

Policy for Development of Small Hydropower (SHP) 2007, Assam

| Sl. No. | Description | Summary |
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| 1. | Eligibility | <ol style="list-style-type: none"> 1. All Hydropower projects/stations with an installed capacity of up to 25 MW are eligible under this policy. 2. The projects shall be offered for a period of 35 (thirty five) years from the date of the award at the end of which they shall revert to the GOA. |
| 2. | Process of Allotment | <ol style="list-style-type: none"> 1. The allotment of the project may be on the basis of competitive bidding and direct allotment to pre-qualified IPPs /Users society depending on the preparedness of the site. 2. Applications in response to the advertisement should be accompanied by a non-refundable draft of Rs. 0.25 lac for the projects of capacity below 1 MW, Rs. 1 Lac 1 to 5 MW project and Rs. 2 Lacs for projects above 5 MW project payable to ASEB/GENCO or as may be decided by the GOA. 3. All pre-qualified bidders will be provided with the PFRs/DPRs prepared by the ASEB/GENCO or any other IPP/Users society nominated by the Power Deptt. GOA. 4. Bids shall be invited for premium payable upfront to the Government of Assam per MW in the case of each project/site, subject to a minimum threshold premium of Rs. 1 lac per MW installed Capacity or part thereof. |
| 3. | Allotment of Land | Optimum requirement of land for implementation of a particular project shall be allotted/sold at a premium / lease to decided case wise and shall continue a part of the bid document. |
| 4. | Sale of Power | The IPP /Users society can contract to sell power to any HT consumer within Assam (only up to and below 5 MW capacity), to local rural grids within Assam which are not connected to ASEB's/Successor Company's main grid, to rural power distribution entities (i.e. those which sell power to predominantly rural areas), to any consumer outside the state, or to the ASEB/Successor Company. |
| 5. | Wheeling Charges | <ol style="list-style-type: none"> 1. Wheeling charges for wheeling the generated energy to bulk purchaser/third party consumers inside or outside the State will be as determined by the Assam Electricity Regulatory Commission (AERC). 2. No wheeling charges are applicable in cases of sales to the ASEB/Successor Company in case power is supplied directly to ASEB/DISCOMs. |
| 6. | Evacuation of Power | <ol style="list-style-type: none"> 1. ASEB/GENCO will determine the specifications of the evacuation facilities required, including the interconnection point and voltage and the same would be specified in the project information document provided in the application form. 2. The cost of transmission lines in excess of 5 km shall be borne by the IPPs/Users society and ASEB/GENCO on mutually agreed terms and conditions. |
| 7. | Banking | Developers can avail of the facility of banking of energy within fixed period spans of 6 months. This shall be approved, as may be required, by the regulator. |

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| 8. | Despatch | Priority will be accorded for dispatch into the grid by these IPPs/Users society ahead of merit order and any other source of supply, subject to any overall restrictions on the proportion of power that may be bought from such sources, which may be imposed by the Government/Regulator in the interest of keeping the overall cost of power purchase within reasonable limits. |
| 9. | Royalty/Duty/Taxes | <ol style="list-style-type: none"> 1. On all projects governed under this policy, <ol style="list-style-type: none"> a) For project upto 5 MW, there will be no royalty, provided entire energy generated is sold within the state of Assam. b) For above 5 MW, a royalty @Rs. 0.25 per unit of net energy generated will be paid to GOA by IPPs/Users society. It may be reviewed after 5 years. c) For power projects on irrigation canal fall/barrages/dams, a water cess @Rs. 0.05 per kWh per year shall be payable by IPPs/Users society to the irrigation department, GOA or otherwise as specified by the GOA for maintenance of the existing irrigation structures/facilities owned and operated by the irrigation department. 2. Electricity duty as per law will apply. 3. No further levies, taxes, charges other than those stipulated in this policy would be levied by the State Government and its IPPs/Users society or the Regulator on the IPPs/Users society governed by this policy, for a period of ten years from the date of this policy. |
| 10. | Entry Tax | Exempted |
| 11. | Transfer of Allotment | Free transfer of shares will be permitted in the companies allotted projects as per the procedure laid down in this document. |
| 12. | Time Limit for Executing the Project | <ol style="list-style-type: none"> 1. The IPP/Users ASEB/SHP Policy/ 2007 society shall be responsible for completeness of all submissions within 6 months from the date of allotment or any other period deem fit by the GOA. 2. Nodal Agency shall accord the approval of the DPR/ application within 2 months from the submission. IPP shall enter into an implantation agreement with the nodal agency within one month from the date of approval of the project. 3. The IPP/Users society shall achieve the financial closure within 12 months from the date of receipt of all statutory approvals and clearances given by the State and Central Governments. 4. The project should be made operational within 36 months from the date of receipt of all statutory approvals and clearances by the IPP/Users society. |
| 13. | Renovations, Modernization and Management of Existing Power Plants | <ol style="list-style-type: none"> 1. GOA will encourage renovation and modernization of those existing hydro plant owned by ASEB/GENCO/any other IPPs/Users society, which are technically conforming to the conditions of extension of operative life by more than 20 years at a fraction of the cost of New Plants. 2. GOA will decide to intrude the private sector, or NGOs or cooperative societies or any Power Development Societies on case-to-case and merit basis. |