

Recd

HIMURJA
(H.P. Govt. Energy Development Agency)
Shimla-171009

No. HIMURJA/ SHP/Lower Kurpan-II(HPPL)/2009-2035

Dated: 25/07/2009

M/s Himprabha Power Pvt. Ltd.,
Village Karungahi, P.O. Paroteha
Tehsil Ghumarwin Distt. Bilaspur

Sub: Consent for exclusive time bound right for preparation of Project Report for the Small
Hydel Project Lower Kurpan-II (4.00 MW) in Distt. Kullu Himachal Pradesh

Sir,

I am directed to inform that after considering your application for the self identified project the State Government has consented to give you the exclusive right for preparation of DPR for subsequent implementation of SHP in H.P. The details of the project for which consent has been granted is as below:

Sr. No.	Name of the Project	River/ Stream	Distt.	Diversion Elevation	Power House Elevation	Estimated Capacity (MW)
	Lower Kurpan-II	Kurpan	Kullu	1065	867	4.00

1. PFR FINALISATION

The IPP shall submit a comprehensive PFR to Himurja prepared by a consultant of repute, credentials to be established in the PFR, within two months of issue of this letter. The PFR should include measurement & calculations so as to accurately establish the location of the project features, without changing allotted elevations, as well as refining the design discharge leading to a proposed Installed Capacity, which can thereafter be firmed up during DPR preparation stage.

Capacity changes in the DPR will be decided as per policy of the State Govt. as applicable from time to time.

IPP will have to deposit security, processing fee, upfront premium based on the Installed Capacity proposed in the PFR alongwith the submission of the PFR.

2. SECURITY (REFUNDABLE)

Establishing of Security charges in the shape of Bank Guarantee or Demand draft (refundable) in favour of "DOR" FOR HIMURJA" payable at Shimla. Security charges to be taken from the bonafide Himachali Cooperative society/Company comprising of the bonafide Himachalis shall be in favour of Director HIMURJA payable at Shimla which shall be as follows:

- (i) Upto 2MW Rs. 50,000/- in shape of Bank Guarantee or Rs. 25,000/- in the shape of Demand Draft
- (ii) Beyond 2MW upto 5 MW Rs. 1,00,000/- in the shape of Bank Guarantee or Rs. 75,000/- in the shape of Demand Draft

In case of others, the security charges will be paid in cash or by way of demand draft @ Rs. 50,000/- per MW.

The Security charges shall be based on the capacity finalized by the IPP during PFR finalization stage and it will be paid in favour of the Director, HIMURJA.

3. PROCESSING FEE (NON-REFUNDABLE)

Furnishing of the Processing Fee (non-refundable) in favour of "Director, HIMURJA" payable at Shimla. The processing fee for Himachali Cooperative Society/Company comprising of the bonafide Himachalis shall be Rs. 25,000/- upto 2 MW and beyond 2.00 MW upto 5 MW @ Rs. 25,000/- + Rs. 10,000/- per MW for the capacity exceeding 2 MW. For others, the processing fee shall be Rs. 200 lac per Project.

If an IPP enhances the capacity of already allotted Project after Techno Economic Clearance/Signing of IA then the IPP shall be required to furnish the processing fee afresh at the rate specified above.

The processing fee shall be based on the capacity finalized by the IPP during PFR finalization stage and it will be paid in favour of the Director, HIMURJA.

4. UP-FRONT PREMIUM (NON REFUNDABLE)

Up-front premium shall be charged in two stages- @ Rs.45000/- per MW at the time of allotment of the project i.e within one month from the date of this consent letter and balance upfront premium @ Rs. 45000/- per MW at the time of signing of the IA. This will be without any upper ceiling of Rs. 75000/- as hitherto.

5. The IPP or his agents shall carry out the requisite detailed investigations and techno-economic studies of the Project and shall submit a Detailed Project Report to HIMURJA within a period of 24 months from the date of issue of this consent letter. If the IPP i.e. M/s Himprabha Power Pvt. Ltd., Village Karungubi, P.O. Pantehra Tehsil Ghumarwin Distt. Bilaspur does not take effective steps to undertake Survey & investigation within a period of 6 (six) months from the date of issue of consent letter, the consent shall be automatically withdrawn after forfeiting the security charges and other applicants shall be considered for preparation of the DPR.
6. The IPP shall submit monthly discharge data and quarterly overall progress reports to Himurja on the Proforma attached at Annexure 'A' & 'B'.
7. Following milestones shall be binding on the IPP.

Sr. No	Milestones	Time Period
1	Submission of Detailed Survey & Investigation Report (DSI)	Incorporating monthly discharge data of the stream by including discharges for two lean seasons (November to March) after issue of consent letter. This report shall be submitted to Himurja within 20 months of issue of letter of consent.
2	Submission of Detailed Project Report (DPR) as per CEA/CWC Guidelines.	Within 24 months from the issue of consent letter. On the request of the IPP extension in time for submission of DPR will only be given upto 6 (six) months beyond 24 months after issue of consent letter for valid reasons after charging requisite fee as mentioned in the consent letter.

Obtain Techno-Economic Clearance(TEC) from Government/HPSEB	The Techno-Economic Clearance (TEC) shall be accorded by HPSEB on behalf of the Government within six months from the date of receipt of the Detailed project Report. After the submission of the DPR, IPP shall attend to the observations of Government/ Himurja/ HPSEB within thirty days from the date of conveying of such observations with regard to DPR/TEC.
Confirmation of Interconnection Point	Two months after the DPR has been submitted to Himurja / HPSEB the IPP shall apply to the appropriate authority (Distribution/Transmission Licensee) for finalization/confirmation of interconnection point
Signing of IA	Within two month of accordance of TEC or within 30 months after issue of consent letter whichever is earlier

The IPP shall stick to the time schedule for the investigation of the project and submission of the DPR.

- 8. In the event of the IPP being unable to submit the DPR within 24 months from the date of issuing this consent letter, the IPP can seek extension in time beyond 24 months for submission of DPR for valid reasons. The extension can be accorded for a period not exceeding 6 months by charging extension fee of Rs. 10,000/- per MW per month. The extension fees shall be in the name of Director, Himurja.
- 9. Detailed Project Report submission date shall be reckoned only after it has been found that the report is in conformity with CEA/CWC guidelines. The reports and studies shall be prepared by reputed consultants who have experience of handling the complete task of geological & hydrological investigation, construction, erection, commissioning and operation of hydroelectric projects. Complete details of the consultants and their experience shall be included in the DPR or annexed therein.
- 10. HIMURJA, on the receipt of Detailed Project Report (DPR), will scrutinize the DPR from the angle of techno-economic viability of the project as well as optimum utilization of the potential. After its scrutiny the HIMURJA will forward the DPR to HPSEB for accordance of TEC. During examination of DPR HIMURJA/HPSEB may point out the defects and deficiencies affecting the techno-economic viability. IPP is expected to make good the defects promptly and if the IPP fails to remove the defects or deficiencies, as pointed out by the HIMURJA/HPSEB, within 30 days from the dispatch of the communication, the Government shall be at liberty to withdraw the consent. The Government also reserves the rights to modify, delete or add any of the conditions, criteria at its own discretion and shall be at liberty to cancel the consent at a later stage if it is found that some information has been suppressed or false information has been supplied by the IPP about the Project and the firm.
- 11. If the performance of this consent or of any obligation of IPP is prevented, restricted or interfered with for any reasons of, fire, explosion, epidemic, cyclone, earthquake, flood, unforeseen natural calamity, war, revolution, requirement of any Government or any sub-division, authority or representative of any such Government, or any other act whatsoever, whether similar or dissimilar to those enumerated, beyond the reasonable control of the party hereto, the party so affected upon giving prompt notice to other party shall be excused from such performance to the extent of such prevention, restriction or interference for the period it persists provided that the party so affected shall make its best efforts to avoid or remove causes of non-performance, if possible, and shall

continue performance hereunder with the utmost dispatch whenever such causes are removed. If the force majeure such as war, civil war, insurrection, riots, revolutions, fires, floods, epidemics, quarantine, restrictions, freight embargoes, radioactivity, earthquakes, cloudbursts, landslides and excessive snow persists for continuous period of the consent letter or more, the parties shall meet and decide about the further course of action.

12. In case the IPP does not find the Project to be feasible from techno-economic considerations or from any other aspect, the IPP shall hand over to the HIMURJA all the Project Reports and any other connected documents etc. as may have been collected and/or prepared by the IPP during the course of investigations.
13. The Government after having concluded that the Project is techno-economically viable may enter into an Implementation Agreement with the IPP within a period of 30 months from the date of issue of consent letter for the execution of project on terms and conditions in accordance with H.P. Hydro Power Policy 2006 read with various amendments in it notified from time to time.
14. The IPP shall set up its office within State of Himachal Pradesh after signing of Implementation Agreement and furnish the proof thereof.
15. This consent shall be restricted within the approved parameters of this consent letter i.e. to utilize water Kurpan Khad/ Stream in elevation range between EL. + 1065 m & EL. ± 867m on Right/Left Bank, on which this project is envisaged unless otherwise approved by the H.P. Government. The H.P. Govt. shall be at liberty to cancel the consent if any violation on this account is discovered at a later stage.
16. The IPP shall have to obtain the following from different Departments and furnish the same at the time of submission of the Detailed Project Report or earlier:
 1. NOC from I&PH & Revenue Department- stating that the proposed Projects does not infringe with the drinking and irrigation rights of the local inhabitants and of the ownership of traditional water mills i.e. Gharats.
 2. NOC from the Gram Panchayat through Panchayat Secretary within one month's time.
 3. NOC from the Fisheries Department if the stream is in the negative list.
 4. NOC from HPPWD.
 5. NOC from Wild Life.
17. NOCs from different Departments shall be furnished in original to the HIMURJA. The IPP is required to furnish an affidavit on Rs. 500 stamp paper duly notarized to the effect that all the conditions in the NOCs obtained from the different Departments and Gram Panchayat shall be abided by them, in case an IA is signed with the IPP later on.
18. The receipt of this communication and acceptance of consent conditions aforesaid will be acknowledged within one month from the date of issue of this letter. In case, IPP's confirmation is not received or security, processing fee and other relevant essential documents, not deposited by the due date it shall be presumed that IPP is not interested in taking up the project and consent shall be treated as withdrawn.

19. ROYALTY

In the event of this project being awarded to you for implementation, a separate agreement called Implementation Agreement shall be executed for supplying the royalty on water usages in shape of free power royalty (Energy) as per the following rates or the rates applicable as per policy of the State Govt. at the time of signing of Implementation Agreement

The Free power royalty liable to be charged for projects with an installed capacity upto 5 MW will be at the rate of 12% 15% & 24% (12% for first 12 years, 15% for next 18 years & 24% for remaining period of 10 years) or the rates applicable as per policy of the State Government at the time of signing of IA. For captive consumption within the state or sale to HPSEB or its successors the concessional royalty rates shall be 6% 15% and 24% (6% for first 12 years, 15% for next 18 years & 24% for remaining period of 10 years). In case of capacity enhancement beyond 5 MW rates notified by government shall be applicable

- 20. The Govt. reserves the right to modify, delete or add any of the conditions, criteria, at its own discretion and shall be at liberty to withdraw the consent if at a later stage it is found that some information has been suppressed or false information has been supplied by IPP about the project
- 21. HPSEB or its successor distribution companies shall have the right to first refusal for the power generated from this project except where the IPP intends to use it for captive consumption within the State of H.P.
- 22. For projects upto 5 MW, HPSEB or its successor entity shall buy the power at the tariff notified from time to time by Himachal Pradesh Electricity Regulatory Commission.
- 23. Alongwith the acceptance letter of the consent, the following shall also be furnished by the IPP
"An affidavit on a stamp paper of Rs 5/- only (duly notarized) to the effect that not more than three projects (including this project) are under execution with the IPP in the State"
- 24. Other conditions of Hydro Power Policy 2006 read with amendments to same notified from time to time shall be applicable
- 25. HIMURJA/ H.P. Government shall provide necessary assistance in obtaining clearances at State level
- 26. This consent letter is being issued in lieu of MOU and no separate MOU shall be signed by the government
- 27. This consent letter is being issued under the orders and authorization of Deptt. of Non-Conventional Energy Sources, Govt. of Himachal Pradesh
- 28. Upfront premium, security charges and processing fee are to be deposited within one month from the date of this consent letter failing which the project is liable to be cancelled.
- 29. In case at any stage it is found that this small hydro Electric Project is prejudice to overall optimum development of the river, the government reserves the right to cancel the allotment of the project without any liability/limitations.
- 30. The DPR of the project is to be completed within the specified time i.e. 24months failing which project shall stand cancelled.

The State Government and the local right holders shall have the right over use of water for irrigation and drinking water supply


Note:

- (1) The DPR shall clearly bring out the percentage potential utilization of the site and it would be preferable if the DPR demonstrates that the proposal shall lead to more than 75 % of the potential utilization of the site in a 75% dependable year.
- (2) Capacity firming up in the DPR shall be treated as final for according TEC and signing of IA.

In case of default of any of the time frame and/or conditions of this consent letter the Government shall be at liberty to withdraw the consent and forfeit the security and the project can thereafter be granted to other suitable party.

Himachal and H.P. government welcome you to the fraternity of independent power producers engaged in the infrastructural development of the State and reiterates its commitment to facilitate entrepreneurs of the State for over all growth and development, and wish your project all the success.

Yours faithfully,


 Director,
 HIMURJA, Urja Bhawan,
 Kasumpti, Shimla-171009.

Ref. No. - A/A 8036 to 48

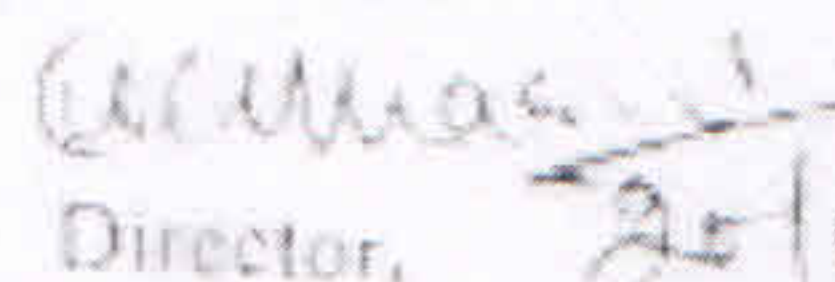
Dated - 25/7/09

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

1. Additional Chief Secretary (Principal Secretary/Secretary (Forests/ Revenue/ I&PH/ PWD / Environment & S.T. / RD & Panchayati Raj / Fisheries) to the Govt. of H.P., Shimla-2
2. Principal CCF (Wild Life), Himachal Pradesh.

All the Departments are requested to render necessary assistance to the IPP to prove or otherwise the feasibility and desirability of the project and formulation of the DPR. This consent be treated as Government permission to the IPP for investigating the project and obtaining various clearances for submission of DPR and possible setting up of the Small Hydro Power Project as described in the letter above.

3. Secretary (NES), to the Govt. of H.P. for information.
4. The Director (SHP) MNRE Block No-14 CGO Complex, Lodhi Road, New Delhi-110003 for information please.
5. Deputy Commissioner, Distt. Kullu H.P.
6. The Superintending Engineer (TEC & Works) HPSEB, Block No-8A Kasumpti Shimla-9 for information and necessary action.
7. The Project Officer Himachal, Distt. Kullu H.P. for information and necessary action.


 Director, 25/07/09
 HIMURJA, Urja Bhawan,
 Kasumpti, Shimla-171009.