HYDRO POWER DEVELOPMENT CORPORATION OF
ARUNACHAL PRADESH LIMITED
(A Govt. of Arunachal Pradesh Enterprise)

OFFICE OF THE CHAIRMAN Cum MANAGING DIRECTOR
PARK VIEW APARTMENT, LOWER NITIVIHAR, ITANAGAR-791111
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HPDC/CMD/Cont -142/2025-26 Dated Itanagar the 21st July'2026.

To

The Secretary
Central Electricity Regulatory Commission
Nauroji Nagar, New Delhi - 110029

Sub: Suggestions on Determination of Levelized Generic Tariff for the 3rd Year of Control Period (FY 2026-27) under Regulation 8 of the Central Electricity Regulatory Commission(terms & condition for tariff determination from Renewable energy sources) Regulations, 2024.

Ref.: Your e- mail dated 9th July,2026

Sir,

The Hydro Power Development Corporation of Arunachal Pradesh Limited (HPDCAPL) sincerely appreciates the Hon'ble Central Electricity Regulatory Commission (CERC) for inviting stakeholder comments on tariff determination for FY- 2026-2027.

Small hydropower projects in Arunachal Pradesh are located in remote, hilly, tribal, and strategically sensitive border areas. These projects face exceptional technical, logistical, financial, geological, and environmental challenges. Drawing from its experience, HPDCAPL respectfully submits the following key suggestions:

1. **Revision of Normative Capital Cost :** May kindly increase the benchmark capital cost to ₹14–15 crore per MW, in view of the unique challenges outlined above.

2. **Adjustment of Normative CUF:** May kindly reduce the normative CUF from 45% (±10%) to reflect regional hydrology. It should be aligned with actual water flow and river conditions rather than applying a uniform national average. In hilly regions, river water often freezes during winter, reducing discharge capacity, while in summer it rises abnormally due to heavy rainfall.

3. **Consideration of Revised GST Rates :** On account of increase in GST rates from 12% to 18%, in contract works, which has led to significant cost escalation.

Chairman-cum-Managing Director, HPDCAPL
Itanagar

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4. **Revision of O&M Cost Norms:** May kindly update O&M norms to reflect higher maintenance, transportation, and logistical expenses in remote and inaccessible areas.

Moreover, the normative capital cost must adequately capture additional expenditures arising from difficult terrain, limited connectivity, heavy equipment transport, geological uncertainties, short working seasons, environmental compliance, logistics, labour deployment, communication infrastructure, and equipment mobilization.

HPDCAPL respectfully requests the adoption of a region-sensitive tariff framework that reflects the actual capital, financing, and O&M costs of small hydropower projects in the Himalayan and North-Eastern States.

Submitted for kind consideration, please.

O/o the Chairman-cum-Managing Director, HPDCAPL • Itanagar •

Yours faithfully,

21/7/25.

(Er. Teli Pinji)
Dy. General Manager (T)
HPDCAPL