

Policies and Acts

NRSE POLICY-2006

GOVERNMENT OF PUNJAB DEPARTMENT OF SCIENCE, TECHNOLOGY, ENVIRONMENT AND NON-CONVENTIONAL ENERGY

NOTIFICATION

No.10/106/2006-STE(1)/5390 24.11.2006 The Governor of Punjab is pleased to formulate a 'New and Renewable Sources of Energy (NRSE) Policy – 2006', aiming at a sustainable economy based on conventional as well as renewable energy. In this direction it is necessary to develop and promote new and renewable sources of energy based technologies and energy conservation measures, thereby addressing the problems arising from depletion of conventional sources of energy and environment pollution. Under the NRSE Policy – 2006 the Government of Punjab offers financial and fiscal incentives described hereinafter;

Objectives of the Policy:

Punjab has considerable potential in NRSE sector, which is yet to be harnessed. With a view to maximize the utilization of the potential of these resources, this policy is formulated to achieve the following objectives:

- To enhance the contribution of renewable energy for socio – economic development.
- To meet and supplement minimum rural energy needs through sustainable NRSE programmes.
- To provide decentralized energy supply for agriculture, industry, commercial and household sector.

To improve the quality of grid power generation through NRSE projects.

- To reduce and mitigate the environment pollution caused by the fossil fuels.
- To support development, demonstration and commercialization of new and emerging technologies project in renewable energy sector such as fuel cell, hydrogen and chemical energy, alternate fuel for transportation etc. and to support establishment of linkages for collaborative and cooperative projects with national and international institutions.
- To create conditions conducive for the involvement of private investors in NRSE projects.
- To create public awareness through a vigorous publicity drive in the mass media.
- To create direct and indirect employment opportunities for the youth in appropriate NRSE projects in the State.

II. Targets:

The State Government lays down hereby the following targets in the NRSE sector:

- To add generation capacity of 1000 MW by the year 2020 bringing the share of NRSE to the level of 10% of conventional power.
- Given the current consumption per unit of economic and social activity, to motivate all sectors of the economy to ensure conservation of energy to the extent of 20% by the year 2020.

III. Measures to be adopted:

In order to fulfill the above specific targets, the following measures are proposed for encouraging:

- Power generation through Small/Micro Hydel projects.
- Co-generation in industries such as Sugar, Paper, Fertilizer and Chemical etc.
- Power generation from Biomass / Agricultural residue.
- Power generation from urban, municipal and industrial waste.
- Power generation from solar energy.
- Power generation from wind energy.
- Energy conservation in domestic, agriculture, industrial and transport sector through induction of administrative/statutory/legislative action imposing stringent conditions for all categories of consumers beginning with government itself.
- In case the electrical power generated by the projects set up under the New and Renewable sources of Energy (NRSE) Policy in the State, is less than 10% of the conventional power, State Electricity Utility (PSEB)/ licensees can purchase power from NRSE projects set up outside the State in the Northern Region at the same tariff applicable to NRSE projects within the State.

IV. Thrust Areas :

Given the geographical location of the State of Punjab, and its access to various sources of energy, the State would promote investment through private/public sector participation in the following areas:

- **Small/ Micro Hydro projects:**

By virtue of its topographic location the State has an extensive irrigation canal network with untapped estimated potential of 200MW. The State Government is committed to exploit the total potential by the year 2012. In addition to the sites already identified by PEDDA, private investors may also apply for self identified sites in case of small/ micro hydel projects if the same are not included in the list of projects identified by PEDDA.

- **Co-generation:**

State of Punjab has an established industrial base, which is expanding. The Sugar, paper, fertilizer chemical, textile and other industries are having an estimated potential of 220 MW. Adoption of co-generation by these industrial units/undertakings would not only augment the state grid capacity by about 220 MW but would also create

conducive conditions for improving their financial health and resources. Cogeneration projects of 67 Bar pressure and above with the qualifying criteria i.e. for the co-generation facility to qualify under topping cycle mode, the sum of useful power output and one half the useful thermal output be greater than 45% of the facility's energy consumption, shall only be eligible for consideration under this policy. This potential would be exploited by the year 2012.

- **Power generation from Biomass/Agro residue and waste:**

Punjab economy is mainly agricultural based. It is estimated that about 22.65 million tons of agro residues and agro industrial/processing waste is produced annually. It is mostly either underutilized or wasted, though it holds promising potential for generating decentralized power of more than 1500 MW. The State Government is committed to support and facilitate harnessing this potential by the year 2020. These biomass power projects shall be allocated through competitive bidding route and only one project shall be allocated in Tehsil (Taluka) in the state so as to provide for a sufficient command area for biomass resource as fuel for the project.

- **Power Generation from Urban, Municipal and Industrial Liquid/ Solid Waste:**

At present about 5000 Metric tons of Municipal, Urban and Industrial solid waste is being produced every day in the urban areas of the State, which can lead to power generation of 100 MW through waste to energy projects. Introducing scientific processing and treatment of this quantity of waste leads to power generation besides being environmentally benign. Five such projects shall be supported.

- **Power generation from Solar Energy:**

The State is endowed with vast potential of solar energy estimated at 4-7 KWH / Sq mtr of solar insulation levels and the Government is keen to tap this resource for strengthening power infrastructure in the State by setting up Solar energy based power projects.

- **Wind Power :**

There is possibility of sufficient wind power potential being available at higher heights in the State, which can be harnessed with the improvement in low speed wind power technology. There is immediate necessity for wind mapping in the State to assess and exploit the available potential. The state will support such programs. Self identified projects in this sector shall be promoted by allowing private developers to set up wind power projects on first come first served basis on the basis of wind data assessment carried out by them y be agreed upon by them.

- **Energy Conservation:**

Conservation of energy in domestic, commercial, agriculture, transportation and industrial sectors may lead to major savings in terms of reduced energy / power consumption thereby leading to bridging the energy demand supply gap in the state. The State Government is committed to introduce effective energy conservation measures in all sectors of economy. Energy Conservation Measures shall be implemented and enforced in the state in accordance with the provisions contained in the Energy Conservation Act, 2001 by PEDDA, which is the Designated Agency, notified under the Act by the State Govt. in consultation with Bureau of Energy Efficiency, Ministry of Power, Government of India.

V. INCENTIVES :

- If Government land is available, the required land for setting up (NRSE projects) will be provided on nominal lease rent of rupees one per square meter for a period of 33 years subject to further renewal on mutually agreed terms and conditions. Wherever the land belongs to local bodies/ Gram Panchayat, the State would encourage them to provide the land for NRSE project on similar terms and conditions. Agricultural land shall be allowed to be used for setting up of Renewable Energy Power Projects in the state and no conversion charges for the same shall be charged by the Town & Country Planning Deptt.
- To promote manufacturing and sale of NRSE devices/ systems, and equipments/ machinery required for NRSE Power Projects, Value Added Tax (VAT) shall be levied @ 4%.
- Octroi on energy generation and NRSE devices/ equipment/ machinery for NRSE Power Projects shall be exempted.
- A Renewable Energy Corpus fund already created under the NRSE Policy 2001 in Punjab Energy Development Agency shall be strengthened by realization from sales of energy share made available to PEDA by the developers of NRSE projects including Small Hydro Projects through Competitive Bidding route and self identified small/micro hydel projects. The private investors / companies which are allocated self identified sites in case of small/micro hydel projects and wind power projects shall pay to PEDA a minimum energy share at the following rates:

Upto 500 KW capacity : 5% energy share
Upto 501 – 1000 KW capacity : 7.5% energy share
1001KW capacity & above : 10% energy share

This corpus fund would be utilized for the specific purpose of development of renewable energy sector such as:

- R and D in NRSE programs including new and emerging technology areas.
- Development in pilot/ demonstration projects in NRSE sector.
- Assist and undertake activities towards commercialization of NRSE projects and programs.

This Corpus will be operated and maintained by the state nodal agency i.e. Punjab Energy Development Agency.

- Punjab State Electricity Board will purchase electricity in whole or part offered by the power producer without any restriction of time or quantum to ensure full utilization of NRSE.
- The Private Developer at its own cost shall provide the evacuation system including

transmission lines for purchase of energy from the generation site.

- For use of river/ canal water, cess @ one paisa per unit of electricity generated will be charged to all hydel projects (upto 25 MW installed capacity) developed by the private developer. The private developer shall deposit the amount on account of this cess on monthly basis to Punjab Irrigation Department.
- For providing administrative support for obtaining statutory clearances at various levels and financial and technical assistance and motivating private developers, the facilitation service charges @ 0.1% of the project cost as per DPR will be charged by the State Nodal Agency (i.e. PEDDA) on all NRSE projects.
- The State Govt has notified PEDDA as the state nodal agency for carbon credits under the Clean Development Mechanism (CDM). All project developers (Private as well as Govt) can seek assistance of PEDDA in terms of seeking carbon credits under CDM for NRSE projects.

The various fiscal and financial incentives available for setting up NRSE power projects are detailed in Appendix-II.

VI. CLEARANCE FOR NRSE PROJECTS:

Single Window Clearance Empowered Committee:

Setting up of NRSE projects involves sanctions/clearances from a number of Government Agencies/Departments. The State Government shall provide the clearances in a time bound manner through a single window mechanism within a period of 60 days. The Detailed procedure for according approvals/clearances and composition of empowered committee are annexed at Appendix-I.

ALLOTMENT OF PROJECTS :

The complete transparency in allotment of the projects shall be ensured for evaluation of tenders. A comprehensive tender document shall be designed for inviting bids listing out technical and financial parameters of the potential eligible bidders, which would be approved by the Board of Punjab Energy Development Agency. On the basis of financial & technical parameters contained in the tender document, bids would be invited and evaluated by an expert technical committee appointed by the Board of Punjab Energy Development Agency.

Nodal Agency:

Punjab Energy Development Agency (PEDDA) will be the nodal agency for the implementation of the NRSE Policy. PEDDA will be responsible for laying down the procedure for inviting of proposals from Independent Power Producers (IPP's), DPR, evaluation of project proposals, project approvals , project implementation , operation & monitoring.

Amendments/ Relaxation/ Interpretation of Provisions of the Policies:

Principal Secretary to Government of Punjab, Department of Science, Technology, Environment and Non-Conventional Energy shall be vested with powers to amend/ relax/ interpret provisions under the policy in

consultation with the concerned Government Departments/Agencies.

X. APPLICABILITY:

The Policy and Incentives would be effective from the date of notification of this policy in the official gazette of Punjab Government for a period of five years.. However, this policy shall remain in operation till the Government notifies the new policy. For giving effect to this policy, necessary amendments in various enactments, wherever necessary, shall be expeditiously undertaken by the concerned departments.

APPENDIX-1

CONSTITUTION OF EMPOWERED COMMITTEE

A. Composition of Empowered Committee :

The Empowered Committee of Administrative Secretaries for according approvals/clearances is constituted as under:

- | | | |
|-------|--|--------------|
| I) | Chief Secretary to Government of Punjab | - Chairman |
| II) | Principal Secretary to Government of Punjab,
Department of Science, Technology,
Environment and Non-Conventional Energy. | - Member |
| III) | Principal Secretary to Government of Punjab,
Department of Finance. | - Member |
| IV) | Principal Secretary to Government of Punjab,
Department of Irrigation. | - Member |
| V) | Principal Secretary to Government of Punjab,
Department of Power. | - Member |
| VI) | Principal Secretary to Government of Punjab,
Department of Forests. | - Member |
| VII) | Principal Secretary to Government of Punjab,
Department of Industries & Commerce. | - Member |
| VIII) | Chairman, Punjab State Electricity Board. | - Member |
| IX) | Advisor (concerned), Ministry of Non-Conventional
Energy Sources, Government of India. | - Member |
| X) | Chief Executive, Punjab Energy Development
agency. | - Convener A |

The Committee may co-opt other Administrative Secretaries/ State Government officials as and when required (e.g. Principal Secretary, Local Bodies, Rural Development etc.) in respect of projects in their respective jurisdiction. The

Committee will also oversee implementation of this Policy by the Departments/ Agencies.

B. Procedure for Clearances/Approvals :

Empowered Committee for Approval/Clearances for NRSE Projects :

With a view to accelerate development of NRSE projects, there is a need to establish a Single Window Mechanism. All necessary and applicable approvals/clearances (viz. Environment, Forest Land, Pollution Control, water, use of NRSE resources and Investment Clearance etc.) required for a project would be considered for such applicable clearances and approvals in a time bound manner (within a period of 60 days from the date of submission of complete application along with requisite fee as per the requirement of approval /clearance issuing bodies / departments. The applications for NRSE projects would be required to be submitted to the Secretariat of the aforesaid Empowered Committee established in PEDA.

The Secretariat will forward the applications to the relevant Department for their consideration and concerned department will convey their approval/clearance or comments, if any with in the stipulated time period of 45 days from the date of forwarding the application. In case, the concerned department fails to respond within the stipulated time of 45 days, necessary concurrence/approval/clearance to the project will be deemed to have been granted. Representative(s) of the concerned department will participate in the meeting of Empowered Committee to elaborate their comments/observations, if any, for consideration of the committee. The secretariat will bring up the agenda items inclusive of the comments of the concerned Department if any along with its internal assessment/note on the subject. The Empowered Committee would take appropriate view and decision for according its approval/clearances within the stipulated period. The decision of the Empowered Committee shall be final and binding on all concerned departments. Private developers shall file petition in the PSERC for tariff approval within 15 days after signing of the implementation agreement with PEDA and PSEB/LICENSEES shall sign the Power Purchase Agreement after the issue of tariff order by the PSERC within 45 days of the submission of requisite documents by the developers.

However, complete transparency in evaluation of tenders, keeping in view the financial and technical parameters and in allotment of projects shall be resorted to. A comprehensive tender document shall be designed for inviting bids listing out technical and financial parameters of the potential eligible bidders, which would be approved by the Board of Punjab Energy Development Agency. On the basis of bidding and evaluation parameters contained in the tender document, bids would be invited and evaluated by an expert technical committee appointed by the Board of Punjab Energy Development Agency.

APPENDIX-II

FISCAL AND FINANCIAL INCENTIVES

CODE UNDER NRSE POLICY – 2006

With the objective to promote and develop NRSE programme/ projects, the State Government will provide the following financial and fiscal incentives for energy recovery and power generation projects based on NRSE, to be set up in the State to the eligible power producers.

1. Operative period :

The scheme for promotional fiscal and financial incentives will come into operation with immediate effect from the date of publication of this notification in the official gazette and will remain in force till five years. However, this policy shall remain in operation till the Government amends or notifies the new policy

2. Eligible Producers :

Those generating electricity from non-conventional energy sources such as small hydro projects upto 25MW, biomass combustion and gasification, Co-generation, Solar Photovoltaic, Solar Thermal, Urban, Municipal and Industrial Waste, Wind Electric Generators and New technologies like fuel cells of any capacity, bio-fuels etc. will be eligible to avail these incentives under the scheme. There will be no restriction on generation capacity or supply of electricity to the State grid. The state nodal agency, Boards/Corporations, Private developers, companies, Consortia or Co-operatives will also be eligible for availing incentives under this scheme. In addition to the sites already identified by PEDDA for Micro Hydel Projects, private investors may also apply for self identified sites, not included in the list of projects identified by PEDDA. Self identified projects in wind energy sector shall be promoted by allowing private developers to set up wind power projects on first come first served basis.

3. Grid Interfacing :

i) Interfacing, including installation of transformers, panels, Kiosks, protection and metering on HT side of the generating station and its subsequent maintenance shall be undertaken by the power producer/plant owner. Punjab State Electricity Board (PSEB/LICENSEES) shall provide jumpers to the line at the buy end located at the end of transmission line of the generating station, for evacuation of power to PSEB/LICENSEES grid substation.

ii) The private developer shall be required to lay its own transmission lines from the switchyard of its generation facility to the PSEB/LICENSEES grid sub-station at its own cost in addition to all equipment required for evacuation of power in its own generating facility switchyard. All Associated equipment(s) at the PSEB/LICENSEES grid substation for accepting energy from the project including up gradation required if any shall be provided by the PSEB/LICENSEES.

iii) Producer will install two separate meters, one for the export of power to the grid and another for import from the grid, on the HT side. The meters and metering boxes will be sealed by the PSEB/LICENSEES.

iv) Necessary current limiting devices such as thyristors will be installed in the generating equipment by the producer. Producer shall generate matching MVARs so that monthly average power factor does not exceed 0.88.

v) PSEB/LICENSEES will clear dues with in a month. Delay in payments will attract interest @ State Bank of India short term Prime Lending Rate plus 2%.

vi) The generating unit and also the user unit will be required to enter into separate agreement with PSEB/any other licensee for the sale of power after issue of the tariff order by PSERC.

vii) NRSE Project generators, suppliers and distributors shall ensure that their installation confirms to the State

Grid Code notified by PSERC.

4. Facilities by Punjab State Electricity Board :

i) **Wheeling** : The PSEB/LICENSEES will undertake to transmit through its grid the power generated from NRSE projects set up inside or outside the State and make it available to the producer for captive use in the same company units located in the state or third party sale within the State at a uniform wheeling charge of 2% of the energy fed to the grid, irrespective of the distance from the generating station. Separate tripartite Agreement will be executed between the company, PSEB/LICENSEES and third party(s) laying down the procedure for apportionment of energy and other commercial clauses in respect of energy to be wheeled to third party(s). However private developers shall be required to file a petition in the PSERC for approval of wheeling charges.

ii) **Sale of Power** : The rate of sale of power to the PSEB/ Licensees from NRSE projects set up in the State as well as within the “Northern Regional Power System” * for which MOU’s shall be signed under this policy, will be as under:-

a) Mini/Micro Hydel Projects -Rs. 3.49 per unit (Base Year 2006-07) with five annual escalations @ 3% upto 2011-2012.

b) Baggasse/ Biomass Cogeneration Projects- Rs. 3.49 per unit (Base Year 2006-07) with five annual escalations @ 3% upto 2011-2012.

c) Biomass Power Projects - Rs. 3.49 per unit (Base Year 2006-07) with five annual escalations @ 5% upto 2011-2012.

d) Power Generation from Urban, Municipal and Industrial Liquid/ Solid Waste - Rs. 3.49 per unit (Base Year 2006-07) with five annual escalations @ 5% upto 2011-2012.

e) Power generation from Solar Energy - Rs. 7.00 per unit (Base Year 2006-07) with five annual escalations @ 5% upto 2011-2012.

f) Wind Power Projects- Rs. 3.49 per unit (Base Year 2006-07) with five annual escalations @ 5% upto 2011-2012.

At the end of the above specified escalation periods, the tariff payable shall be the last escalated tariff or the PSEB HT tariff applicable in that year which ever is higher. However, in case of projects where MOU's/ implementation agreements have already been

- *Northern Regional Power System comprises of the power systems and generating stations of Chandigarh, State of Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal, Delhi & National Thermal Power Corporation, National Hydroelectric Power Corporation, Nuclear Power Corporation, Power Grid Corporation Of India, Satluj Jal Vidyut Nigam, Tehri Hydro Development*

Corporation and Bhakra Beas management Board.

signed by PEDDA but Power Purchase Agreements are yet to be signed by PSEB under the New and Renewable Sources of Energy (NRSE) Policy-2001, tariff shall be applicable as enshrined under the New and Renewable Sources of Energy (NRSE) Policy-2006. The rate shall be uniform throughout the day for the entire years. The PSEB/LICENSEES will not be liable to pay any additional amount on any account. The producer will have a option to sell the electricity generated by him to a third party (a consumer) within the State of Punjab (as defined under clause 4

(i) above) on such terms and conditions (including tariff) as may be mutually agreed upon by them.

iii) All transactions between the PSEB/ Licensees and the producer involving wheeling or sale of power will be settled on monthly basis. The PSEB/LICENSEES would pay interest on payments delayed beyond a month @ State Bank of India short term Prime Lending Rate plus 2%. for delayed amount for actual period of delay.

iv) **Banking:** The banking facility for the power generated shall be allowed for a period of one year by the PSEB/ Licensees.

v) **Exemption from Electricity duty:** The Power Generation from NRSE projects shall be exempted from levy of Electricity Duty.

vi) PSEB/ Licensees will accept the injection of energy in full during sustained high frequency hours to ensure full utilization of non-conventional energy resources.

vii) PSEB/ Licensees will provide facility of irrevocable and revolving, Letter of Credit issued by any nationalized bank. The amount of the Letter of Credit shall be equal to the bill amount of one month on the basis of average of last three months. All expenditures on Letter of Credit shall be borne by the power producers.

5. Other incentives:

- Government land if available will be leased out to the developer initially for a period of 33 years (three years shall be considered as construction period), on a notional lease rental of Rs. 1/- per Sq. Metre per annum subject to further renewal on mutually agreed terms and conditions among the parties.
- Wherever Irrigation land on canal banks is available beyond their requirements, Punjab Irrigation Department (PID) will transfer canal land to PEDDA on notional lease amount of Rs.1 lac per annum per site. The leased canal land will be subsequently transferred to the power producers for development of Small Hydro Projects on Build, Operate and Own basis for 33 (three years shall be considered as construction period) years on the

same terms and conditions set forth by PID. Ownership of such land will remain with PID. For setting up MHP on canals, wherever the Irrigation Department executes the Deposit work on behalf of Private Developer, no departmental charges shall be paid to PID by the private developer, however, supervision charges on actual basis shall be payable. In case the private developer on his own executes the work, these works shall be done under the Supervision of Punjab Irrigation Department and the Supervision Charges to be borne by the Private Developer shall be on actual basis.

- Wherever the required land belonging to local bodies/ Gram Panchayat is available, the State would encourage the local bodies/ Gram Panchayat to provide the land for NRSE projects on the terms and conditions specified in para (i) above.
- The power producers setting up hydel projects will pay cess @ one paisa per unit of electricity generated for use of river/ canal water. Cess will be applicable on hydel project allotted after issuance of State Policy.
- For canal based hydel projects, pondage of water upto Full Supply Level in the upstream of canal shall be allowed for optimal utilization of water resources.
- Octroi on energy generation and NRSE devices/equipment/machinery or NRSE Power Projects shall be exempted.

(vii) To promote manufacturing and sale of NRSE devices/ systems, and equipments/ machinery required for NRSE Power Projects, Value Added Tax (VAT) shall be charged @ 4%.

6. For projects based on energy recovery from Urban, Industrial and Municipal solid/ liquid waste :

The concerned Municipal Corporations/ Bodies/ Committees will provide garbage at the project site free of cost for Urban, and Municipal (Solid/Liquid) and Industrial waste based power projects and energy recovery projects. Alternately the power producers will be allowed to collect the garbage at its own cost and the Corporation/ Local bodies will pay charges to the power producer on mutually agreed terms and conditions. Tipping fee shall be paid by the concerned Municipal Corporations/ Bodies/ Committees to the private developer / project developer which sets up and operates the Municipal Solid Waste to energy facility / plant @ Rs.250/- per Ton of MSW processed. Municipal Corporations/ Bodies/ Committees shall charge a garbage collection/processing cess / fee from the domestic/ commercial establishments in their area which are generating the garbage.

7. Facilitation Services by PEDA :

To provide major thrust to the commercialization and to encourage private sector participation in the setting up of non-conventional energy based power generation and other projects, PEDA shall provide complete projects support and facilitation services to private promoters, desirous of setting up non-conventional energy based projects for which an agreement shall be required to be signed with PEDA. PEDA will charge facilitation service charges @ 0.1% of the project cost as per the Detailed Project Cost.

8. **Clearance of Project proposal:**

- The parties desirous of setting up NRSE projects will sign an MoU with PEDDA for development of the NRSE project.
- The developers for obtaining the approval of project proposal will submit their applications to the Chief Executive, PEDDA. Their project proposal will be forwarded to the Government for approval.
- The project proposal shall be considered by the Empowered Committee for necessary approvals/ clearances by the State through a Single Window Mechanism and in a time bound manner. The clearance/approvals shall be accorded within 60 days from the date of submission of completed applications on the required prescribed formats of various clearance issuing bodies / departments along with the requisite fees to the State Nodal Agency. Private developers shall however be required to fulfill all statutory / legal requirements with regard to project reports/documents submission as per requirement of approval/clearance issuing bodies/ organizations under the Govt. rules, regulations & Acts.
- After approval of the project proposal, and after issuing of all statutory clearances, the Producer shall enter into an Implementation Agreement with PEDDA within a period of one month from the date of approval of the project.
- Private developers shall file petition in the PSERC for tariff approval within 15 days after signing of the implementation agreement with PEDDA and PSEB/ LICENSEES shall sign the Power Purchase Agreement within 45 days from the date of issue of tariff order by the PSERC after the submission of requisite documents by the developers.
- If the applicant does not take effective steps to implement the project within six months from the date of approval of the project proposal, the Agreement could be terminated and their project proposal will be cancelled (i.e. at least 10% of the total project cost should be incurred).
- Punjab Irrigation Department will accord technical clearances of drawings/ technical specifications within 30 days.
- However, complete transparency in allotting the projects shall be ensured and as also for evaluation of tenders, keeping in view the financial and technical parameters. A comprehensive tender document shall be designed for inviting bids listing out technical and financial parameters of the potential eligible bidders, which would be approved by the Board of Punjab Energy Development Agency. On the basis of bidding and evaluation parameters contained in the tender document, bids would be invited and evaluated by an expert technical committee appointed by the Board of Punjab Energy Development Agency.
- The private investors desirous of submitting applications for self identified sites shall

submit soon the prescribed application format, which is available with PEDDA along with requisite EMD. The self identified sites in case of small/micro hydel projects shall be allocated on first come first served basis to private developers. However in case more than one application is received from different private developers on the same day for the same self identified site then competitive bidding shall be carried out among the private developers for allocation of self identified site. The self identified site shall be allocated to the private developer offering the highest energy share over and above the minimum stipulated energy share.

- The applications for self identified sites should be complete in all respects and supported with requisite documents and accompanied with the Earnest Money Deposit (EMD). EMD should be in the shape of bank guarantee or demand draft payable at Chandigarh in favour of PEDDA. EMD shall be paid as per the following:

Upto 1 MW capacity	:	Rs. 1 lac
Above 1 MW upto 3MW capacity	:	Rs. 1.5 lac
Above 3 MW capacity	:	Rs. 2.50 lac

After the allotment of the project site(s), the allottee shall fulfill the following pre-requisites:-

- Submit the processing fee (non-refundable) of Rs. 5000/- per project.
- Furnish performance security in the shape of a Bank Guarantee valid up till 3 years from the date of commissioning as per the following:

Upto 1 MW capacity	:	Rs. 1 lac
Above 1 MW upto 3MW capacity	:	Rs. 5 lac
Above 3 MW capacity	:	Rs. 10 lac

Romila Dubey
Principal Secretary to Government of Punjab,
Deptt. of Science, Technology, Environment
and Non-Conventional Energy.