

No. 23/22/2019-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 23rd July, 2019

To

1. CMD, POSOCO /Heads of NLDC/RLDCs/SLDCs
2. Principal Secretary/Secretary (Power/Energy), State Governments/UTs
3. All Generating Companies
4. All Distribution Companies
5. Secretaries of All State Electricity Regulatory Commissions (SERCs)/JERCs.

Subject: Clarification on Order related to Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees.

Sir,

I am directed to refer to the Ministry of Power's Order of even number dated 28th June 2019 regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees and its Corrigendum issued on 17 July, 2019.

2. Some of the States have sought clarification on applicability of Letter of Credit as per Letter dated 28.06.2019 including its subsequent Amendments and also on whether State owned Generating Stations are covered under this Order.

3. In respect of the above, it is hereby clarified that:

- a. The Letter of Credit shall be opened against the power purchases made from 01st August 2019 onwards.

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- b. The State owned generating Stations are not covered under the Order dated 28.06.2019 and its subsequent Amendments thereof. The Bill payments for these State owned Generating Stations may be as decided by the respective State Governments.
4. This issues with the approval of Hon'ble Minister of State (I/C) for Power and NRE.

Yours faithfully,



(D. Chattopadhyay)
Under Secretary to the Govt. of India
Tel: 2373 0265

Copy to:

1. Secretary, MNRE, CGO Complex, New Delhi
2. Chairperson, CEA, Sewa Bhawan, RK Puram, New Delhi
3. Secretary, CERC/FOR, Chanderlok Building, Janpath, New Delhi

Copy also for information to:

1. All Joint Secretaries/ EA, Ministry of Power
2. PS to MOS(I/C) for Power & NRE
3. PPS to Secretary (P), PPS to AS(SNS), PPS to AS (SKGR), PS to CE(R&R), PS to Director (R&R), Ministry of Power