

**No. 14 (1) / 2008-SHP**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF NEW AND RENEWABLE ENERGY**  
**(Small Hydro Power Division)**

Block No. 14, C.G.O. Complex  
Lodi Road, New Delhi – 110 003.

Dated : 11.12.2009.

To

1. Chief Secretaries of State Governments
2. Secretaries of concerned State Government Departments (Power/Energy/ Non-Conventional Energy/Additional Sources of Energy/S&T etc.)
3. Heads of State Nodal Departments/ Agencies/ Implementing Agencies
4. Chairmen of State Electricity Boards/ Transcos/ Gencos etc.
5. Head of Financial Institutions

**Subject: SMALL HYDRO POWER PROGRAMME (upto 25 MW Capacity) – ADMINISTRATIVE APPROVAL FOR THE YEAR 2009-10 & REMAINING PERIOD OF 11<sup>th</sup> PLAN.**

Sir,

I am directed to convey the sanction of the Government of India for the implementation of Small Hydro Power (SHP) programme (upto 25 MW capacity) during the year 2009-10 & remaining period of 11<sup>th</sup> Plan i.e. upto 31<sup>st</sup> March 2012, with Central Financial Assistance (CFA)/ financial support in the form of grants / assistance / subsidy in respect of the following schemes / activities:

- A) Resource Assessment and Support for Identification of new sites: Scheme to support for Identification of new potential SHP sites, preparation of Plan and Detailed Project Report (DPR) including detailed survey & investigation (DSI) for SHP project sites, to the Central / State Govt. dept. & agencies. Details are given at **Annexure – A.**
- B) Scheme to support for setting up new SHP Projects in the private / co-operative / Joint sector etc. Details are given at **Annexure – B.**
- C) Scheme to support for setting up new SHP Projects in the Government sector. Details are given at **Annexure – C.**
- D) Scheme to support for Renovation and Modernisation of existing SHP projects in the Government sector. Details are given at **Annexure – D.**
- E) Scheme to support for development/upgradation of Water Mills (mechanical/electrical output) and setting up Micro Hydel Projects (upto 100 KW capacity). The Scheme has been already circulated vide this Ministry's letter no. 16/34/2009-SHP dated 18.02.2009 and attached at **Annexure – E.**

- F) Research & Development, Human Resource Development; support to R & D projects, strengthening of technical institutions, setting up turbine laboratory, business meets, training programmes / courses, fellowships etc., monitoring of SHP projects, consultancy and/or any other activity felt necessary for the SHP development.
2. The schemes will be implemented through the State Governments departments, State Electricity Boards, State Nodal Agencies, private developers, NGOs, Water Mill associations, Academic and Financial Institutions/Banks etc. as indicated under individual schemes, given at Annexure A to E. The proposals by the Implementing agencies/developers should be in the format prescribed by this Ministry for individual schemes. Incomplete proposals in any form received by this Ministry will not be entertained/acknowledged.
3. **Monitoring Mechanism:** The implementation agencies will set up a reviewing arrangement to closely monitor the implementation of their projects covered under the programme. The Ministry will also monitor the progress of the projects. The Ministry may also appoint independent consultants/ organizations to monitor the projects.
4. **Payment Terms:** The release of funds under each scheme will be as per the terms and conditions mentioned in the respective schemes and also subject to the general terms and conditions for grants/ assistance of the Government of India. UCs are to be submitted as per the proforma attached with the concerned Schemes.
5. **Budget Provision:** The expenditure on the above schemes will be met from the budget provisions for the SHP programme.
6. The aforesaid Programme on Small Hydro Power development is subject to such change(s)/modification(s) as may be decided by the Government of India from time to time and subject to the availability of funds.
7. This issues under the delegated powers of the Ministry and with the concurrence of IFD, MNRE vide their Diary No. IFD/1507/2009-10 dated 01/12/2009.

(Hindi Version will follow)

Yours faithfully,



(A. K. Chopra)  
Director (SHP)

Enclosures: As above

Copy for information & necessary action to the concerned:

1. State Government Departments
2. State Nodal Agencies
3. State Electricity Boards
4. Central & State Power Corporations / Generation Companies etc.
5. Financial Institutions (IREDA/ IDBI/ ICICI/ IFCI/ IDFC etc.)
6. State / Nationalised / Scheduled Banks etc.
7. NHPC / NTPC
8. Alternate Hydro Energy Centre, Roorkee
9. Other concerned Organisations/Institutions
10. Principal Director of Audit, Scientific Departments, DACR Building, New Delhi-2



**(A. K. Chopra)**  
**Director (SHP)**

Copy for I/D to:

- i) PS to Minister (NRE)
- ii) PSO to Secretary, MNRE
- iii) Special Secy. & FA / Dir. (F), MNRE
- iv) Jt. Secretary, MNRE.
- v) All Advisors, MNRE
- vi) Advisor(SHP)/Dir(PS)/Dir(BKB)/Dir(P&C), MNRE
- vii) Pay & Accounts Officer, MNRE
- viii) Sanction File/Guard File



**(A. K. Chopra)**  
**Director (SHP)**

**MINISTRY OF NEW AND RENEWABLE ENERGY**  
**(Small Hydro Power Division)**

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**SCHEME TO PROVIDE FINANCIAL SUPPORT FOR IDENTIFICATION OF NEW POTENTIAL SHP SITES, PREPATION OF PLAN AND DETAILED PROJECT REPORT (DPR) UPTO 25 MW CAPACITY, TO THE GOVERNMENT DEPARTMENTS & AGENCIES.**

The promotion of Small Hydro Power (SHP) continues to be one of the thrust areas for generating grid quality power from renewables. The Ministry of New and Renewable Energy (MNRE) is responsible for the development of SHP upto 25 MW capacity. Identification of new potential sites and systematic detailed survey & investigation of all identified potential sites is a primary, important and critical component for SHP development. Realising the importance of this activity, the Ministry has decided to provide financial support for resource assessment for identification of new potential SHP sites and preparation DPR at identified project sites. Under the Scheme, the financial support will be provided to the State Govt. dept./agencies in the Government sector.

**FINANCIAL SUPPORT FOR IDENTIFICATION OF NEW POTENTIAL SHP SITES AND PREPARATION OF PLAN AND PREPARATION OF DPR:**

2. The Ministry will provide financial support for the overall estimation of potential of SHP projects in a State, identification of new potential SHP sites and for the preparation of Plan for systematic SHP development in the State. The Ministry would also support specialised studies for remote / border areas to prepare plans for setting up micro hydel projects (MHP) in such areas and strengthening of data base for potential SHP sites. These studies will be supported on case to case basis.
3. A financial support of Rs. 2.00 lakhs for each project upto 1.00 MW capacity and Rs. 5.00 lakhs for each project with more than 1.00 MW & upto 25 MW capacity to the State Govt. dept./agencies, will be provided for preparation of Detailed Project Report (DPR) including detailed survey & investigation (DSI), or actual cost incurred in this regard, whichever is less.

**Eligibility Criteria:**

4. The promotional incentives for preparation of DPR are applicable to the Central / State /UT Government dept. & agencies in the State/UT.
5. The proposals for DPR will be considered for identified potential SHP sites where pre-feasibility studies have been completed, and the report is enclosed. Financial support will depend on the basis of capacity indicated in the pre-feasibility report (PFR) while applying to the Ministry.

**Procedure for Availing Incentives**

6. The Government Department/SEB/Nodal Agency of the States/UTs should submit their proposals, application form (Proforma – A) to the Ministry.
7. The progress reports shall be submitted to the Ministry regularly on quarterly basis after the issue of sanction.

