

MP Small Hydro Policy - 2012

HIGHLIGHTS

Nodal Agency	Madhya Pradesh UrjaVikas Nigam Ltd (MP Urja)
Applicable Technologies	Small Hydro
Contract Demand	Industrial consumers opting to buy power shall be allowed reduction in contract demand permanently, on pro-rata basis, subject to approval of MPERC.
Industry Status	Projects implemented under this policy will have the status of industry as per MP Industrial Promotion Policy.
CDM Benefits	As per the provisions specified by MPERC.
Eligibility Conditions	Individuals/firms/societies/organizations/registered companies.
Registration Fees	Developer has to deposit project fee of Rs 1 Lakh/MW or part thereof with the project proposal
Tax Exemptions	Exempted from payment of entry tax effective for 5 years from date of signing agreement.
Evacuation Arrangement	Shall be borne by the developer, as per Madhya Pradesh State Grid Code, Madhya Pradesh Electricity Supply Code, 2004, amended from time to time.

OTHER PROVISIONS

Operative guidelines	All the projects allotted or to be allotted under this policy shall operate on Build, Own, Operate and Transfer (BOOT) basis. The BOOT period shall begin from the Commercial Operation Date (COD) and shall be for 35 years or the life of the project, whichever is earlier. On completion of the BOOT period, the entire project, including its movable and immovable assets, vis-à-vis water structures and power generation shall be transferred, free of cost, to the state govt.
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Category of projects	<ul style="list-style-type: none"> • Category 1 - Projects identified by MP government. • Category 2 - Projects identified by the developers.
Minimum free electricity	<p>The selected developer has to provide free electricity to the government from the power generated by the project, in the manner given below:</p> <ul style="list-style-type: none"> • Up to 5 MW - 5% with exemption of a block of 2 years as preferred by developer during the first 7 years of operation from COD. • Over 5 MW and up to 10 MW - 8% with exemption of a block of 2 years as preferred by developer during the first 7 years of operation from COD. • Over 10 MW and up to 25 MW - 10% with exemption of a block of 2 years as preferred by developer during the first 7 years of operation from COD.
Sale of power	Developer can sell generated energy to any third party consumer/willing distributor, company, or power trading company, as per MPERC regulations, amended from time to time.
Incentives by state govt	<ul style="list-style-type: none"> • Exempted from electricity cess for a period of 10 years from date of commissioning. • Banking of 100% is allowed, and the developer shall pay 2% of banked energy as banking fees to the DISCOM. • Third party sale, within MP, shall be allowed as per MPERC regulations issued from time to time. • Water charges are exempted if there is no consumptive use of water.
Provision for policy review	Not available
Links	http://www.mprenewable.nic.in/policy.html
References	http://www.mpnred.com/Images/pdf/Small-Hydro-Power_Policy%202011(English).pdf