

INCENTIVES AVAILABLE IN THE SECTOR FROM MNRE

MNRE SMALL HYDRO INCENTIVE SCHEMES (MNRE approval dated 2nd July, 2014)

Scheme for financial support to set up of new Small Hydro Power (SHP) Projects upto 25 MW capacity in the Private, Co-operative, Joint sector etc.:

Schemes	Schemes	Areas	Above 100 KW & up to 25MW
	Scheme for financial support to set up of new Small Hydro Power (SHP) Projects up to 25 MW capacity in the Private, Co-operative, Joint sector etc.	N.E. Region, J&K, H.P., & Uttarakhand (Special Category States)	Rs 1.5 Crore per MW Limited to Rs. 5 crores per project
	.	Plain and other Regions of all other States	Rs 1 Crore per MW Limited to Rs. 5 crores per project

SANCTION & RELEASE OF SUBSIDY BY MNRE

1st Installment (Optional)	Release an advance on award of E&M works, 50% loan disbursement, achieving 50% progress and submission of physical and financial progress reports, photographs and Bank Guarantee for proposed release of funds.	50%
2nd Installment	Receipt of 'Completion Report' with Statement of Expenditure, Utilization Certificate, generation data, audited accounts statement based on actual expenditure on the project etc. after successful commissioning of project, performance testing & 80% of generation for the corresponding months as envisaged in the DPR for a minimum of three consecutive months or 80% cumulative annual generation for one year as envisaged in DPR.	50%

2. Scheme for Financial support to set up of new Small Hydro Power (SHP) Projects upto 25 MW capacity in the Government / State / Public sector:

Schemes	Schemes	Areas	Above 100 KW & Up to 1000 KW	Above 1MW & up to 25MW
	Scheme for financial support to set up of new Small Hydro Power (SHP) Projects up to 25 MW capacity in the Government / State / Public sector	N.E. Region, J&K, H.P., & Uttarakhand (Special Category States)	Rs 75,000/- per kW	Rs 7.5 Crore per MW limited to Rs.20 Crore per project.
		Plain and other Regions of all other States	Rs 35,000/- per kW	Rs 3.50 Crore per MW limited to Rs.20 Crore per project.

RELEASE OF SUBSIDY BY MNRE

Eligible Financial support to be sanctioned and released by MNRE in four installments as per following pattern:

1st Installment (Optional)	Award of work orders & signing of contract agreements with submission of copies as documentary proof	25%
2nd Installment	Progressive release on achieving 25% progress and submission of physical reports, Statement of Expenditure (SOE), Utilization certificate (UC) for released funds and photographs.	30%
3rd Installment	Progressive release on achieving 50% progress and submission of physical & financial progress reports, SOE, UC for released funds and photographs.	35%
4th Installment	Submission of 'Completion Report' with SOE, UC and generation data, audited account statement based on actual total expenditure on the project etc. after successful commissioning, performance testing & 6 months generation.	10%

Further, the developer through FI/Banks would inform MNRE about successful completion of the project, fulfillment of performance guarantee tests, testing and certificate of performance of the project by AHEC, I.I.T Roorkee and the commencement of commercial generation. The developer would send monthly generation report to MNRE after start of commercial generation till the time project attains 80% of the quantum of generation for the corresponding months as envisaged in the DPR, for a minimum of three continuous months. The developer would also provide proof of energy generation such as certificate from SEB regarding purchase/wheeling of power.

The Government Department/SEB/Nodal Agency/Local Bodies/Developers should submit their proposals/ application along with requisite documents to MNRE for their examination/sanction.

For further details, please visit www.mnre.gov.in
