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**புதுச்சேரி மாநில அரசிதழ்**  
**La Gazette de L'État de Poudouchéry**  
**The Gazette of Puducherry**

**PART - II**

**சிறப்பு வெளியீடு EXTRAORDINAIRE EXTRAORDINARY**  
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GOVERNMENT OF PUDUCHERRY  
CHIEF SECRETARIAT (ENVIRONMENT)

(G.O. Ms. No. 13/2023-Envt., Puducherry, dated 03rd November 2023)

NOTIFICATION

In exercise of the powers under section 57, read with section 16 of the "Energy Conservation Act, 2001" (Central Act 52 of 2001), the Lieutenant-Governor, Puducherry, constitutes a Fund to be called the "Puducherry Energy Conservation Fund" and makes the following "Rules" for regulation and operation of the said fund, namely:-

**1. Short title and Commencement.**— (1) These Rules may be called the 'Puducherry Energy Conservation Fund Rules, 2023'.

(2) It shall come into force at once with effect from the date of its publication in the Official Gazette.

[ 1669 ]

**2. Definitions.**— (1) In these rules, unless the context otherwise require, -

(a) “Act” means, the Energy Conservation Act, 2001 (Central Act 52 of 2001)

(b) “Beneficiary” means, beneficiary of the Fund constituted under section 16 of the Act;

(c) “Fund” means, ‘Puducherry Energy Conservation Fund’, constituted under section 16 of the Act;

(d) “Government” means, the Administrator of the Union territory of Puducherry appointed by the President of India under the Article 239 of the constitution;

(e) “Section” means, the section of Act;

(f) “State Designated Agency (SDA)” mean, Renewable Energy Agency Puducherry, notified under clause (d) of section 15 of the Act;

(g) “State Level Steering Committee” mean, the Committee specified in rule 3 (2);

(2) The words and expressions used and not defined herein but, defined in the Act, shall have the meanings, respectively, assigned to them in the Act.

**3. Administration of the Fund.**— (1) The Fund constituted under sub-section (1) of section 16 of the Act, shall be administered by the State Designated Agency under the supervision of the State Level Steering Committee in accordance with the provisions of the Act and Rules made thereunder.

(2) The State Level Steering Committee consisting of the following Members, namely:-

- |   |                 |
|---|-----------------|
| (a) Secretary, Power Department/<br>Vice-Chairman (REAP).                                   | . . Chairperson |
| (b) Director, Department of Science,<br>Technology and Environment.                         | . . Member      |
| (c) Superintending Engineer- <i>cum</i> -<br>Head of Department, Electricity<br>Department. | . . Member      |

- (d) Chief Engineer, Public Works Department . . Member
- (e) Director, Local Administration Department . . Member
- (f) Managing Director, . . Member-  
Renewable Energy Agency, Puducherry. Secretary.

(3) The meeting of State Level Steering Committee must be convened atleast once a year to develop a road map for effective utilisation of Puducherry Energy Conservation Fund.

**4. Power and functions of the State Designated Agency.**—The State Designated Agency shall under the supervision of the State Level Steering Committee exercise or perform the following powers and functions, namely:-

- (a) to develop norms, guidelines and procedure for assistance from the fund;
- (b) to work out modalities of the Energy Conservation Schemes and programmes and ensure effective monitoring in its implementation;
- (c) to exercise power relating to matters of administration, finance and budget with respect to the fund;
- (d) to process proposals for financial assistance for the fund and issue utilisation certificate thereof;
- (e) to sanction and disburse financial assistance for the project approved from time to time and monitor or supervise such projects and expenditure incurred thereon and evaluate its performance;
- (f) to organize various promotional, awareness creation programmes and to convene meetings, seminars and workshops for propagation of the fund
- (g) to liase with the Government and other stakeholders of the Fund;
- (h) to maintain proper records and accounts of the Fund;
- (i) to maintain up to date and complete information including progress made in the implementation of various programme under the fund, from time to time;
- (j) to prepare annual statement on income and expenditure and balance sheet of the fund;

(k) to specify the manner and authority for audit of the accounts of the fund;

(l) to manage the properties of the Puducherry Energy Conservation fund;

(m) to perform such other functions as may be assigned by the Government from time to time for the proper utilisation of the fund;

(n) to exercise or perform such other power and functions that are necessary for the administration carrying out management and utilisation of the funds for the purpose of the Act and Rules therein.

**5. Establishment of Fund.**— The Fund constituted under section 16 of the Act shall consist of:-

(a) all grants and loans that may be made by the Government of Puducherry or Central Government or any other organisation or individual for the purpose of the Act;

(b) any other amount authorized to be credited to the fund, under the provision of the Act.

**6. Utilisation of the Fund.**— (1) the fund shall under the supervision of the State Level Steering Committee be utilised for meeting the expenses incurred for implementing the provision of Act:-

(i) The activities under contribution to Puducherry Energy Conservation Fund should not include energy efficiency projects to be executed entirely on grants-in-aid basis. For undertaking energy efficiency projects, the funds disbursed under State Energy Conservation Fund should be utilised as Revolving Investment Fund (RIF). This fund may be used to finance implementation of energy efficiency projects in public buildings including Central Government, State Government and Union Territory and Central or State Government undertakings/ agencies' buildings, energy efficiency street-lighting or common area lighting projects, energy efficiency projects in public drinking water pumping stations and in agricultural pumping, energy efficiency projects in various industrial sectors and micro, small and medium enterprises clusters, *etc.*, Puducherry Energy Conservation Fund will not be used for any other purpose. These funds cannot be used for project related to renewable sources of energy.

(ii) Investments from revolving portion of the fund may be made under a Performance Contract Model where savings in energy bills achieved will be ploughed back to the Puducherry Energy Conservation Fund. Monetary value of energy savings may be shared between Revolving Investment Fund (RIF) and the facility owners till the investment made by RIF are recovered and it will be on no-profit no-loss basis.

(iii) The amount utilised for energy efficiency projects implemented from Puducherry Energy Conservation Fund should be recouped.

(iv) The funds from the Puducherry Energy Conservation Fund may be utilised to implement energy efficiency projects in the Government Sectors and the same may be recovered from the concerned Government Departments on deemed saving model.

(v) The interest component earned from Puducherry Energy Conservation Fund may be utilised by the SDA for implementation of energy conservation activities/awareness campaigns on grant-in-aid basis.

(vi) SDA may seek proposals from Energy Service Companies (ESCOs) for carrying out energy efficiency projects and finance them from Union territory of Puducherry Energy Conservation Fund for their implementation. Recovery of Puducherry Energy Conservation Fund provided to ESCO may be made by entering into a contract with the ESCO.

(vii) Special legislative measures may be enacted to create new taxes/cess for contributing/funding to the Puducherry Energy Conservation Fund.

(viii) A portion of the Puducherry Energy Conservation Fund, not exceeding 15% of the total project cost, may be used for preparatory activities including preparation of Detailed Project Report and other documents like performance contract, bidding documents, *etc.*, Expenditure for management of the project and monitoring and verification can also be made from Puducherry Energy Conservation Fund within the aforementioned limit of 15% of the project cost. Remaining portion of the project cost shall be utilised as Revolving Investment Fund (RIF).

(ix) Detailed monitoring and verification protocols should be clearly defined for the projects and should form part of the performance contract.

(x) If required, third party monitoring and verification may be carried out and expenditure on the same may be met from Puducherry Energy Conservation Fund within the limit of 15% of the project cost along with other preparatory activities.

(xi) All investment decisions for funding projects from Puducherry Energy Conservation Fund should be taken by the State level Steering Committee.

(xii) The contribution to Puducherry Energy Conservation Fund should not be used to bear recurring expenditure like the operation and maintenance costs and the non-core activities such as expenditure incurred for making boarding, lodging and food arrangements for officials of various Departments/ Organizations, *etc.*

(xiii) All relevant codal formalities and Government of Puducherry rules and regulations including applicable financial rules shall be followed while utilising these funds.

(2) All moneys forming the corpus of the Fund shall be deposited in any Nationalized Bank, as may be decided by the State Level Steering Committee.

**7. Operation of Fund.**— the State Designated Agency shall operate the Fund as per the direction of the State Level Steering Committee issued from time to time.

**8. Power of Inspection.**— (1) The State Designated Agency shall have the authority to monitor the utilisation of Fund. If, Fund is used for purposes other than the one authorized, the State Designated Agency may suspend any further assistance.

(2) The State Designated Agency may proceed against the beneficiaries after following process of Law.

**9. Accounts and Audit.**— (1) The State Designated Agency shall maintain proper accounts and relevant records, and prepare an annual statement of accounts and balance sheet in such Form and in such manner as may be specified by the State Level Steering Committee.

(2) The Accounts of the Fund shall be audited by such Auditor as may be appointed by the State Level Steering Committee or State Designated Agency.

**10. Annual Report.**— The State Designated Agency shall during each financial year prepare an annual report of its activities in the previous financial year and after approval by the State Level Steering Committee a copy thereof forwarded to the Government of Puducherry.

**11. Closure of Fund.**— (1) The Funds shall remain operative so long as the relevant provision of the Act remains in force or the same is withdrawn by the Government.

(2) At the time of closure of the Fund, when the Fund is no longer required, all the unspent balance under the same shall be remitted into Government Treasury.

**12. Amendment in Rules.**— The Puducherry Energy Conservation Fund Rules, 2023 can be amended by the Government of Puducherry as per functional and objective necessity on the recommendation of the State Level Steering Committee.

(By order of the Lieutenant-Governor)

**P. EJOMALE,**  
Under Secretary to Government (Environment).