

F. No. 367-12/4/2023-GEC
Government of India
Ministry of New and Renewable Energy
(Green Energy Corridor Division)

Atal Akshay Urja Bhawan
Opposite CGO Complex Gate no.2,
Lodhi Road, New Delhi – 110003;
Dated: 15 February 2024

To
The Pay & Account Officer,
Ministry of New and Renewable Energy,
New Delhi-110003

Subject: Sanction of the project “Green Energy Corridor Phase-II – Inter-State Transmission System for 13 GW Renewable Energy Project in Ladakh”

Sir/Madam,

In accordance with the approval of the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 18.10.2023, I am directed to convey the sanction of the President of India for implementation of the project “Green Energy Corridor Phase-II – Inter-State Transmission System for 13 GW Renewable Energy Project in Ladakh (ISTS GEC-II)” .

2. **Objective:** The ISTS GEC-II project envisages setting up of about 713 km [or 1268 circuit kilometres (ckm)] transmission lines and two nos. of 5 GW capacity of High Voltage Direct Current (HVDC) terminals – one each at Pang (Ladakh) and Kaithal (Haryana). The project details are mentioned in the project implementation guidelines enclosed at **Annex-I**. The project will facilitate evacuation of power from renewable energy (RE) power project comprising of 13 GW capacity along with 12 GWh Battery Energy Storage System (BESS) in Ladakh. The project will be implemented by Power Grid Corporation of India Limited (POWERGRID). The project will be implemented in a single phase and is scheduled to be completed by Financial Year 2029-30.

3. **Central Financial Assistance:** The total estimated project cost is Rs. 20,773.70 Crore [excluding the Interest During Construction (IDC)]. The approved Central Financial Assistance (CFA) @ 40% of the project cost is Rs. 8,309.48 Crore. The CFA will be capped at Rs. 8,309.48 Crore or 40% of the DPR cost or 40% of project completion cost, whichever is lower.

4. **Financial Model:** The balance project cost is to be arranged by POWERGRID through debt and equity. As recommended by the Public Investment Board (PIB), Department of

Expenditure, the Return on Equity (RoE) for the transmission project under ISTS GEC-II will be capped at 14% (post-tax). The other components of tariff will be governed by extant CERC tariff regulations for Regulated Tariff Mechanism (RTM) projects and its amendments thereof.

5. **Project Implementation:** The project implementation guidelines are enclosed at **Annex-I**. The Ministry of New and Renewable Energy (MNRE) will coordinate with Ministry of Power to ensure that RE generation and the transmission projects are planned and executed in a systematic manner to ensure efficient and optimal utilization of the RE transmission system.

6. **Project Monitoring:** The project will be monitored closely by CEA and CTUIL. A monthly management summary report / dashboard shall be prepared by POWERGRID and will be submitted to CEA and MNRE.

7. The funds for implementation of the above project would be met from Demand No.71- Ministry of New & Renewable Energy; Major Head: 2810-New & Renewable Energy; Minor Head: 00.101-Grid Interactive & Distributed Renewable Power; Sub Head: 10- Storage and Transmission; 01-Green Energy Corridor, 10.01.35 – Grants for Creation of Capital Assets during the year 2023-24.

8. This sanction is issued in exercise of the delegated powers conferred on the Ministry and in consultation with IFD vide their Dy. No. 420 dated 15/02/2024.

Yours faithfully,



(Tarun Singh)

Scientist "E"

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Encl.: As above

Copy for information and necessary action to:

- i. Central Government Ministries/ Departments (Department of Expenditure / Department of Economic Affairs / NITI Aayog/ Ministry of Power / Ministry of Environment, Forest and Climate Change/ Department for Promotion of Industry and Internal Trade)
- ii. Chairperson, Central Electricity Authority
- iii. Principal Secretaries (Power/Energy) of the States/UTs of Ladakh, Himachal Pradesh, Punjab and Haryana
- iv. Principal Director of Audit, Scientific Departments, DGACR Building, IP Estate, Delhi
- v. Chairman and Managing Director, POWERGRID
- vi. Chairman, CTUIL

Internal Distribution:

- i. PS to Hon'ble Minister of Power and New & Renewable Energy
- ii. PS to Hon'ble Minister of State for New & Renewable Energy and Chemicals & Fertilizers
- iii. Sr. PPS to Secretary, MNRE
- iv. All Group Heads, MNRE
- v. Scientist 'D' (RT), MNRE
- vi. Cash Section, MNRE
- vii. Director (NIC) to upload this on the Ministry's website.
- viii. Hindi Section for Hindi version
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(Tarun Singh)