



**HARYANA RENEWABLE ENERGY DEVELOPMENT AGENCY  
(H A R E D A)**

## **PROCEDURE & GUIDELINES**

for setting up of

### **BIOMASS POWER PROJECTS**

Under

## **SELF IDENTIFIED CATEGORY**

In Haryana

Feb,2011

**HARYANA RENEWABLE ENERGY DEVELOPMENT AGENCY ( HAREDA )**  
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## **PROCEDURE FOR SETTING UP OF BIOMASS POWER PROJECTS BY INDEPENDENT POWER PRODUCERS UNDER SELF IDENTIFIED CATEGORY.**

### **1. BACKGROUND:**

Haryana is an agriculturally rich State with an abundance of crop residues and processing residues available for generation of productive energy both for captive industrial use and for grid supply of surplus electricity. Biomass can be produced from crop residues, agro industries residues, waste from barren uncultivable land and forest. The biomass quantity is linked to the crop produce. Paddy crop generates paddy straw as direct crop residues and rice husk as the agro industry residues. Wheat crop produces wheat straw, Cotton produces sticks and oil seeds like ground nut produces sticks, hulls and pulp.

It is well known that a large proportion of Biomass generated in the country during agricultural operations. Out of which, some biomass is used for various activities in the rural sector and some biomass forms like paddy husk, paddy and wheat straw etc. is burnt in the field by the farmers which is leading to environmental pollution in the country side. This surplus form of biomass can be used for power generation. In this context, it is necessary that the assessment of biomass availability is made taking into account of the present usages in the existing traditional practices and socially essential needs such as fodder, domestic fuel, thatching and manure

To have the actual data of biomass, HAREDA has conducted biomass assessment study at block level in Haryana. The objectives of this studies was identification of Biomass source in the block and assessment of their availability in terms of quality and quantity, estimation of quantum of biomass consumed for various activities in the block, estimation of surplus biomass available after accounting for present utilization, ascertaining biomass availability, season and mode of procurement, storage etc & potential of power generation from the surplus biomass. As per the study reports, a total potential of about 1000 MW exists in all the 119 blocks through surplus biomass. Report on the data about

surplus biomass available at block level can be obtained from HAREDA @ Rs. 1000/-.

Haryana power requirement is growing day by day because of its rapid economic development. The State Govt. has also drawn road map for promoting power through the environment friendly renewable energy sources of energy . To promote the generation of electricity from Renewable Energy Sources, the Haryana Government notified its policy on Generation of Electricity through Renewable Energy Sources vide Gazette Notification No. 22/69 /2005-5P dated 23rd November, 2005 ( as amended from time to time) **(Annexure-I)**. The objective of the policy is to create conditions conducive for the involvement of private sector or public - private sector participation in renewable energy sources based power projects in the State. The salient features of this policy are:

- Industry status.
- Electricity duty exempted.
- Wheeling & Banking facility
- Exemption in change of land use charges for setting up of Renewable Energy Projects.
- PPA for 20 years or more depending upon the plants life.
- Local area development tax exempted.
- Tariff to be decided by HERC

## **2. INVITATION OF PROPOSALS**

As per clause No. 19 of the State Policy, Following procedure has been defined for inviting proposals for setting up of Renewable Energy Power Projects:

19.1 A comprehensive bid document shall be designed for inviting proposals from the Independent Power Producers, listing out technical and financial parameters for evaluation of the bids. On the basis of evaluation parameters contained in the tender document, bids shall be evaluated by the Technical Appraisal Committee.

19.2 For the proposals for which the sites are identified by the Independent Power Producers, the proposal with DPR will be submitted by IPP to HAREDA for its consideration and sanction (in accordance with clause No. 7 Part-III of the Electricity Act, 2003).

19.3 The proposal shall be considered by HAREDA as per the procedure laid down for approval of Renewable Energy Power Projects. HAREDA will ensure that the proposed project shall not affect the viability of the earlier allocated/ commissioned projects.

### **3. PROCEDURE FOR SETTING UP OF BIOMASS POWER PROJECTS UNDER SELF IDENTIFIED CATEGORY.**

Following procedure shall be applied for consideration of applications of biomass power projects under self identified category for the blocks where no projects have been allocated by the HAREDA:

#### **3.1 ELIGIBILITY CRITERIA**

- (i) The Independent Power Producer (IPP) must have minimum per annum turn over of Rs. 2.00 crore/MW & Net worth of Rs. 5.00 crore in any of the last three years.
- (ii) In case of applications submitted by consortium of firms, all the participating firms should jointly meet the financial eligibility criteria for each site.
- (iii) For timely & efficient implementation of the projects, only maximum two projects shall be allocated to any firm.
- (iv) The proposal should be site specific with name of the village, land available, land ownership papers in the name of the IPP.
- (v) The capacity of the proposed projects should not be more than 80% of the potential available in the proposed block as per biomass assessment report or biomass assessment report of HAREDA

#### **3.2 DOCUMENTS TO BE SUBMITTED BY THE IPP**

- (i) Application Format enclosed as **Annexure-II**, complete in all respect alongwith documents to be required as per detail mentioned in the application format alongwith scrutiny fee of Rs. 5,000/- per application in the form of DD in favour of Director, HAREDA.
- (ii) The IPP should submit site specific Detailed Project Report (DPR) alongwith Memorandum of Article & Association, Registration Certificate, Audited balance Sheets of the last three years.
- (iii) DPR should be supported with the independent biomass assessment report of the proposed block.

- (iv) In the DPR, detail of power evacuation system should also mentioned having detail of nearest sub station for grid connectivity, grid connectivity line diagram.
- (v) In the DPR, all the financial details of the projects i.e. total cost, means of finance, pay back period, IRR, DSCR etc. be submitted with CDM benefit and without CDM benefits. All the parameters mentioned in the DPR should be as per the guidelines of MNRE/GOI/ State Policy & HERC Regulations.
- (vi) Grid connectivity feasibility report from the Utilities in the prescribed format enclosed as **Annexure-III**.

### **3.3 APPROVAL PROCEDURE**

- (i) After receipt of the proposals, it shall be considered by the Technical Appraisal Committee (TAC) with regards to the capacity proposed, necessary documents to be attached with the DPR etc.
  - (ii) If the proposal is found feasible by the TAC, the IPP shall be advised to deposit the required Processing Fee @f Rs. 1.00 lac per MW alongwith any requisite information/document as per the observations of TAC.
  - (iii) After submission of processing fee and revised DPR (if required) the same may be considered by the TAC for approval.
  - (iv) After the approval TAC, the recommendation of the TAC be placed before the Board of Governors of HAREDA/High Powered Committee under the Chairmanship of Chief Secretary as per clause No. 20 of the State Policy for allocation of sites.
  - (v) Once the proposal has been approved by the Board of Governors of HAREDA / High Powered Committee, HAREDA will enter into an MOU (**Annexure-IV**) with the IPP for implementation of the project.
  - (vi) After signing of MoU & approval of DPR by the HAREDA, the private investors is required to enter into PPA with the concerned power utilities for the sale of power to it or to the third party after getting necessary approval from the Haryana Electricity Regulatory Commission(HERC)
- 4.** The other terms and conditions / guidelines mentioned in the State Policy for promoting Generation of Electricity through Renewable Energy Sources dated 23.11.2005 as amended from time to time and Haryana Electricity Regulatory Commission (terms and conditions for determination of tariff from Renewable Energy Sources) Regulations 2010 notified vide no. HERC/23/2010 dated 3.2.2011 and guidelines issued by the CERC / MNRE/GOI from time to time shall also be applicable.

5. Director, HAREDA shall have the powers to amend / relax /issue clarification, if any, on any matter related to interpretation of any provision in these guidelines.

## **ANNEXURE-I**

### **STATE POLICY FOR PROMOTING GENERATION OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES.**

The Haryana Govt. vide its Notification No. 22/69/2005-5P dated 23<sup>rd</sup> November, 2005 has notified the Policy for Promoting Generation of Electricity through Renewable Energy Sources which was further amended vide Notification No. 22/69/2005-5Power dated 19<sup>th</sup> June, 2008 and No. 22/72/2005-5Power dated 29<sup>th</sup> March, 2010. The salient features of this Policy are highlighted as under:-

#### **1. OBJECTIVE OF THE POLICY**

To create conditions conducive for the involvement of private sector or public –private sector participation in Renewable Energy Sources based power projects in the State.

#### **2. TARGET**

The State Govt. aims to achieve a minimum of 10%(i.e. 500 MW ) of the total capacity addition of 5000 MW of conventional power to be generated through Renewable Energy Power Projects by 2012 as per Ministry of Non-conventional Energy Sources, Govt. of India's policy .

#### **3. MEASURES TO BE ADOPTED**

- i) To promote setting up of Biomass Based Power Projects.
- ii) To promote Co-generation Power Projects.
- iii) To promote Small Hydro Power Projects
- iv) To promote Wind Energy Based Power Projects
- v) To promote Solar Energy Based Power Projects.
- vi) To promote Waste to Energy Power Projects based on Urban, Municipal and Industrial Waste.

#### **4. THRUST AREAS**

##### **4.1 Power Generation from biomass.**

A potential of generation of 1400 MW of power through biomass exists in the State. The State Govt. is committed to exploit this potential.

##### **4.2 Power Generation through bagasse co-generation**

To harness the potential of cogeneration in cooperative / private sector sugar mills which is estimated to be 100 to 150 MW.

##### **4.3 Power Generation through small hydro power projects.**

To harness 45 MW of power which can be generated through the water falls available at various locations in canals of the State.

#### **4.4 Municipal Solid Waste**

The daily availability of Municipal Solid Waste in cities like Faridabad, Gurgaon, Ambala, Sirsa, Yamunanagar, Panipat, Rohtak, Bhiwani, Sonapat, Hisar is between 120 metric tonnes to 600 metric tonnes. Waste to energy power plants or fuel palletisation plants based on Municipal Garbage can be set up in these cities to generate about 17MW of power.

#### **4.5 Solar Energy**

The solar insolation level in the State is in the range of 5.5 KWH to 6.5 KWH per sq.mtr. of area and the State has about 320 clear sunny days in a year. This offers a great potential for using solar energy for various thermal and electrical energy applications in the State.

#### **4.6 Wind Energy**

Sufficient untapped wind energy power potential is available in the State specifically in the Morni hill area of Distt. Panchkula and Araveli Hills in Southern Haryana. Wind Monitoring Stations are being set up in Panchkula, Gurgaon and Mahendergarh districts to assess the available wind potential for power generation in the State.

### **5. NODAL AGENCY**

Haryana Renewable Energy Development Agency (HAREDA) shall be the State Nodal Agency for coordinating all activities relating to Renewable Energy Development including generation of power using non-conventional energy sources. HAREDA shall be responsible for laying down the procedure for inviting the proposals from Independent Power Producers (IPPs), DPR preparation, evaluation of project proposals, project approvals and project progress monitoring etc.

It shall function as a single window clearing Agency for all Renewable Energy Power Projects for facilitating necessary clearances and approvals on behalf of the Govt. of Haryana.

### **6. OPERATIVE PERIOD:**

The scheme of promotional and fiscal incentives as contained herein will come into operation with the date of its notification in the official gazette and will remain in force till a new policy is notified.

### **7. ELIGIBLE PRODUCERS:**

Those who intend to generate electricity from Non-conventional Energy Sources such as Solar, Wind-Electric Generators, Biomass Combustion, Cogeneration, Municipal and Industrial Waste, Small Hydro (upto 25 MW) and New Technologies like Bio-oil, Fuel Cell etc. There will be no restriction on generation capacity or supply of electricity to the grid.



There shall be no restriction on legal structure of entrepreneur in generation of power. Companies, Cooperatives, partnerships, Local Self Governments, State Nodal Agency, Boards & Corporations, Power utilities, Private developers, Public – Private Partnership Companies, Consortia, registered societies, NGOs, individuals etc. would all be eligible producers provided they undertake to generate power from non-conventional energy sources, and fulfill the laid down conditions.

8. **GRID INTERFACING:**

- i) Interfacing, including transformers, C & R panels duly equipped with the requisite protection schemes, marshalling kiosks, kiosk protection, metering, High Tension inter connection points from the points of generation to HVPN, UHBVN, DHBVN and any other licensee nearest Light/High Tension lines etc. as well as maintenance of Light Tension lines will be as per the orders of the Haryana Electricity Regulatory Commission/Central Electricity Regulatory Commission/ Appellate Tribunal for Electricity on Renewable Energy Tariff & other issues, as modified from time to time “
- ii) Depending upon the generation capacity, if the sub-station capacity at 33/11 KV or higher levels, is required to be augmented for 66 KV or higher capacity, transmission lines are to be provided. This will be undertaken by the Licensee/ Utilities at the cost of power producers.
- iii) Two sets of separate meters will be installed on the H.T.side by the producer, as main meters and check meters. In case of co-generation/ captive power generation two sets of separate meters will be installed, one for export of power and other for import of power.
- iv) Necessary current limiting devices will be installed in the generating equipment by the producer. Capacitors of sufficient rating will also be provided in the equipment to ensure that the power factor is always maintained above 0.8.
- v) There shall be no restriction on the generation capacity of the project.”

9. **WHEELING CHARGES:**

Licensee/ Utilities will undertake to transmit on its grid the power generated by power producers using non-conventional energy sources and make it available to the producer for captive use or to a Third Party within the State as per approved tariff including surcharge, additional surcharge, if any, notified by HERC from time to time. If H.T./ L.T. lines required to be laid beyond Licensee/ Utilities lines for wheeling the power at any desired point, then the cost of the same shall have to be borne by the promoter/ power

producer. In case, the power is to be sold to a third party, the name of such party shall be indicated by the power producer at the time of making an application in the prescribed form of Licensee/ Utilities. However, in respect of third party sale, licensee/ utilities would have preference over the power generated by the power producers and third party sale would be allowed when the surplus power is not being evacuated by the licensee/ utilities.

**10. PURCHASE PRICE:**

(i) New Projects

Licensee/ Utilities will purchase electricity offered by the power producers in case of new projects set up after the notification of the present policy at the rate to be decided by the Haryana Electricity Regulatory Commission as per provisions in the New Electricity Act,2003.

(ia) “HAREDA shall invite proposals from IPPs through competitive bidding route and the IPPs will be asked to offer their most competitive rate on which they want to sell power to the State Power Utilities and the offered rate should not be more than the tariff decided by the HERC from time to time.”

(ii) For old captive/co-generation projects which are having surplus power to offer for sale to the power utilities, the tariff shall be negotiated tariff based on negotiation between the power producers and the power utilities.

**11. BANKING:**

HVPNL/ DHBVN/ UHBVN/ licensee is to permit electricity generated by eligible producers to be banked. The banking facility shall be allowed for a period of one year by the Licensee/ Utilities free of cost. However, withdrawal of banked power should be allowed only during non-peak hours. If the banked energy is not utilized within a period of twelve months from the date of power banked with the concerned power utilities/ licensee, it will automatically lapse and no charges shall be paid in lieu of such power.

**12. ELECTRICITY DUTY:**

Non-conventional energy sources power generation and its sale to the Licensee/ Utilities or third party or for its captive use shall be exempted from the electricity duty.

**13. WATER CHARGES:**

Producer will be allowed to use the water for power generation through micro/ mini/ small hydel plants. No royalty will be charged on the water used for power generation for non-consumptive use.

**14. LOCAL AREA DEVELOPMENT TAX:**

Local Area Development Tax will be exempted on plant, machinery, equipment that has been capitalized in view of the provisions of section 5(f) of Haryana Act No.13 of 2000.

**15. FUEL/ RAW MATERIAL FOR COGENERATION PLANTS:**

The co-generation projects should be designed to use and should use non-fossil fuels such as bagasse, biomass, biogas, agricultural waste such as rice husk, ground nut shells etc. The use of conventional fossil fuels in these cogeneration projects may be necessary during the period of off-season to augment the non-fossil fuels and therefore, the use of same shall be allowed as per Ministry of Non-conventional Energy Sources, Govt. of India policy in this respect from time to time.

The “fuel cost pass through” on this account shall not be permitted as the tariff in these cases will be fixed taking into consideration the normal availability of non-fossil fuel for 240 days per annum only.

**16. OTHER INCENTIVES:**

All new projects will be treated as “Industry” in terms of Industrial Policy , 2005 and all the incentives available to new projects will be applicable as per Industrial Policy, 2005.

**17. TENURE OF POWER PURCHASE AGREEMENT:**

The Power Purchase Agreement (PPA) to be signed between IPP and concerned power utilities / licensee shall be valid for a minimum period of 20 years or more depending on the plant’s life. After this period, this shall be re-negotiated between power producer and concerned power utilities/ licensee. However, power utilities shall have the first right to refuse in case, it does not want to buy the power for period beyond 20 years.

**18. LAND FOR THE PROJECT**

18.1 The State Govt. will acquire land if necessary at the cost of Independent Power Producers (IPP) if a request to that effect is made.

18.2 Setting up of Renewable Energy Power Projects in the State will be permitted by the Town & Country Planning Department without levying of change of land use charges, External Development Charges, Scrutiny Fee and Infrastructure Development Charges.

## **19. INVITATION OF PROPOSALS**

- 19.1 A comprehensive bid document shall be designed for inviting proposals from the Independent Power Producers, listing out technical and financial parameters for evaluation of the bids. On the basis of evaluation parameters contained in the tender document, bids shall be evaluated by the Technical Appraisal Committee.
- 19.2 For the proposals for which the sites are identified by the Independent Power Producers, the proposal with DPR will be submitted by IPP to HAREDA for its consideration and sanction (in accordance with clause No. 7 Part-III of the Electricity Act, 2003).
- 19.3 The proposal shall be considered by HAREDA as per the procedure laid down for approval of Renewable Energy Power Projects. HAREDA will ensure that the proposed project shall not affect the viability of the earlier allocated/ commissioned projects.

## **20. PROCEDURE FOR SETTING UP OF NRSE POWER PROJECTS IN HARYANA**

- 20.1 HAREDA shall invite proposals from private national/international investors through press advertisement.
- 20.2 A Technical Appraisal Committee (TAC) shall be constituted by the State Govt. to appraise the proposals / bids in terms of technical and financial capabilities, scrutinizing the techno-economic feasibility. The TAC is authorized to seek any additional information from the bidders to supplement the proposals and will submit its report within two months.
- 20.3 Project upto 5 MW capacities will be considered and approved by the Board of Governors of HAREDA on the recommendations of TAC within two months time.
- 20.4 For the projects above 5 MW capacity, a High Powered Committee constituted by the State Govt. under the chairmanship of Chief Secretary, Govt. of Haryana (**Appendix-I**) shall consider the report of Technical Appraisal Committee, shortlist, prioritize and approve / reject the investment proposals for allocation of sites for preparation of Detailed Project Reports (DPR) by the private investors within two months time. The High Powered Committee can co-opt any other members /experts as its member for a particular meeting with the approval of the Chief Secretary.
- 20.5 Once the proposal has been approved by the Board of Governors of HAREDA / High Powered Committee, HAREDA will enter into an MOU with the private investors for preparation of DPR and implementation of the project within one month's time.

- 20.6 After approval of DPR by the HAREDA, the private investors is required to enter into PPA with the concerned power utilities/ licensee for the sale of power to it or to the third party after getting necessary approval from the Haryana Electricity Regulatory Commission(HERC)
- 20.7 The Power Producer and the concerned Power Utility/ licensee shall make efforts to enter into Power Purchase Agreement within two months time from the date of providing the clearance. In case there is delay beyond this period then either party can approach the Haryana Electricity Regulatory Commission for decision in this matter within another two months.
- 20.8 If the applicant does not take effective steps to implement the project as per time schedule for submission of DPR, signing of Power Purchase Agreement, Financial Closure of project & execution of project mentioned in the Memorandum of Understanding signed with HAREDA, the allocation could be terminated and the site shall be allocated to another applicant and the security deposited with the HAREDA by the power producers shall be forfeited.

21. **AMENDMENTS / RELAXATION / INTERPRETATION OF PROVISIONS OF THE POLICY**

Govt. of Haryana in Renewable Energy Department shall have the powers to amend / relax / issue clarification, if any, on any matter related to interpretation of any provisions under the policy in consultation with the concerned Govt. Departments / Agencies.

**APPENDIX –I**

**HIGH POWERED COMMITTEE EMPOWERED FOR SANCTION OF RENEWABLE ENERGY POWER PROJECTS ABOVE 5 MW.**

1.	Chief Secretary, Haryana	Chairman
2.	Secretary, Finance Department	Member
3.	Secretary, Local Bodies Department	Member
4.	Secretary, Power Department	Member
5.	Secretary, Irrigation Department	Member
6.	Secretary, Agriculture Department	Member
7.	Secretary, Renewable Energy Department	Member
8.	Secretary, Industries Department	Member
9.	Secretary, Town & Country Planning	Member
10.	Secretary, Environment Department	Member
11.	Secretary, Forest Department	Member
12.	Director, Renewable Energy Deptt.	Member Secretary

## ANNEXURE-II

### APPLICATION FORMAT FOR SUBMISSION OF PROPOSALS OF BIOMASS POWER PROJECTS UNDER SELF IDENTIFIED CATAGORY

#### **A. GENERAL**

##### **1. NAME & COMMUNICATION DETAILS**

- 1.1 Full legal name of the applicant company :
- a) Registered office address  
b) Telephone No. :  
c) Fax No. :  
d) E-Mail :  
e) Web site :
- 1.2 Name, address & designation of the contact :  
Person
- (a) Name :  
(b) Designation :  
(c) Address :  
(d) Telephone No. :  
(e) Mobile No. :  
(f) Fax No. :  
(g) E-Mail :  
:
- 1.3 Branch office address in Chandigarh, Haryana :  
& nearby area with tel/fax/email no.
- 1.4 Established since :
- 2. Nature/Status of Applicant Company :**  
(Whether sole proprietary/partnership/private  
Ltd./public Ltd./Public sector/Consortium)  
Attach the following documents
- a) Copy of registration certificate  
b) Memorandum of article of association  
c) Partnership deed  
d) Brief history of operation since its inception
- 3. Name of subsidiaries/ associates & Parent Companies :**  
(provide in brief their nature of Activity, capital  
layout and balance sheet for the last three  
years).

4. **Present activities/business** :

5. **Whether any of the following business directly handled**

- (i) Power Plant Equipment Manufacturing : Yes/No
- (ii) Power Plant erection : Yes/No
- (iii) Power Generation : Yes/No

( if yes, give following details)

5 (a) Experience in conventional power sector (give details of the experience in the power sector as a developer/project contractor).

Name of project	Capacity	Date of Start of work	Date of commissioning	Whether commissioned as per time schedule or delayed period	Role of your company in the project
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Attach additional sheets giving details of above.

5 (b) Experience in renewable energy projects :  
(give details of the experience in the power sector as a developer/project contractor)..

Name of project	Capacity	Date of Start of work	Date of commissioning	Whether commissioned as per time schedule or delayed period	No of unit generated annually with PLF supported with certificate from utility/SNA	Role of your company in the project
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Attach additional sheets giving details of above

5 (c) Has your company worked in Biomass power generation projects ? :

- a) As a developer : \_\_\_\_\_
- b) As a Joint/Assisted venture : \_\_\_\_\_
- c) As a supplier of equipment : \_\_\_\_\_
- d) Prime Contractor : \_\_\_\_\_
- e) Sub-Contractor, if Yes, give name address of Prime Contractor : \_\_\_\_\_
- f) On BOO/BOOT/BOT basis : \_\_\_\_\_

5 (d) If answer to 5 (c) is Yes, give detail :



**B. TECHNICAL PROPOSAL**

- 6. Applicant firm :
- 7. Single firm or consortium
- 8. If consortium
  - i) Lead company & other members of consortium :
  - ii) Percentage partnership of each company :
- 9.1 Detail of site applied for
  - (i) Village
  - (ii) Block
  - (iii) District
- 9.2 Land for the proposed project
  - (i) Agreement to sell signed (Size of land)
  - (ii) In Possession (size & title of the land)

(Supporting documents to be attached)
- 10. detail of investigation carried out, if any, including availability at type of biomass in the proposed block, fuel proposed to be utilized for the project and collection mechanism. ( Biomass assessment report to be enclosed) :
- 11. Proposed Capacity of the project
- 12. Estimated installed capacity as per your technical evaluation, giving details :
- 13. Technology offered :
- 14. Make, type and rating of boilers/turbines offered :
- 15. Type of Condenser to be used ( Air cooled or water cooled) :
- 16. Maximum time required for completion :
- 17. **A** Grid Connectivity
  - (i) Details for Power Evacuation Arrangements
  - (ii) Voltage & frequency of the grid to which power will be fed
  - (iii) Name & Capacity of substation
  - (iv) Distance of substation from the project site
  - (v)Transformer rating
  - (vi) Power factor at the bus

**B** Grid Connectivity Feasibility Report attached : Yes/No  
(in the prescribed format enclosed as  
Annexure-III)

**C FINACIAL DETAIL OF THE PROJECT**

- 18.1. Total approx. cost of the project :
- 18.2. Financing pattern :
- a) Promoters contribution  
:
- b) Dept proposed to raised  
i) Financial institution :  
ii) Others :
19. Sale of Power
- 19.1 Whether the firm is agreed to sign PPA with State Utilities for sale of power : Yes/ No
- 19.2 Whether firm wants to sell the power on the tariff fixed by HERC as amended from time to time. : Yes/ No
- 19.3 Whether the firm is willing to sell the power on the rate less than HERC tariff. If yes, detail of discount ( annual escalation shall be as per order of HERC) : Willing to sell.....paisa less than HERC tariff.
20. Whether your company fulfill financial Eligibility criteria, if yes, detail Financial : Yes/No

	2007-08	2008-09	2009-10
Turn Over			
Net worth			

Please attach annexure-A duly signed by C.A

20. Any other information firm want to submit :

**UNDERTAKING**

1. I/we certify that all the information furnished and documents submitted with the proposal are true and accurate and authorizes HAREDA/Govt. of Haryana to investigate by any means on the truthfulness and accuracy.

2. I/we further undertakes to furnish any supplementary information and/or documentation for adequate qualifications that the natural or legal person is required to provide it.
3. I/We agree with selection procedure of Govt. Of Haryana/HAREDA in respect of allotment of projects & I/We shall not have any dispute with Govt. of Haryana/HAREDA for non allotment of the Project .
4. I/We agree to sign necessary Memorandum of Understanding with Govt. of Haryana/HAREDA.
5. I/we agree to execute the project as per provisions in the State Policy for Promoting Generation of Electricity through Renewable Energy Sources dated 23.11.2005 as amended from time to time/ orders of Haryana Electricity Regulatory Commission from time to time.

In certificate of all the statement above, I hereby sign this document in the City of \_\_\_\_\_ on the \_\_\_\_\_ day of two thousand\_\_\_\_\_.

Date:  
Place:

Signature of Authorized Signatory  
Name  
Designation  
Address

**Note:** Where the space provided above is not sufficient, extra sheets may be used.

**ANNEXURE-A**

**DETAILS OF FINANCIAL ELIGIBILITY PARAMETERS OF THE BIDDERS APPLIED FOR BIOMASS PROJECT SITE FROM THE BALANCE SHEETS OF FINANCIAL YEAR 2007-08, 2008-09 & 2009-10**

Name of the Company/Lead Company : M/s. \_\_\_\_\_.

Total capacity of the firm / consortium  
(as per Bid Document)

S. No.	Financial Parameters	Name of single company / Consortium Members											Achieved financial parameters			Eligibility requirement for site applied for
		M/s.			M/s.			M/s.			M/s.					
		2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	
1	Turn over															
2	Net worth															
3	Cash flow															
4	Maximum Debt raised															

**Signatures and stamp of  
Statutory Auditor**

**Signatures  
(Authorised signatory)  
Company Stamp**

**Notes:**

- i) The company shall enclose the brief notes to the financial parameters considered by the firm/company enabling us to understand the values & reasoning for such considerations.

**LETTER CONFIRMING TECHNICAL FEASIBILITY FOR GRID CONNECTIVITY OF  
BIOMASS POWER PROJECTS**

**(FROM STATE UTILITIES I.E. UHBVN/DHBVN/HVPL)**

(On letterhead of Utility)

(Address of Utility)

Letter Ref. No. :

Date: (dd-mm-yyyy)

To

The Director, HAREDA,  
SCO-48, Sector-26, Chandigarh

**Sub: Confirmation of technical feasibility for grid connectivity of Biomass Power Project with distribution/transmission network.**

Dear Sir,

This is to confirm that the proposed Biomass Power Project being developed by \_\_\_\_\_ (Name of the Project Proponent) for capacity of \_\_\_\_\_ MW at \_\_\_\_\_ (Biomass Power Project location) in Distt. \_\_\_\_\_ is technically feasible for grid connectivity with our distribution/transmission network (11/33/66/132 kV).

The above said Biomass Power Project is proposed to be connected to our distribution/transmission network at \_\_\_\_\_ voltage through a \_\_\_\_\_ kV line from the Biomass Power Plant with \_\_\_\_\_ kV grid substation located at \_\_\_\_\_ (Name of the sub-station). The approx. distance between the proposed site and above sub-station is \_\_\_\_\_ KM.

The above confirmation is based on the pre-feasibility report, power evacuation plan & other technical details submitted by \_\_\_\_\_ (Name of the Project Proponent).

Yours truly,

(Signature)

(Name of the authorized person for Distribution/Transmission Licensee)

(Designation of the authorized person)

For \_\_\_\_\_ Limited (Name & seal of the Distribution/Transmission Licensee)

ANNEXURE-IV

**MEMORANDUM OF UNDERSTANDING BETWEEN HARYANA RENEWABLE ENERGY DEVELOPMENT AGENCY AND M/S \_\_\_\_\_ FOR THE IMPLEMENTATION OF BIOMASS POWER GENERATION PROJECT OF \_\_\_\_\_ MW CAPACITY IN HARYANA**

This Memorandum of Understanding (MoU) made this day on \_\_\_\_\_ in the year \_\_\_\_\_ between the Haryana Renewable Energy Development Agency acting through Director, Haryana Renewable Energy Development Agency having its registered office at S.C.O.No.39, Sector 4, Panchkula and presently operating from SCO No.48, Sector 26, Chandigarh (hereinafter referred to as "HAREDA," which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees) of the ONE PART

AND

M/s \_\_\_\_\_ having its registered office at \_\_\_\_\_ (hereinafter referred to as "Company" which expression shall, unless repugnant to the context or meaning thereof, include its successors, executors, administrators, representatives and permitted assignees) of the OTHER PART

Whereas the HAREDA has decided, in line with the policy guidelines as issued vide Haryana Government Renewable Energy Department, Notification No.22/69/2005-5P dated the, 23<sup>rd</sup> November,2005 for Promoting Generation of Electricity through Renewable Energy Sources, to allow the setting up of Biomass Power Generation Project (hereinafter referred to as "The said project") on build operate and own (BOO)/build, operate, own and transfer(BOOT) basis in private sector/assisted/joint sector and has invited proposals for investment in such projects interalia \_\_\_\_\_ project in \_\_\_\_\_ district (Haryana), of the capacity of \_\_\_\_\_ MW;

AND WHEREAS the Company has decided to set up the said project as well as to provide transmission system associated therewith for the evacuation of power as per requirements of concerned power utilities/licensee as given in the Policy on Promoting Generation of Electricity through Renewable Energy Sources.

AND WHERE AS HAREDA and the Company have held discussions and the Company has agreed for the implementation of the said project and is desirous of reducing in writing the terms and conditions of the said understanding;

NOW THIS MEMORANDUM OF UNDERSTANDING BETWEEN THE PARTIES HERETO WITNESSETH AS FOLLOWS:-

1. The Company is desirous of and have submitted its offer to HAREDA alongwith pre-feasibility study for the implementation of the said project at site Village-\_\_\_\_\_ in District of \_\_\_\_\_ of Haryana,

2. HAREDA has accepted the proposal of the Company in pursuance of Letter of Intent (LOI) issued vide memo No. \_\_\_\_\_ dated \_\_\_\_\_ and has agreed in principle to facilitate the Company to implement the said project subject to approval of its Detailed Project Report by HAREDA.
3. HAREDA agrees to the extent possible to provide to the Company copies of all available documents, data, information and report relating to the said project, including copies of all investigations and studies, if any, carried out by it.
4. HAREDA would charge a non-refundable processing fee of Rs.100/Kilo Watt or part thereof of the total power generation capacity of the said project. The processing fee shall be paid by the Company in advance to HAREDA in the shape of Demand Draft drawn in favour of Director, Haryana Renewable Energy Development Agency (HAREDA), Chandigarh, before signing of MoU.
5. The Company agrees that it shall not sublet/ transfer its rights and benefits accrued under this MoU to any other party without the prior approval of the Director, HAREDA.
6. The Company after being satisfied with the technical feasibility and economic viability of the said project, will make all suitable arrangements for financing the cost of the said Project.
7. The Company agrees that they shall implement the said project keeping in view all stipulated quality control measures as well as safety standards as prescribed by all competent authorities from time to time for execution of renewable energy based power projects and shall achieve all the physical as well as financial parameters of the said project (with particular reference to the quantities of various items as well as the associated costs thereof etc.) as given in the approved Detailed Project Report. The Company shall allow access to the authorised representative(s) of the HAREDA or other Government representatives to all the locations of the said project to ensure compliance in this respect.
8. The Company shall ensure that while preparing detailed project report or implementing the said project, the said project will not affect any public utility service/ scheme such as drinking water, irrigation scheme, approach path/road etc. The HAREDA shall not be responsible for any consequences on that account.
9. The total time for the commissioning of the said project will be 30 months from the date of signing of the MoU. This is the period for which this MoU shall remain effective and this could be extended by Chairman, HAREDA on receipt of written request on the grounds of circumstances beyond the control of the company. In case the project is not commissioned within the stipulated period & extension is not

allowed by the competent authority, penalty @ Rs. 50,000/- per MW for delay of every two months shall be imposed for maximum delayed period of eight months which shall be recovered from the performance security deposited by the IPP with a maximum delayed period of eight months. If the company is unable to complete the project even after considering the delayed period of eight months or in case of breach of MOU, or any part thereof, the complete performance security deposited by the Company under the term 11 thereof shall be liable to be forfeited by HAREDA, MOU rescinded and State Govt. on the recommendation of HAREDA will be free to allocate the site to any other Party/Company..

10. After signing of MoU, the Company is required to prepare Detailed Project Report (DPR) of the said project within four months time and submit the same to the HAREDA for its approval. Technical Evaluation Committee will examine the DPR within one month and clarifications, if any, will be furnished by the Company within next one month and outcome of DPR will be conveyed by HAREDA within next two months. If the Company fails to prepare the DPR to the entire satisfaction of the HAREDA within one month of issuance of such letter from the HAREDA, then HAREDA shall be free to exercise its option to cancel the approval granted by it for the preparation of DPR and it will rescind the MoU. In such case, the State Government on recommendation of the HAREDA shall be free to allocate this site to any other Company. This time period could be extended by the Director, HAREDA on receipt of written request from the Company in case of reasons for not submitting the DPR have been found beyond the control of the Company.
11. In the event of acceptance of the DPR, the Company agrees to provide within 15 days of the acceptance of the DPR, a refundable performance security @ Rs.2 lacs per Mega Watt or part thereof (Rs.1.00 lacs in the shape of two bank guarantees of equal amount and balance Rs.1.00 lacs in the shape of Demand Draft), payable in favour of the Director, HAREDA at Chandigarh. In case the Company fails to deposit the performance security amount in the prescribed time, the approval of the DPR shall stand withdrawn. However, in case of valid reasons, this period can further be extended upto one month by Director, HAREDA on a written request from the Company. Performance security shall be interest free and shall be kept in a separate account. This shall be released on commissioning of the project by the Director, HAREDA.
12. The Company shall complete financial closure of the said project within six months of the date of approval of the DPR or within ten months of signing the MoU. As a sequel to the clearance of the DPR by the HAREDA, the Company will enter into the Power Purchase Agreement with the concerned Power Utilities/Licensee for sale of power to it or to the third party after getting necessary approval from the Haryana Electricity Regulatory Commission (HERC) as per



provisions in the Electricity Act,2003, within two months time from the date of providing the clearance. In case there is delay beyond this period then either party can approach the Haryana Electricity Regulatory Commission for decision in this matter within another two months.

Further, small power generation upto 5 MW can be injected at 11 KV/33 KV whereas if the power generation capacity is more than 5 MW, the injection of power will have to be carried out at 66 KV/132 KV.

13. The company shall complete the transmission system for the evacuation of power upto nearby utility/licensee substation as per specifications laid down by the respective utility/licensee as per State Government policy for Promoting generation of Electricity through Renewable Energy Sources.
14. Neither party shall be considered to be in default under this MoU for breach of any of the terms thereof due to the imposition of onerous restrictions and regulations by Central/ State government or any statutory authority or any agency or other cause beyond its reasonable control.
15. Both the parties shall do and execute all such acts, deeds, assurances and things, as may be necessary and proper for carrying out the terms of this MoU. The parties agree to negotiate and enter into such agreements as may be required to give effect to the understanding reached herein.
16. The Company shall provide all necessary information and documents to HAREDA, necessary for filing of application to the Ministry of Non-conventional Energy Sources, Government of India/Haryana Government, as the case may be, for claiming the various incentives /subsidies, as admissible, from time to time to such projects, for facilitating the early disbursement of the same by the concerned Departments./ Agencies to the Company.
17. PROVIDED ALWAYS and it is hereby expressly agreed to if at any time, there shall arise any dispute, doubt, difference or question with regard to the interpretations or in respect of the rights, duties and liabilities of the parties hereto in any way touching upon or arising out of or otherwise in relation to this MoU every such dispute, doubt, difference or question shall be required to be referred to a third party in accordance with the provisions of the Arbitration and Reconciliation Act, 1996, as amended from time to time. All legal proceedings, if any, relating to the agreement shall be subjected to the territorial jurisdiction of competent civil courts at Chandigarh.
18. The Company agrees that the benefits of Carbon Trading under CDM, if any, accrued to the project at any stage will be shared between

HAREDA, Power Utilities and the Company as per the decision of Haryana Electricity Regulatory Commission (HERC) in the matter.

19. In case the Company or the HAREDA does not find the said project to be feasible from techno-economic consideration or from any other aspect, or the Company does not implement the said project due to any other reasons whatsoever, the Company shall hand over to the HAREDA all the said project reports and any other connected documents/ data as may have been collected and/ or prepared by the Company during the course of investigations.

20. The Company shall bear the stamp duty on the execution of this MoU.

IN WITNESS WHEREOF the parties hereto have set their hands unto this on the day, month and year first above

**Signature** \_\_\_\_\_

**M/s** \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Director, Haryana Renewable Energy  
Development Agency

Designation \_\_\_\_\_

For and on behalf of  
Haryana Renewable Energy  
Development Agency

For and on behalf of the Company

**Witness**

**Witness**

1. Signature \_\_\_\_\_

Date \_\_\_\_\_

**Name** \_\_\_\_\_

Designation \_\_\_\_\_

1. Signature \_\_\_\_\_

Date \_\_\_\_\_

**Name** \_\_\_\_\_

Designation \_\_\_\_\_

2. Signature \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Designation \_\_\_\_\_

2. Signature \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Designation \_\_\_\_\_

