

Himachal Pradesh Hydro Policy (Up to 5 MW capacity) - 2006

HIGHLIGHTS

Nodal Agency	Himachal Pradesh Energy Development Agency (Himurja)
Applicable Technologies	Small hydro power projects up to 5 MW capacity
Processing Fee	<ul style="list-style-type: none">• Rs. 25,000/- up to 2 MW• Rs. 25,000/- + Rs. 10,000/- per MW for capacity >2 MW to 5 MW
CUF	55% to 60% +/- 2% (amended on 17th August 2016))
Eligibility Conditions	Any Private Ltd. Company/Public Ltd. Company/Public sector undertaking/partnership concern/sole proprietary/Himachalis/co-operative society comprising of bonafide 'Himachalis' is eligible to apply for the investigation/execution.
Registration Fees	Not available
Tax Exemptions	No tax exemption
Evacuation Arrangement	Evacuation by developer up to the nearest HT sub-station as per HPSEB norms

OTHER PROVISIONS

<p>Projects offered for private sector participation</p>	<ul style="list-style-type: none"> • IPP self identified projects and HIMURJA identified projects. • Small hydro projects up to 2 MW capacity shall be exclusively reserved for bonafide 'Himachalis' and Himachali co-operative societies. Preference will be given to bonafide 'Himachalis' while allotting projects up to 5MW. If there is more than one Himachali (applicant), preference shall be given to the person of the area, or the district. Not more than 3 projects shall be allotted for implementation to an IPP.
<p>Incentives to developers</p>	<ul style="list-style-type: none"> • Wheeling for captive use within the state shall be allowed by HPSEB at a fee of 2% (including system losses). For sale/captive use of power outside the state, the HPSEB shall levy wheeling charges @ 10% (including system losses) of the energy received (excluding royalty) at the interconnection point for wheeling/transfer of power up to the mutually agreed inter-state point. • Banking of energy will also be allowed by HPSEB as per prevailing rules and regulations. • Third party sale of power within the state shall not be allowed. • Royalty on water usage in shape of free power to the state is waived for a period of 12 years, reckoned after 30 months from the date of signing of IA of the project. Beyond 12 years, the royalty will be @ of 12% for the next 18 years and @ 18% beyond that. • For projects making captive use of power outside the state or third party sale outside the state, a royalty @ of 18% 30 months from the date of signing of IA, shall be charged. • HPSEB shall clear private party dues on account of purchase of power within thirty days from bill receipt, failing which a penalty @ 1.5% per month shall be payable by HPSEB.
<p>Deemed generation</p>	<ul style="list-style-type: none"> • The deemed generation shall be payable in case of non-availability or partial availability of evacuation system beyond the interconnection point on various grounds of system parameters and/or backing down instructions from the state load dispatch centre. • Deemed generation shall be payable when water spillage exceeds 480 hours in a year and only where the evacuation system is connected to manned 22 KV sub-stations declared as control sub-stations by the Board/33 kV/EHV sub-stations of HPSEB. The benefit on account of deemed generation shall not be allowed in cases where captive use/third party sale is intended to be made outside the state. • HPSEB shall pay for the saleable deemed generation, after deducting on deemed basis, the corresponding quantum of government supply, auxiliary consumption transformation losses and transmission losses in deemed delivery of such power at the interconnection point.
<p>Direct benefits to the locals</p>	<ul style="list-style-type: none"> • The Company shall provide minimum 70% employment to bonafide Himachalis whose names are registered on the live register of employment exchanges located in the state, in respect of all unskilled/skilled staff and other non-executives as may be required for execution, operation and maintenance of the project through the local employment exchanges or from other than such live registers from anywhere within the state or outside the state, who are bonafide 'Himachalis', or through the Central Employment Cell at Shimla. • The company shall build infrastructure development works in the vicinity of the project area that may be essentially required for the benefit of the local population. The expenditure on such works shall be borne by the company to the tune of 1% of the project cost.

Provision for policy review	Not available
Links	http://himurja.nic.in/
References	http://admis.hp.nic.in/doe/Citizen/openfile.aspx?id=171&etype=MNotice (amendments in the policy)