Policy for Renovation, Modernisation, Uprating and Life Extension (RMU&LE) of hydroelectric projects in the state through private sector participation on Lease, Renovate, Operate and Transfer basis (LROT)

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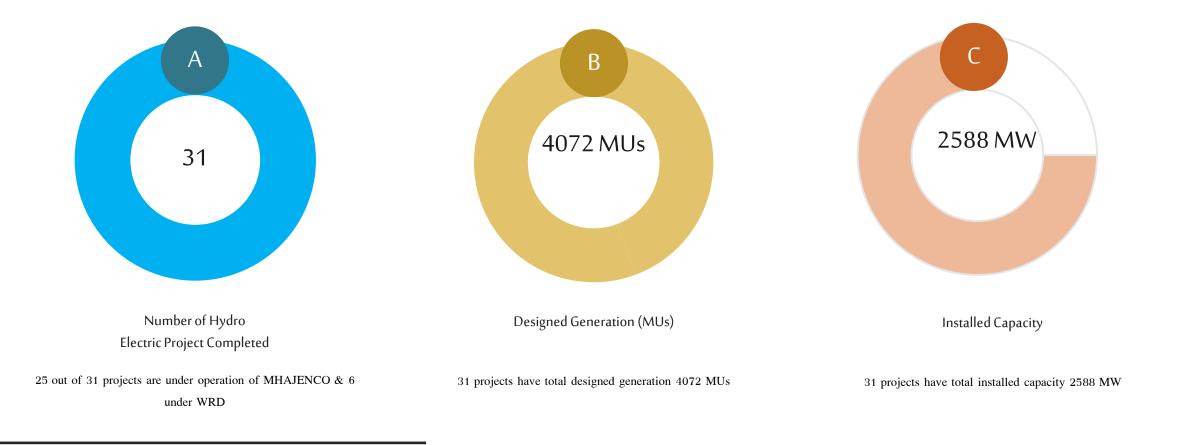




Maharashtra Hydro Electric Project Status

31 completed projects have total designed generation 4072 MW & installed capacity 2588 MW, in operation

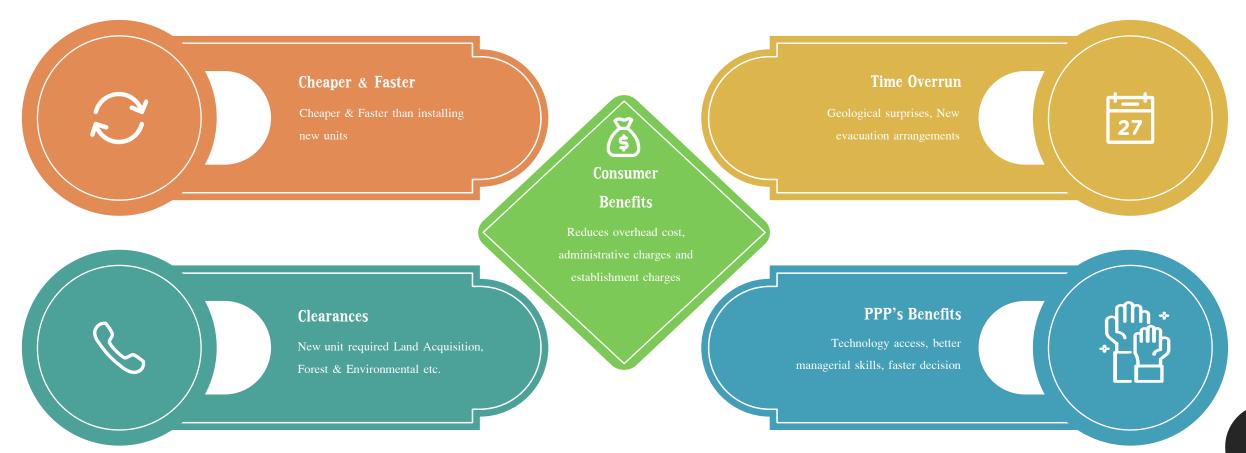
from year 1962 to 2008



Need for the Policy

Renovation, Modernisation, Uprating & Life Extension (RMU & LE) of old hydro-electric plants has been accorded high priority by the Government of

India.



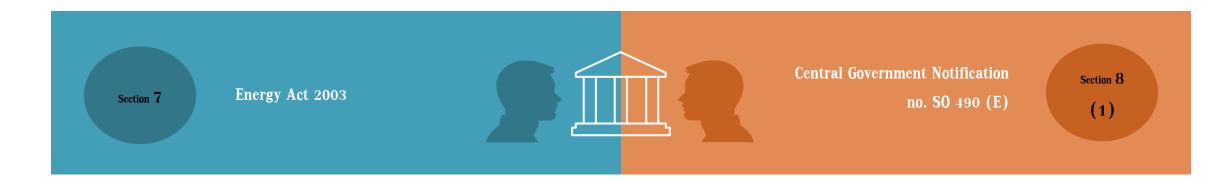
Objectives of the Policy

Following objectives are intended to be achieved Renovation,



Relevant Legal Provisions

The State, by virtue of statutory provisions, being the owner of the hydroelectric projects in their jurisdiction



As per the provisions in Section 7 of the EA, 2003, provides that any generating company may establish, operate and maintain a generating station without obtaining a license under this Act, if it complies with the technical standards relating to connectivity with the grid referred to in clause (b) of the Section 73 of the Act.

The provisions in Section 8 (1) of the EA, 2003, read with the Central Government Notification No. SO 490(E) dated 28.01.2014, the hydroelectric schemes costing more than Rs. 1,000 Crores are required to be submitted to the Central Electricity Authority (CEA), for its concurrence.

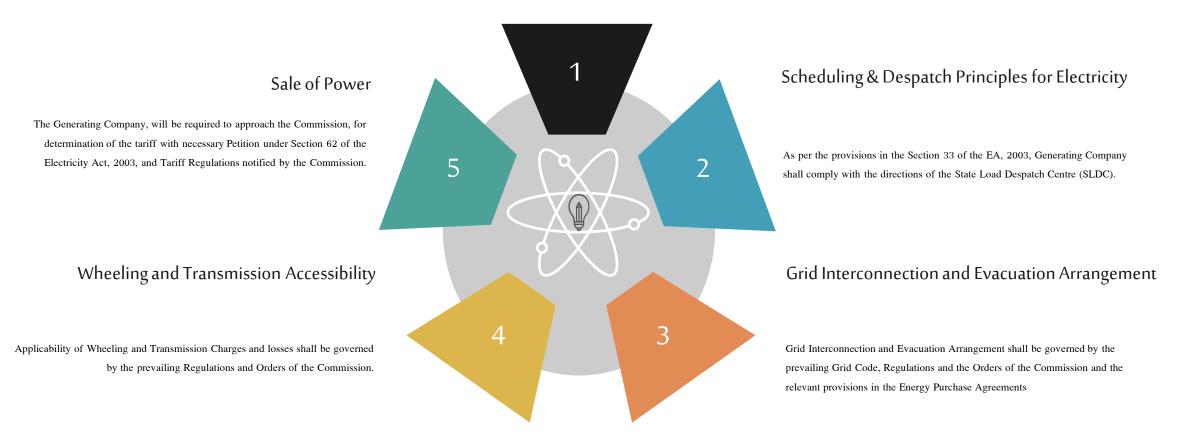
Implementation Framework



Generation & Sale of Energy

Generation

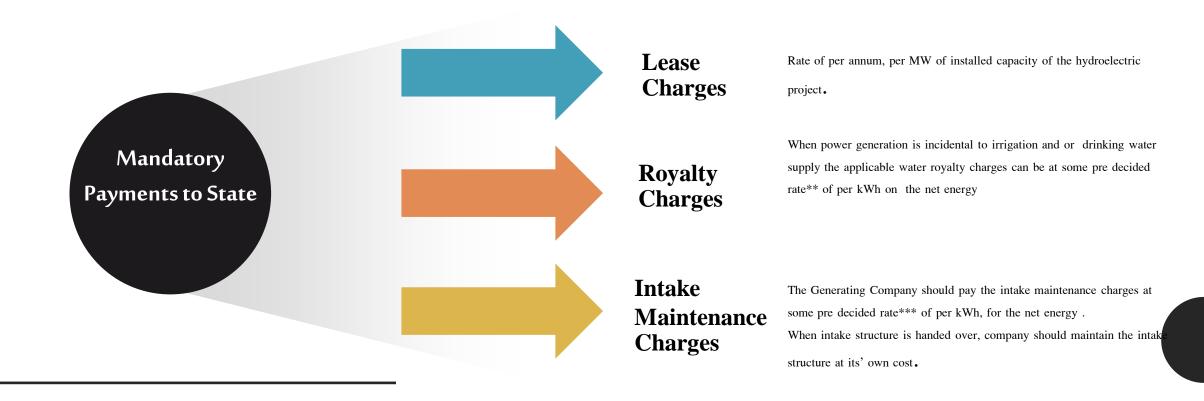
As per the provisions in EA, 2003, the Generating Company, during the Term of the Lease shall be entitled to operate and maintain the power plant without obtaining any licence



Mandatory Payments to State by Generating Company

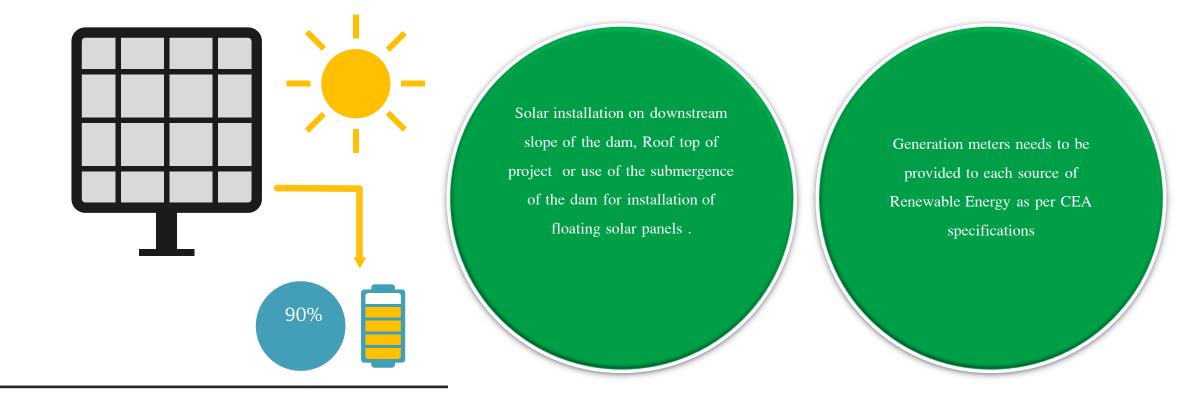
In addition to the payment of the Threshold Premium and the Upfront Premium the Generating Company will have to make the following mandatory payments annually

to the respective State

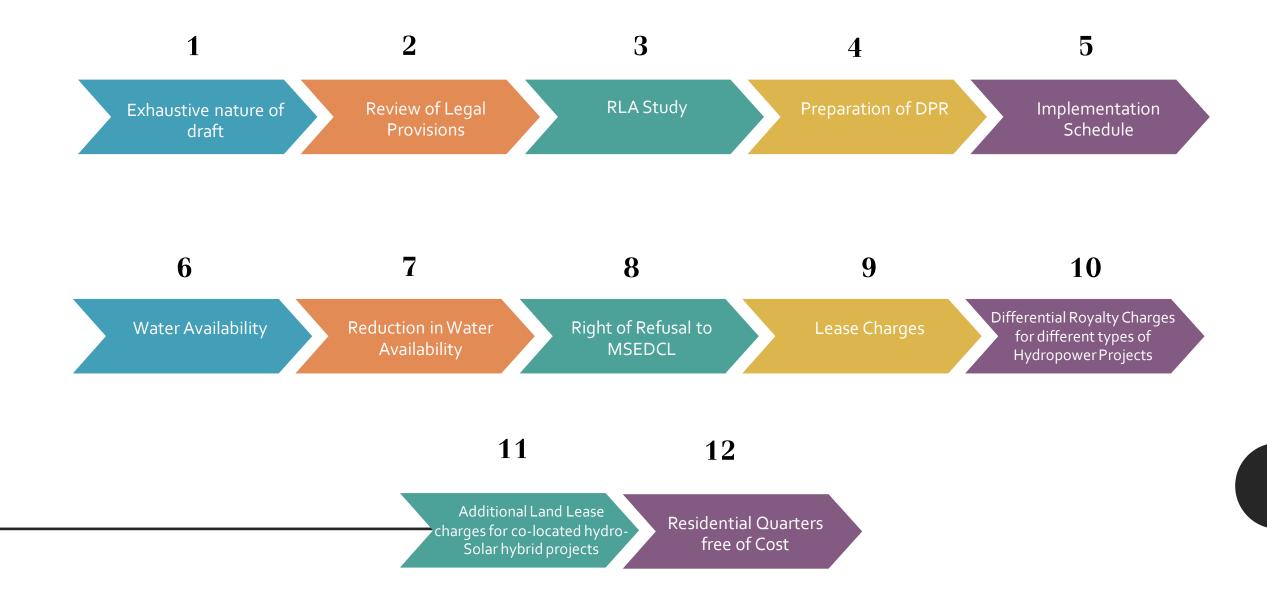


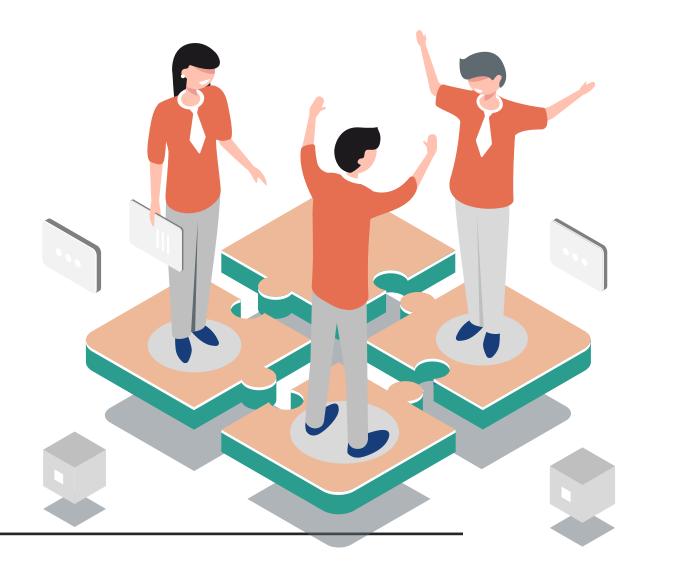
Co-Located Hydro-Solar Hybrid Projects

The Generating Company can opt to develop hydro-solar hybrid project to tap the solar potential of the land, handed over to it. Any additional land required for solar component, if available, on lease basis can be made available.



Rationale Behind Important Provisions





Conclusion:

Life Extension

Undertaking timely RM&U & LE works, the existing generating plants can continue to operate for extended period of 20 to 25 years.

PPP Model

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Need of PPP model on LROT basis.

policy guidelines

In the absence any policy guidelines for involving Private sector through PPP, the RMU&LE works have not been streamlined in the State yet.

Private sector involvement

Attempt has been made through this paper to involve Private sector in RMU & LE work.