

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Revision of application fee, processing fee, transfer and time extension fees for NCE power projects-reg.

2277  
12/7/10

1. Government Order No: EN 392 NCE 2008 dated: 26.6.2009.
2. Government Order No: EN 392 NCE 2008 dated: 13.10.2009.
3. Corrigendum No: EN 71 EMC-2/2010 dated: 26.05.2010.

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PREAMBLE:-

1. In the Government Order read at (1) above, the fees for the NCE power projects has been revised and fixed as detailed below:-

| Sl. No. | Source                | Application fee Rs per MW | Transfer fee Rs per MW   | DPR Processing fee Rs. per MW |
|---------|-----------------------|---------------------------|--------------------------|-------------------------------|
| 1       | Wind                  | 10000                     | 1% of the project cost   | 500000                        |
| 2       | Small Hydro           | 10000                     | 1% of the project cost   | 500000                        |
| 3       | Biomass               | 10000                     | 1% of the project cost   | 500000                        |
| 4       | Cogeneration          | 10000                     | 1% of the project cost   | 500000                        |
| 5       | Solar                 | 10000                     | 0.1% of the project cost | 500000                        |
| 6       | Pico Hydro            | 1000                      | --                       | --                            |
| 7       | Waste to Energy (MSW) | 10000                     | --                       | 100000                        |
| 8       | Hybrid Systems        | 1000                      | --                       | --                            |

**FEES are non refundable**

| Sources         | Time extension fee in Rs per MW   |
|-----------------|---|
| All NCE sources | e) Rs.100000/MW for one year extension<br>f) Rs.200000/MW for two year extension<br>g) Rs.300000/MW for three year extension<br>h) Rs.500000/MW for four year extension<br><br>After fourth year if the project is not completed and commissioned, the Government has discretion to forfeit the project.<br><br>Fee is non refundable |

2. SECURITY DEPOSIT:-

The developer/power producer who has been allotted a renewable energy project shall deposit a refundable amount of Rs.5 lakhs per MW as security deposit with Government towards completion of the project in the prescribed time period, at the time of execution of the agreement with the Government.

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*Handwritten notes:*  
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3. The security deposit shall stand forfeited to Government in the event of failure of the power producer to adhere to the time scheduled to commission the project as per allotment agreement.

1. INCENTIVE AND AWARD SCHEME:-

If the developer completes and commissions the project successfully during the original agreement period, the developers will be awarded with a certificate of appreciation and a cash prize of one lakh per MW.

2. In the Government Order read at (2) above, partial modification has been made to the Government Order No: EN 392 NCE 2008 dated: 26.6.2009, for the revision of fees for the NCE power projects as detailed below:-

In Rs. Lakhs.

| Sl. No | Source      | APPLICATION FEE (PER MW) | PROCESSING FEE (PER MW) | TRANSFER FEE (PER MW) | TIME EXTENSION FEE (PER MW)   | SECURITY DEPOSIT (PER MW)   |
|--------|-------------|--------------------------|-------------------------|-----------------------|---|---|
| 1      | Wind        | 0.1                      | 2.0                     | 1.5                   | 1 <sup>st</sup> Year-1.0<br>2 <sup>nd</sup> Year-2.0<br>3 <sup>rd</sup> Year-3.0<br>4 <sup>th</sup> Year-5.0<br><br>(Government will issue cancellation Order after 4 <sup>th</sup> Year) | 1.0 (by way of Bank Guarantee) after all the approval/ clearances are obtained. If the projects are completed within the stipulated time the security deposit will be refunded, otherwise it will be forfeited to Government. |
| 2      | Small Hydro | 0.1                      | 2.0                     | 1.5                   | 1 <sup>st</sup> Year-1.0<br>2 <sup>nd</sup> Year-2.0<br>3 <sup>rd</sup> Year-3.0<br>4 <sup>th</sup> Year-5.0<br><br>(Government will issue cancellation Order after 4 <sup>th</sup> Year) | 1.0 (by way of Bank Guarantee) after all the approval/ clearances are obtained. If the projects are completed within the stipulated time the security deposit will be refunded, otherwise it will be forfeited to Government. |
| 3      | Biomass     | 0.1                      | 1.0                     | 0.1                   | 1 <sup>st</sup> Year-1.0<br>2 <sup>nd</sup> Year-2.0<br>3 <sup>rd</sup> Year-3.0<br>4 <sup>th</sup> Year-5.0<br><br>(Government will issue cancellation Order after 4 <sup>th</sup> Year) | 1.0 (by way of Bank Guarantee) after all the approval/ clearances are obtained. If the projects are completed within the stipulated time the security deposit will be refunded, otherwise it will be forfeited to Government. |

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|    |  |      |      |      |   |  |
|----|--|------|------|------|---|--|
| 4  | Cogeneration   | 0.1  | 2.0  | 1.5  | 1 <sup>st</sup> Year-1.0<br>2 <sup>nd</sup> Year-2.0<br>3 <sup>rd</sup> Year-3.0<br>4 <sup>th</sup> Year-5.0<br><br>(Government will issue cancellation Order after 4 <sup>th</sup> Year) | 1.0 (by way of Bank Guarantee) after all the approval clearances are obtained. If the projects are completed within the stipulated time the security deposit will be refunded, otherwise it will be forfeited to Government. |
| 5  | Solar  | 0.1  | 1.0  | 0.5  | 1 <sup>st</sup> Year-1.0<br>2 <sup>nd</sup> Year-2.0<br>3 <sup>rd</sup> Year-3.0<br>4 <sup>th</sup> Year-5.0<br><br>(Government will issue cancellation Order after 4 <sup>th</sup> Year) | 1.0 (by way of Bank Guarantee) after all the approval clearances are obtained. If the projects are completed within the stipulated time the security deposit will be refunded, otherwise it will be forfeited to Government. |
| 6  | Pico Hydro   | 0.01 | Nil  | Nil  | Nil   | Nil  |
| 7  | Waste to Energy  | 0.1  | 0.25 | 0.25 | 1 <sup>st</sup> Year-1.0<br>2 <sup>nd</sup> Year-2.0<br>3 <sup>rd</sup> Year-3.0<br>4 <sup>th</sup> Year-5.0<br><br>(Government will issue cancellation Order after 4 <sup>th</sup> Year) | 1.0 (by way of Bank Guarantee) after all the approval clearances are obtained. If the projects are completed within the stipulated time the security deposit will be refunded, otherwise it will be forfeited to Government. |
| 8  | Hybrid Systems   | 0.01 | Nil  | Nil  | Nil   | Nil  |
| 9  | Change of name of the company not involving the change in the company Identification No. issued by the Registrar of Companies. | 0.1  | -    | -    | -   | -  |
| 10 | Change of name of the company involving the change in the company Identification No. issued by the Registrar of Companies.     | -    | -    | -    | The transfer fee as applicable in respect of Renewable Energy Projects  | -  |
| 11 | The Company seeking amalgamation/splitting up of the companies with no change in CIN issued by the ROC.                        | 0.1  | -    | -    | -   | -  |
| 12 | The Company seeking amalgamation/splitting up of the companies with change in CIN issued by the ROC.                           | -    | -    | -    | The transfer fee as applicable in respect of Renewable Energy Projects  | -  |

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|    |   |              |   |  |   |   |
|----|---|--------------|---|--|---|---|
| 12 | The Company seeking amalgamation/ splitting up of the companies with change in CIN issued by the ROC. | —            | — | The transfer fee as applicable in respect of Renewable Energy Projects | — | — |
| 13 | The Company seeking any facilitation letter to the Financiers.  | 0.1/ Project | — | —  | — | — |
| 14 | Change of proprietaryship or partnership to company with CIN issued by ROC.                           | 0.1/MW       | — | —  | — | — |

Except the security deposit, the other fees are non-refundable

3) In the Corrigendum read at (3) above, in the Order portion of the Government Order No: EN 392 NCE. 2008 dated: 13.10.2009 the Sl. No. 4 is revised as below :-

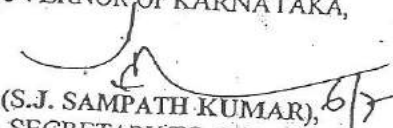
| Sl. No | Source       | APPLICATION FEE (PER MW) | PROCESSING FEE (PER MW) | TRANSFER FEE (PER MW) | TIME EXTENSION FEE (PER MW) | Rs. in lakhs<br>SECURITY DEPOSIT (PER MW) |
|--------|--------------|--------------------------|-------------------------|-----------------------|-----------------------------|---|
| 4      | Cogeneration | 0.1                      | NIL                     | NIL                   | NIL                         | NIL                                       |

4) In the recently announced Renewable Energy Policy, Government have an ambitious target of achieving nearly 1000 MWs each year. To achieve the target of 1000 MWs a year, Government need to have atleast 5 to 6 times that number in the pipeline. Younger and professional entrepreneurs should be encouraged to participate in Renewable Energy. Therefore Government has decided to reduce the processing fee of renewable energy power projects. Hence the following order :-

**GOVERNMENT ORDER NO: EN 61 NCE 2010,**  
**BANGALORE, DATED: 06.07.2010.**

In partial modification to the Government Order No: EN 392 NCE 2008 dated: 13.10.2009, Government accords approval to reduce the processing fees of renewable energy power projects from Rs. 2.00 lakhs (Rupees two lakhs) to Rs. 1.00 lakh (Rupees one lakh) with immediate effect.

BY ORDER AND IN THE NAME OF  
GOVERNOR OF KARNATAKA,

  
(S.J. SAMPATH KUMAR),  
UNDER SECRETARY TO GOVERNMENT,  
ENERGY DEPARTMENT,  
22034674.

To:  
The Compiler, Karnataka Gazette, Government Press for publication and supply 50 copies to this department.

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Copy to:

- 1) The Accountant General (A&E)/(Audit-1 & Audit-2) in Karnataka, Bangalore-1.
- 2) The Managing Director, Karnataka Renewable Energy Development Limited, No: 19, Major General A.D. Loganathan INA Cross, Queens Road, Bangalore-52.
- 3) The Managing Director, Karnataka Power Corporation Limited, No.82, Shakti Bhavan, Race Course Road, Bangalore-1.
- 4) The Managing Director, Karnataka Power Transmission Corporation Limited, Cauvery Bhavan, Bangalore-9.
- 5) The Managing Director, BESCOM/MESCOM/HESCOM/GESCOM/ CESC.
- 6) The Managing Director, Power Company of Karnataka Limited, Cauvery Bhavan, Bangalore-9.
- 7) The Chief Electrical Inspectorate to Government, Mysugar Building, Ground Floor, J.C. Road, Bangalore-2.
- 8) P.S. to Hon'ble Chief Minister, Vidhana Soudha.
- 9) P.S. to Principal Secretary to Government, Energy Department.
- 10) P.A. to Deputy Secretary to Government, Energy Department.
- 11) Section Guard file / office copy / Spare copies.

*(Signature)*