



ABSTRACT

Energy Department – Tamil Nadu Small Hydro Projects (SHP) Policy 2024 - Approved – Orders - Issued.

ENERGY (B1) DEPARTMENT

G.O(Ms)No.81

Dated: 22.08.2024

குரோதி, ஆவணி 6

திருவள்ளூர் ஆண்டு 2055

Read:

From the Chairman, Tamil Nadu Green Energy Corporation Limited, Chennai Letter No.CE/Hydro/SE/PD&C/EE-4/EE(NI)/F, SHP Policy D.171, Dated 05.08.2024

ORDER:-

In the letter read above, the Chairman, Tamil Nadu Green Energy Corporation Limited, Chennai has sent the draft Tamil Nadu Policy for Small Hydel Projects 2024 to encourage Private Developers to set up Small Hydro Projects from 100 KW to 10 MW (Unit size of 5 MW each) in Tamil Nadu.

2. The Government, after careful examination, accords approval to the Tamil Nadu Policy for Small Hydel Projects 2024. A copy of the Policy is appended to this order.

(By Order of the Governor)

Pradeep Yadav

Additional Chief Secretary to Government (FAC)

To

The Additional Chief Secretary/Chairman cum Managing Director,
Tamil Nadu Generation and Distribution Corporation Limited,
Chennai-2.

The Chairman, Tamil Nadu Green Energy Corporation Limited,
Chennai-2.

The Finance Department, Secretariat, Chennai-9.

The Water Resources Department, Secretariat, Chennai-9.

The Industries, Investment Promotion & Commerce Department,
Secretariat, Chennai-9.

Copy to:

The Hon'ble Chief Minister Office, Chennai-9(C.No.6372/B1/2024).

The Special Private Assistant to Hon'ble Minister (Finance and Human Resources Management)

The Special Private Assistant to Hon'ble Minister (WRD), Chennai-9.

(P.T.O)

The Senior Principal Private Secretary to the Chief Secretary to Government,
Chennai-9.

The Private Secretary to the Principal Secretary to Government,
Energy Department, Chennai-9.

The National Informatic Centre, Secretariat, Chennai-9
(to upload a copy of this order in Government Website)

All Departments of Secretariat, Chennai-9.

SF/SC.

// Forwarded // By Order //

A. M. S.
22-08-2024
Section Officer

S.S.
22-8-24

(G.O(Ms)No.81, Energy(B1)Department, Dated 22.08.2024)

APPENDIX

ENERGY DEPARTMENT

Tamil Nadu Policy for Small Hydel Projects 2024

Preamble:

As Tamil Nadu continues to embrace renewable energy sources, the development of small hydel projects from 100 kW to 10 MW (unit size of 5 MW each) station capacity, represents a significant opportunity to enhance local energy production and support rural electrification. These small hydro projects can be developed with minimal environmental impact, providing a reliable and sustainable energy source that complements the State's broader energy strategy.

The developers may set up small Hydel Projects for captive use (self consumption), for third party sale within the State and sale of power to DISCOMS to meet the Renewable Power Purchase Obligation (RPO) as specified by the Tamil Nadu Electricity Regulatory Commission (TNERC).

1. Title

This policy shall be called the Tamil Nadu Small Hydel Policy 2024.

2. Objectives

The objectives of the "Tamil Nadu Small Hydel Policy-2024" are:-

1. To promote renewable and clean source of electricity to reduce carbon emissions through Small Hydel Projects.
2. To promote setting up of Small hydel projects on canal system, rivers and streams to harness untapped clean energy.
3. To reduce dependency on depleting fossil fuel reserves for energy security and sustainability.
4. To attract private sector participation through incentives and supportive policies driving the development of Small hydel infrastructure.
5. To generate employment & skill enhancement in Renewable Energy Sector.
6. To encourage research and development and innovative technologies in Small Hydel Projects.
7. To create environmental consciousness among citizens.

(P.T.O)

3. OPERATIVE PERIOD

- i. This policy will come into effect from the date of its notification and may remain in operation for a period of five years and to be reviewed after 5 years.
- ii. The Small Hydel Projects installed and commissioned during the Operative Period may become eligible for the benefits and incentives declared under this policy for a period of 40 years from the date of commissioning, extendable by 10 years.

4. ELIGIBLE DEVELOPERS

Any individual, company or body corporate or Association or body of individuals, whether incorporated or not, will be eligible for setting up of Small Hydel Projects either for the purpose of captive use (self consumption) within the State, for third party sale within the State and sale of power to the State Discom.

5. NODAL AGENCY

Tamil Nadu Green Energy Corporation Limited (TNGECL) will be the State designated Nodal Agency for registration and granting in Principal approval and facilitation and implementation of the Tamil Nadu Small Hydel Policy. However, as the power generated will have impact on Distribution companies' resources, prior concurrence shall be obtained from the distribution company.

6. WATER UTILIZATION

- i) Water shall not be impounded by developer/ promoter and after power generation water may be released back into the same stream within a short distance as decided in concerned clearance of the Power Generation Plant to ensure minimal disruption to the stream's natural course
- ii) The availability of canal water for hydro-electricity generation shall be solely incidental to the requirement of water for drinking, irrigation etc. The hydel project developer may have no right to claim release of water in the canal, river or stream for the purpose of hydel generation.

7. Mode of allotment

The SH projects will be allotted in the following manner:

1. The State Designated Nodal Agency may invite Expression of Interest (Eoi) from developers once in 6 months.
2. The developer can identify and apply to the State Designated Nodal Agency along with project details

(P.T.O)

3. For participation of EoI, Bank Guarantee (BG), an indicative project cost and criteria for evaluation as determined by the nodal agency will be mentioned in EoI.
4. If only one developer qualifies in EOI for the project, then MOU will be signed with the developer.
5. In case there are more than one developers interested in a particular site, then the State Designated Nodal Agency shall invite bids for allotment of project.

8. Fee and Revenue Obligations

1. **Annual Fee:** Developers are required to pay an annual fee of 25,000 per MW of installed capacity.
2. **Power Allocation:** Developers must provide 10% of the power generated by the SHP to the state Government free of cost.

9. Statutory clearances

1. The Developer shall obtain all statutory clearances that are required from Central and State Governments. The State Designated Nodal Agency will extend necessary support to get the clearances on best effort basis.
2. The Developer shall bear the entire cost of the project from investigation to commissioning and subsequent operation and maintenance expenses upto concession period.
3. State Designated Nodal Agency shall not bear liability of any kind on part of Developer.

10. Infrastructure and Operational Requirements

1. Transmission Lines:

- a. Developers are responsible for laying transmission lines up to the point of injection into the grid. The appropriate voltage for injection of power by Small Hydel Projects will be as per the TNERC supply code existing on the day of commissioning.
- b. The Central Electricity Authority (CEA), Government of India has published a Gazette Notification No. 12/X/ STD/ CONN/ GM/ CEA 2018 known as the Central Electricity Authority (Technical Standards for connectivity to the Grid) Amendment Regulations, 2019, specifying the various technical requirements for grid connection of renewable energy sources. These regulations and provisions of Grid Code shall be binding to the Small Hydel Projects.

- c. Interconnection voltages shall be governed as per Tamil Nadu Electricity Grid Code-2013 and TNERCs orders, as amended from time to time.

Project capacity (c)	Interconnection Specification
100 KW <C<4 MW	11 KV, 3 phase, 50Hz
C> 4MW	66 KV & above, 3 phase, 50 Hz

- d. Electricity generated from Small Hydel Projects, shall be metered as per the guidelines issued by TNERC from time to time.
- e. Developers must comply with the directions of the State Load Dispatch Centre (SLDC) for the operation and management of power generation and grid integration.
- f. These power plants shall give their Power forecast a Day Ahead Schedule as per TNERC's Regulations 2019 for Intra State DSM for day to day operations.
- g. The drawl of reactive power will be charged as per the TNERC order, as amended from time to time.

11. WHEELING OF ELECTRICITY

The wheeling of electricity for 11 Kv and above will be governed by prevailing TNERC regulations However for the captive use and third-party sale, wheeling of electricity below 1 MW will be allowed only within the same premises where plant is located or premises located within 1 Km of the plant location.

12. CONCESSIONAL BENEFITS & EXEMPTIONS

Electricity generated and consumed for self consumption / sale to third party within the State may be exempted from payment of electricity duty in accordance with the provisions of the Tamil Nadu Electricity Duty Act 1958 and its amendments from time to time.

13. Sharing of Clean Development Mechanism (CDM) Benefits

- i. In case, Discom purchase power on Feed-in-Tariff, Clean Development Mechanism (CDM) benefits shall be shared on net proceeds, starting from 100% to power producer in the first year after commissioning and thereafter reducing by 15% every year till the sharing becomes equal (50:50) between the power producer and the power procurer. Thereafter, the sharing of CDM benefits will remain equal till the time that benefit accrues.
- ii. In case of purchase of power by Discom through competitive bidding, the same will be as per terms and conditions of bid documents.

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14. POWER TO REMOVE DIFFICULTIES

If any difficulty arises in giving effect to this policy, the State Government may issue clarification/interpretation to remove such difficulties either on its own motion or based on representations from stakeholders.

15. POWER TO INTERPRET

If there is any confusion or dispute about the meaning, intent or purpose of any provision of this Policy, the interpretations given by the Energy Department, Government of Tamil Nadu will be final and binding to all concerned.

16. Indemnification

Developers must indemnify the state Government against any claims, damages, or liabilities arising from the development and operation of the SHPs. By implementing this policy, Tamil Nadu aims to harness the potential of Small hydel projects to enhance energy security, support rural development and contribute to a sustainable energy future.

Pradeep Yadav
Additional Chief Secretary to Government (FAC)

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22-08-2024
Section Officer

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