

**DIRECTORATE OF ENERGY
GOVERNMENT OF HIMACHAL PRADESH**

OFFICE ORDER

Directorate of Energy(DOE), Govt. of Himachal Pradesh, is pleased to accord Techno Economic Clearance(TEC) to Selti Masrang SHP(24.00 MW) on Bhaba khad a tributary of Satluj river in Satluj basin, Distt. kinnaur, Himachal Pradesh, allotted to "M/S Ramesh Hydro Power Pvt Ltd, Plot No 107, Prashanthi Nagar, Near IE Kukatpally, Hyderabad-500072" at an estimated cost of Rs. 215.74 crore (Rupees two hundred fifteen crore and seventy four lac) only including Interest During Construction(IDC), Escalation, Financial Charges(FC) and LADC @ 1.5% of total project cost with the following stipulations:

- i.) The completion cost shall not exceed the above cost except on account of the following:
 - a) Interest During Construction(IDC) and Financial Charges(FC) shall be as per actuals but not exceeding the amount as indicated at Annex-I, unless revised by DOE, GoHP while according concurrence under Section-8 of Indian Electricity Act 2003 after review of the financial package.
 - b) Change in rates of Indian taxes and duties such as Excise Duty, Sales Tax/ VAT, Custom Duty and levy of any other taxes/duties subsequent to issue of Techno Economic Clearance.
 - c) Change in Indian law resulting in change in the cost.
- ii) The abstract of the Estimated Cost approved by DOE/GoHP is furnished at Annex-I, summary of the Financial Package as considered by DOE/GoHP is at Annex-II and the Salient Features of the scheme are at Annex-III.
2. The Techno-Economic Clearance(TEC) is subject to the fulfillment of the following conditions:
 - i) Completed cost/Techno-Economic Clearance(TEC) shall not be re-opened due to the following:
 - a) Non acquisition of land.
 - b) Non- finalization of Power Purchase Agreement (PPA)
 - c) Delay in financial closure.
 - ii) The final financial arrangement shall not be inferior to the financing arrangement projected in the Detailed Project Report (DPR) for TEC.
 - iii) The completion cost of the project and Tariff shall be as per approval of Central/State Electricity Regulatory Commission.
 - iv) The public issue expenses, if any, shall be reconsidered at the time of approval of completion cost based on documentary proof and in accordance with Security Exchange Board of India (SEBI) guidelines regarding regulation of public issue expenses.
 - v) Fulfillment of conditions stipulated in Central Electricity Authority(CEA)/Central Water Commission(CWC) guidelines in respect of civil works at the stage of detailed designs/execution.
 - vi) Any increase in the cost estimate due to design modifications and geological surprises would be absorbed by the Independent Power Producer (IPP) i.e. "M/S Ramesh Hydro Power Pvt. Ltd, Hyderabad-500721"
 - vii) No additional cost shall be allowed due to Resettlement & Rehabilitation (R & R) Plan.
 - viii) Normal operation life of the hydro power plant shall be as per provisions of CWC/CEA guidelines or CERC/HPERC regulations.
 - ix) The Techno Economic Clearance(TEC) is subject to clearance of the project and transmission line by MOEF from environmental and forests angle. The statutory and administrative clearances as per Annex-IV shall be obtained before execution/ implementation of the project.
 - x) The interconnection point with HPSEB grid and interconnection facilities at the interconnection point shall be provided, operated and maintained at the cost of the IPP.

- Entire cost including land and construction of separate 66kV bay including terminal/Protection equipment shall be borne by the IPP(s).
- xi) The cost of providing and/or strengthening/additions etc. of the system at and beyond the Interconnecting Sub-station which may also include the cost of replacement of switchgear/ protection and provision of shunt capacitors, strengthening of bus bars, apart from other works required at injection voltage level and other one or more successively higher voltages, civil works relocation of existing bays etc. shall be recovered by HPSEB Ltd., as per the regulations of HPERC read with the clarifications/decisions by HPERC and/or any other competent authority as may be finally applicable. The share of IPP on this account shall be paid by the IPP to HPSEB Ltd. as per the final decision of the competent authority.
 - xii) Whereas the HPSEB shall endeavor to provide the evacuation system at the earliest, the scheduled date for providing evacuation arrangements shall be spelt out in the PPAs on case to case basis inter-alia, keeping in view the time lines indicated in the relevant plan by HPSEB and approved by HPERC.
 - xiii) The powerhouse generating equipment as well as other electrical equipment to be provided by the developer shall be compatible for parallel operation with HPSEB grid after interfacing. The IPP shall be responsible for any loss of generation on this account.
 - xiv) O&M charges for maintenance of inter connection facilities at the interconnection sub-station of HPSEB shall be paid by the IPP to HPSEB Ltd., throughout the period, the IPP runs the project and the same shall be reviewed at the beginning of every financial year.
 - xv) The IPP shall interface his project at the proposed 66/220kV sub-station at Sherpa Colony (to be constructed by HPPTCL) in joint mode with Homte SHP(10.50MW) at 66kV voltage level or IPP shall have to evacuate his power through joint evacuation arrangement to be planned by HPPTCL for that area.
 - xvi) The project line shall be provided, operated and maintained by the IPP at his cost as per normal conditions after obtaining approval of HP Govt. under Section 68(1) of Electricity Act, 2003.
 - xvii) The above mentioned evacuation arrangements shall be subject to the feasibility of interconnection at the interfacing point and further HPERC approval of "Comprehensive area wise plan for augmenting and establishing of transmission/sub-transmission system for evacuation of power from small HEPs" which has already been submitted to HPERC. The Transmission/Distribution Licensee may however also evolve alternate system(s) depending on the site conditions and subsequent developments with the approval of HPERC.
 - xviii) The IPP shall develop operate and maintain the Project including the dedicated transmission system subject to compliance with the following:
 - a) Grid code and standards of grid connectivity.
 - b) Technical as well as Mechanical standards for construction of Electrical lines.
 - c) Norms of System Operation of the concerned State Load Dispatch Center (SLDC) or Regional Load Dispatch Center (RLDC).
 - d) Directions of the concerned SLDC or RLDC regarding operation of dedicated transmission line.
 - e) The IPP shall only be allowed to inject power in HP system with the undertaking that necessary action to provide tele-metering to SLDC shall be provided by them and specifications required to be got approved from the office of SE, SLDC, HPSEB Ltd, Totu, Shimla from compatibility point of view with existing SCADA system.
 - ixx) The conditions on these lines shall have to be suitably included by the developer in the PPA etc. apart from other standard conditions.
 - xx) The observations of HPSEB/DOE and replies thereof shall form an integral part of the DPR.
 - xxi) 15% release of water immediately downstream of diversion structure shall be ensured all the times including lean season as per Power Policy of HP Govt., 2006 and subsequent amendments thereof.
 - xxii) LADC/LADF amount and activities shall be implemented as per Power policy of HP Govt., 2006 and subsequent amendments thereof.

- xxiii) The additional 1%(one percent) free power from the project shall be provided and earmarked for a Local Area Development Fund(LADF) as per HP Govt. Notification No. MPP-F(1)-2/2005-V dated 30.11.2009.
- xxiv) The IPP shall carry out the detailed Geological explorations as per CWC/CEA guidelines before taking up project construction and submit the report to the HP Govt./DOE.
- xxv) The TEC is based on the reports and data furnished by the IPP in the DPR and it is presumed that information furnished is correct and has been collected reliably after carrying out detailed field investigations and surveys under the supervision of competent personnel. The scrutiny does not cover the examination of the detailed designs & working drawings of project components in regard to their structural, hydraulic and mechanical performance & safety which shall be ensured by the project authority/IPP.
3. The project shall be completed within 48 months from the date of start of the construction works.
 4. The completion cost of the scheme shall be submitted to DOE/GoHP for approval within 3 months from the Commercial Operation Date (COD) of the plant.
 5. The Project Promoters/Project Authorities shall give free accessibility to the officers and staff of DOE/GoHP to have on the spot assessment of various aspects of the project.
 6. The firm financial package and tie-up of balance inputs/clearances shall be completed within the period as stipulated in the HP Govt. power Policy, 2006 and subsequent amendments thereof /Implementation Agreement.
 7. In case the time gap between the Techno-Economic Clearance of the scheme and actual start of work on the project is three years or more, a fresh Techno-Economic Clearance shall be obtained from DOE/GoHP before start of actual work.
 8. Monthly Progress Report of the project shall be submitted to the DOE/GoHP. Three(3) copies of the semi-annual physical progress report of the scheme and expenditure actually incurred, duly certified by statutory auditors shall be submitted to the DOE/GoHP till the Commercial Operation of the plant.
 9. The DOE/GoHP reserve the right to revoke the concurrence if the conditions stipulated above are not complied with to the satisfaction of the DOE/GoHP.

BY ORDER OF THE GoHP

[Signature]
Director(Energy).

Directorate of Energy, GoHP,

Khalini, Shimla-171002.

No. DOE/CE(Energy)/TEC-Selti Masrang /2010-

Copy for information and necessary action to the:

1. Principal Secretary (MPP & Power) to H.P. Govt., Shimla-171002
2. Principal Secretary (NES) to H.P. Govt., Shimla-171002
3. Secretary, Ministry of Non-Conventional Energy Sources (MNES), Block No.14.CGO Complex, Lodhi Road, New Delhi-110003.
4. Director, Environmental & Scientific Technologies, Narayan Villa, Near Wood Villa Palace, Shimla-171002.
5. General Manager, HPPTCL, Borowalia House, Khalini, Shimla-171002
6. Chief Engineer (SP), HPSEB Ltd, Vidyut Bhawan, Shimla-171004.
7. Chief Engineer(Commercial), HPSEB Ltd, Vidyut Bhawan, Shimla -171004.
8. Chief Executive Officer, Himurja, 8A-SDA Complex, Kasumpti, Shimla-171009.
9. M/S Ramesh Hydro Power Pvt Ltd, Plot No 107, Prashanthi, Nagar, Near IE Kakatpally, Hyderabad-500072.

[Signature]
Director(Energy),

Directorate of Energy, GoHP,

Khalini, Shimla-171002.