



Bureau of Energy Efficiency
Ministry of Power, Government of India

Expression of Interest (EoI) for empanelment of financial institutions (Banks/NBFCs) for reimbursement of Grading Fee under Grading of Energy Efficiency Projects

(under Energy Efficiency Financing Platform)

5th February 2021
(Revised on 16th March 2021)

Bureau of Energy Efficiency
4th Floor, Sewa Bhavan,
R.K. Puram, Sector-1
New Delhi -110066,
India

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1 LETTER OF INVITATION

1.1 Advertisement

This Expression of Interest (EOI) document is for empanelment of financial institutions to finance graded EE loans/projects under Energy Efficiency Financing Platform (EEFP) which is an initiative under the National Mission for Enhanced Energy Efficiency (NMEEE).

The Government of India set up Bureau of Energy Efficiency (BEE) (Website:www.beeindia.gov.in) on 1st March, 2002 under the provisions of the Energy Conservation Act, 2001. The mission of the Bureau of Energy Efficiency is to assist in developing policies and strategies with a thrust on self-regulation and market principles, within the overall framework of the Energy Conservation Act, 2001 with the primary objective of reducing energy intensity of the Indian economy. Overcoming barriers for financing of energy efficiency is a key policy goal of BEE.

Interested financial institutions may download the EOI document from the website www.beeindia.gov.in.

Last Date for Submission of Proposal: 4:00 PM (IST) on 23rd March 2021.

Interested FIs may contact Ms. Vineeta Kanwal, Director, BEE for any clarification.

Tel:(+91)-11-26766700

Email:vkanwal@beeindia.gov.in

1.2 Critical Information

Availability of EOI	5 th February 2021
Last date for receipt of Queries	19 th February 2021
Pre-bid meeting (Date and Time)	23 rd February 2021 at 2.30 PM On MS Teams
Last date for receipt of Proposal	23 rd March 2021 till 4 PM
Time, Date and venue for opening of bids	4.30 PM on 23 rd March 2021, Venue: Conference Room,4 th Floor, Sewa Bhavan, R.K. Puram, New Delhi -110066
Venue for Pre-Bid meeting	Microsoft Teams application for online meeting (please send your confirmation for attending this pre bid meeting with contact details to Ms. Malvi Mehtrotra, Project Economist – m.mehrotra@beeindia.gov.in by 19 th Feb 2021)India
Contact Person for queries	Ms. Vineeta Kanwal Director , Bureau of Energy Efficiency 4 th Floor, Sewa Bhavan,R.K. Puram, New Delhi -110066 Tel:(+91)-11-26766700 Email:vkanwal@beeindia.gov.in
Contact Person for submission of Proposal	Secretary Bureau of Energy Efficiency 4 th Floor, Sewa Bhavan,R.K. Puram, New Delhi -110066 Tel:(+91)-11-26766704

2 BACKGROUND INFORMATION

2.1 About BEE

The mission of Bureau of Energy Efficiency (BEE) is to develop policy and strategies with a thrust on self-regulation and market principles, within the overall framework of the Energy Conservation Act (EC Act), 2001 with the primary objective of reducing energy intensity of the Indian economy with active participation of all stakeholders. The Act empowers the Central Government and in some instances the State Governments, in consultation with BEE, to:

1. Notify energy intensive industries, other establishments, and commercial buildings as designated consumers.
2. Establish and prescribe energy consumption norms and standards for designated consumers.
3. Direct designated consumers to –
 - i. Designate or appoint certified energy manager in charge of activities for efficient use of energy and its conservation.
 - ii. Get an energy audit conducted by an accredited energy auditor in the specified manner and intervals of time.
 - iii. Furnish information with regard to energy consumed and action taken on the recommendation of the accredited energy auditor to the designated agency.
 - iv. Comply with energy consumption norms and standards, and if not so, to prepare and implement schemes for efficient use of energy and its conservation.
4. Prescribe energy conservation building codes for efficient use of energy and its conservation in commercial buildings
5. State Governments to amend the energy conservation building codes to suit regional and local climatic conditions
6. Direct owners or occupiers of commercial buildings to comply with the provisions of energy conservation building codes
7. Direct mandatory display of label on notified equipment and appliances.
8. Specify energy consumption standards for notified equipment and appliance.
9. Prohibit manufacture, sale, purchase and import of notified equipment and appliances not conforming to standards.

2.2 National Action Plan on Climate Change (NAPCC)

Realizing the growing challenge of climate change and its likely impacts on the Indian economy, the Government of India (GOI) released the National Action Plan on Climate Change (NAPCC) in June 2008, with the objective of achieving a sustainable path of development that simultaneously advances economic and environmental objectives.

Figure 1: National Missions of the NAPCC



2.3 The National Mission for Enhanced Energy Efficiency (NMEEE)

NMEEE as a key component of the NAPCC reflects the GOI's increased and renewed emphasis on achieving energy efficiency in Indian economy. This mission by promoting innovative policy and regulatory regimes, financing mechanisms, and business models seeks to not only create, but also sustain, markets for energy efficiency in a transparent and time bound manner. In addition to the ongoing schemes and programmes, the NMEEE puts in place four new initiatives to enhance energy efficiency (Figure 2).

National Mission for Enhanced Energy Efficiency			
PAT-Perform. Achieve and trade A market based mechanism to enhance cost effectiveness of improvements in energy efficiency in energy intensive large industries and facilities, through certification on energy savings that could be traded.	MTEE-Market Transformation for Energy Efficiency Accelerating the shift to energy efficient appliances in designated sectors through innovative measures to make the products more affordable.	EEFP-Energy Efficiency Financing Platform A mechanism to help stimulate necessary funding for Energy Service Company (ESCO) based delivery mechanisms for energy efficiency.	FEEED-Framework for Energy Efficient Economic Development Developing fiscal instruments to promote energy efficiency

Figure 2: Initiatives under the NMEEE of the NAPCC

In its implementation plan in 2010, NMEEE seeks to upscale the efforts to create the market for energy efficiency, estimated to be about Rs 74,000 crore. The Mission seeks to create conducive regulatory and policy regime to foster innovative and sustainable business models to unlock this market. As a result of implementing NMEEE, it is estimated that by the end of five years, about 23 million tonnes of oil equivalent (MTOE) of fuel will be saved, a capacity addition of over 19,000 MW will be avoided, and emissions of carbon dioxide reduced by 98.55 million tonnes annually.

In order to achieve this, the mission sets out a comprehensive strategy, consisting of the following components:

1. Creating a demand for energy-efficiency products, goods, and services by spreading awareness about the efficacy of these products and services, amending government policies and programmes to integrate energy efficiency, preparing bankable projects to stimulate the process, and offering the right incentives to cost-effective improvements in energy efficiency in energy-intensive industries and facilities through certification of energy savings that could be traded.
2. Ensuring adequate supply of energy-efficient products, goods, and services. This is being done by creating a cadre of certified energy professionals; promoting energy service companies (ESCOs), standards, and labelling of end-use equipment and appliances; and preparing structured programmes to leverage international financing instruments including the Clean Development Mechanism (CDM) to reduce transaction costs to attract private investment, etc.
3. Creating and promoting the energy efficiency financing platform, setting up Partial Risk Guarantee Fund for Energy Efficiency, and developing innovative financial derivatives of performance contracts and fiscal and tax incentives for investment in this sector.
4. Creating and adopting robust and credible monitoring and verification protocols to capture energy savings from all energy-efficiency activities in a transparent manner.
5. Taking necessary steps to overcome market failures by appropriate regulatory and policy framework to support the measures mentioned above.
6. Efforts of the government to create a market for energy efficiency need to be supplemented with appropriate fiscal instruments, which must be designed to address the following objectives.
7. Reassuring lenders by providing a guarantee for performance contracts.
8. Providing a venture capital fund from the Government to provide equity for energy-efficiency projects.
9. Promoting leadership in the public sector on energy efficiency.
10. Promoting energy efficiency in public procurement based on life cycle cost analysis.
11. Promoting regulatory incentives to state utilities through electricity regulatory commissions for DSM projects.
12. Offering concessions on taxes and duties to attract investment.

2.3 Framework for Energy Efficient Economic Development (FEEED):-

BEE has taken up several initiatives to strengthen the market for energy efficiency including innovative mechanisms to scale up financing of energy efficiency projects in India. Under the initiative of Framework for Energy Efficient Economic Development (FEEED), BEE has created financial instruments to help financial institutions actively engage with industries, large commercial establishments, and project implementation agencies and provide funds for energy efficiency projects across the country. To further assist in implementation of Energy Efficiency projects BEE is inviting willingness from various stakeholders to seek financing for implementing Energy Efficiency projects in India.

2.4. Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE):

Under NMEEE, BEE has institutionalized PRGFEE for addressing the debt related issues in financing EE projects. PRGFEE is a risk sharing mechanism to provide participating financial institutions (PFIs) with a partial coverage of risk involved in extending loans for EE projects. PRGFEE guarantees 50% of loan amount or Rs. 10 crore per projects, whichever is less. PRGFEE support has been provided to government

buildings, private buildings (commercial or multi-storey residential buildings), municipalities, SMEs and industries.

PRGFEE Rules were notified in May 2016. Operations Manual for PRGFEE has also been approved in October 2016. Till date, five FIs have been empanelled under PRGFEE which are Andhra Bank, Yes Bank, Tata Cleantech Capital Ltd., IDFC Bank and IndusInd Bank.

2.5 Venture Capital Fund for Energy Efficiency (VCFEE)

To encourage equity investment in EE projects, BEE has institutionalized VCFEE in India. Venture Capital Fund for Energy Efficiency (VCFEE) is a fund to provide equity capital for energy efficiency projects. The Fund shall provide last mile equity support to specific energy efficiency projects, limited to a maximum of 15% of total equity required, through Special Purpose Vehicles or Rs. 2 crores, whichever is less. The support has been provided to only government buildings, private buildings (commercial or multi-storey residential buildings) and municipalities.

On 7th July, 2015 the VCFEE Trust was constituted as per provisions of Indian Trust Act 1882 and trust deed was registered with jurisdictional sub-registrar Government of Delhi. VCFEE Rules got notified on 31st March 2017

2.6 Energy Efficiency Financing Facility (EEFF):

BEE institutionalized a dedicated financing facility with support of PFC and IREDA. The eligible borrowers like PAT and Non-PAT industries, Municipal Corporations, Energy Service Companies, Small Medium Enterprises (SMEs) can avail the financing benefit under EEFF.

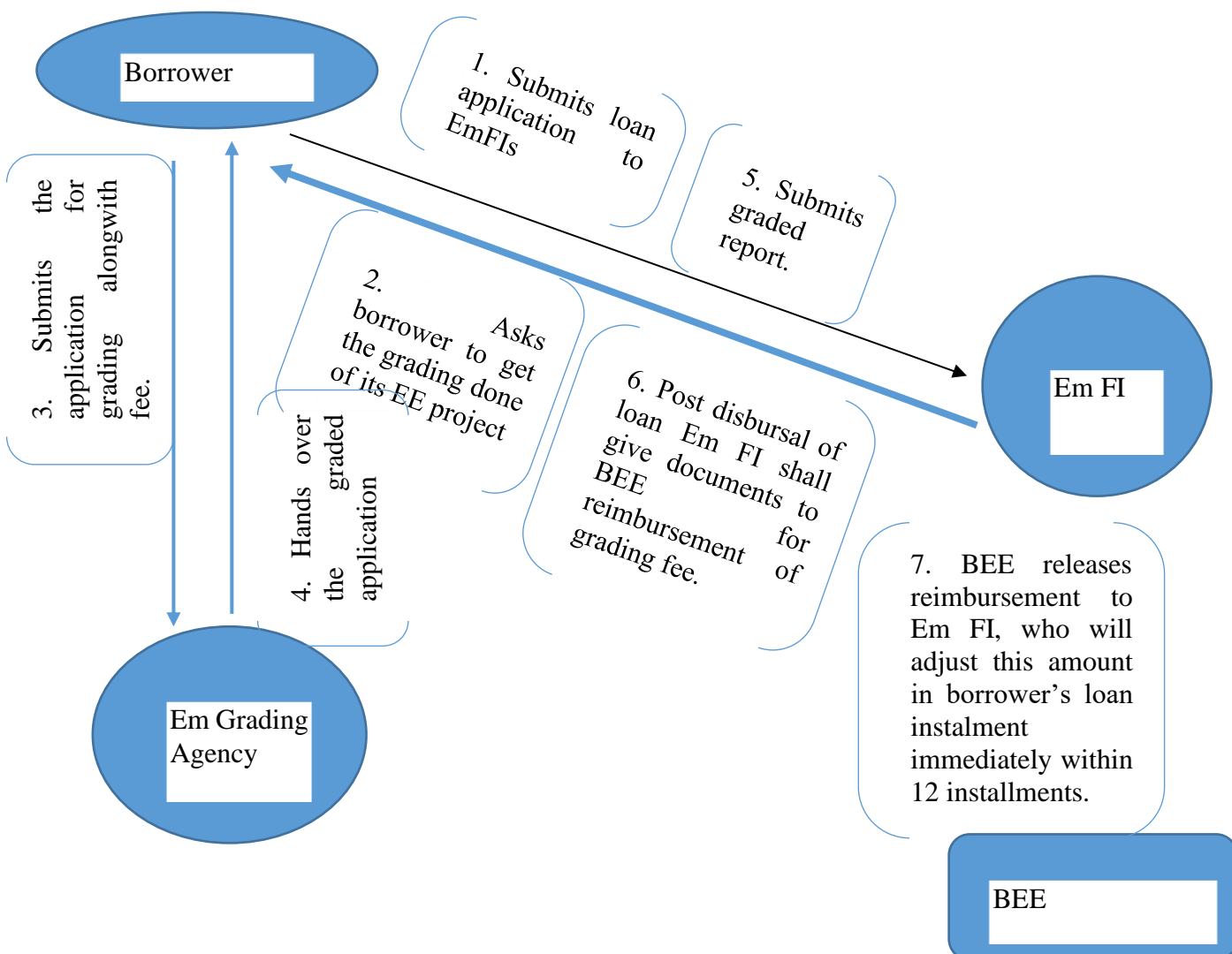
3 Project

3.1 Background

The Bureau of Energy Efficiency (BEE) is proposing a pilot programme of reimbursement of 100 both graded & financed EE projects. The broad objective of getting the grading of EE projects done is to facilitate the financing of EE projects by establishing confidence among FIs on EE projects by providing them with graded EE projects. BEE shall empanel grading agencies as well as financial institutions whose projects shall be graded under this scheme.

With this objective for uptake of financing EE projects and create market for energy efficiency measures, BEE is introducing a pilot phase of Grading of EE projects with grading agencies.

3.2 Mechanism :



1. Borrower submits the EE loan proposal to the Empanelled financial institution.
2. Empanelled FIs asks borrower to get the grading done of its EE project from the empanelled grading agencies according to the FI
3. The borrower submits the application to any one of the empanelled grading agency, alongwith the fee associated with the grading service to the concerned agency
4. The grading agency hands over the graded EE proposal to the borrower
5. The borrower submits the graded report to the empanelled agency
6. If the FI decides to sanction the loan, then post disbursal of 100% loan amount, Em FI shall give documents to BEE for reimbursement of grading fee.
7. BEE releases reimbursement to Em FI, who will adjust this amount in borrower's loan instalment with immediate effect and this whole amount shall be adjusted in the EMI within 12 months from the date of receiving money from BEE.

4 Terms of Reference:

In this regard, the grading agencies must follow the following criteria:

4.1 Expectations from the Financial Institution:

Scope of Work :-

1. To sign MoA with BEE
2. To finalise the a) evaluation criteria, b) required grading scale as per the FIs policies, c) the minimum eligibility criteria for the EE projects to be considered for financing and this scheme.
3. To accept applications from the beneficiaries among these sectors - SMEs, Large Industries, OEMs, ESCOs, Central/State Govt offices, individual home borrowers to be included in this project.
4. Direct the borrower of the EE Project to get the loan proposal graded from any of the BEE's empanelled grading agencies. Upon receiving the graded EE project proposal, it will entirely be FIs discretion; and on their own internal procedures & policies to accept or reject the proposal.
5. Post sanctioning of graded EE loan and disbursement of 100% loan amount, the FI shall send recommendation letter to BEE for the reimbursement of grading amount to the sanctioned EE projects and shall also enclose a copy of grading report as well as loan disbursement letter alongwith this recommendation letter.
6. Upon receiving the amount from BEE, the FI shall start adjusting the amount in the EMI of the borrower with immediate effect, and this whole amount shall be adjusted in the EMI within 12 months from the date of receiving money from BEE.
7. Submit intimation letter to BEE regarding full reimbursement of grading cost (transferred to FI) to the respective borrower.

NOTE : It may be noted that in this EoI BEE is providing a template of evaluation criteria, grading scale, and eligibility of the projects to be included in the scheme. It is not mandatory for empanelled financial institution to follow these criterias exactly the way in Annexure I. Empanelled FI can modify these given criterias as per the requirement and viability of the project. However, technical evaluation of EE project/loan by the concerned grading agency shall be mandatory. In case of technical evaluation, physical visit to the project site is mandatory under this project.

5 Duration and FEE for the Project

5.1 Duration of project

Project duration will be for 2 year from the date of signing MoA with Bank/NBFC. This means that it includes the projects graded within the stipulated time frame (i.e. 1 year for empanelled grading agencies) that eventually be financed by an empanelled financial institution(s). The reimbursement shall be done for all the financed EE projects that have been graded within 1 year of this project as grading agencies shall be empanelled for 1 year.

5.2 Timelines of Project

BEE will reimburse the grading fee of EE loan/ project as and when intimation shall be received from empaneled financial institutions, subject to post disbursal of the 100% loan amount to the graded project. It may be reiterated that the money reimbursed by BEE will be for the EE projects/ loans that will be graded within one year (duration of the project).

5.3 Fee of Project

There will be no responsibility of incurring any fee on the empanelled financial institutions. The FIs shall have to recommend the reimbursement and transfer the same in the borrower's loan account.

The transfer of fee may be summarized as follows :

Borrower shall pay the grading fee to BEE's empanelled grading agency. Subsequent to disbursal of loan to borrower, EmFI shall intimate BEE about the loan disbursed and for reimbursement of grading cost. BEE shall release this identified (through separate RfP) grading fee to EmFI who will adjust this reimbursement of grading fee in the instalment of EE loan within 12 months of receiving reimbursement from BEE.

6 INSTRUCTIONS TO THE INTERESTED FINANCIAL INSTITUTIONS

6.1 Procedure for Submission of the Proposal

The Organization should submit their Proposal in an envelope

ENVELOPE- should contain all the information as mentioned in the section 6.13 (Form 1 to Form 4)

Each document in the envelope of Proposal should be a complete document and should be bound as a volume separately. Each of the document should be page numbered and appropriately flagged and contain the list of contents with page numbers. Different copies must be bound separately. The deficiency in documentation may result in the rejection of the Proposal.

The soft copy of the Proposal should be submitted, in the form of a non-re-writeable CD (Compact Disc) and placed in the envelope. The CD must be duly signed by the consultant using a “Permanent Pen/Marker” and should bear the name of the financial institution.

The sealed covers should be super scribed with the wordings “empanelment of financial institutions for reimbursement of grading fee under Grading of Energy Efficiency Project”.

The sealed cover should also indicate clearly the name, address and telephone number of financial institution.to enable the proposal to be returned unopened in case it is declared "Late".

Financial institution must ensure that the information furnished by him/her in respective CDs is identical to that submitted by him/her in the original paper document. In case of any discrepancy observed in the contents of the CDs and original paper documents, the information furnished on original paper document will prevail over the soft copy.

6.2 Cost of Proposal

Financial institution shall bear all costs associated with the preparation and submission of its Proposal, including cost of presentations, meetings with BEE and other such meetings for the purposes of clarification of the Proposal, if so desired by the Purchaser. BEE will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process.

6.3 Contents of theProposal

Interested financial institution is expected to examine all instructions, forms, terms & conditions and Statement of Work in the Proposal. Failure to furnish all information required or submission of a Proposal not substantially responsive to the Proposal in every respect will be at the financial institution’s risk and may result in the rejection of the application.

6.4 Conflict of Interest

Empanelling financial institution should not have any conflict of interest with the work that is needed to be undertaken.

6.5 Language of Proposal

The Proposals prepared by the financial institution and all correspondence and documents relating to the proposal exchanged by the financial institution and BEE, shall be written in the English language, provided that any printed literature furnished financial institution may be written in another language so long the same is accompanied by an English translation in which case, for purposes of interpretation of the Proposal, the English translation shall govern.

6.6 Confidentiality

BEE requires that recipients of this document to maintain its contents in the same confidence as their own confidential information and refrain from any public disclosure whatsoever.

6.7 Disclaimer

BEE and/or its officers, employees disclaim all liability from any loss or damage, whether foreseeable or not, suffered by any person acting on or refraining from acting because of any information including statements, information, forecasts, estimates or projections contained in this document or conduct ancillary to it whether or not the loss or damage arises in connection with any omission, negligence, default, lack of care or misrepresentation on the part of BEE and/or any of its officers, employees.

6.8 Authorized Signatory for Financial Institution

The "financial institution" as used in the Proposal shall mean the one who has signed the proposal document forms. The authorized signatory should be the duly Authorized Representative of the financial institution, for which a certificate of authority will be submitted. All certificates and documents (including any clarifications sought and any subsequent correspondences) received hereby, shall, as far as possible, be furnished and signed by the Authorized Representative.

The power or authorization, or any other document consisting of adequate proof of the ability of the signatory to bind the financial institution shall be annexed to the Proposal. BEE may reject outright any Proposal not supported by adequate proof of the signatory's authority.

6.9 Contact details of the financial institution

The financial institution who wants to receive BEE's response to queries should give their contact details to BEE. The financial institution should send their contact details in writing at the BEE's contact address indicated in Para 1.2 of this document.

6.10 Queries on the EOI

The financial institution requiring any clarification on this document may send a query in writing at the BEE's contact address indicated in Para 1.2 of this document. BEE's response (including an

explanation of the query but without identifying the source of inquiry) to all the queries, received not later than the dates prescribed by the BEE in Para 1.2 of this document, will be made available on the website and sent to all consultants who have given their contact details. BEE may also hold a pre-bid meeting if needed to give clarifications and invitation of the same will be sent to the consultants who have given their contact details.

6.11 Amendment of EOI

At any time prior to the last date for receipt of Proposals, BEE, may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective financial institution, modify the EOI by an amendment. In order to provide prospective financial institution reasonable time in which to take the amendment into account in preparing their Proposals, BEE may, at its discretion, extend the last date for the receipt of Proposals and/or make other changes in the requirements set out in the Invitation for Proposals.

6.12 Documents Comprising the Proposal

The Proposal prepared by the financial institutions shall comprise of the following components:

Form 1 : Letter Proforma

Form 2 : Minimum Eligibility

Form 3 : Comments and Suggestions

Form 4: Declaration Letter

Registered Power of Attorney / or any other certificate executed by the financial institution in favor of the Principal Officer or the duly Authorized Representative, certifying him/her as an authorized signatory for the purpose of this EOI.

6.13 Power of Attorney

Registered Power of Attorney / or any other certificate executed by the financial institution in favor of the Principal Officer or the duly Authorized Representative, certifying him/her as an authorized signatory for the purpose of this Proposal.

BEE shall not be responsible for non-receipt/non-delivery of the Proposal due to any reason whatsoever. Bidders are advised to study the Proposal carefully. Submission of Proposal shall be deemed to have been done after careful study and examination of the Proposal with full understanding of its implications.

6.14 Duration of the MoA:

Project duration will be for 2 year from the date of signing MoA with the financial institution. This means that it includes the projects graded within the stipulated time frame that eventually be financed by an empanelled financial institution(s). The reimbursement shall be done for all the financed EE projects that have been graded within 1 year of the project.

7 SELECTION PROCESS

7.1 Minimum Eligibility Criteria

1. Financial institution should meet following criteria:
 - a) Should be a scheduled commercial bank or public financial institutions (registered under section 4A of the Companies Act 1956 (1 of 1956)), or
 - b) Non-banking financial companies with the certificate of registration from Reserve Bank of India, registered under the category of non-deposit taking non-banking financial companies, Systemically Important Core Investment Company not raising public deposit or Infrastructure Finance Companies, or
 - c) The NBFCs that are registered or empanelled with National Housing Bank (NHB).
2. Should not be involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this contract
3. Should not be black-listed by any Central/ State Government/ Public Sector Undertaking in India

7.2 Preliminary Scrutiny

Preliminary scrutiny of the Proposals will be made to determine whether they are complete, whether the documents have been properly signed, whether the forms are generally in order (As per clause 6.13 of this EoI), and whether the minimum eligibility criterion is met (as per clause 7.1 of this EoI).

The rectifiable discrepancies in the Proposal, if any would have to be corrected by the interested financial institution within a period of seven (7) days of the intimation given to them during the preliminary scrutiny of proposals.

Proposals not conforming to above listed preliminary requirements will be prima facie rejected.

7.3 Empanelling Process

The interested organisation which fulfils all the criteria as mentioned in Preliminary scrutiny clause 7.2 will be eligible to be considered by BEE for their empanelment. The organisation should take enough care to submit all the information sought by the Authority in the desired formats. The Proposals are liable to be rejected if information is not provided in the desired formats.

The empanelment will be complete once an MoA is signed with the interested financial institution.

7.4 Terms of Payment

Payment authority will be Bureau of Energy Efficiency.

The empanelled FIs shall raise the reimbursement recommendations in favour of

“The Secretary, Bureau Of Energy Efficiency, 4th Floor, Sewa Bhawan, Sector- 1, R.K. Puram, New Delhi”.

The payment to grading agency will be made by the beneficiary of grading service for its energy efficiency programme. The amount shall be defined by the outcome of the EoI on empanelment of grading agencies.

7.5 Contents of Proposal

The proposals would be scrutinized on the basis of the criterion set in para 6.3 above.

The specific experience of the financial institution would be checked on the basis of the following information provided in **ENVELOPE**- alongwith the prescribed documents:

- i. Evidence of satisfying all the minimum eligibility criterion listed out in clause 7.1 of this EoI
- ii. Evidence of having successfully carried out similar projects.
- iii. Evidence of having successfully carried out projects with Government.
- iv. Sufficient size, organization, and management to carry out the entire project.
- v. Specialized skills and creativity related to the project.

However, BEE in its sole/absolute discretion can apply whatever criteria deemed appropriate in determining the responsiveness of the Proposal submitted by the respondents.

8 Forms for the Proposal

Proposal is to be submitted in the following format along with the necessary documents as listed. The Proposal shall be liable for rejection in the absence of requisite supporting documents. Proposal should provide information against each of the applicable requirements. In absence of the same, the Proposal shall be liable for rejection.

8.1 Form 1 : Letter Proforma

To

The Secretary,
Bureau of Energy Efficiency
4th Floor, Sewa Bhavan,
R.K. Puram Sector-I
New Delhi -110066
India

Sub: Empanelment of financing institutions for reimbursement of Grading fee under Grading of Energy Efficiency Projects

Sir,

The undersigned financial institution, having read and examined in detail all the EoI documents in respect of appointment of a financial institution for BEE for the said project, do hereby express their interest to provide their Services as specified in the scope of work

2. Correspondence Details

1	Name of the financial institution*	
2	Address of the financial institution*	
3	Name of the contact person(s) to whom all references shall be made regarding this empanelment*	
4	Designation of the person to whom all references shall be made regarding this tender*	
5	Address of the person to whom all references shall be made regarding this tender*	
6	Mobile * Telephone (with STD code)	
7	E-Mail of the contact person*	
8	Fax No. (with STD code)	

3. Document forming part of Proposal

We have enclosed the following:

Form 2 : Minimum Eligibility

Form 3 : Comments and Suggestions

Form 4 : Declaration Letter

Registered Power of Attorney / or any other certificate executed by the financial institution in favor of the Principal Officer or the duly Authorized Representative, certifying him/her as an authorized signatory for the purpose of this EOI.

4. We hereby declare that our Proposal is made in good faith and the information contained is true and correct to the best of our knowledge and belief.

Thanking you,

Yours faithfully,

(Signature of the Officer)

Seal : Name :
Designation :
Date :
Place :
Business Address:

Witness:		financial institution:	
Signature	_____	Signature	_____
Name	_____	Name	_____
Address	_____	Designation	_____
	_____	Company	_____
Date	_____	Date	_____

7.2 Form 2 : Minimum Eligibility

1.1	Name of financial institution	
1.2	Year of Registration/Incorporation	
1.3	Year of Registration/Incorporation in India*	

*Enclose a copy of Registration document (including registration certificate)

7.3 Comments and Suggestions

[Suggest and justify here any modifications or improvement to the scope of work, tasks to be performed, timeline, deliverables, payment terms etc. to improve performance in carrying out the Project. Financial institution can suggest deleting some activity or adding another, or proposing a different phasing of the activities. Such suggestions should be concise and to the point but final decision for accepting or rejecting such suggestions shall be with BEE.]
(Maximum two pages)

7.4 Form 4: Declaration Letter

Declaration Letter on official letter head stating the following:

We are not involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this contract.

We are not black-listed by any Central / State Government / Public Sector Undertaking in India.

Witness:		Financial Institution	
		:	
Signature	_____	Signature	_____
Name	_____	Name	_____
Address	_____	Designation	_____
	_____	Organization	_____
Date	_____	Date	_____

Annexure I

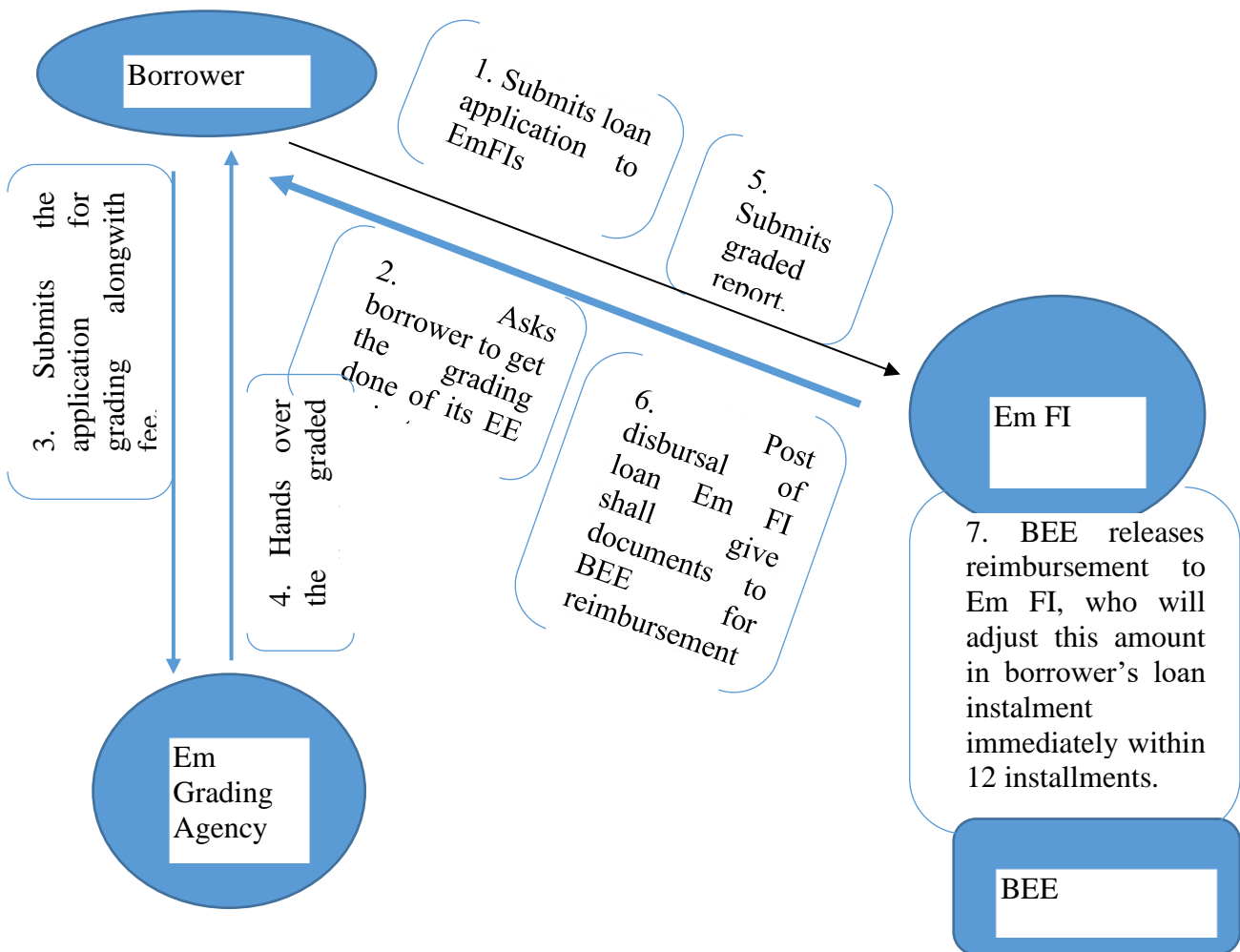
Template for grading of energy efficiency projects/ loans

A. About the Project:-

BEE, since its inception has been working on strengthening the importance of Energy Efficiency (EE) and the development and integration of EE measures across sectors. With time as the market got evolved and became relatively mature by government fierce interventions, the need of timely finance realised.

Thus, with these objectives to significantly increase finance of EE projects and make the market EE friendly, BEE is introducing pilot phase of Grading of EE projects with grading agencies.

MECHANISM :



The reimbursement of the graded and financed (both) EE project will be made to the beneficiary by BEE via the concerned empanelled financial institution. The reimbursement amount will be transferred to the concerned empanelled financial institution. Then, the FI shall adjust the amount in the EMI paid by the borrower with immediate effect as & when received by BEE (as mentioned in 5.3)

B. Grading Scale :-

Grading would be defined as “**the repayment capability of the project debt**”. Revised grading scale is as follows:-

Grade	Score	Repayment capability of project debt
Grade 1	90 – 100	Excellent
Grade 2	80 – 89	Very Good
Grade 3	70 – 79	Good
Grade 4	60 – 69	Above Average
Grade 5	50 – 59	Average
Grade 6	30 - 49	Weak
Grade 7	0 -29	Weakest

C. Eligibility Criteria Of the projects accepted under this Project

1. Project energy savings should be minimum 10% (in DPR or Investment Grade Energy Audit report);
2. Banking should be sound. Corporate banking/loan accounts should be of standard category;
3. Range of loan size to be considered should be Rs. 25 lakh to 1 Crore
4. Keep ESCROW /TRA account to ensure repayment mechanism under ESCO model
5. All the applicants must meet minimum eligibility conditions of the Empanelled financial institution
6. To include NOC from other banks / FIs if the borrower is having account in other banks also

D. Evaluation Strategy:

Evaluation of the EE projects by grading agencies will largely be covering the points in table below. Each parameter shall have sub-parameters to judge a project.

Parameter	Weight %
1. Sponsor risk	25
2. Financial risk	35
3. Industry risk	10
4. Technical risk	15
5. Execution and operation risks	15
Total	100

1. Sponsor Risk:

- a) Past debt record
- b) Credit rating (optional)
- c) Financial flexibility
- d) Management Risk
- e) Counter party risk
- f) Financial performance
- g) group support
- h) Past debt repayment track record
- i) Track record of the host company, group
- j) Track record of adopting a holistic approach in targeting significant source of energy waste in business during past five years.
- k) Constitution, ownership structure, holding (number of employee and their qualification)

2. Financial Risk

- a) Project Debt equity ratio
- b) Debt Service Coverage Ratio (DSCR)
- c) Project IRR
- d) Project cost and funding mix
- e) Cost benefit analysis & life cycle cost
- f) Cash flow adequacy to service debt
- g) ESCROW account / TRA Account
- h) Implementer – In this case, more weightage shall be given if industry is undertaking the EE project; while in case ESCO is undertaking it, lesser weightage will be allotted.
- i) Banker's feedback

- j) Capturing of revenue corresponding to savings for projects executed by companies in their own capacity.
- k) Revenue mix (Revenue from trading, services and manufacturing)
- l) Working capital Management

3. Industry Risk

- a) Cyclicity
- b) Competitive risk assessment
- c) Level of entry barrier
- d) cost structures.
- e) Risk of technological change and substitution
- f) Government regulations
- g) Economic viability : Level of employment generation

4. Technology Risk

- a) proven technology,
- b) energy savings (this will be depicted in absolute numbers)
- c) reduction in CO₂ emission
- d) Complexity level of project
- e) Number of detailed energy audits conducted
- f) Number of Energy auditors
- g) Innovative industry specific project undertaken
- h) Technical know- how of promoters
- i) Technical feasibility of project (mandatorily signed by the CEA/AEA)
- j) Viability Check

5. Execution Risk

- a) Complexity of project
- b) Access to technology
- c) Contractual performance
- d) Project life cycle
- e) O&M contractors, their experience and quality
- f) Legal, compliance, environmental clearance
- g) Supplier profile