

**GOVERNMENT OF HIMACHAL PRADESH  
DEPARTMENT OF MPP & POWER**

**NOTIFICATION**

No. MPP (F)-2/2005-X

Dated: Shimla-02, the

15-05-2018

The Governor, Himachal Pradesh is pleased to notify the following amendments/provisions in the Hydro Power Policy, 2006 and its amendments issued from time to time:-

**(A) Amendments to the existing provisions of Hydro Power Policy, 2006**

**1. Free Power Royalty**

The provisions as contained in Hydro Power Policy, 2006 at Sr. No. 3.1 (v) of Chapter-IV and Sr. No. (xxx) of Chapter-V and subsequent amendments issued from time to time, are amended to the following extent:

**i. In case of already allotted (but not commissioned) Projects:**

The free power quantum to be received on account of free power share of the State will be deferred for the critical period of initial 12 years from the date of achieving Scheduled Commercial Operation Date (SCOD) or Commercial Operation Date (COD) whichever is earlier. The quantum to be deferred shall be recovered during the balance agreement period in a uniform percentage rate for all the ongoing private sector projects which are under construction and at various stages of clearances. The Project developers shall be liable to sign revised Pre Implementation Agreements/Implementation Agreements/Supplementary Implementation Agreements as the case may be.

**ii. In case of Projects to be allotted under Private Sector:**

The Free Power Royalty for all the new hydro projects to be allotted in future under Private Sector shall be levied as per the provisions contained in the National Hydro Power Policy i.e. levy of royalty in the shape of Free Power will be at uniform rate of 12% for the entire agreement period.

**2. Mandatory Purchase of Power by DISCOM**

The provisions as contained in Hydro Power Policy, 2006 at Sr. No. 3.1(i) of Chapter-IV and subsequent amendments issued from time to time, is amended

to the extent that the entire power generated from the projects having capacity upto 10 MW will mandatorily be purchased by HPSEBL at the HPERC determined tariff. The same shall be applicable to the projects which shall be commissioned after this notification.

### **3. Exemption in Open Access Charges**

The provisions as contained in Hydro Power Policy, 2006 at Sr. No. 3.1(ii) of Chapter-IV and subsequent amendments issued from time to time is amended to the extent and for Projects above 5 MW and upto 25 MW is added as Sr. No. (xxxix) under Chapter-V that no open access charges for the use of intra-State transmission network shall be payable by hydro projects having capacity upto 25 MW which shall be commissioned after this notification.

## **(B) Amendments in the Hydro Power Policy, 2006 by adding new Clause/provision**

### **1. Tariff Determination**

A new provision is incorporated under Chapter-IV at Sr. No. 3.1 (xi) and Chapter-V at Sr. No. (xL) of the Hydro Power Policy, 2006 that the tariff shall be determined by HPERC with respect to date of achieving COD of the project instead of the date of signing of IA. However, this condition shall be applicable only if Project is completed within the stipulated time period as approved in Technical Concurrence (TC) after achieving the zero date except force majeure conditions or reasons not attributable to the developers.

### **2. Allocation of projects for Captive use**

A new provision is incorporated under Chapter-IV at Sr. No. 3.1 (xii) and Chapter-V at Sr. No. (xLi) of the Hydro Power Policy, 2006 that the projects upto capacity of 10 MW for captive use of power for existing industries or for new industrial units within the State of Himachal Pradesh shall be allocated without competitive bidding after assessing the capabilities of the applicant Company on MOU route on the similar terms & conditions as per the prevailing hydro power policy for allotment and in accordance with the power requirement of the industrial units already set up or to be set up subject to fulfillment of all the legal, regulatory and procedural requirements.

**(C) Re-defining of milestones for stalled projects**

The Administrative Department is authorized to re-define the milestones afresh where 100% equity transfer is permitted by the Government as per the prevailing hydro power policy guidelines by entering into revised agreement for the stalled under construction projects.

By order

(TARUN KAPOOR)

Additional Chief Secretary (MPP & Power)  
to the Government of Himachal Pradesh.


Endst. No.MPP (F)-2/2005-X

Dated: Shimla-02, the

15-05-2018

Copy forwarded to the following for information and necessary action:-

1. The Secretary to Governor, Himachal Pradesh, Shimla-171002.
2. The Principal Secretary to Hon'ble Chief Minister, Himachal Pradesh, Shimla-171002.
3. All Administrative Secretaries to the Government of Himachal Pradesh, Shimla-171002.
4. The Under Secretary (GAD), HP Secretariat Shimla-171002 w.r.t. Cabinet Memorandum Item No. 9 dated 08.05.2018.
5. The Secretary, HPERC, Kasumpti, Shimla-171009.
6. The Chairman-cum-Managing Director, M/s Satluj Jal Vidyut Nigam Limited, Shakti Sadan, Corporate Office Complex, Shanan, Shimla – 171006.
7. The Chairman-cum-Managing Director, M/s National Hydroelectric Power Corporation Limited Faridabad.
8. The Chairman-cum-Managing Director, M/s National Thermal Power Corporation Limited, New Delhi.
9. The Director, Directorate of Energy, GoHP, Shanti Bhawan, Phase-III, Sector-VI, New Shimla-171009.
10. The Managing Director, HPSEB Limited, Vidyut Bhawan, Shimla-171004.
11. The Managing Director, HPPCL, Himfed Building, BCS, Shimla-171009.
12. The Managing Director, HPPTCL, Himfed Bhawan, Panjari, Tutikandi, Shimla-171005.
13. The Chief Executive Officer, Himurja, SDA Complex, Kasumpti, Shimla-171009.
14. The Special Secretary (NES), to the GoHP, Shimla-171002.
15. All the Deputy Commissioner in Himachal Pradesh.
16. The Controller, Printing & Stationery, Himachal Pradesh, Shimla-171005 for publication of the notification in the Rajpatra.
17. Guard file.

  
(Dr. Ajay Sharma)

Special Secretary (MPP & Power) to the  
Government of Himachal Pradesh.