

# VELCAN Energy

Dated: July 13<sup>th</sup>, 2018  
 The Secretary  
 Central Electricity Regulatory Commission  
 3<sup>rd</sup> and 4<sup>th</sup> Floor, Chandralok Building,  
 36 Janpath, New Delhi – 110001

In reply  
 मंत्र  
 12-21

**Subject:** Terms and conditions of tariff for the tariff period commencing from 1<sup>st</sup> April 2019 – consultation paper thereof.

**Ref:** Public Notice No. L-1/236/2018/CERC dated 24<sup>th</sup> May 2018

Sir,

We refer to the “Consultation paper on Terms and Conditions of Tariff Regulation for the tariff period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024” uploaded on CERC website seeking comments and suggestions of various stake holders. We hereby submit our inputs and developer-investor point of view on issues covered in the consultation paper which are given in the enclosed Appendix.

We first of all take this opportunity to introduce VELCAN Group, which is an independent power producer based in Luxembourg and listed on the Euronext Growth Paris stock market. It has been incorporated and funded by major European financial institutions in 2005 with notably the aim of becoming one of the first foreign and private renewable power producer in India, after the market liberalization brought along by the Indian Electricity Act in 2003.

VELCAN Group entered India in 2006, and owned and operated two biomass plants in Andhra Pradesh until 2010. VELCAN is developing since 2007, a cascade of three hydropower projects totalling 571 MW (Pauk HEP, Heo HEP and Tato-1 HEP) in the Siang Basin of Arunachal Pradesh, representing an investment of USD 700 Million. The HEPs are located in a major development cluster in the Siang Basin of Arunachal Pradesh, in the same area as other major projects allotted to top tier Indian companies and only 25 Km away from the last Indian army base, namely Mechuka, before the Chinese border.

All the 3 HEPs have received their Environment and Stage-I Forest Clearances. Out of above, two projects namely Heo HEP (240 MW) and Tato-1 HEP (186 MW) forming

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