

Gujarat Small Hydel Policy- 2016, Dated: 28.03.2016

Sl. No.	Description	Summary								
1.	Nodal Agency	Gujarat Energy Developer Agency (GEDA)								
2.	Objectives	<ol style="list-style-type: none"> 1. To promote renewable and clean source of electricity to reduce carbon emissions through Small Hydel Projects; 2. To promote setting up of Small hydel projects on canal system, rivers and streams to harness untapped clean energy; 3. To reduce dependency on depleting fossil fuel reserves for energy security and sustainability; 4. To promote investment, employment generation & skill enhancement in Renewable Energy Sector; 5. To encourage research and development and innovative technologies in Small Hydel Projects; 6. To create environmental consciousness among citizens. 								
3.	Operative Period	<ol style="list-style-type: none"> 1. This policy will come into effect from the date of its notification and shall remain in operation for a period of five years. 2. The Small Hydel Projects installed and commissioned during the Operative Period shall become eligible for the benefits and incentives declared under this Policy for a period of 35 years from the date of commissioning or for the lifespan of the Small Hydel Projects, whichever is earlier. 								
4.	Eligibility	Any individual, company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person will be eligible for setting up of Small Hydel Projects either for the purpose of captive use or for sale the electricity to Obligated Entities i.e. Distribution Licensees or to any other Third Party.								
5.	Suitable Sites and Land	<ol style="list-style-type: none"> 1. Prospective Developer of Small Hydel Project may select suitable sites in consultation with the concerned authorities like Revenue Department, Narmada, Water Resources, Water Supply & Kalpsar Department, Sardar Sarovar Narmada Nigam Ltd etc as the case may be. 2. Alternatively, Narmada, Water Resources, Water Supply & Kalpsar Department or such other Government authority having control over Canals, rivers, streams etc. may identify such suitable sites/locations, and prepare DPR and offer the same to the Developers through competitive bidding. 								
6.	Grid Integration	<p>Interconnection voltages shall be governed as per Gujarat Electricity Grid Code-2013 and GERC's orders, as amended from time to time.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Project Capacity (C)</th> <th style="text-align: center;">Interconnection Specification</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">6 kW < C < 100 kW</td> <td style="text-align: center;">415 V, 3ϕ, 50 Hz</td> </tr> <tr> <td style="text-align: center;">100kW<C<4MW</td> <td style="text-align: center;">11 kV, 3 ϕ, 50 Hz</td> </tr> <tr> <td style="text-align: center;">C>4MW</td> <td style="text-align: center;">66 KV & above, 3 ϕ >, 50 Hz</td> </tr> </tbody> </table>	Project Capacity (C)	Interconnection Specification	6 kW < C < 100 kW	415 V, 3 ϕ , 50 Hz	100kW<C<4MW	11 kV, 3 ϕ , 50 Hz	C>4MW	66 KV & above, 3 ϕ >, 50 Hz
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7.	Grid Connectivity and Evacuation Facilities	<ol style="list-style-type: none"> 1. The appropriate voltage for injection of power by Small Hydel Projects shall be as per the GERC Supply Code and amendment thereof. 2. The evacuation facility shall be initially approved by GETCO / DISCOM after carrying out System Studies. 3. The developer of Small Hydel Projects shall establish dedicated transmission lines for evacuation of power upto nearest GETCO Substation/ Discom's network, install RTUs, other equipment as may be determined by GETCO/DISCOM etc at their own cost. 								

8.	Metering and Energy Accounting	<ol style="list-style-type: none"> Electricity generated from Small Hydel Projects, shall be metered on 15-minute time block by STU / DISCOM / SLDC / ALDC at the receiving end of GETCO - STU substation / 11 KV system of DISCOM as the case may be. For the purpose of energy accounting, Small / Mini / Micro Hydel Projects shall provide ABT-compliant meters at the interface points. Interface metering shall conform to the Central Electricity Authority (Installation and Operation of Meters) Regulations 2014 and amendment thereto. GETCO / DISCOM shall stipulate specifications in this regard.
9.	Sale of Electricity to be Obligated Entities	<ol style="list-style-type: none"> Obligated Entities may purchase power from Small Hydel Projects to fulfill their RPO at the tariff as determined by GERC or rate determined through competitive bidding. Upon entering into PPA with Obligated Entities (entities obligated to fulfill the RPO as prescribed by GERC from time to time), the Developer of Small Hydel Projects shall be required to provide Bank Guarantee at Rs. 5 lakhs per MW or part thereof. The bank guarantee shall be refunded, if the developers achieve commercial operation within time period mentioned in Power Purchase Agreement. In case Developer fails to achieve commercial operation as specified in the PPA, the bank guarantee shall be forfeited.
10.	Wheeling of Electricity	<p>For Captive Consumption</p> <ol style="list-style-type: none"> Wheeling of power to consumption site at 66 kV voltage level and above: The wheeling of electricity generated from Small Hydel Project to the desired location(s) within the State shall be allowed on payment of transmission charges and transmission losses applicable to normal Open Access Consumer. Wheeling of power to consumption site below 66 KV voltage level: In case injection is at 66 KV or above and drawl is at 11 KV, wheeling of electricity generated within the state, shall be allowed on payment of transmission charges and transmission losses applicable to normal Open Access Consumer and 50% of wheeling Charges and 50% of Distribution losses of the energy fed to the grid as applicable to normal open access consumers. Injection at 11 kV and drawl at 11 kV and below voltage level: <ol style="list-style-type: none"> When the point of injection and drawl at 11 kV or below voltage level lies within the same distribution area, the user shall pay 50% of wheeling Charges and 50% of wheeling losses of the energy fed to the grid as applicable to normal open access consumers. In case the points of injection and drawl at 11 kV or below voltage level lie in areas of different distribution licensees, the user shall pay 50% of wheeling Charges and 50% of losses of the energy fed to the grid as applicable to normal open access consumers for each Distribution Licensee. In addition, transmission charges and transmission losses as applicable to normal Open Access Consumer shall be payable.
11.	For third party sale for Captive Consumption	<ol style="list-style-type: none"> Wheeling of power for third party from Small Hydel Project shall be allowed on payment of transmission charges, wheeling Charges and losses of the energy fed to the grid, as applicable to normal open access consumers. 50% of Cross Subsidy Surcharge and Additional Surcharge, as applicable to normal open access consumers, shall be applicable.
12.	Wheeling more than one locations	Small Hydel Project owners, who desire to wheel electricity for captive use/ third party sale, to more than one location, shall pay 5 paise per unit on energy fed in the grid to the Distribution Company concerned in whose area power is consumed in addition to above mentioned transmission charges and loses, as applicable.
13.	Wheeling below 100 KW	For the captive use and third party sale, wheeling of electricity below 100 KW will be allowed only within the same distribution licensee area where plant is located.

14.	Energy Accounting	<p>1. Case:1</p> <p>(a) For net import of power, Distribution Company will charge applicable tariff of respective category to the consumer including fixed/ demand charge, energy charges, peak charge, other charges / penalty etc as applicable to other consumers.</p> <p>(b) Surplus power, after giving set off, shall be purchased by Distribution Company at Average Pooled Power Purchase Cost (APPC) of the year of commissioning of the project. Fixed/ demand charge, peak charge, other charges / penalty etc shall be applicable to as applicable to other consumers.</p> <p>(c) The entire generation shall be considered for fulfilling RPO of Distribution Company.</p> <p>2. Case 2: If the Consumer takes renewable attributes of hydel energy consumed for meeting its RPO, then energy accounting shall be based on 15 minute time block-basis.</p> <p>3. Case 3:</p> <p>(a) If registered under REC mechanism: Energy accounting shall be based on 15 minute time block-basis.</p> <p>(b) For net import of power, Distribution Company will charge applicable tariff of respective category to the consumer including fixed/ demand charge, energy charges, peak charge, other charges / penalty etc as applicable to other consumers.</p> <p>(c) Surplus power, after giving set off, shall be purchased by Distribution Company at 85% of Average Pooled Power Purchase Cost (APPC) of the year of commissioning of the project. Fixed/ demand charge, peak charge, other charges / penalty etc shall be applicable to as applicable to other consumers.</p>
15.	Concessional Benefits and Exemptions	<p>1. Electricity generated and consumed for self consumption / sale to third party within the State shall be exempted from payment of electricity duty.</p> <p>2. Exemption from demand cut to the extent of 50% of installed capacity of Small Hydel Project in case of captive consumption and third party sale within the State.</p>
16.	REC Mechanism	Small Hydel Projects availing open access for captive use/third-party sale under REC mechanism shall be governed as per CERC REC Regulations.
17.	Renewable Purchase Obligation (RPO)	Obligated Entities may fulfill their RPO by purchasing hydel power at the tariff determined by GERC or tariff determined through competitive bidding process keeping in view the interest of consumers.
18.	Forecasting and Scheduling	These power projects shall give their forecast and scheduled for day to day operations.
19.	Reactive Power Charges	As per the GERC order
20.	Operation & Maintenance	The Operation and Maintenance of dedicated evacuation line shall be carried out at the cost of the Developers of Small / Mini / Micro Hydel Projects as per applicable technical standards and best practices.
21.	Restrictions	<p>1. Only New Plant & Machinery shall be eligible for installation under this Policy.</p> <p>2. The release of water in canals shall be controlled by the Narmada, Water Resources, Water Supply & Kalpsar Department or SSNNL, as the case may be, and the availability of canal water for hydro-electricity generation shall be solely incidental to the requirement of water for drinking, irrigation etc. The hydel project developer shall have no right to claim release of water in the canal, river or stream for the purpose of hydel generation.</p>

22.	CDM Benefits	In case, Discom purchase power on Feed-in-Tariff, Clean Development Mechanism (CDM) benefits shall be shared on net proceeds, starting from 100% to power producer in the first year after commissioning, and thereafter reducing by 10% every year till the sharing becomes equal (50:50) between the power producer and the power procurer, in the sixth year. Thereafter, the sharing of CDM benefits shall remain equal till the time that benefit accrues.
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