



हिमाचल प्रदेश HIMACHAL PRADESH

C 423182

MEMORANDUM OF UNDERSTANDING SIGNED BETWEEN THE GOVERNMENT OF HIMACHAL PRADESH AND NHPC LIMITED FOR THE EXECUTION OF DUGAR (449 MEGAWATT) HYDRO ELECTRIC PROJECT IN CHENAB RIVER BASIN IN HIMACHAL PRADESH

This Memorandum of Understanding (MOU) is executed and entered into on this 25th day of September in the year Two Thousand and Nineteen between the Governor of Himachal Pradesh through the Principal Secretary, Department of Multipurpose Projects and Power to the Government of Himachal Pradesh having its office at Civil Secretariat, Shimla-171002 (here-in-after referred to as the "Government" which expression, unless repugnant to the context or meaning thereof, shall include its successor(s) administrator(s) or permitted assigns), of the FIRST PART.

AND

NHPC Limited, a company incorporated under the Companies Act, 1956, and also a 'Generating Company' within the meaning of Section 2 (28) of the Electricity Act, 2003, having its registered office at N.H.P.C Office Complex, Sector-33, Faridabad - 121003 (Haryana) (here-in-after referred to as the "NHPC Limited" through the Chairman and Managing Director who has been duly authorized to execute the MoU which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successor(s), administrator(s), and permitted assigns) of the SECOND PART.

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महाप्रबंधक
General Manager
डुगर जल विद्युत परियोजना
Dugar Hydro Electric Project
नगवाई, जिला मण्डी (हि.प्र.)-175121
Nagwain, Distt. Mandi (H.P.)-175121

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WHEREAS, Dugar Hydro Electric Project (HEP) (here-in-after referred to as the "Project"), on the river Chenab in Chamba District in the State of Himachal Pradesh, with an indicative capacity of 449 Megawatt (MW) are contemplated to be taken up for implementation;

WHEREAS, the NHPC Limited has approached the Government of Himachal Pradesh (GoHP) for allocation / allotment of Dugar (449 MW) HEP; AND

WHEREAS, the Government of Himachal Pradesh (GoHP) has agreed to allot Dugar (449 MW) HEP on Build, Own, Operate, and Transfer Basis (BOOT) for the period of 70 years (herein after referred to as the "Project"), on the river Chenab in Chamba District in the State of Himachal Pradesh.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF PREMISES AND MUTUAL COVENANTS SET FORTH HEREIN, AND FOR GOOD AND VALUABLE CONSIDERATION, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. NHPC Limited shall arrange all necessary finances for the implementation of the project through, loans, debentures, its own income from previous projects or such other sources that may be available.
2. (A) Twelve percent (12 %) or staggered free power royalty slabs on mutual agreement basis as approved by GoHP, of the energy generated from the project after excluding auxiliary consumption and transformation losses (net energy) shall be given to the State Government free of cost (Government supply) at the interconnection point of the power station with the State / Central Transmission Utilities from Schedule Commercial Operation Date/Synchronization of first generation unit, whichever is earlier.
- (B) NHPC Limited shall contribute 1% additional Free Power for Local Area Development Fund (LADF) over and above the rates of royalty agreed to be paid to the State Government at the interconnection point of the power station with the State/ Central Transmission Utilities from Schedule Commercial Operation Date/Synchronization of first generation unit, whichever is earlier. The additional 1% Free Power from the project shall be provided by NHPC Limited and earmarked for Local Area Development Fund, aimed at providing a regular stream of revenue for income generation to Project affected families on the sustained and continued basis over the entire life of the project. This additional 1% Free Power, over and above the royalty component provided to the Government will be pass through in tariff.
- (C) NHPC Limited shall be liable to deposit an equivalent amount of 100 units of electricity, per month for a period of 10 years, as per applicable subsidized tariff determined by Himachal Pradesh Electricity Regulatory Commission (HPERC) from time to time, with respective Local Area Development Committees (LADCs) of the districts and the balance amount equivalent to the quantum of subsidy with the State Government. This shall be done once in a year since the tariff is determined for a year by the Himachal Pradesh Electricity Regulatory Commission (HPERC).

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अध्यक्ष व प्रबंध निदेशक / Chairman & Managing Director
एन एच सी ली लिमिटेड / NHPC Limited
(A Public Limited Company of India/Enterprise)

(D) NHPC Limited shall contribute 1.5 % of the cost of the project towards pre-commissioning Local Area Development Fund (LADF).

3. NHPC Limited shall prepare and implement Rehabilitation & Resettlement (R&R) Plan for the Project as per the GoHP guidelines and approval, which shall not be lesser beneficial to Right to Fair Compensation and Transparency in Land Acquisition and Rehabilitation & Resettlement (RFCTLARR) Act, 2013. In addition to R&R, the Company shall also run Community Development Schemes and Corporate Social Responsibility programs for the villages within/around the Project site, entwined to cater to local area development including capacity/skill development of affected population, as per the objectives and policies of the company which shall be other than the LADF contribution.

4. NHPC Limited shall provide employment to Himachalies in accordance with the provisions of Hydro Power Policy-2006.


5. The detailed terms and conditions of the Implementation Agreement (IA) shall be formulated with the mutual agreement of GoHP and NHPC Limited.

6. As per the provisions of Hydro Power Policy, 2006 of the State, the NHPC Limited / Developer shall be liable to reimburse to the Himachal Pradesh State Electricity Board Limited (HPSEBL) / Himachal Pradesh Power Corporation Limited (HPPCL), the expenditure incurred on account of Survey & Investigations carried on the Project.


7. The detailed timelines/ milestones shall be finalized at the time of signing of Implementation Agreement.


IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THE CONTENT OF MOU TO BE SIGNED, SEALED AND DELIVERED BY THEIR DULY AUTHORIZED REPRESENTATIVES ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

**For and on behalf of
Government of Himachal Pradesh**


P. Secretary (Power) to the
Government of Himachal Pradesh,
Civil Secretariat Shimla-171002 (H.P.)

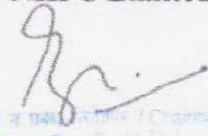
Witnessed by:

1. 
Manasi Sahay Thakur
Director (Energy)


2. 
P.K.S. Richela
Chief Engineer, DGE



महाप्रबंधक
General Manager
दुगर जल विद्युत परियोजना
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**For and on behalf of
M/s NHPC Limited**


Chairman & Managing Director
NHPC Limited / Sector - 33, Faridabad
NHPC Office Complex, Sector-33,
Faridabad - 121003 (Haryana)

Witnessed by:

1. 
(M.K. Jod) Executive Director

2. 
CHAIRMAN & Managing Director
NHPC Limited