RIA IN HYDRO SECTOR IN HIMACHAL PRADESH

Jyoti Katiyar
Outline

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• Process of Land Acquisition
• Issues to Ponder
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Brief Overview

- HP has second largest potential for hydro power generation in India-20,000 MW.
- Private sector has 56 % share in hydro generation in HP
- Land acquisition and diversion of forest land are major challenges
- 30 % of the pending proposals for diversion of forest land comes from HP

Source: CEA, 2014
Legislations Identified

• Forest Conservation Act (FCA), 1980
• Forest Conservation Rules, 2003
• Land Acquisition, Rehabilitation and Resettlement (LARR) Act, 2013
• The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Social Impact Assessment and Consent Rules), 2014 (Draft Rules)
Process for Diversion of Forest Land under FCA, 1980

Submission of Proposal and fact finding, 50-100 days

IPP’s

Nodal Officer

Divisional Forest Officer

District Collector

Conservator of forest

Nodal Officer

Scrutiny & Processing to obtain In-Principle Approval, 100-180 days

Sec, MoEF, >5 Ha

Regional Office, ≤5 Ha

State Government

In-Principle Approval
Submission of Compliance Report, 105 days

- DFO to prepare a Demand Note
- IPP to make payments along with Compliance report

Grant of Final Approval, 20 days

- Grant of Final Approval to State Government
Issues to Ponder

• Multiple authorities

  7 authorities (including state and central level)

• Centralisation of power to give approvals

• Several checkpoints for completeness

• Relevance of transit time

  45 transit days
Land Acquisition, Rehabilitation and Resettlement Act, 2013
Process of Land Acquisition

- **Notification & Declaration**: 24 months
  - Notification by State Government within 12 months
  - Collector to update records, hear objections and prepare a report
  - Admin of RR to prepare draft RR scheme for collector comments, and finalisation by commissioner RR
  - SG to issue declaration of LA including Resettlement area within 12 months of notification, after IPP deposits amount towards cost of LA

- **RR award**: 12 months
  - Collector to determine compensation, RR award within 12 months of declaration
  - Appeal to LARR authority possible within 6 months of RR award

- **Possession**: 3 months
  - IPP to pay compensation and monetary RR within three months of award
  - Completion of RR process

- **SIA**: 9 months
  - State Social Impact Assessment (SIA) unit to undertake SIA.
  - SIA report and SIMP submitted to expert group
  - Recommendation to State government
Issues to Ponder

• SIA for all sizes of land
• Scope of Affected families
• Time taken by SG to issue notification and declaration
• Constituents of Compensation and RR award
• Ensuring that RR process is completed in all aspects before displacement
## Comparison of Legislations

<table>
<thead>
<tr>
<th>Indicators</th>
<th>LARR, 2013 and Draft SIA Rules</th>
<th>Forest Conservation Act, 1980 and Forest Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Number of approvals</strong></td>
<td>Land Acquisition (SIA, Notification, Declaration and RR scheme)</td>
<td>Approval for Diversion of forest Land (In-principle approval, Final approval)</td>
</tr>
<tr>
<td><strong>2. Time Taken</strong></td>
<td>48 months</td>
<td>10-14 months</td>
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<td><strong>3. Direct Cost</strong></td>
<td>SIA cost, cost of land acquisition, compensation and RR award</td>
<td>Proposal, Compensatory Afforestation (Demand Note)</td>
</tr>
<tr>
<td><strong>4. Number of authorities involved</strong></td>
<td>11 different authorities</td>
<td>7 different authorities</td>
</tr>
<tr>
<td><strong>5. Documentation required</strong></td>
<td>Land Acquisition proposal, SIA report, Social Impact management plan</td>
<td>Project plan, maps,</td>
</tr>
<tr>
<td><strong>6. Reporting requirements</strong></td>
<td>Completion of RR process</td>
<td>Report of compliance to Demand note and in-principle approval</td>
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Initial Stakeholder Feedback

- Layout and design of small hydro is similar to large hydro power plant.
- Major challenge under both the processes is to obtain consent from land owners.
- Both land and forest approval are subject to a thorough feasibility report.
- Feed-in-tariff contract and Power Purchase Agreements (PPA’s) are major challenges faced by small hydro power plants.
Issues for Discussion

• Which is the most relevant legislation on which RIA should be undertaken?

• LARR is comparatively new act, hence no evidences to undertake Ex-post RIA

• From July 1, 2014, forest clearance proposals to central government will be accepted only through online mode. How is this expected to impact the selection of legislations?

• The Supreme Court has directed the government to establish national regulator. How is this expected to impact the project?
THANKYOU