

Government of Himachal Pradesh
MPP & Power Department

No.MPP-F(1)2/2005-VIII

Dated:Shimla-2, the

4^h March, 2014

NOTIFICATION

The Governor, Himachal Pradesh, on recommendations of the Committee headed by Chairman, HP State Electricity Regulatory Commission, is pleased to make the following amendments in the Hydro Power Policy, 2006 of Himachal Pradesh, as amended from time to time, with immediate effect, in the public interest:-

Sr.No.	Existing provisions	New Provisions
Procedures and Processes Reforms for Fast tracking Projects.		
(1)	NOCs of IPH, PWD, Revenue, Fisheries and Wild with DPR required.	(1) These <u>NOCs not required</u> . Clearances and compliance of norms and conditions shall be ensured by the developer before and during execution.
(2)	NOC of Gram Panchayat required twice i.e. with DPR and after I.A. for start of work	(2) Effective consultations shall be done with Gram Panchayats and their objections and suggestions shall be heard and decided by SDM by way of a reasoned speaking order. Aggrieved parties have right to appeal before D.C. and thereafter Pr. Secretary (Power).
(3)	NOCs from 9 Depts./ authorities required for:- (a) Lease application. (b) For grant of Essentiality Certificate (EC) for lease of land and permission U/s 118.	(3) Not required. Provision at 1 above will meet these requirements. E.C. should be only for maximum quantum of land required for the purpose at project site without mentioning Kh. No. because actual forest land and lease land at site will be decided by Forest and Revenue Departments based of ceiling under E.C.
(4)	Separate Joint Inspection Committees to meet the clearance process of each Department/Agency and they meet on different occasions.	(4) <u>One Joint Inspection Committee</u> to clear all aspects of projects requiring joint inspection for statutory clearances. <u>For non-statutory clearances only departmental inspection shall be adequate.</u>
(5)	Gram Panchayats are approached separately at different times for seeking consent on different clearances/actions.	(5) Gram Panchayat shall be approached in one go for consultations on all aspects of project i.e. for project as a whole and it will be after proclamation issued by SDM for hearing objections and inspection by Joint Inspection Committee for statutory clearances like FCA, land lease, PCB clearances etc.

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(6) Different activities and processes for clearances are undertaken mostly sequential, one following the other.	(6) Allotment letter and Feasibility approval enables the developer to start all activities concurrently and hence shall be so done by developer and the Govt. agencies.		
(7) No time lines is fixed for grant of revenue records and demarcations etc. by Patwari and Kanoongo.	(7) Time line for issuance will be two months from the date of complete application with fee.		
(8) TEC is required to be accorded by Directorate of Energy after preparation of DPR.	(8) TEC is not required under Electricity Act,2003 and hence no TEC required. Instead the following concurrence will be given:- (i) Approval of Feasibility Report by HIMURJA up to 5 MW. Above 5 MW, DoE will approve. (ii) Technical Concurrence (TC) on DPR by Directorate of Energy for fixing power potential (if it varies from Feasibility Approval figures) and from safety and quality specifications. (iii) Techno-Economic Appraisal(TCA), if developer so wants for financing etc. (optimal and not part of clearance and process)		
(9) No normative CUF fixed for SHPs under Power Policy. HP Electricity Regulatory Commission (HPERC) has fixed 55% and Central Electricity Regulatory Commission has fixed 45%, net of free power to State i.e. 13% free power has to be adjusted over and above 45%.	(9) Higher CUF means more generation, less generation cost, less tariff and better return. Hence CUF should be optimum. 55% to 60% ±2% for SHPs up to 5 MW 55% ±3% for SHP above 5 to 25 MW.		
(10) Revised Timelines			
Description	Normal Time	Extension	Total
Current Time Lines	62 months (5 years, and 2 months)	54 months (4 years and 6 months)	116 months (9 years and 8 months)
Recommended	56 months (4 years & 8 months)	9 months	65 months (5 years and 5 months)
Policy Support for Promotion of Renewables.			
(11) Capacity addition charges before commissioning as per 2009 amendments as under:- (a) 3% additional free power on increased capacity. (b) Charges on additional increased capacity :- Up to 0.50 MW - Rs. 1.00 lac above 0.50 to 1 MW - Rs. 2.00 lacs above 1 MW - Rs. 5.00 " per MW	(11) Continuation of 2006 policy i.e. for projects up to 5 MW, capacity will be as determined at F.R. approval and T.C. and no additional free power will be payable. Normal upfront premium @ Rs.90, 000/- per MW on total capacity is payable. For projects above 5 MW, no changes are required.		

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<p>(12) Time extension as per permissible limit allowed on payment of Rs. 10,000/- per MW per month, irrespective of whether the delay is attributable to the developer or not.</p>	<p>(12) Extension charges will not be applicable for grant of extension where delay is not attributable to the developer on account of the following clearances only:-</p> <ul style="list-style-type: none"> (i) Forest Clearance, including Forest Rights process at Panchayats levels. (ii) PCB Clearance. (iii) Lease of Govt. land <p>Provided that all applications complete in all respects based on check list, are applied for within 4 months of approval of Feasibility Report and time for addressing queries will be one month.</p> <p>Serious developers will be incentivized. Delay in Feasibility Report should be severely penalized by maximum charges and cancellation, whereas delay in DPR and actual physical work should be charged at lower rate initially, with increasing rate for greater delays.</p> <ul style="list-style-type: none"> (a) Extension charges for Feasibility Report, will be at existing rates of Rs. 10,000/- per month per M.W. (b) Extension in DPR shall be @ Rs. 1000/- per MW for first month doubling in successive months, subject to maximum of Rs.10,000/- i.e. 1st month Rs.1,000/-, 2nd month Rs. 2000, 3rd month 4000/-, 5th month Rs.10,000/-. (c) For start of work Rs.10,000/- per month per M.W. (d) After start of work for delay in completion at the same rate as (b) above. This part of charges will be payable upfront or with interest, at project borrowing rates, after commissioning. <p>Provided further that if project is completed within the normal time lines of completion, charges paid for any extensions in the interim shall be refunded.</p>
<p>(13) Power Purchase by HPSEBL:</p> <p>In accordance with the provisions of Electricity Act 2003, developer is free to sell to anybody within and outside H.P. and HPSEBL has option to buy as per merit order principles if developer chooses to sell.</p>	<p>(13) 2006 Policy may be followed partially, wherein HPSEBL will buy power from SHPs up to 2 MW if developer so choose, provided that free power to State is also as per 2006 Policy as recommended by Committee, which will reduce tariff by about 10 paise per unit. For SHP above 2 MW to 5 MW, HPSEBL will formulate an objective, prudent and transparent power purchase policy keeping in view load center, evacuation cost, line losses, hydrology etc.</p>

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<p>(14) Charges payable to Fisheries Department:-</p> <p>(i) Rs. 50,000 per MW.</p> <p>(ii) Rs. 50,000 per KM of length of stream from weir to tail race.</p>	<p>(14)</p> <p>(i) No charges for projects up to 2 MW.</p> <p>(ii) For other only per MW charge at the rate of Rs.50,000/- per MW.</p> <p>(iii) No Additional charges for length of stream so as to avoid inspections. Also per MW charges are more equitable.</p> <p>(iv) Where any development conservation projects of Fisheries Department are impacted separate charges as per Fisheries Department proposal.</p>
<p>Regulatory Support</p>	
<p>(15) Wheeling charges fixed by Commission are:-</p> <p>For EHT network of 66kV/132kV/220kV-44 paise per unit.</p> <p>For HT network 11kV/33kV-Re 1.00 per unit.</p>	<p>(15) Commission will rationalize wheeling tariff to make it equitable so as to provide level playing field to all generators across the State.</p>
<p>(16) Grid connectivity is given at the nearest existing or proposed sub-station of HPSEBL and developer has to construct his project line up to such sub-station.</p>	<p>(16) Solid tap connectivity at the nearest or 11kV or 22kV line up to 2 MW capacity generation capacity will be allowed, with appropriate protection.</p>
<p>(17) Commission fixes uniform levelised fixed tariff for total project life of 40 years based on common norms, which presently is about Rs. 3.20 per unit, under 2012 regulations.</p>	<p>(17) To ease liquidity, Commission will determine two sets of levelised tariff i.e. one for first 5 to 10 years, which may be higher and 2nd set for balance period.</p>
<p>Statutory Clearances and Reforms in State Laws:</p>	
<p>(18) Captive Stone Crusher: Permission required on the lines of setting up of permanent stone crusher as industrial units</p>	<p>(18) Being captive stone crusher, no separate permission required because PCB gives consent to operate for the project which includes all components of project activities. No inspection of crusher siting required and developer will abide by the norms. Royalty on the use of excavated stone in the course of project construction used in stone crusher will be charged on lump-sum basis in installment based on quantity of material estimated in DPR.</p>
<p>(19) Captive Rope-way (Span): All procedures under Rope-way Act required to be followed.</p>	<p>(19) Captive rope-way may be set up by developer based on standards of safety laid down under the Act. XEN (Mechanical) HPPWD may be delegated powers to permit operation of such rope-ways after inspection, instead of present centralized powers.</p>
<p>PCB Clearances:</p>	
<p>(20) Provisions for consent to establish and consent to operate to be followed at par</p>	<p>(20) Small hydro generation is completely clean technology and therefore, consent to operate may be given once for the entire life of project. Fee</p>

with other industries.	for project up to 2 MW should be concessional and for 2-5 MW fee should be discounted when paid upfront for 40 years or for 10 years period to be renewed thereafter.
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- (21) Preferential allotment of projects upto 5 MW to bonifide residents of Himachal Pradesh
- (22) Hydro-powers producers will not be required to take NOC from IPH, PWD, Revenue and Fisheries Department and the Single Joint Committee will clear all aspects of projects for statutory clearances.
- (23) Small Hydro Power Projects upto 2 MW allotted after 2006 Hydro Policy, where power is consumed in HP by HPSEBL, free power payable to State and Local Area Development shall be as under:-

1 st to 12 years	2+1	3%
		(1% is developers' share)
12 th to 30 years	12+1	13%
31 st to 40 Years	18+1	19%
- (24) Regulatory Support & Statutory Clearances like Captive Rope-way (Span), PCB Clearances, FCA Clearance, Evacuation Corridor and Essentiality Certificate etc. should be as per state law and should be for all projects.
- (25) Lease and Lease Money- to be regulated as per Lease Rules of the State Govt. as notified from time to time.

Applicability:

- (i) These will not apply on projects which are already commissioned.
- (ii) New allotment of projects will be regulated as per above provisions.
- (iii) In case of ongoing projects, all the NOCs, approval and clearances already obtained shall be valid and to that extent, no new provisions will apply. For balance activities, clearances etc, new provisions shall apply. ✓
- (iv) Free power to the State and capacity addition charges will be as per new provision wherever applicable.
- (v) Extension charges and duration of extensions already paid and accounted for, shall not be reopened and new provisions will apply on future extensions.
- (vi) Power Department will issue orders of clarifications and removal of difficulties, where-ever required.
- (vii) *Provisions at Sr. No. (1) to (12), (18), (19), (22), (24) and (25) above will be applicable in respect of all kinds of Hydro Power Projects.*

Wherever changes are required in Implementation Agreement, same shall stand amended to that extent as per proposed policy provisions.

By Order

(S.K.B.S.Negi)
Principal Secretary (Power) to the
Government of Himachal Pradesh.

Endst. No. MPP-F(1)2/2005-VIII

Dated: Shimla-2, the 4th March, 2014

Copy forwarded to the following for information and necessary action:-

- 1. The Secretary to Governor, Himachal Pradesh, Shimla-2.
- 2. The Principal Secretary to Hon'ble Chief Minister, Himachal Pradesh, Shimla-2.

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3. All the Administrative Secretaries to the Government of Himachal Pradesh, Shimla-2.
4. The Secretary (GAD), to the Govt. of HP, Shimla-2 w.r.t. Item No.25 of Cabinet meeting dated 4.3.2014.
5. The Secretary, HPERC, Keonthal Estate, Khalini, Shimla-2.
6. The Chairman-cum-Managing Director, M/S Satluj Jal Vidyut Nigam Limited, Himfed Building, Shimla-9.
7. The Chairman-cum-Managing Director, M/S National Hydroelectric Power Corporation Limited Faridabad.
7. The Chairman-cum-Managing Director, M/S National Thermal Power Corporation, Limited, New Delhi.
8. The Director, Energy, H.
9. P. Shanti Bhawan, Phase-III, New Shimla-171009.
10. The Managing Director, HPSEB Limited, Vidyut Bhawan, Shimla-4.
11. The Managing Director, HPPCL, Himfed Building, Panjri (Old MLA Quarter), Tutikandi, Shimla-5.
12. The Managing Director, HPTCL, Barowali House Khalini, Shimla-2
13. The Chief Executive Officer, HIMURJA, SDA Complex Kasumpti, Shimla-9.
14. The Joint Secretary (NES) to the Government of Himachal Pradesh, Shimla-2.
15. All the Deputy Commissioners in Himachal Pradesh.
16. The Contröller, Printing & Stationery, Himachal Pradesh, Shimla-5 for publication of the notification in the Rajpatra.
17. Guard file.

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Joint Secretary (Power) to the
Government of Himachal Pradesh.