



MSPL

A PROMOTER'S PERSPECTIVE

K.V.S. SUBRAHMANYAM, GM (Power), MSPL Limited



THE POWER SCENARIO



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- Power is vital for economic development
- Electricity: GDP elasticity ratio is 1.5. Thus power requirement should grow @ 12% per annum.
- The National energy shortage is 8.45% and the peaking shortage upto 12.5%.

THE POWER SCENARIO

- The new Electricity Act empowers electricity regulatory commissions to make it mandatory for utilities to source 10% of their power from renewable sources.

| This needs to be enhanced to 25% |



IMPACT AND IMPORTANCE OF RENEWABLE ENERGY

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“Energy independence which should be the nation's first and highest priority.

By 2020, the nation should achieve comprehensive energy security and by 2030, energy independence through all forms of renewable energy”

Shri APJ Abdul Kalam, Hon President of India

IMPACT AND IMPORTANCE OF RENEWABLE ENERGY

- The message is clear - a paradigm shift in the structure of energy sources from fossil fuels to renewable energy sources.

The target for renewable energy should be 20 - 25% from the present 5%

WIND ENERGY THE PREFERRED RENEWABLE ENERGY SOURCE



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Rise in power tariff

Low gestation period

Acceleratory depreciation of 80%

WIND ENERGY THE PREFERRED RENEWABLE ENERGY SOURCE

Green power
with option to earn
carbon credits

Conservation and
generation of
valuable foreign exchange

WIND ENERGY THE PREFERRED RENEWABLE ENERGY SOURCE

India with
an installed capacity of
5300 MW
ranks 4th in the world
after **Germany, USA and Spain**





Flagship company of the Baldota Group.
the single largest producer of
wind energy in the country
installed capacity of
111.00 MW



K.V.S. SUBRAHMANYAM, GM (Power)

The Baldota group has invested
over Rs. 900 Crores
and the group's installed capacity is
161.60 MW

Proud recipients of the
prestigious KREDL award for
“**Highest Productivity
and Highest Investment
in the field of Renewable Energy**”
in the State of Karnataka in fiscal 2005

BALDOTA GROUP WIND INSTALLATIONS IN INDIA

KARNATAKA

Chitradurga	36.00 MW
Harapanahalli	97.50 MW
Kundur (Near Harihar)	6.60 MW

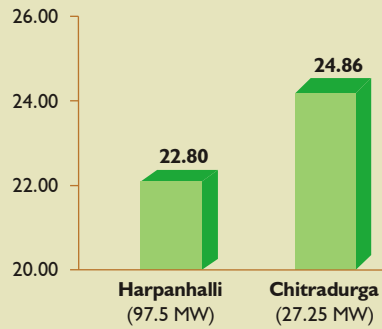
MAHARASHTRA

Dhule	20.00 MW
Satara	1.50 MW

**Total
161.6
MW**

GENERATION PERFORMANCE

PLF in %



Period: 1st April '05 - 31st March '06

VISION

**An installed wind power generation capacity of
500 MW by 2010**



CARBON CREDITS

Our Wind Power Projects are at
an advanced stage of **CDM Certification**

The 125 MW project is expected
to be registered with UNFCCC
as the **largest wind power
CDM project in the world.**

CARBON CREDITS

▪ **M S P L C D M U P D A T E** ▪

Name of CDM Project Activity	Installed capacity in MWs	State where CDM is located	Year when CERs are due	Estimated CERs in Tonnes
125 MW Wind Power Project	125.15	Karnataka	2005-06	287306
Green Energy to Grid	20.00	Maharashtra	2006-07	37548
Emission Free Electric Generation	6.60	Karnataka	2006-07	12032

POLICIES WHICH COULD EMPOWER



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- **The wind power policy should be treated independently**
- **Abolish category restrictions for Third party sale by Developers and Promoters**

POLICIES WHICH COULD EMPOWER

- **Cap wheeling charges to a maximum of 5% of the wheeling energy**

No other charges other than the wheeling charges should be levied on the developer / promoter. The proposed surcharge under the open access method will hamper competitiveness.

POLICIES WHICH COULD EMPOWER

- **Enhanced Energy Banking Facilities**
 - Increase the allowable banking period to 12 months with an option to sell the same to the utility at a cost not less than the energy purchase cost of the unit at the end of 12th month.
 - Establish a uniform banking charge of 2% per annum.

POLICIES WHICH COULD EMPOWER

- **Captive Use**
 - Allow promoters to utilize the power from their wind farms for the captive use irrespective of the location of the wind farms and the captive plant.
 - Cap Wheeling charges for the same to 5%.
 - Eliminate surcharge for wheeled and banked energy for captive as well as third party sale.

POLICIES WHICH COULD EMPOWER

- **Sale of Power**
 - Exempt the sale of electricity generated from the wind farms from electricity duty for a period of 10 years from the commercial date of operation of the plant.
 - Treat captive usage also as sale of electricity for the purpose of tax calculations.

POLICIES WHICH COULD EMPOWER

- **Strengthen Power Evacuation facilities**

Encourage location specific and load specific generation which predominantly use renewable fuels

DESIRED DEVELOPMENTS BY DEVELOPER



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- **Technological enhancements**
 - **Introduction of higher capacity machines**
 - larger rotor diameter
 - +
 - higher hub heights
 - =
 - more cost effective harnessing of wind energy.

DESIRED DEVELOPMENTS BY DEVELOPER

- **Technological enhancements**
 - **Capacitor of sufficient rating should be provided in the wind electric generator**

To compensate power factor of the wind electric generator and regulate voltage within 12% of the rated voltage at the point of supply.
 - **Robust internal grids and prudent O&M practices**

DESIRED DEVELOPMENTS BY DEVELOPER

- **Broad-based and meaningful Performance Guarantee**

Performance guarantee not power curve guarantee.

CLIENT CRITERIA FOR SELECTION OF WIND FARMS



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- Full fledged Micro-siting data
- Prognosis report of the site
- Project IRR 12 - 16% and Equity IRR 16 - 19% for a 10 year period



CLIENT CRITERIA FOR SELECTION OF WIND FARMS

- Pro-active policies of State Governments like Tariff increase and good Payment terms



THANK YOU