF disbursement, as per the VGF disbursement schedule outlined in the tender document.</p>	<p>Clause has been suitably modified. Kindly refer amendments.</p>																																							

			Further, no BG/ISB is required against the disbursement of the last tranche of VGF post completion of one year of operation, after taking into account recovery of VGF, if any. It is clarified that; this BG is in addition to the Performance Bank Guarantee (PBG) provided by the BESSD as per Clause 19 of this RfS.			
6	RfS	17	<p>The BESSDs are required to obtain all necessary clearances and permits as required for setting up the Projects, including but not limited to the following:</p> <p>a. No Objection (NOC)/Environmental clearance (if applicable) for the Project.</p> <p>b. Forest Clearance (if applicable) for the land for the Project.</p> <p>c. Approval for water from the concerned authority (if applicable) required for the Project.</p> <p>d. Any other clearances as may be legally required, in order to establish and operate the Project.</p> <p>The above clearances, as applicable for the Project, will be required to be submitted to GRIDCO prior to commissioning of the Project, if sought by GRIDCO. In case of any of the clearances as indicated above being not applicable for the said Project, the BESSD shall submit an undertaking in this regard, and it shall be deemed that the BESSD has obtained/applied for all the necessary clearances for establishing and operating the Project.</p>		i. As the BESS project is required to be developed within the switchyard premises of OPTCL, it is presumed that all requisite statutory clearances, including Environmental Clearance, Forest Clearance and other related approvals, are available with OPTCL. The same may be shared with the BESSD.	The bidders are requested to visit the Grid Substations prior to bid submission to acquaint themselves with the site conditions.
7	RfS	17	The BESSD shall be required to follow the applicable rules regarding project registration with the State Nodal Agency in line with the provisions of the applicable policies/regulations of the State where the Projects are being located. It shall be the responsibility of the BESSD to remain updated about the applicable charges payable to the SNA under the applicable State policies.		i. Kindly provide the details of the State Nodal Agency referred to in the relevant clause of the tender document. Further, it is requested to clarify the presently applicable charges payable to the State Nodal Agency and the specific head(s) under which such charges are to be deposited.	GRIDCO is designated as Renewable Energy Nodal Agency for implementation of the Odisha Renewable Energy Policy 2022. The present facilitation charges are payable by developers is Rs.1,00,000 excluding GST. The developer will be entitled for the applicable incentives as per the OREP 2022. The account details for depositing the facilitation fee through "Green invest Odisha" portal will be communicated at the time of issue of LoA.
8	RfS	8.1(iii)	<p>The BESSD shall take separate, metered connection for the Auxiliary Power load of BESS.</p> <p>OR</p> <p>The BESSD can draw auxiliary power from Interconnection Point.</p> <p>In both the cases, separate meter would be arranged by the BESSD to measure Auxiliary consumption as per the OERC regulation and that would be billed by DISCOM.</p>		i. It may kindly be clarified that the cost of auxiliary power shall only be applicable during the hours other than the charging and discharging hours. Further, it is suggested that the cost of the auxiliary power may be borne by GRIDCO as being done in case of other power generating stations. The reason being that the BESSD shall ultimately build-in the cost of auxiliary power in its financial bid. Therefore, to discover attractive rates it is submitted that a mechanism may be put in place so that the cost of auxiliary power is borne by GRIDCO.	The Auxiliary supply shall be taken through a separate metering arrangement from the concerned DISCOMs. All cost towards the said connection and consumption shall be borne by the BESSD.
9					Please clarify the number of cycles considered for charging and discharging, i.e., whether it is 1 cycle or 2 cycles.	The BESSD shall make the BESS available for minimum 1 operational cycle per day, i.e. 1 complete charge-discharge cycle per day, and maximum 2 operational cycles per day, subject to 420 Operational Cycles in a contract Year. GRIDCO/SLDC, at its discretion, may utilise the BESS for 2 Operational cycles per day subject to the maximum of 420 Operational Cycles in a Contract Year
10					Please clarify: the Land Rent sheet shows rent on a per annum basis, whereas the RFP mentioned Rs. 1 per MW.	Land area to be provided on Right-to-Use basis, at a rent of INR 1 per project for entire tenure of the project. However, the BESSD shall pay the Land rent, cess and other applicable charges (statutory charges) towards the allotted land, the present rent, cess, other charges have already been annexed to the Tender Documents.
11					Please specify the number of days for which testing is to be done for this tender along with per unit rate of power to be used for the testing.	Kindly refer to the corrigendum in this regard.
12					Please specify What will be the cost of auxiliary power per unit?	Refer to the RST order for the respective DISCOMs, the current year RST order is available on OERC website for reference.
13					Please provide us What will be the rate per/KVARH for calculating reactive power charges.	During normal operation of the BESS, unity power factor operation is desirable. However, BESS shall have the provision to operate within a power factor range of 0.95 lagging to 0.95 leading, as per the instructions of the SLDC during exceptional circumstances in the interest of system security and reliability.
14	RfS	8.1 , c	The BESSD shall make the BESS available for minimum 1 operational cycle per day, i.e. 1 complete charge-discharge cycle per day, and maximum 2 operational cycles per day, subject to 420 Operational Cycles in a contract Year. GRIDCO/SLDC, at its discretion, may utilise the BESS for 2 Operational cycles per day subject to the maximum of 420 Operational Cycles in a Contract Year	Define BESS minimum life, cycle requirement, end-of-life capacity and augmentation rules.		The BESS shall be made available for 420 operational cycles in a contract year.

15	RfS	8.1 , c, iii	The BESSD shall take separate, metered connection for the Auxiliary Power load of BESS.	Clarify auxiliary supply voltage, tariff category, and surcharge applicability which would be charged to BESSD?		HT category consumer in the RST order for the respective DISCOMs, the current year RST order is available on OERC website for reference
16	RfS	8.1 , c, ix	It shall be the responsibility of the BESSD to make periodic replacements/replenishments of system capacities (to ensure annual guaranteed system ratings), if and when required, up to the Term of the Contract. Outage time as a result of replacement will also be counted as an "Accountable BESS Outage" for the purpose of computing BESS Availability.	Will partial augmentation of cells/modules be allowed during the overall BESPA		The BESSD shall arrange for any augmentation of the Battery capacity to meet the capacity criteria mentioned at the time of SCD (i.e. dispatchable capacity as on SCD shall be 100% of the Contracted Capacity) and to maintain the capacity at the end of every year as indicated in Clause 8.1.c. iv. of the RfS.
17	RfS	14	Cost of RfS Document & Bid Processing Fees: Amount: INR 20,000/MW + applicable GST corresponding to the quoted capacity, subject to a maximum amount of INR 15,00,000 + applicable GST for the response to RfS.	Since GST is applicable, we will require a GST-compliant invoice to meet statutory requirements and to enable GST input tax credit (ITC) claims. Kindly suggest how we will get the same?		Invoices for Cost of RfS document and Bid Processing Fee will be shared subsequent to bid opening.
18			General Query	Please provide credit rating certificate of GRIDCO		Credit Rating of GRIDCO attached for reference
19			General Query	Specify SCADA/SLDC real-time refresh interval in seconds and required protocols.		Specifications as per IEC 104 Protocol. SCADA/SLDC real-time refresh interval rate is minimum 2 second.
20			General Query	Request usable land map, topo survey, contour, soil report; identify non-developable areas.		The sketch map of the identified spare land inside the area has already been provided. The Bidders are requested to visit the Grid Substations prior to bid submission deadline and ascertain feasibility of the BESS Project. Further, the topo survey, contour, soil investigation, etc., wherever required, shall be conducted by the BESSD at their own cost.
21	RfS	6.2	".....If the land area provided proves to be inadequate for the Project, the BESSD shall be responsible for acquiring additional land required, until commissioning of the first part capacity of the Project. For avoidance of doubt, it is clarified that there is no merchant capacity allowed to be set up with Projects to be set up under this RfS."		i. Kindly clarify the meaning and scope of the term "first part capacity of the Project" as used in the tender document. ii. The timelines stipulated in the tender document are highly stringent. It is submitted that in the event the land available within the selected grid substation is inadequate for commissioning the contracted BESS capacity, the project timelines may be adversely affected, as acquisition of additional land is a time-consuming process. Further, any delay in land acquisition may result in non-achievement of commissioning milestones, thereby jeopardizing the availability of VGF benefits to the GRIDCO/ BESSD. In this regard, it is requested to clarify whether, in case of inadequacy of land within the grid substation: • GRIDCO shall be responsible for facilitating acquisition of additional land; or • The contracted commissioning capacity shall be allowed to be proportionately reduced without any adverse consequences to the BESSD.	Clause has been suitably modified. Kindly refer amendments. The bidders are requested to visit the Grid Substations prior to bid submission for assessment of feasibility of the proposed BESS capacity in the available land area in the respective GSS.
22	RfS	12.5	"GRIDCO shall disburse the tranche wise VGF to BESSD only after receipt of the same from the Govt. of India and Submission of BG by BESSD as per Clause 12.6."		i. It is submitted that development of a BESS project entails significant upfront capital expenditure. Any delay in receipt of eligible VGF amounts would adversely impact the project cash flows and financial viability. Further, as GRIDCO shall be coordinating with CEA and/or other central agencies for disbursement of VGF, it is suggested that GRIDCO may consider to disburse the applicable VGF amounts directly to the BESSD upon achievement of prescribed milestones, in accordance with the VGF disbursement schedule pending receipt of the VGF amount from the central authorities. Subsequently, GRIDCO may seek reimbursement of the aforesaid VGF amount from the concerned central agencies. ii. The VGF amount specified in the tender document is a critical input for determination of the financial bid. Any downward revision of the VGF at a later stage would materially impact the financial assumptions of the BESSD. In view of the above, and to encourage wider participation, it is requested that GRIDCO shall guarantee the VGF amount of Rs. 18,00,000/- per MWh to the BESSD, irrespective of any subsequent downward revision by the central authorities.	The disbursement of VGF is strictly in accordance to the "Guidelines for Viability Gap Funding (VGF) scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF)" dated 09.06.2025, including subsequent amendments and clarifications thereof.
23	RfS	12.6	BESS Developer is required to submit a Bank Guarantee (BG) or Insurance Surety Bond (ISB) to GRIDCO of value equal to the VGF to be disbursed, prior to its release to BESSD by GRIDCO (i.e. BG/ISB shall be submitted in three parts as per the disbursement of VGF amount). This BG shall be liable for encashment to recover the VGF amount in the event of non-fulfilment of scheme conditions specified in the RfS and BESPA documents. The BG/ISB for the VGF sanctioned up to COD will be released 01 year subsequent to the Commercial Operational Date (COD), after taking into account recovery of VGF, if any. Further, no BG/ISB is required against the disbursement of the last tranche of VGF post completion of one year of operation, after taking into account recovery of VGF, if any. It is clarified that; this BG is in addition to the Performance Bank Guarantee (PBG) provided by the BESSD as per Clause 19 of this RfS.		i. Kindly clarify whether three or two separate Bank Guarantees are required to be submitted by the BESSD corresponding to the stages of VGF disbursement, as per the VGF disbursement schedule outlined in the tender document.	Two separate Bank Guarantees are required to be submitted by the BESSD corresponding to the stages of VGF disbursement, as per the VGF disbursement schedule outlined in the tender document. Clause has been suitably modified. Kindly refer amendments.

24	RfS	17	<p>The BESSDs are required to obtain all necessary clearances and permits as required for setting up the Projects, including but not limited to the following:</p> <p>a. No Objection (NOC)/Environmental clearance (if applicable) for the Project.</p> <p>b. Forest Clearance (if applicable) for the land for the Project.</p> <p>c. Approval for water from the concerned authority (if applicable) required for the Project.</p> <p>d. Any other clearances as may be legally required, in order to establish and operate the Project.</p> <p>The above clearances, as applicable for the Project, will be required to be submitted to GRIDCO prior to commissioning of the Project, if sought by GRIDCO. In case of any of the clearances as indicated above being not applicable for the said Project, the BESSD shall submit an undertaking in this regard, and it shall be deemed that the BESSD has obtained/applied for all the necessary clearances for establishing and operating the Project.</p>		<p>i. As the BESS project is required to be developed within the switchyard premises of OPTCL, it is presumed that all requisite statutory clearances, including Environmental Clearance, Forest Clearance and other related approvals, are available with OPTCL. The same may be shared with the BESSD.</p>	<p>The bidders are requested to visit the Grid Substations prior to bid submission for assessment of feasibility of the proposed BESS capacity.</p>
25	RfS	17	<p>The BESSD shall be required to follow the applicable rules regarding project registration with the State Nodal Agency in line with the provisions of the applicable policies/regulations of the State where the Projects are being located. It shall be the responsibility of the BESSD to remain updated about the applicable charges payable to the SNA under the applicable State policies.</p>		<p>i. Kindly provide the details of the State Nodal Agency referred to in the relevant clause of the tender document. Further, it is requested to clarify the presently applicable charges payable to the State Nodal Agency and the specific head(s) under which such charges are to be deposited.</p>	<p>GRIDCO is designated as Renewable Energy Nodal Agency for implementation of the Odisha Renewable Energy Policy 2022. The present facilitation charges are payable by developers is Rs.1,00,000 excluding GST. The developer will be entitled for the applicable incentives as per the OREP 2022. The account details for depositing the facilitation fee through "Green invest Odisha" portal will be communicated at the time of issue of LoA.</p>
26	RfS	8.1(iii)	<p>The BESSD shall take separate, metered connection for the Auxiliary Power load of BESS.</p> <p>OR</p> <p>The BESSD can draw auxiliary power from Interconnection Point.</p> <p>In both the cases, separate meter would be arranged by the BESSD to measure Auxiliary consumption as per the OERC regulation and that would be billed by DISCOM.</p>		<p>i. It may kindly be clarified that the cost of auxiliary power shall only be applicable during the hours other than the charging and discharging hours. Further, it is suggested that the cost of the auxiliary power may be borne by GRIDCO as being done in case of other power generating stations. The reason being that the BESSD shall ultimately build-in the cost of auxiliary power in its financial bid. Therefore, to discover attractive rates it is submitted that a mechanism may be put in place so that the cost of auxiliary power is borne by GRIDCO.</p>	<p>The Auxiliary supply shall be taken through a separate metering arrangement from the concerned DISCOMs. All cost towards the said connection and consumption shall be borne by the BESSD.</p>
27	RfS	Clause 3.3 & 8.1.a.	Grid Charging Loss Accounting	<p>Please confirm whether charging energy losses beyond guaranteed RfE are fully recoverable through tariff or penalized separately.</p>		<p>As per Clause 8 (Performance Criteria of the Project) of the RfS. An illustration in this regard has been provided in Annexure-D of the RfS.</p>
28	RfS	Clause 3.2 & 7.3.	33 kV Bay Construction Responsibility	<p>Please confirm whether protection relays, CT/PT, meters, SCADA IEDs inside 33 kV bay are fully under BESSD scope.</p>		<p>Yes.</p>
29	RfS		UG Cable Route & ROW	<p>Please clarify whether ROW inside substation premises is pre-approved or additional approvals are required from OPTCL.</p>		<p>No ROW issues as such inside the Sub-station. However, the Bidders were requested to visit the Grid Substations prior to the bid submission deadline and get clarified accordingly.</p>
30	RfS	Clause 7.9.	Reactive Power Operation	<p>Please clarify reactive power operating range and whether mandatory VAR support is expected during idle state</p>		<p>The desirable power factor during normal operation is unity power factor. During exceptional cases, the firm shall comply to operate the BESS at the power factor (any where between 0.95 lag to 0.95 lead) as instructed by the system operator (SLDC) in view of the power system security or reliability.</p> <p>During idle periods, the BESS shall have the provision to operate within a power factor range of 0.9 lagging to 0.9 leading, as per the instructions of the SLDC. Such operation shall be carried out without any additional cost being chargeable.</p>
31	RfS	Clause 8.1.c.	420 Cycle Limitation	<p>Please clarify whether partial cycles are counted proportionally or as full cycles toward the 420 annual limit.</p>		<p>As per Clause 8 (Performance Criteria of the Project) of the RfS. An illustration in this regard has been provided in Annexure-D of the RfS.</p>
32	RfS	Clause 8.1.c.ii.	Availability Computation	<p>Please confirm if grid outage / SLDC non-scheduling periods are excluded from availability calculation.</p>		<p>As per Clause 8 (Performance Criteria of the Project) of the RfS.</p>
33	RfS	Clause 8.1.c.ii.	Two Cycles Per Day Operation	<p>In case SLDC schedules 2 cycles per day frequently, will additional degradation compensation be considered?</p>		<p>Scheduling 2 cycles per day is subject to maximum utilization of the BESS to the tune of 420 Cycles in a year.</p>
34	RfS	Clause 6.2.	Land Handover Delay	<p>Please confirm whether LD and performance timelines will be fully waived for delays attributable to land handover.</p>		<p>As per Clause 6.2 of the RfS.</p>
35	RfS	Clause 3.7.	Fire Wall / Fire Safety Norms	<p>Please specify applicable CEA / NFPA / TAC standards for fire barriers and whether third-party fire audit is mandatory.</p>		<p>Clause has been suitably modified. Kindly refer amendments.</p>
36	RfS	Clause 3.8.	Decommissioning Responsibility	<p>Please clarify whether battery disposal & recycling costs are fully BESSD responsibility and applicable regulatory framework.</p>		<p>Yes, all cost towards battery disposal and recycling, etc are in the scope of the BESSD.</p>
37	RfS	Clause 7.5.	Energy Accounting Point	<p>Please confirm whether all billing energy will be considered only at interconnection meter, irrespective of internal losses.</p>		<p>As per Article 7 of the BESP.</p>

38	RfS		SCADA Integration	Please confirm communication protocol (IEC-104 / IEC-61850) and whether OPTCL SCADA integration cost is under BESSD scope.		Communication Protocol shall be IEC - 104. All cost towards SCADA integration shall be borne by BESSD.
39	RfS	7.1	The BESSDs will be required to apply for connectivity at the identified substation of OPTCL within 30 days of LoAs, and shall furnish copies of the application as well as granted connectivity, to GRIDCO at the earliest.	We request that the requirement for submission of the connectivity application (post award of capacity) be linked to the signing of the BESPA rather than to the issuance of the LoA.		Tender conditions remains unchanged.
40	RfS	23.1	The Projects shall achieve Financial Closure within the date as on 6 months after the Effective Date of the BESPA.	We request that the timeline for achieving financial closure be extended to at least nine (9) months from the date of signing of the BESPA.		As per the MoP guidelines. Copy enclosed.
41	RfS	6	Project land details are enclosed at Annexure-E.	Kindly provide the distance between the project location and the interconnection point for each identified substation. Also note Annexure-E is missing in the RfS.		The sketch map of the identified spare land inside the area (Annexure-E) has already been provided. The Bidders are requested to visit the Grid Substations prior to the bid submission deadline and acquaint themselves with the site conditions.
42	RfS	3.2	The constructed Bay shall be handed over to OPTCL and OPTCL shall bear the cost of maintenance of the bays, for the complete Term of the BESPA.	Kindly clarify whether OPTCL shall charge any fee or amount to the bidder for maintenance of the constructed bay during the entire term of the BESPA.		As per Clause 3.2 of the RfS.
43	RfS	1.7	The bidders will be free to avail fiscal incentives like Accelerated Depreciation, Concessional Customs and Excise Duties, Tax holidays etc. available if any for such projects.	The fiscal incentives which are applicable for the subject project as on date of RfS floating should be clearly mentioned.	This will avoid ambiguity in understanding what will be available for the project and what might not.	Tender conditions remains unchanged.
44	RfS	12	12.6 BESS Developer is required to submit a Bank Guarantee (BG) or Insurance Surety Bond (ISB) to GRIDCO of value equal to the VGF to be disbursed, prior to its release to BESSD by GRIDCO (i.e. BG/ISB shall be submitted in three parts as per the disbursement of VGF amount). This BG shall be liable for encashment to recover the VGF amount in the event of non-fulfilment of scheme conditions specified in the RfS and BESPA documents. The BG/ISB for the VGF sanctioned up to COD will be released 01 year subsequent to the Commercial Operational Date (COD), after taking into account recovery of VGF, if any.	Please confirm the exact timeline and conditions under which the BG equivalent to the 30% VGF tranche (disbursed upon completion of the 1st year from COD) will be released to the BESSD: 1.Is the BG released immediately upon verification of the 1st-year milestone? 2.What documentation or performance reports are required to trigger the release of this BG? 3.If verification is delayed due to GRIDCO, will the BG validity period be extended without additional cost to the BESSD?	Avoids overexposure by matching BG to outstanding VGF. For better clarity and risk assessment.	The disbursement of VGF is strictly in accordance to the "Guidelines for Viability Gap Funding (VGF) scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF)" and subsequent amendments. The guidelines with amendments has been attached herewith.
45	RfS	7.2	The responsibility of getting connectivity with the transmission system of the STU shall entirely be of the BESSD and shall be at the cost of the BESSD, in line with applicable regulations. With such availability of transmission system being dynamic in nature, the Bidder has to ensure actual availability of power injection/evacuation capacity at STU substation. The transmission of power up to the point of interconnection where metering is done for energy accounting, shall be the responsibility of the BESSD at its own cost. The maintenance of Transmission system excluding the 33 kV Bays up to the interconnection point shall be responsibility of the BESSD, to be undertaken entirely at its risk and cost.	Kindly specify the Regulatory Commissions connectivity rules and regulations which needs to be followed by the BESSD and what will be the connectivity charges.	Clarifies full scope of grid approvals to avoid disputes.	The SoP for Transmission Connectivity of RE Project vide Order No.-98/CMD, Dated 21.08.2024 is enclosed for reference
46	RfS	8.1.c.ii	“Availability” of the Project shall mean the ability of the BESS to execute a function i.e. charging or discharging, when called upon to do so, as per the schedule or signal provided by the off-taker, subject to the minimum system ratings specified herein.	Please clarify the details of the schedule/signal, how will it be given, what will be the time period to decide on the schedule?	To clearly understand the working of the availability.	An illustration in this regard has been attached as Annexure D to the RfS.
47	RfS	8.1.c.iii.a	(a)For RfE <70%, there shall be a liquidated damage @ 1.5 times the APPC tariff, levied upon the excess conversion losses, considering system RfE = 85% and tariff payment for the corresponding month shall not be made to the BESSD;	1.It is understood that APPPC is Average Power Purchase Cost of Odisha. Kindly confirm. 2.Kindly provide the applicable escalation rate of the Average Power Purchase Cost (APPC) of Odisha Discoms for the duration of the BESPA agreement. 3.In case of any substantial variation in APPC during the tenure of the agreement, the same should be considered under the ambit of “Change in Law,” and BESSD should be allowed to recover additional capacity charges as such changes may significantly impact the financial viability of the project, particularly in scenarios where the system RfE falls below 85%.	For better clarity in risk assessment and bid preparation.	Tender conditions remains unchanged.
				The details of various performance parameters (e.g. availability, RfE etc.) must be specified that if remain within the range, the BESPA will be extended. Please specify the period for which BESPA will be extended.		

48	RfS	22.4	The BESPA shall be valid for a period of 15 years from the SCD of the Project or the date of full commissioning of the Project, whichever is later. Any extension of the BESPA period beyond the term of the BESPA shall be through mutual agreement between the BESSD and GRIDCO. .	<p>The tariff for the extended period should remain the same provided the performance parameters are met.</p> <p>As bidders may interpret the extension clause differently, leading to non-uniform tariff assumptions, we request GRIDCO to clearly specify:</p> <ul style="list-style-type: none"> •The percentage of battery cycles that are expected to be utilized during the initial 15-year BESPA period. •The standard assumption for the number of unutilized cycles that may be considered for the extension period. •The maximum duration (in years) for which the BESPA may be extended based on these unutilized cycles. <p>To ensure a level playing field, we request GRIDCO to provide a uniform methodology or assumption model that all bidders must follow while estimating the impact of the extension period on their tariff.</p>	For better clarity in risk assessment and bid preparation.	The Extension will be mutually agreed by the BESSD and GRIDCO.
49	RfS	46.44	It is clarified that BESS charged using a source other than RE power would not qualify as RE power.	<p>How will it be determined if the BESS is charged using RE or non- RE sources.</p> <p>What are the implications of the if BESS is charged using other than RE power sources?</p> <p>The Capacity charges recoverable by BESSD should be unaffected by the proposal and charging to be done by the utility.</p>	For better clarity in risk assessment and bid preparation.	Capacity charges shall remain unaffected irrespective of the BESS being charged through RE or non-RE sources.
50	RfS	Annexure A Clause 8.(a)	The BESSD must install necessary equipment to continuously measure BESS operating parameters (including but not limited to voltage, current, ambient conditions etc.) as well as energy input into and energy output from the BESS along with Metering arrangement in accordance with extant regulations. They will be required to submit this data to SECI on line and/or through a report on regular basis every month for the entire duration of contract.	<p>The term continuously measure is vague and unclear. Please clarify the time interval that will be needed when the operating parameters are to be fetched and shared. A monthly report format may be given.</p>	For better clarity in risk assessment and bid preparation.	Tender conditions remain unchanged.
51	BESPA	10.8.1	In line with the Order for “Viability Gap Funding (VGF) Scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF)”, issued by the Ministry of Power dated 09.06.2025, Projects selected under this RfS will be eligible for grant of VGF support through PSDF by the Government for development of BESS, and the same will be disbursed through the GRIDCO.	<p>The payment security mechanism for VGF between GRIDCO and BESSD is not clear. Within how many days of achieving milestone and disbursement of nodal agency to GRIDCO is GRIDCO obliged to credit VGF to BESSD? Please give a flowchart and list of pre-requisites clearly so that the modalities/terms & conditions of VGF disbursement are clear.</p> <p>Payment security mechanism of monthly charges??</p>	For better clarity in risk assessment and bid preparation.	The disbursement of VGF is strictly in accordance to the "Guidelines for Viability Gap Funding (VGF) scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF)" and subsequent amendments. The guidelines with amendments has been attached herewith.
52	BESPA	9.1	For each KVARH drawn from the grid, the BESSD shall pay at the rate determined by SERC to GRIDCO/OPTCL from time to time.	<p>1.Kindly provide the applicable escalation rate on the rate determined by SERC for KVARh drawn from the grid for the duration of the BESPA agreement.</p> <p>2.In case of any substantial variation in rate determined by SERC for KVARh during the tenure of the agreement, the same should considered under the ambit of “Change in Law,” and BESSD should be allowed to recover additional KVArh charges as such changes may significantly impact the financial viability of the project.</p>		Tender conditions remains unchanged.
53	BESPA	9.1	For each KVARH drawn from the grid, the BESSD shall pay at the rate determined by SERC to GRIDCO/OPTCL from time to time.	<p>Since charging/discharging operations are managed by Regulators, and the BESSD is only providing the storage infrastructure, we request that KVARH charges not be levied on the BESSD</p>		Tender conditions remains unchanged.
54	BESPA	11.10.(a)	If, prior to the completion of the 180 (one hundred and eighty) Day period (or any extended period) for a Force Majeure Events commencing from the date of issuance of the Force Majeure Notice, the Parties are of the reasonable view that a Force Majeure Event is likely to continue beyond such 180 (one hundred and eighty) Day period or any extended period agreed in pursuance of Article 11.5 (Performance Excused); or that it is uneconomic or impractical to restore the affected Unit, then the Parties may mutually decide to terminate the BESPA, and the termination shall take effect from the date on which such decision is taken.	<p>During Construction Phase, Force Majeure events—being beyond the reasonable control of the BESSD—can result in significant disruption to project execution, BESSD needs to be protected from such unforeseen situation and be entitled to recover the capital already invested (land acquisition, equipment procurement, civil works) , IEDC & IDC incurred.</p> <p>Accordingly, there needs to be provision of compensation to recover the cost incurred by the developer of BESS during construction and operational phase of project.</p>	<p>If, prior to the completion of the 180 (one hundred and eighty) Day period (or any extended period) for a Force Majeure Event commencing from the date of issuance of the Force Majeure Notice, the Parties are of the reasonable view that a Force Majeure Event is likely to continue beyond such 180 (one hundred and eighty) Day period or any extended period agreed in pursuance of Article 11.5 (Performance Excused); or that it is uneconomic or impractical to restore the affected Unit, then the Parties may mutually decide to terminate the BESPA, and the termination shall take effect from the date on which such decision is taken. If Agreement is terminated on account of Force Majeure Events, the TSP shall be entitled for Termination Payment equivalent to valuation of Project Assets. Upon payment, RVUNL shall take over the Project Assets.</p>	Tender conditions remains unchanged.

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

Shram Shakti Bhawan,
Rafi Marg, New Delhi
Dated, the 09th June, 2025

To,

1. Chairperson, CEA
2. Principal Secretaries of Energy of the Government of Rajasthan, Gujarat, Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh, Madhya Pradesh, Telangana, Uttar Pradesh, Haryana, Kerala, Punjab, Chhattisgarh, Odisha and Uttarakhand
3. CMD, NTPC
4. CMD, Grid India

Subject - Viability Gap Funding (VGF) Scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF).

Sir/ Madam,

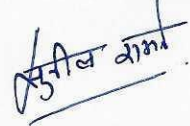
Considering the requirement of Energy Storage in the country, with the approval of Minister of Power, it has been decided to provide VGF to 15 number of States and NTPC (as per enclosed Operational Guidelines) @ Rs. 18 Lakhs per MWh for development of 30 GWh BESS capacity supported through PSDF, which amounts to total financial support of Rs. 5400 Crores from PSDF.

2. This allocation includes 25 GWh of BESS capacity allocated to 15 States to facilitate them in meeting their Energy Storage System requirements. In addition, 5 GWh of BESS capacity is allocated to NTPC, which is to be developed for optimum utilization of existing thermal generation and transmission infrastructure as well as to facilitate meeting non-solar hour electricity demand in a reliable and economic manner .
3. All the concerned States and NTPC are required to submit proposal to NLDC, the nodal agency for PSDF, as per the extant Guidelines / Procedure for funding of the projects under PSDF, within 30 days from the date of issuance of this letter.
4. This issues with the approval of competent authority.

N. S. Joshi

Encl: as above

Yours faithfully,



(Sunil Kumar Sharma)
Director (NRE/ RCM)

Copy for information to:

- i. Technical Director, NIC Cell for uploading on MOP's website under "Current Notices" with the heading of "Viability Gap Funding (VGF) Scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF)."
- ii. PS to Minister of Power
- iii. APS to Minister of State for Power
- iv. Sr.PPS to Secretary (Power)
- v. Sr.PPS to Additional Secretary(SN)
- vi. Controller of Account, MoP
- vii. All JSs/CEs and equivalent Officers of the Ministry of Power.
- viii. Pay and Accounts Officer, MoP

Ministry of Power
NRE Section
Shram Shakti Bhawan, New Delhi

**Guidelines for Viability Gap Funding (VGF) Scheme for
development of Battery Energy Storage Systems
(BESS) supported through Power System Development
Fund (PSDF).**

1. Introduction

1.1 Objective: Development of 30GWh BESS capacity for deployment to ensure grid integration of RE and reliable electricity supply.

1.2 Energy storage systems are essential for integration of variable renewable energy (vRE) sources in the electricity grid. With an installation target of 393 GW (293 GW Solar and 100 GW Wind) by 2030, vRE will constitute approx. 50% of the installed generation capacity by 2030.

1.3 Increasing share of RE also necessitate flexible operation of thermal generation plants. The variability of renewable generation requires thermal generators to back down during periods of high RE availability, especially during solar hours. However, during evening peak hours, when solar generation is not available, thermal plants are essential to meet the evening peak. Therefore, BESS may also be installed with thermal power stations to leverage existing generation and transmission infrastructure efficiently.

1.4 As per CEA, 37GWh BESS capacity is required by 2027 and the requirement will increase to 236 GWh by 2031-32. BESS capacity of 13.2 GWh has been approved under the ongoing VGF scheme for development of BESS.

2 Scheme Overview

2.1 Viability Gap Funding (VGF): VGF of Rs 18 lakh per MWh, shall be provided and is aimed at supporting a BESS capacity of 30 GWh.

2.2 Scheme Budget: This scheme has a budgetary allocation of Rs 5,400 Crore. The VGF shall be a non-recurring expenditure and

[Signature]

shall be fully funded from Power System Development Fund (PSDF). The disbursement of funds shall be as per procedure applicable for PSDF. The VGF for each project shall be disbursed to the Eligible Entity/ REIA, once CEA certifies the achievement of the disbursement schedule milestone and submission of the required BG.

2.3 Commissioning Period: The projects are required to be commissioned within a period of 18 months from the date of signing of Battery Energy Storage Purchase Agreement (BESPA) / Power Purchase Agreement (PPA).

2.4 Eligible Entities: State utilities or agencies authorized by States Governments or Central Government shall be eligible. (refer **Annexure**).

2.5 Disbursement schedule: The VGF amount to the eligible projects shall be disbursed in three tranches as detailed below.

Milestone	% VGF disbursed
On financial closure, subject to submission of bank guarantee.	20
On Commercial Operation Date (COD)	50
Completion of 1st year from COD	30
Total	100

2.5 Storage Duration: The BESS capacity should preferably be with 2-hour discharge duration and average 1.5 cycles in a day i.e within 24 Hour period. However, the Eligible Entity may vary the duration, no of cycles as required.

3. Implementation Model

3.1. Bidding Process: BESS projects shall be awarded using the Tariff Based Competitive Bidding (TBCB) process under section 63 of the Electricity Act, 2003.

3.2 Contract Period: The contract period shall be specified in the RfS document, in accordance with the BESS TBCB Guidelines. The contract shall be awarded on Build Own Operate (BOO)/ Build Own Operate Transfer (BOOT) basis preferably for a contract period of 12 to 15 years.



3.3 Bidding Parameter: Developers shall compete based on the annualized fixed cost they offer, expressed in rupees per Megawatt (MW) per Month or on Rs/kWh after factoring in the VGF specified in the RfS.

3.4. Eligible Entities are required to invite bids, either by themselves or through Renewable Energy Implementing Agencies designated by Central Government, following the bidding guidelines issued under section 63 of the Electricity Act, 2003. The BESPA / PPA shall be signed within 9 months from the date of issue of these guidelines, to be eligible for VGF.

3.5 States / NTPC desirous of availing the VGF are required to submit their proposal to the Central Electricity Authority (CEA) within 60 days from the date of issue of these Guidelines, specifying the implementing agency, location(s) and size of BESS capacity planned for implementation for screening and approval for VGF funding through PSDF.

3.6 The project may be connected at InSTS or ISTS. The land and InSTS grid connectivity shall be provided by the respective Eligible Entities.

3.7 The payment security mechanism shall be as per Electricity (Late Payment Surcharge & Related matters), Rules 2022 as amended from time to time. CEA will monitor the implementation of the scheme as well as the progress of the awarded projects under the Scheme through a Management Information System (MIS) portal and submit monthly reports to the Ministry of Power. The monitoring parameters shall include details of physical and financial progress vis-a-vis the agreed milestones. The performance levels may also be verified by CEA on at least quarterly basis.

3.8. Bank Guarantee: The Eligible Entities/REIAs shall be required to obtain a Bank Guarantee (BG) of value equal to the VGF to be disbursed, prior to its release to the developer, as specified in the RfS. This BG shall be liable for encashment to recover the VGF amount in the event of non-fulfilment of the scheme conditions specified in the Bidding Documents. The BG for the VGF sanctioned up to COD may be released within one year of COD.

4. Eligible Entity/REIA Responsibilities

- 4.1. The Eligible Entity/REIA shall be responsible for:
- (i) inviting bids, and selecting the developer(s) for the allocated



- quantum and entering into contracts with the selected developer(s);
- (ii) ensuring and certifying that the bidding process complies with the Scheme guidelines and that all specified conditions are met;
 - (iii) acting as purchaser of energy storage services or output of BESS and entering into a BESPA / PPA with the developer for the contract period and BESSA / PSA with Eligible Entities, as applicable;
 - (iv) submit to CEA, all the requisite information for monitoring of the project including the audited Statement of Expenditure (SoE) and Utilization Certificate (UC) in the prescribed format of GFR 19 (A) as amended from time to time;
 - (v) comply with the provisions of General Financial Rules, 2017, as amended from time to time;

4.2. The VGF amount (Grant-in-Aid) is also subject to the Chapter 9 of the General Financial Rules, 2017, as amended from time to time, read with the Government of India's decisions incorporated there-under, and any other guidelines which may be issued in this regard.

4.3. Assets acquired wholly or substantially out of Central Government Grants shall not be disposed of during the contract period without obtaining the prior approval of the sanctioning authority of Grants-in-Aid {Rule 230(9)}. Shareholding of the bidding entity in the SPV/ project company executing the BESS project shall not fall below fifty-one per cent at any time prior to Commercial Operation Date (COD).

4.4. The accounts of Eligible Entity / REIA shall be audited by C&AG or by any person authorized by him on his behalf in accordance with the provisions laid down in Section 14 of the C&AG (DPC, 1971) and as amended from time to time.

4.5. The accounts of Eligible Entity / REIA shall be open for inspection by the sanctioning authority and audit, both by the Comptroller & Auditor General of India under the provision of C&AG (DPC) Act, 1971 and internal audit party by the Principal Accounts Office of the Ministry or Department whenever it is called upon to do so.

5. Notwithstanding the aforementioned provisions at para 3 and 4, NTPC may implement its allocated capacity under section 62 of the Electricity Act 2003, as per CERC Regulations/ Orders.



6. Amendment to the Operational Guidelines

6.1. These guidelines may be amended with the approval of Secretary, Ministry of Power, to address implementation challenges.

6.2. The implementation model in these guidelines may be modified by the Ministry of Power, if required.

Annexure Allocation of BESS Capacity under the Scheme

S.N.	State / Entity	BESS Capacity Allocation (MWh)
1	Rajasthan	4000
2	Gujarat	4000
3	Maharashtra	4000
4	Tamil Nadu	1500
5	Karnataka	2000
6	Andhra Pradesh	2000
7	Madhya Pradesh	1500
8	Telangana	1500
9	Uttar Pradesh	1500
10	Haryana	500
11	Kerala	500
12	Punjab	500
13	Chhattisgarh	500
14	Odisha	500
15	Uttarakhand	500
16	NTPC	5,000
	TOTAL	30,000

[Handwritten signature]

F.No. 48-15/7/2025-NRE Section

Government of India
Ministry of Power
(NRE Section)

Shram Shakti Bhawan,
Rafi Marg, New Delhi-110001
Dated the 04th Aug, 2025

To,

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

Subject: Amendment in Operational Guidelines for viability Gap Funding Scheme for development of Battery Energy Storage System supported through Power System Development Fund (PSDF)-reg.

Sir / Madam,

I am directed to invite reference to the Operational Guidelines for Viability Gap Funding Scheme for development of Battery Energy Storage System supported through Power System Development Fund (PSDF) issued vide letter F.No 48-15/7/2025-NRE section dated 09.06.2025 and to convey that the following amendments are made in the Operational Guidelines:

2. Clause 3.6 of the said Operational Guidelines is modified as under:

"3.6 The project may be connected at InSTS or ISTS. The responsibility for arranging grid connectivity and land shall be as per the RfS document."

3. A new clause 3.9 has been inserted in the Operational Guidelines as under:

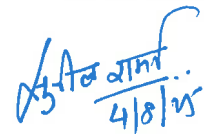
"3.9 The Application Software of the Energy Management System (EMS) of the BESS shall be developed indigenously within India"

4. A new clause has been inserted in Guideline 4. Eligible Entity / REIA Responsibilities as under:

"4.1 (ii) (b). ensuring that the BESS installed is of requisite quality as per best industry practices and refurbished battery cells are not used in the project."

This issues with the approval of the competent authority.

Yours faithfully,



(Sunil Kumar Sharma)
Director (NRE/RCM)

Email: sunil.sharma24@gov.in

Contd....2

Copy for information to

1. Chairperson, CEA
2. CMD, NTPC
3. CMD, Grid India
4. Sr.PPS to Secretary (Power)
5. Sr PPS to Addl Secretary (R&R)
6. All Joint Secretaries and equivalent Officers of MoP
7. PSO to CE (R&R)/ PA to Director (NRE), Ministry of Power

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

Shram Shakti Bhawan, Rafi Marg
New Delhi-110001,

Dated the 22nd September, 2025

To,

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

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

Sir,

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

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

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

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

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

of operation.

4. This issues with the approval of competent authority.

Yours faithfully,

(Vishal Kumar)

Under Secretary to the Government of India,
Email: usnre-mop@gov.in.

Copy for information to

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

No. 48-15/21/2025 - NRE

Government of India

Ministry of Power

(NRE Section)

Shram Shakti Bhawan,
Rafi Marg, New Delhi – 110001
Dated the 24th December, 2025

To,

1. Principal Secretaries (Energy) to the Governments of Rajasthan, Gujarat, Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh, Madhya Pradesh, Telangana, Uttar Pradesh, Haryana, Kerala, Punjab, Chhattisgarh, Odisha and Uttarakhand
2. CMD, NTPC

Subject: Public Procurement (Preference to Make in India) to provide for Purchase Preference (linked with local content) in respect of implementation of Battery Energy Storage System (BESS) under VGF Scheme supported through PSDF- reg.

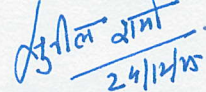
Sir/Madam,

I am directed to refer to the letters received from States requesting for an exemption from the Public Procurement (Preference to Make in India) Order for the implementation of BESS capacity under the Viability Gap Funding (VGF) Scheme, supported through Power System Development Fund (PSDF).

2. Some beneficiary States have stated that, during the meeting of the PSDF Techno-Economic Sub-Group (TSEG), they were advised to approach the Ministry of Power for seeking exemption from the PPP-MII Order.
3. As per the Public Procurement (Preference to Make in India) Orders issued by DPIIT and the Ministry of Power Order No. A-1/2021-FSC-Part (5) dated 16.11.2021, certain power sector items with adequate domestic manufacturing capacity and competition have been notified for procurement exclusively from Class-I local suppliers. Battery Energy Storage System (BESS) is presently not included in the notified list. However, where an item has not been notified by the nodal Ministry/Department, both Class-I and Class-II local suppliers are eligible to participate in the procurement process.

4. Further, as per the amendment to the VGF Guidelines issued on 04.08.2025, the Ministry of Power has mandated indigenous development of the Energy Management System (EMS) application software for all BESS capacity implemented under the Scheme.
5. In view of the above, for the purpose of disbursement of funds under the Power System Development Fund (PSDF) Guidelines, States and procuring entities shall ensure a minimum local content of 20% of the total project cost in BESS procurements under the VGF Scheme. This minimum local content requirement shall include, *inter-alia*, the indigenously developed EMS application software.
6. In cases where tenders have already been invited without specific mention of local content, States may obtain an undertaking from the bidders to meet the aforementioned local content requirement and proceed with the award of contract accordingly.
7. This issues with the approval of competent authority.

Yours faithfully


24/12/25

(Sunil Kumar Sharma)

Director (NRE/RCM)

Email: sunil.sharma24@gov.in

Encl:

1. DPIIT's Revised Public Procurement (Preference to Make in India) Order dated 19.07.2024.
2. Ministry of Power Order No. A-1/2021-FSC-Part (5) dated 16.11.2021 with enclosure.

Copy for information to

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



ଓଡିଶା ବିଦ୍ୟୁତ୍ ଶକ୍ତି ପ୍ରଚାରଣ ନିଗମ ଲି.ଓ.

ODISHA POWER TRANSMISSION CORPORATION LIMITED

(A Government of Odisha Undertaking)

OFFICE OF CHAIRMAN-cum-MANAGING DIRECTOR, OPTCL, BHUBANESWAR

Regd. Office: 9th Floor, TECH TOWER, Sahid Nagar, Janpath, Bhubaneswar-751007.

Telephone: (0674) 2545821 (EPABX-2047) Website: www.optcl.co.in

CIN: U4102OR2004SGC007553

No. ୧୮/ CMD

Dated- 21.08.2024

OFFICE ORDER

This SoP on Transmission Connectivity for RE projects in the State of Odisha is hereby issued with immediate effect. It will supersede the previous guidelines / SoP issued earlier.

Chairman-cum-Managing Director

CC:

1. FA-cum-Special Secretary (Department of Energy), Government of Odisha for information.
2. Managing Director, GRIDCO.
3. CEO of TP Discoms.
4. ED (All Zones) of OPTCL.
5. EIC-cum-Electricity, Government of Odisha.
6. CGM (Corporate Planning), OPTCL.

Standard Operating Procedure for Transmission Connectivity for Renewable Energy Projects in the State of Odisha



21/8/2024
DIRECTOR (F&CA)
GRIDCO
Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar

DIRECTOR (OPERATION)
Director (Operation)
OPTCL, Bhubaneswar



Table of Contents

1. Introduction.....	3
1.1 Background and purpose of SOP	3
1.2 Applicability	3
2. Procedure for applying and processing of connectivity proposals.....	4
2.1 Submission of application for connectivity proposals	4
2.2 Field Feasibility Assessment by OPTCL/DISCOMs	4
2.3 Recommendation by OPTCL/DISCOMs.....	4
2.4 Submission of fees by Developer	4
2.5 Power System Study by OPTCL/DISCOMs.....	5
2.6 Grant of Connectivity Clearance/Permission	6
2.7 SWC/SLFC Approval	6
2.8 Submission of bank guarantee as commitment fees by developer	6
2.9 Execution of connectivity agreement	6
2.10 Responsibility Matrix	7
2.11 Inspection Approval.....	7
2.12 Development of Online Facilitation for Transmission (OPTCL/DISCOMs) Connectivity	7


21/2/2024
DIRECTOR (F& CA)
GRIDCO
Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar


DIRECTOR (OPERATION)
OPTCL
Director (Operation)
OPTCL, Bhubaneswar



1. Introduction

The Government of Odisha has promulgated the Odisha Renewable Energy Policy 2022 (OREP, 2022) through Resolution No. 11757-ENG-HYD-HYDRO-0009/2022/En. dated 30 Nov 2022. The policy's overarching goals include the adoption of clean energy alternatives, decarbonisation of the energy sector, and investment in clean energy initiatives. It outlines a range of incentives and support measures, such as assistance with land procurement and fee concessions.

1.1 Background and purpose of SOP

Clause 10 (7) of OREP 2022 delineates that "Project developer is permitted to connect the RE project with State Transmission Utility (STU), subject to the evacuation feasibility. Grant of connectivity approval from OPTCL/DISCOMs will be provided preferably within 15 days from the date of receipt of requisite documents for registration".

This Standard Operating Procedure (SOP) outlines the step-by-step procedure for the transmission connectivity towards development of RE project in the state.

1.2 Applicability

This Procedure shall apply to applications received by the GRIDCO Renewable Energy Nodal Agency (RENA) by the applicants for Grant of Connectivity to the Odisha Intra-State Transmission System (InSTS) as per the provisions of Odisha Renewable Energy Policy 2022. The regulations of OERC for connectivity and open access shall be applicable.

DIRECTOR (F& CA)
GRIDCO

Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar

DIRECTOR (OPERATION)
OPTCL

Director (Operation)
OPTCL, Bhubaneswar



2. Procedure for applying and processing of connectivity proposals

The following is the step -by-step procedure for making an application and processing of applications:

2.1 Submission of application for connectivity proposals

Developer shall submit the connectivity proposal/application with GRIDCO RENA. GRIDCO RENA shall check the completeness of information provided by developer for evacuation and shall then forward the details to the concerned Zonal Head, OPTCL/DISCOMs. In case of any missing or incomplete information, GRIDCO RENA shall inform the developer to submit the revised application with required details. Upon receipt of satisfactory application, GRIDCO RENA shall forward to proposal to OPTCL/ DISCOMs.

A format indicating the following details shall be furnished by the developer:

- Capacity needed.
- Point of injection
- Point of drawl / Sale to GRIDCO/ Interstate Sale
- Scheduled Commercial Operation Date of generating plant.
- Location
- RE Technology used
- Duration of availing open access
- Any other additional information as requested by GRIDCO RENA / OPTCL / DISCOMs

2.2 Field Feasibility Assessment by OPTCL/DISCOMs

Upon receipt of information from GRIDCO RENA, Zonal Head-OPTCL/ DISCOMs shall issue advice to the concerned circle/division to assess and carry out field feasibility study of the proposal against the proposed date of connectivity.


2.3 Recommendation by OPTCL/DISCOMs

Upon conclusion of field feasibility studies, OPTCL/DISCOMs shall recommend the developer to proceed with the payment of fees for the Power System Study along with an intimation to GRIDCO RENA.

2.4 Submission of fees by Developer

The developer needs to submit the non-refundable fee for the Power System Study along with the application to RENA-GRIDCO, table of charges/fees are attached as **Annexure-2**. The application shall include the requisite information for power system study as **Annexure-4**.


DIRECTOR (F& CA)
GRIDCO
Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar


DIRECTOR (OPERATION)
OPTCL
Director (Operation)
OPTCL, Bhubaneswar



2.5 Power System Study by OPTCL/DISCOMs

OPTCL shall conduct system study periodically and update the data (i.e. regarding availability of spare bays, load and spare capacity, open space etc.) at various substation location annually at least once. OPTCL & RENA-GRIDCO should upload these transmission system data on their concerned web portal.

For any proposal of the developer on transmission connectivity, OPTCL/DISCOMs shall undertake the Power System Study, to ascertain the network adequacy to accommodate such proposed power injection/drawl, considering the peak generation/demand, N-1 contingency conditions in the state grid and whether the connectivity can be permitted without any additional system strengthening. The following scenarios may emerge after conducting power system study:

i. Adequate capacity is available at the desired substation:

In this scenario, OPTCL/DISCOMs shall communicate to the developer that adequate capacity is available at the desired substation.

ii. Network augmentation / Addition of new substation required as adequate capacity not available at the desired substation:

In this case, OPTCL/DISCOMs shall conduct a power system study for network augmentation/addition of new substation. It shall identify the scope of work for system strengthening or addition of new substation, the estimated cost and the probable date from which the open access can be allowed, and the developer shall be informed accordingly.

iii. Adequate capacity available at alternate substation in close proximity:

In this case, OPTCL/DISCOMs shall suggest the alternate substations to developer. The developer shall be required to provide consent after which the application shall be processed further.

In addition to above, OPTCL will conduct an annual system study to monitor available bays, capacity and open space at various locations and RENA-GRIDCO will ensure that the transmission system data is made live on the RENA web portal.


DIRECTOR (F&CA)
GRIDCO
Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar


DIRECTOR (OPERATION)
OPTCL
Director (Operation)
OPTCL, Bhubaneswar



The details of the minimum capacity to be considered for various voltage level is as follow:

SL No.	Voltage Level	Capacity
1	11 KV	3 MW
2	33 KV	15 MW
3	132 KV	50 MW
4	220 KV	180 MW
5	400 KV	>300 MW

2.6 Grant of Connectivity Clearance/Permission

Based on the field feasibility and power system study report, connectivity clearance/permission shall be issued to the developer along with an intimation to GRIDCO RENA. In case of network augmentation, the timelines established during the feasibility study and mutually agreed upon by OPTCL and the developer must be adhered.

In case of DISCOMs, please refer to **Clause No. – 2.3.**

2.7 SWC/SLFC Approval

The developer proposal shall be placed before RE SLFC along with technical and financial report, PFR/DPR, connectivity permission.

Recommendations of the RE SLFC shall be placed in SWC with due approval of MD, GRIDCO.

Projects up to 50 MW will be process and cleared by SWC. Projects above 50 MW shall be recommended to State Level Single Window Clearance Authority (SLSWCA) and High-Level Clearance Authority (HLCA)

2.8 Submission of bank guarantee as commitment fees by developer

The developer shall submit the required Bank Guarantee amount (attached as **Annexure-3**) post SWC approval of the project. This bank guarantee is to submit for reservation of desired capacity at the substation or OPTCL's/DISCOMs investment in capital expenditure for network augmentation/strengthening or development of a new substation. The bank guarantee shall be in force upto the date when the developer begins with grant of open access / GNA.

2.9 Execution of connectivity agreement

A connectivity agreement shall be signed with the developer post SWC approval of the project.

The execution of connectivity agreement shall render the developer as the Connectivity

DIRECTOR (F&CA)
GRIDCO
Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar

DIRECTOR (OPERATION)
OPTCL
Director (Operation)
OPTCL, Bhubaneswar



Guarantee. If the developer failed to meet the specified timeline, the connectivity guarantee will be considered cancelled, and deposit shall be forfeited.

2.10 Responsibility Matrix

Following Responsibility matrix has been prepared for project conceptualization to project commissioning.

Sl.	Event	Responsibility	Tentative timeline
1	Submission of Application along with supporting documents and deposit of power system study fees	Developer	0 th Day
2	Scrutinization of Application	GRIDCO RENA	3 Days
3	Forwarding to OPTCL/DISCOMs regarding field feasibility assessment and power system study	GRIDCO RENA	1 Day
4	Field Feasibility Assessment and Power System Study	OPTCL/DISCOMs	10 Days
7	Information to Developer and GRIDCO RENA regarding status of power system study	OPTCL	1 Day
8	Placement of project for SWC approval	SWC	15 Days
9	Execution of Connectivity Agreement and Submission of the Commitment Bank Guarantee	Developer	30 Days
10	Permission for Grant of Connectivity	OPTCL/DISCOMs	7 Days
11	Inspection Approval after construction of Transmission lines	Office of EIC-cum-Electricity	7 Days


2.11 Inspection Approval

The Office of EIC-cum-Electricity shall inspect and grant safety clearance upon the completion of construction of Transmission lines.

2.12 Development of Online Facilitation for Connectivity

RENA-GRIDCO shall develop an online process flow in its RE web portal for transmission/DISCOMs connectivity.

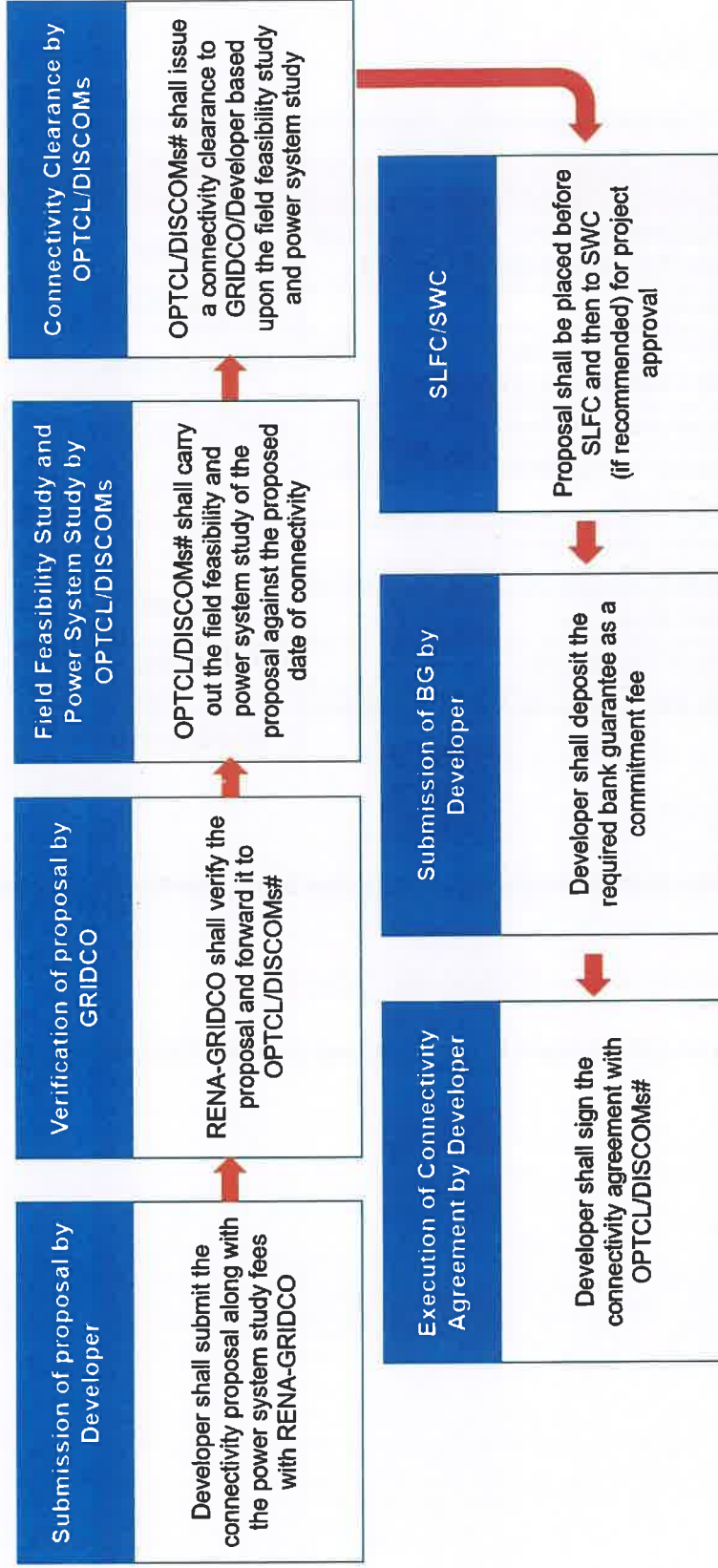

DIRECTOR (F& CA)
GRIDCO
 Director (Finance & Corporate Affairs)
 GRIDCO Ltd., Bhubaneswar


DIRECTOR (OPERATION)
Director (Operation)
OPTCL, Bhubaneswar



Flowchart for grant of Transmission Connectivity

Annexure-1



In case of voltage level 33 KV and below on transmission connectivity

DIRECTOR (F&CA)
GRIDCO (Finance & Corporate Affairs)
Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar

DIRECTOR (OPERATION)
OPTCL (Operation)
Director (Operation)
OPTCL, Bhubaneswar



(I) Table of Power System Study Fees

Annexure-2

SL No.	Transmission Network	Amount (in INR, Exclusive of GST)
1	Discom Network	As and when decided by DISCOMs
2	OPTCL Network	INR 75,000

NOTE: GST as applicable

(II) Commitment Fees

Annexure-3

Connectivity Bank guarantee (Conn-BG) shall be submitted by the developer in two parts:

- Conn-BG1 amounting to INR 50 Lakhs
- Conn-BG2 amounting to INR 2 Lakhs/MW

DIRECTOR (F& CA)
GRIDCO
Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar

DIRECTOR (OPERATION)
OPTCL
Director (Operation)
OPTCL, Bhubaneswar



GOVERNMENT OF ODISHA
DIRECTOR (OPERATION)
OPTCL, BHUBANESWAR

List of Supporting Documents

Annexure-4

- Brief highlight of the project, mentioning the location etc.
- The phase wise (month and year) requirement of power
- Proposed years of study
- Details of the load profile (Constant/Variable)
- Single Line diagram depicting only the connecting voltage level in KV, number of circuits (SC or DC) and circuit distance in km.

DIRECTOR (F& CA)
GRIDCO
Director (Finance & Corporate Affairs)
GRIDCO Ltd., Bhubaneswar

DIRECTOR (OPERATION)
Director (Operation)
OPTCL, Bhubaneswar

India Ratings Revises Outlook on GRIDCO’s Bank Loan Facilities to Positive; Affirms ‘IND BBB+’

Jan 22, 2026 | Power Trading

India Ratings and Research (Ind-Ra) has revised the Outlook on GRIDCO Limited’s bank loan facilities to Positive from Stable while affirming the long-term rating at ‘IND BBB+’ and short-term rating at ‘IND A2’ as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR51,000	IND BBB+/Positive/IND A2	Affirmed; Outlook revised to Positive

Analytical Approach

The ratings continue to be driven by the credit profile of the government of Odisha (GoO). Ind-Ra views GRIDCO as a dependent entity, in line with Ind-Ra’s criteria for Rating of Public Sector Entities, based on the corporation’s strong financial and operational ties with the GoO, its strategic importance to the state, and the tight control exerted by the state on the corporation.

Detailed Rationale of the Rating Action

The Outlook revision to Positive reflects an improvement in GRIDCO’s liquidity position after the privatisation of state distribution companies (discoms), continued government support in the form of soft loans, maintenance of EBITDA, declining net leverage and Ind-Ra’s expectations of this to continue in the near to medium term. In FY26, the GoO continued supporting GRIDCO through regular equity contributions and providing concessional loans.

GRIDCO also plays a strategic role as the State Nodal Agency for renewable energy development under the Odisha Renewable Energy Policy, 2022, with an ambitious target of 10,960MW of renewable capacity by FY30. The company is actively implementing diverse projects including floating solar with a potential of 33,000MW, wind power expansion with enhanced capacity limits, pumped storage hydro projects totaling 18,100MW, and small hydroelectric projects of 260MW. Additionally, GRIDCO is progressing on battery energy storage systems (BESS) with a sanctioned capacity of 500MWh backed by viability gap funding (VGF). These initiatives, coupled with strong government support, policy-driven incentives, and GRIDCO’s central role in facilitating renewable energy investments, underpin its long-term growth prospects and operational stability.

List of Key Rating Drivers

Strengths

- Stable cash flows from regulated business
- Reduction in aggregate technical & commercial losses at Odisha discoms
- Adherence to escrow mechanism for timely debt servicing
- Continued growth in state’s economic performance in FY25
- State’s healthy fiscal performance with sustained capex focus
- Lowest debt ratios in the country
- Continued state support

Weaknesses

- Weak credit metrics

Detailed Description of Key Rating Drivers

Stable Cash Flows from Regulated Operations: Ind-Ra notes that GRIDCO operates under a regulated framework, leading to predictability and stability in cash flows. GRIDCO is required to submit its annual revenue requirement and bulk supply price (BSP) proposal to the Odisha Electricity Regulatory Commission (OERC) each financial year for approval. GRIDCO estimates its total power purchase from generating stations based on the projections provided by state discoms for their power requirements. These projections also factor in the emergency power needs of co-generation-based industries and transmission losses within the Odisha Power Transmission Corporation Limited's network.

Subsequently, OERC determines key parameters for GRIDCO, including approved power purchase quantity, procurement cost, margin, and allocation to discoms. Since GRIDCO operates in a regulated environment, the BSP tariff and power purchase costs approved by OERC are binding. For FY26, the regulator approved a BSP of INR3.31 per unit (FY25: INR3.28; FY24: INR3.29). GRIDCO has proposed to procure 41,321.7 million units (MU) in FY26 (FY25: 42,695.18MU; FY24: 40,206.10MU).

In FY25, GRIDCO supplied 41,502.29MU (FY24: 38,905.22MU), exceeding the OERC-approved quantum of 37,640MU. The transmission losses stood at around 3% of total supply, amounting to 1,192.89MU in FY25 (FY24: 1,300.88MU). The majority of the sales were to discoms, which consumed 35,104MU against the approved limit of 37,540MU. Emergency power sales to Indian Metals & Ferro Alloys Limited and National Aluminium Company Limited (debt rated at 'IND AAA/Stable') totaled 149.56MU. Additional sales included 278.39MU to other captive generating plants and 5,970.34MU through unscheduled interchange, trading, and banking.

GRIDCO earned INR119,007.9 million from discom sales in FY25 (FY24: INR113,386.1 million) at an average price of INR3.39/kWh (INR 3.36/kWh), against the approved BSP of INR3.282/kWh. Trading activities contributed INR 21,011.2 million in FY25 (FY24: INR 21,430.8 million) by selling surplus power at an average rate of INR3.94/kWh (INR4.86/kWh). Ind-Ra expects cost-reflective tariff revisions by the regulator will help bridge GRIDCO's regulatory gap in the near term.

Reduction in Aggregate Technical & Commercial Losses at Odisha Discoms: Ind-Ra notes that AT&C losses of discoms have declined and expects them to decline further in the near to medium term. The GoO transferred its 51% stake in all the four state-owned discoms - Central Odisha Distribution Limited, North Eastern Electricity Supply Company of Odisha, Southern Electricity Supply Company of Odisha Limited, and Western Electricity Supply Company of Odisha to The Tata Power Company Limited (TPCL; rated 'IND AA+/Stable') in FY21. TP Central Odisha Distribution Limited reduced losses to 24% in 1HFY26 (1HFY25: 25%; FY25: 20%; FY24: 22%), TP Western Odisha Distribution Limited (debt rated 'IND AA/Stable') to 20% (22%; 17%; 16%), and TP Northern Odisha Distribution Limited to 15% (17%; 13%; 14%). TP Southern Odisha Distribution Limited (debt rated at 'IND AA/Stable') saw a marginal increase to 28% (27%; 21%; 26%).

Adherence to Escrow Mechanism for Timely Debt Servicing: Ind-Ra observed that GRIDCO is adhering to the escrow mechanism for debt servicing, which was implemented to ensure timely debt servicing. GRIDCO has implemented an escrow mechanism to ensure timely servicing of its bank debt. This account acts as a pooling account for payments received from the discoms. A pari-passu charge is created on the account, and debt repayments to all lenders are made directly from this pool. After meeting debt obligations, GRIDCO can utilise the remaining funds for its operational expenses. While a structured payment mechanism is not in place for bank debt servicing, the charge on the escrow account provides assurance of timely repayment. Additionally, GRIDCO's term loans are backed by guarantees from the GoO. Although these guarantees do not involve a structured payment mechanism, they obligate the GoO to make payments on GRIDCO's behalf whenever banks raise a demand.

Continued Growth in State's Economic Performance in FY25: Ind-Ra expects Odisha to maintain its economic growth performance in the near to medium term. Odisha's gross state domestic product (GSDP) grew at a CAGR of 6.4% and 5.4% during FY12-FY25 and FY20-FY25, respectively. The state's gross domestic product growth was greater than the all-India level during this period. The economic growth has been mostly high except in FY15, FY20 and FY21. Odisha's overall economic structure is starkly different from that of the country. Over FY12-FY25, Odisha's economic structure remained in favour of industry, with its share at 46.1% in FY25 (FY12: 43.6%) while industry's share at the national level

declined to 30.7% (32.5%). Moreover, the share of services in Odisha's economic activity inched up to 38.7% in FY25 (FY12: 38.5%) while that of India rose to 54.9% (49.0%). During FY12-FY25, the gross state value added (GSVA; at FY12 prices) of Odisha grew at a reasonable pace of 6.0% CAGR (national growth rate 6.0%) to INR4,672 billion in FY25 (FY12: INR2,202 billion). The state's GSVA growth averaged 7.3% during FY22-FY25, after witnessing a mild contraction of 0.9% in the COVID-19 impacted FY21.

State's Healthy Fiscal Performance with Sustained Capex Focus: Ind-Ra believes the state would maintain its fiscal performance with a continued focus on capex in the near to medium term. The state has been maintaining a revenue surplus consistently since FY06, which has helped the state government to improve its fiscal health over the years and ramp up capex. The state has budgeted the revenue surplus at 3.0% of GSDP in FY26, up from 2.9% of GSDP in FY25 revised estimates (RE). The fiscal deficit has been budgeted at 3.2% of GSDP in FY26 up from 3.1% of GSDP in FY25RE, implying a year-on-year increase in capex. The capex has been budgeted at 6.3% of GSDP in FY26, up from 6.1% of GSDP in FY25RE.

Lowest Debt Ratios in the Country: Ind-Ra notes that the state's debt ratio would remain low in the future. The state's debt has been budgeted at 12.7% of GSDP in FY26, lower than the corresponding 15th Finance Commission's indicative debt estimate of 32.5% of GSDP for the state as well as the lowest in the country. There have been several concerns (raised by the union government and the Reserve Bank of India) on the issue of guarantees extended by various state governments in the past few years. Contrary to the trend across other states, guarantees given by Odisha have been decreasing after having peaked in FY21. The guarantees stood at INR23.4 billion as of 31 December 2024 (FY25RE), the lowest since FY18 (INR17.1 billion). If the guarantees are included in the state debt, then the combined liabilities of the state would be 11.9% of GSDP in FY25RE (FY21: 20.6%).

Continued State Support: Ind-Ra believes GRIDCO would continue receiving state support in the form of soft loans even in the medium term. GRIDCO, as a deemed trading licensee, has the flexibility to source power from multiple generating stations both within and outside Odisha to meet the state's power requirements. However, all discoms in the state are mandated to procure power exclusively from GRIDCO at the bulk supply tariff determined by the regulatory commission. Operating under a single-buyer model, GRIDCO continues to benefit from its monopolistic position in the state.

Wholly owned by the GoO, GRIDCO is responsible for the bulk purchase and sale of power to the state's discoms, ensuring a reliable supply for Odisha's development needs. Given its strong operational and financial linkages with the GoO, Ind-Ra expects GRIDCO to receive continued financial support from the government during periods of stress. Historically, the GoO has provided regular assistance in the form of soft loans. In FY25, GRIDCO received fresh soft loans of INR10,010 million (FY24: INR10,000 million), followed by an additional INR10,000 million in FY26. As of January 2026, the cumulative soft loan disbursements totaled INR 37,010 million, with a five-year moratorium and repayment scheduled over the subsequent 10 years.

Weak Credit Metrics: Ind-Ra expects GRIDCO's credit metrics to improve gradually over the near to medium term, backed by continued EBITDA generation. GRIDCO's long-term debt declined to INR43,896.3 million at FYE25 (FYE24: INR48,453.5 million). This reduction, combined with stable EBITDA of INR8,346.50 million in FY25 (FY24: INR8,735.10 million), led to an improvement in the net leverage (net debt/EBITDA) to 6.16x (6.27x). The interest coverage (EBITDA/interest expense) also improved to 1.72x in FY25 (FY24: 1.43x), while the debt coverage remained weak at 0.54x (FY24: 0.43x).

Liquidity

Adequate, Supported by GoO: GRIDCO's liquidity position is closely linked to state discoms. The company's receivable days remained stable at 56 in FY25 (FY24: 55), with receivables of INR10,838.2 million (INR10,731.1 million), excluding INR11,418.8 million (INR10,205.0 million) booked but not yet due. At FYE25, GRIDCO had INR56.2 million (FYE24: INR115.6 million) of cash and cash equivalents. During FY25, it serviced INR15,468.6 million (FY24: INR20,138.5 million) towards interest and principal obligations. The company maintained working capital facilities of INR19,500 million, with an average utilisation of 31.1% over the 12 months ended December 2025. Ind-Ra expects GRIDCO to meet its FY26 and FY27 debt obligations of INR8,408.27 million and INR9,073.03 million, respectively, through collections from operational cash flows and soft loans from the GoO.

At FYE25, GRIDCO reported total contingent liabilities of INR28,596.8 million (FYE24: INR23,746.1 million). While these liabilities are not acknowledged as debt, their resolution remains subject to judicial and regulatory outcomes, which could impact the company’s financial flexibility if crystallised. Ind-Ra believes the GoO’s continued support through equity infusions would be critical for maintaining GRIDCO’s financial position in the event these contingent liabilities devolve in the near term.

Rating Sensitivities

Positive: Future developments that could, individually or collectively on a sustained basis, lead to a positive rating action include:

- an improvement in the GoO’s credit profile,
- GRIDCO’s interest coverage exceeding 1.5x.

Negative: Future developments that could, individually or collectively on a sustained basis, lead to a negative rating action include:

- any weakening of GRIDCO’s linkages with the GoO and deterioration in the GoO’s credit quality, and
- deterioration in GRIDCO’s liquidity.

Any Other Information

Not applicable

About the Company

GRIDCO was formed on 20 April 1995 under the Companies Act 1956 and is wholly owned by the GoO. It attained the status of a Deemed Trading Licensee under Section 14 of the Electricity Act, 2003, while the transmission-related activities of the state were transferred and vested with the state transmission utility, Odisha Power Transmission Corporation. GRIDCO carries out the business of power sourcing and bulk supply of power to the four state discoms by utilising the transmission network of the state transmission utility and the inter-state transmission system. OERC determines the bulk power supply rate and the power procurement costs for GRIDCO from various sources. Under the existing regime, all electricity distribution utilities of the state are obligated to purchase power solely from GRIDCO.

Key Financial Indicators

GoO		
Fiscal Ratios (% of GSDP)	FY26BE	FY25RE
Revenue balance	3.0	2.9
Fiscal balance	-3.2	-3.1
Debt/GSDP (%)	12.7	11.7
RE: revised estimates; BE: budget estimates; Negative balance indicates deficit and vice versa		
Source: Budget documents, GoO, Ind-Ra		

GRIDCO			
Key Particulars (INR million)	1HFY26 (Unaudited)	FY25	FY24
Total Income	74,045.7	145,106.10	140,129.5
EBITDA	4,656.70	8,346.50	8,735.10
EBITDA Margin (%)	6.29	5.75	6.23
Leverage (net debt/EBITDA, x)	5.36	6.16	6.27
Interest coverage (x)	1.80	1.72	1.43
Source: GRIDCO, Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instru ment Type	Rating Type	Rated Limits (millio n)	Current Rating/Ou tlook	Historical Rating/Outlook				
				16 December 2024	28 June 2024	30 June 2023	31 March 2023	1 July 2022
Bank loan facilities	Long- term/Sh ort-term	INR51,0 00	IND BBB+/ Positive/IND A2	IND BBB+/Stable/ IND A2	IND BBB+/Stable/ IND A2	IND BBB+/Stable/ IND A2	IND BBB/Stable/I ND A3+	IND BBB/Stable/I ND A3+
Bonds	Long- term	-	-	-	WD	IND A(CE)/Stable	IND A- (CE)/Stable	IND A- (CE)/Stable

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity- indicators>.

Contact

Primary Analyst

Mukesh Saxena
Senior Analyst
India Ratings and Research Pvt Ltd
DLF Epitome, Level 16, Building No. 5, Tower B DLF Cyber City, Gurugram Haryana - 122002
01246687266
For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst

Karishma Badhwar
Analyst
+91 124 6687213

Media Relation

Ameya Bodkhe
Marketing Manager
+91 22 40356121

About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Short-Term Ratings Criteria for Non-Financial Corporates

Local and State Government Rating Criteria

Rating of Public Sector Entities

The Rating Process

DISCLAIMER

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.