

## AMENDMENTS TO HYDRO POWER POLICY -2006

The following shall be substituted in place of original clauses in Chapter -IV of the Hydro Power Policy - 2006

### **1. Clause 1.1 (iii), Page - 039 :-**

Small Hydro Projects up to 2.00 MW capacity shall be exclusively reserved for the bonafide Himachalis and the Co-operative Societies comprising of the bonafide Himachalis . While allotting such projects up to 5.00 MW, preference will be given to the bonafide Himachalies. Not more than 3 Projects shall be allotted for implementation to an IPP.

### **2. Clause 2 (viii) (b), Page - 041 :-**

The IPP shall give an undertaking to the Fisheries Department of local area that wherever feasible, rearing of fish shall be promoted by the IPP in consultation with the Fisheries Department in the Project area at the time of final implementation of the Project.

The Fisheries Department will charge compensation @ Rs. 0.50 lac per KM from Tail Race to weir of the Project. In addition the IPPs will pay Rs. 0.50 lac per MW to the Fisheries Department. It will be mandatory to utilize this amount on the same stream/ nallah or elsewhere and formulate schemes accordingly. However, these provisions shall not be applicable to projects above 5 M.W.

### **3. Clause 2 (xxxviii), Page - 049 :-**

The Company shall build such infrastructure development works in the vicinity of the Project area that may be essentially required for the benefit of local population. The expenditure on such works shall be incurred by the Company to the tune of 1 % of the Project cost.

These development works may be mutually decided with the local authorities. The amount on account of local area development shall be paid by the developer to Deputy Commissioner of the Project Affected Areas (Chairman LADC) in equal annual installments starting from the date of signing of the IA -till the date of commercial operation but not beyond the date of milestones as stipulated in the I.A.

### **4. Clause 2 (xxxix), Page - 049 :-**

If the aggregate capacity of the Projects being developed in the cascade 'a' per provisions of against Para 1.1 (iii) exceeds 5 MW then the expenditure of such works shall be 1.5% of the total Project cost. The amount on account of local area development shall be paid by the developer to Deputy Commissioner of the Project Affected Areas (Chairman LADC) In equal annual installments starting from the date of signing of the IA till the date of commercial operation but not beyond the date of milestones as stipulated In the I.A.

### **5. Clause 3.1 (II), Page - 050 .-**

Wheeling charges of generated power by the IPP within and outside the State shall be determined as per the policy of HPSEB/SERC at that time.

### **6. Clause 3.1 (fv), Page - 050 :-**

Third party sale within the State shall be allowed in case of those project proposals where cost generation is above Rs. 2.50 per unit. However, It shall be obligatory on the part of the IPP to submit the third party power sale proposal within the State, wherever, peak load demand exists, duly approved by HPERC along with the DPR for accordance of TEC. However, the final tariff rates shall be determined by the HPERC after the financial closure.

**7. Clause 3.1 (v), Page - 050 & 051 :-**

Royalty on water usage in respect of sale of power within the State in shape of free power to the State from the Small Hydel Projects having installed capacity up to (5.00 MW), is waived off for a period of 12 years reckoned after 30 months from the date of signing of IA of the Project (Irrespective of extension in time period of IA granted to an IPP on any account). Beyond 12 years, the royalty will be @ of 12% for next 18 years and beyond that @ 18%. The 12 years relaxation in royalty shall however not be applicable to the Projects which make captive use of power outside the state or make third party sale outside the state. In that case, the royalty @ of 12% reckoned after 30 months from the date of signing of IA of the Project (irrespective of extension in time period of IA granted to an IPP on any account) shall be applicable.