

**HARYANA RENEWABLE ENERGY DEVELOPMENT AGENCY(HAREDA)**  
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**SCHEME ON PROVIDING FINANCIAL ASSISTANCE**  
**IN THE FORM OF INTEREST FREE LOAN**  
**FOR IMPLEMENTATION OF ENERGY CONSERVATION MEASURES**  
**UNDER THE STATE ENERGY CONSERVATION FUND**

**1. Background**

The Govt. of India has enacted the Energy Conservation Act, 2001 with the objective to provide a regulatory framework for formulation and implementation of energy conservation strategies in the country for efficient use of energy. The Department of Renewable Energy, Haryana is the State Designated Agency to coordinate, regulate and enforce the provisions of the Energy Conservation Act, 2001 in the State of Haryana. Under Section 16 of the Energy Conservation Act, 2001, the State Govt. is required to constitute a Fund for the purposes of promotion of efficient use of energy and its conservation within the State. Accordingly, the Haryana Govt. has notified the constitution of the Haryana Energy Conservation Fund vide Haryana Govt. Notification No. 22/7/2010-5 Power dated 19.2.2010.

In the initial years, the energy conservation activities in the state were promoted with a multi pronged strategy of regulatory, promotional and incentivising measures. The preliminary energy audits carried out in various types of consumers of commercial energy show that there is approximately 20% to 35% energy saving potential through adoption of energy efficiency measures. Over the years, a greater awareness has been created in all sectors of the economy to achieve energy efficiency.

**2. Justification**

It has been felt that in existing enterprises implementation of energy efficiency measures involves substantial investment and therefore, the entrepreneurs are reluctant to implement the EC measures suggested in the energy audit reports. During interaction with the stakeholders, it has emerged that the energy conservation measures may be adopted by the entrepreneurs if some kind of financial assistance or loan is provided to them. Keeping this in mind, HAREDA and the Bureau of Energy Efficiency, Govt. of India has proposed to create a revolving fund within the State Energy Conservation Fund with a corpus of Rs.200.00 lac for providing interest free loans to such industrial, commercial, institutional, municipal consumers who are willing to implement the energy conservation measures in their premises.

**3. Objectives**

- a. To achieve energy efficiency in energy intensive sectors
- b. To encourage energy efficiency in energy intensive clusters
- c. To promote latest energy efficient technologies
- d. To facilitate the entrepreneurs in achieving energy efficiency

#### **4. Funding Pattern**

- a. The financial assistance will be provided to the industries, institutions, municipal and commercial buildings for implementation of the energy audit report for achieving higher energy efficiency.
- b. The financial assistance in the form of loan will be provided on 0% interest rate against bank guarantee equivalent to 1.25 times of the assistance valid for 3.5 years. The financial assistance will be limited to 75% of the cost or Rs. 20.00 lac whichever is less, of implementation of the recommendation of the bankable energy audit report, prepared by BEE certified energy auditor/energy managers. State Govt. Departments/ Agencies are exempt from submission of Bank Guarantee, however, they will be required to furnish an undertaking signed by the competent authority to repay the loan amount as per the scheme .
- c. The financial assistance will be utilized only for the purpose for which it has been sanctioned.

#### **5. Timeframe and repayment schedule**

- a. The project will be implemented in 9 months time from the date of sanction of the financial assistance.
- b. The repayment schedule of the financial assistance will be as under:
  - i. The financial assistance will be paid by the beneficiaries to HAREDA in 5 equal installments.
  - ii. First installment shall be due on expiry of one year from the date of release of the financial assistance and shall be required to be paid by the 10<sup>th</sup> day of the succeeding month.
  - iii. The remaining 4 installments will be required to be paid on 6 monthly basis by the 10<sup>th</sup> day of the succeeding month.
  - iv. In case of default of payment of any installment, penalty @ 2% per month of the released amount will be charged. In case of delay by more than 3 months, the entire bank guarantee will be revoked without giving any further notice. In such a case, the installments already paid by the beneficiary will be refunded along with balance against the bank guarantee after deducting penalty amount.
  - v. The bank guarantees will be released after successful implementation of the project and repayment of the entire loan amount including penalties, if any.

#### **6. Other terms & Conditions**

- a. The equipments/ plant & machinery procured under the project should be new and all copies of the work orders and invoices are required to be submitted along with audited statement of expenditure for the entire project cost.
- b. The beneficiary shall submit quarterly progress of implementation of the project and energy savings report in the prescribed format on half yearly basis.
- c. The Director General, HAREDA or his authorized representatives shall have the right to inspect the project, evaluate the progress and audit the accounts of the project as and when required.
- d. The Director General, HAREDA will be allowed to utilize the project details for creating awareness / replication of similar projects.

- e. The beneficiaries intending to avail financial assistance under this programme shall have to submit an undertaking on judicial stamp paper of Rs. 10/- for acceptance of all terms & conditions of scheme.
- f. The amount received by HAREDA as payback from the beneficiaries shall act as revolving fund for the projects approved by the competent authority.
- g. The decision of the Director General, HAREDA will be final and binding on all issues related to this financial assistance

**7. Eligibility for loan**

- a. The applicant must be located in Haryana
- b. The applicant must not be a defaulter of power utilities in terms of payment of electricity bills.
- c. The applicant must have conducted energy audit of its premises, where the energy conservation measures are proposed to be implemented through a certified energy auditor/manager. The energy audit report must be enclosed alongwith the application with details of the certified energy auditor/manager who has carried out the energy audit.

**8. How to apply**

- a. HAREDA will invite proposals for financial assistance in the form of loan through press advertisement.
- b. The proposals for financial assistance under this programme shall be approved by a committee under the chairmanship of Director General, HAREDA with Technical Advisor, Project Director, concerned scheme incharges, representative from Industrial & Commerce Department and one representative from UHBVN/DHBVN/ PWD as member.
- c. Applications for availing the interest free financial assistance/ loan in the prescribed format may be submitted to HAREDA along with a non-refundable application fee of Rs. 5000/- in the shape of Demand draft in favour of Director General, HAREDA payable at Chandigarh.

**HARYANA RENEWABLE ENERGY DEVELOPMENT AGENCY**

**FORMAT OF APPLICATION FOR AVAILING INTEREST FREE LOAN FOR  
IMPLEMENTATION OF ENERGY CONSERVATION MEASURES**

S.No.	Particulars	Details
1.	Sector of the applicant	Industry/commercial building/institutional building/any other.....(pls specify)
2.	Name & address of the applicant	
3.	Date of incorporation supported by proof of registration	
4.	Type of applicant a. State Govt. Deptt. b. State Govt. undertaking c. Central Govt. Deptt. d. CPSU e. Private organization f. Public Ltd. organization g. Any other, please specify	
5.	Whether profit making or not (Please attach last year balance sheet)	
6.	Main activity of the applicant (Please indicate your products)	
7.	Annual energy consumption	
8.	Main areas of energy consumption a. Process b. HVAC c. Lighting d. Any other , please specify (Please add details as Annexure)	
9.	Whether energy audit has been done  If yes, please add the following details:  i. Year  ii. Name of the BEE certified Energy Auditor  iii. Attach copy of the energy audit report  iv. Investment required to implement the energy	Yes/ No

	audit report v. Estimated energy saving vi. payback period	
10.	Whether the applicant is ready to implement the complete energy audit report or in parts	
11.	Applicants proposed share for implementation of the recommendations of the energy audit report	
12.	Non defaulters certificate from the power utilities	Attached/ Not attached (If not attached, the application will be rejected)
13.	Application money (Rs. 5000/-)	DD No. /Date / Bank
14	Signature of the authorized representative of the applicant with name & date	

**FORMAT FOR UNDERTAKING** (To be given on Rs. 10/- non-judicial stamp paper)

I, -----(Name of the applicant) S/o -----working as -----in the -----  
------(Applicant organization) do hereby undertake that we have carefully understood the scheme on providing financial assistance in the form of interest free loan for implementation of energy conservation measures under the State Energy Conservation Fund ( revolving fund) and do you hereby accept all the terms and conditions of the said scheme.It is further informed that we are not defaulter of the power utilities in terms of payment of electricity bills. We are ready to submit the bank guarantees as required under the scheme for release of the financial assistance

Signature of the applicant

Name Date

Designation

Seal