

Manipur Hydro Power Policy – 2012, Dated: 24.10.2012

Sl. No.	Description	Summary									
1.	Nodal Agency	Manipur Renewable Energy Development agency (MANIREDA)									
2.	Applicability	The hydro power projects having capacities more than 5 MW in the state, shall come under this policy.									
3.	Objectives	<ol style="list-style-type: none"> 1. To enhance the overall generation capacity of the state mainly Hydro power. 2. To contribute its share to the Nation's goal of achieving ideal thermal: hydro generation mix of 60:40 ratio. 3. To encourage the participation of Independent Power Producers/ private developers/ CPSUs/SPSUs by offering them best policy frame work and support. 4. To generate and provide employment opportunities to the people of Manipur. 5. To make power sector a major source of revenue to the State. 6. To secure long term financial benefits of the State. 7. To achieve development of the local areas by creation of Local Area Development Committee funded through hydro power projects. 8. To protect the rights of the local inhabitants for irrigation and drinking water requirement. 9. To address the problem of ecological imbalance and environmental degradation caused by implementation of the projects by adopting suitable remedial / mitigating measures. 									
4.	Operative Period	10 - Years.									
5.	Categories of Developers	<ol style="list-style-type: none"> a) National/International organizations. b) Central/State Govt, undertakings c) Private Industries/institutions, partnership firms/consortium. 									
6.	Classification of Projects	<ol style="list-style-type: none"> a) Small Hydro projects with installed capacity up to 25 MW. b) Medium hydro projects with installed capacity above 25MW and up to 100 MW. c) Large hydro projects with installed capacity beyond 100 MW. 									
7.	Allocation of Projects	<ol style="list-style-type: none"> 1. The allotment of Hydro Projects in the State shall be done through Competitive Bidding route. 2. Interested parties can submit Bids for one or more projects. One Bid Document purchased shall hold good for submission of Bid only for the Project for which the bid document is purchased by the party. The Bids as well as the processing fee shall be submitted separately for each Project applied for. 3. Successful Bidders shall pay upfront charges to the EDM, Government of Manipur within the stipulated time. Fixed upfront money for each category of project is as defined below: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">Sl. No.</th> <th style="text-align: center;">Capacity in MW</th> <th style="text-align: center;">Fixed Upfront Premium per MW</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td style="text-align: center;">Up to 50 MW</td> <td style="text-align: center;">Rs. 3.00 lakhs per MW</td> </tr> <tr> <td style="text-align: center;">2.</td> <td style="text-align: center;">100 MW and above</td> <td style="text-align: center;">Rs. 3.00 lakhs per MW for the first 50 MW and</td> </tr> </tbody> </table>	Sl. No.	Capacity in MW	Fixed Upfront Premium per MW	1.	Up to 50 MW	Rs. 3.00 lakhs per MW	2.	100 MW and above	Rs. 3.00 lakhs per MW for the first 50 MW and
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		3.	100 MW and above	Rs. 3.00 lakhs per MW for the first 50 MW and Rs. 6.00 lakhs per MW for each additional MWs up to 100 MW and Rs. 10.00 lakhs per MW for each additional MWs beyond 100 MW.
8.	Bid Procedures	<ol style="list-style-type: none"> 1. The bids should be accompanied by a non-refundable fees @ Rs. 50,000/- (Rupees fifty thousand) only per MW subject to a maximum of Rs. 5.00 lacs (Rupees five lacs) per project applied for, which shall be retained by the EDM, GoM as processing charges. 2. A letter of allotment shall be issued to the successful/selected Bidders asking them to execute an MoU with State Government. A sum equivalent to Indian Rupees of Rs.50,000 per MW of installed capacity only shall be required to be deposited by the successful Bidder as the security Deposit either through Banker's Cheque or the Bank Draft drawn in favour of State Government (to be specified in the Bid Document) on a scheduled Indian Bank located at Imphal. 3. The Upfront premium shall be payable by the successful Bidders in three installments i.e. 50% of the amount at the time of signing MoU, 25% at the time of signing of LA and remaining 25% immediately after Financial Closure, in case of any breach of MoU or any part thereof, the Upfront premium deposited at the time of signing MoU shall be liable to be forfeited by the State Government. 		
9.	Policy Framework	<ol style="list-style-type: none"> 1. In case the capacity of awarded project increases / decreases by 20%, the award conditions will not change. But in case of higher deviation in declared capacity i.e. beyond 20%, the developer shall be required to sign fresh /revised IA with the Govt, of Manipur. In such all cases, the royalty, upfront premium and other charges shall be levied according to the approved norms of the Government for the revised Capacity. 2. The project developed by private developers on Build-Own-Operate-Transfer (BOOT) model would have a validity period of 40 years from the date of Commercial Operation of the project and the same should be reverted back to the Govt, of Manipur after the expiry of this time free of cost without any encumbrances. 3. The developer shall provide minimum 10% and 2.50% of the total generated power minus power for auxiliary consumption as Free Power and for Local Area Development to the state as royalty in the first five years. For the next ten years, the equation shall be 12% and 3% respectively. While, these shall be 15% and 3% respectively in the remaining life of the Project. 4. In case of run of the river projects, the developer shall ensure minimum flow of 15% water immediately downstream of the diversion structure of the Project all the times including lean seasons. 5. The developer(s) shall ensure that procurement of all major equipments of the project shall be made through competitive bidding route only. 6. The Government of Manipur reserves the right of equity participation up to 49% on selective basis. 		

10.	Land	<ol style="list-style-type: none"> 1. Once the project is awarded to developer, the State Government shall acquire the required land at the cost of the developer. EDM will extend all possible help in coordinating with other State Govt, departments also. 2. State Government may also lease such State khas land within the required area on long term/short term basis required for permanent/temporary works of the Project at the rates fixed by the State Revenue Department. 3. The developer may also acquire on long term lease/ purchase directly from the owners through direct negotiation in accordance with law.
11.	Roads & Bridges	Developer(s) shall be liable to develop infrastructures like roads, bridges, culverts etc. within 10 kms from the project site(s) viz. Dam/ Barrage / Power House. Similar infrastructure up to that periphery may be made available by the State Government.
12.	Rehabilitation & Resettlement	<ol style="list-style-type: none"> 1. The developer in consultation with the State Government shall prepare a Rehabilitation & Resettlement Plan for the Project within the GoI guidelines/ framework and bear the cost. The plan shall be implemented by the State Government. 2. The developer shall provide employment to one member of each of the displaced families if any as a result of the acquisition of land for the project. During the operation and maintenance stage also, the developer shall give preference to the members of displaced families in employment.
13.	Employment	<ol style="list-style-type: none"> 1. The developer(s) shall provide employment to 50% of the manpower requirement of the project(s) in respect of unskilled/skilled and other executives/non-executives as may be required for execution, operation and maintenance of the project(s) to the eligible bonafide local residents/Manipuris whose names are registered on live register of any Employment Exchange located in the State of Manipur. 2. The Developer shall also provide training programme to the locals affected by the Project so that they are in a position to get employment for various technical/administrative jobs in the Project.
14.	Restoration of Existing Facilities	The developer(s) shall not interfere with any of the existing facilities, till alternative facilities are created for its replacement.
15.	Taxes & Duties	<ol style="list-style-type: none"> 1. As there is no law on levy of Entry Tax in the State, all Entry Tax on power generation and transmission equipments meant for the project are deemed to be exempted from such Tax. 2. All other taxes and duties as applicable from time to time by State Government / local bodies shall be paid by the developer(s).
16.	Tariff	<ol style="list-style-type: none"> 1. The tariff for sale of energy from the project shall be decided by Joint Electricity Regulatory Commission Manipur-Mizoram/ CERC as per the Central Government policies/rules. 2. In case of sale of energy to any particular bulk consumer or the definite group of people /cooperativesociety (having load requirement of 1MW and above) the mutually agreed tariff rate between the developer company and consumer unit shall be allowed.
17.	Sale of Power	<ol style="list-style-type: none"> 1. For all Hydro power projects, the EDM shall contract to take off minimum 60% of the total power after meeting the Free Power and Local Area Development components for sale at the rate notified by Regulatory Commission. 2. The Developer will have the option to sell the remaining 40% of the total

		power to any HT consumer in any manner they like in accordance with the provisions contained in Electricity Act, 2003 and subsequent notifications issued by CERC/JERC, Manipur & Mizoram from time to time.
18.	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 JERC, Manipur & Mizoram. 2. No wheeling charges are applicable in cases of sales to the Electricity Department / concerned State utility.
19.	Transmission of Power	The detailed project for power evacuation system will be indicated in the DPR and the total evacuation system shall either be constructed by the developer company at its own cost or it may be developed by the EDM/ concerned Transmission Company of the area on its behalf on deposit basis.
20.	Despatching	State Government shall ensure that the proposed SLDC remains an integral part of the STU at least up to the period of the next ten years and also ensure optimum scheduling and dispatch of all the generating stations.
21.	Incentive	In case the Commercial Operation of the Project (COD) is achieved prior to the Scheduled Commercial operation date, revenue equivalent to free power up to the Scheduled COD shall be exempted.
22.	Disincentive	In the event that the Commercial Operation Date of the Project is delayed beyond the Scheduled Commercial Operation Date, revenue equivalent to free power for the period of delay shall be charged to the developer.
23.	Local Area Development Committee	The Government shall constitute a Local Area Development Committee (LADC) for each project being implemented.
24.	Due Diligences	The developer shall be responsible for carrying out due diligence with regard to his compliance responsibilities under various applicable Central/State/other laws, rules and regulations and ensure compliance with the same.
25.	Overriding Condition	<ol style="list-style-type: none"> 1. The State Government shall not be responsible in any manner for the losses arising out of the force majeure situation such as earth quake, flood, fire, external invasion, civil commotion, land slide etc. and no claim on such accounts by the developers shall be entertained by the State Government. 2. The project developer will have no right for consumptive use of water unless it is specifically mentioned in the contract or separately allowed by competent authority.