

Policy for Development of Micro & Mini Hydro Power Projects upto 2 MW-2015, Dated: 31.01.2015

| Sl. No. | Description | Summary |
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| 1. | Operative Period | The Policy will come into operation with effect from its publication in the state gazette and will remain in force until superseded or modified by another Policy. |
| 2. | Objective | <ol style="list-style-type: none"> 1. To harness the environment friendly Micro & Mini hydro power resources and enhance their contribution to the socio-economic development of the state. 2. To improve quality of life in rural Uttarakhand by addressing access to energy issues through electricity generated from micro/mini hydro power projects. 3. To provide decentralized energy supply to agriculture, industry, commercial & household sector. 4. To create a favourable environment for community ownership and private sector participation in micro/mini hydro power sector in Uttarakhand. 5. To promote the development of micro/mini hydro power projects as a clean source of energy in the State. 6. To promote grid-compatible power generation and strengthen the quality of rural grid. |
| 3. | Nodal Agency | Uttarakhand Renewable Energy Development Agency (UREDA) |
| 4. | Classification of the Projects | <ul style="list-style-type: none"> • Micro hydro projects having capacity upto 100 KW • Mini hydro projects having capacity above 100 KW and up to 2 MW. |
| 5. | Eligibility | <p>The Micro/Mini hydro projects upto 2 MW capacity shall be reserved for the Panchayat Raj Institutions (PRIs) of Uttarakhand and these projects would be executed by the PRIs either:</p> <ul style="list-style-type: none"> • On their own or, • With the aid of an SPV partner to be selected by bidding process. |
| 6. | Procedure for allotment of sites for development of hydro power projects | <ol style="list-style-type: none"> 1. The Nodal Agency shall be responsible for identifying the potential sites and prepare the Detail Project Report (DPR) for the development of MHP sites. 2. The available sites shall be advertized to seek bids. 3. Application shall be invited from the eligible PRI's as per prescribed application form. 4. The eligibility of the interested SPV partner shall be evaluated on the basis of pre-qualification criteria as mentioned in the bid document. 5. The applications shall be accompanied with a non-refundable Demand Draft of Rs. 5,000/- as non-refundable processing fees. 6. The successful bidder i.e. the selected SPV partner, shall deposit, the security amount of Rs. 1,00,000.00 (one lach only) in case of projects having capacity upto 100 KW and Rs. 10,00,000.00 (ten lacks only) for the projects having capacity above 100 KW and upto 2 MW. 7. The security amount will in the form of Bank Guarantee issued by any Nationalized Bank in the favour of Director, UREDA payable at Dehradun. |
| 7. | Evaluation/Pre-qualification Criteria | <ol style="list-style-type: none"> 1. For the project having capacity upto 100 KW: <ul style="list-style-type: none"> • Under this capacity, the SPV partner of the project should fulfill the eligibility criteria as define in the bid document. • The financial capability of the SPV partner should not be less than Rs.10,000.00 per KW for project capacity. |

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| | | <p>2. For the project having capacity above 100 KW and upto 2 MW:</p> <ul style="list-style-type: none"> • SPV partner should have i) experience in developing, constructing and operating hydro power projects or ii) have experience of any infrastructure related works and services in Uttarakhand. However in case (iii), the SPV partner should provide evidence regarding technology tie up for technical support from any company/consultant/agency. • The SPV partner of the project should fulfill the eligibility criteria as define in the bid document. • The financial capability of the SPV partner should not be less than Rs. 25,000.00 per KW for project capacity. |
| 8. | Schedule of Implementation | <ol style="list-style-type: none"> 1. As per the Ministry of Environment and Forest, Government of India notification dated 14 September 2006, no prior environmental clearance is required for Micro & Mini Hydro Projects, as these projects come under the environment friendly projects. 2. Developer shall obtain required statutory clearances and approvals (if any) in case of purchase of land for construction of the project within 6 months of allotment of the project. 3. The Project shall be completed and made operational within a period of 36 months after financial closure of the project. |
| 9. | Incentives/benefits available under this policy | <ol style="list-style-type: none"> 1. Developer will be eligible for central financial assistance as per the standing guidelines of Ministry of New and Renewable Energy (MNRE), Gol. 2. No royalty shall be charged on these projects. 3. No entry tax will be levied by the state Govt. on Power generation/transmission equipment and building material used for MHPs. 4. The projects awarded under this policy shall be exempted from the "Water user charges". 5. The Govt. land including the land belongs to the eligible PRI's, other than the forest land, if required, for Power Projects shall be allotted on lease for 40 years @ premium of Rs. 1 per sq. m. However, in case of non availability of Govt. land, the land required shall be acquired by the concerned developer. If forest land is required for power project, the applicable rules shall apply. 6. Exemption from court fee for registration of documents relating to lease of land will be granted to the developer. |
| 10. | Tariff | <ol style="list-style-type: none"> 1. For the projects allotted under this policy, the developer shall be free to sell the power to any consumer or can be used for captive. 2. If developer wishes to sell the generated power to DISCOM of Uttarakhand than DISCOM of Uttarakhand is bound to purchase the electricity generated from the project. 3. Banking of power shall be allowed as per applicable regulations issued by the UERC from time to time. A separate Agreement will be executed for banking of power with DISCOM of Uttarakhand for such banking. |
| 11. | Wheeling Charges | The wheeling shall be applicable as decided by UERC from time to time. |
| 12. | Open Access | <ol style="list-style-type: none"> 1. If Open Access is granted to any developer they shall have to pay the applicable Open Access charges and losses as approved by UERC from time to time. 2. The Cross Subsidy Surcharge shall be payable by the buyer, if he is a consumer of distribution licensee, as approved by the Commission from time to time. |
| 13. | Metering of Electricity | Metering arrangement shall be made as per Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006, the Grid Code, the Metering Code and other relevant regulations issued by UERC/CERC in this regard. |

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| 14. | Power Evacuation and Grid Interfacing Facility | As per the regulation/procedures defined by UERC and as amended time to time. |
| 15. | Reactive Power Charges | The drawl of reactive power shall be charged as per the UERC order, as amended from time to time. |
| 16. | Clean Development Mechanism | The project developer shall pass on the benefits of Clean Development Mechanism as per the directions provided by CERC/UERC from time to time. |