

MONTHLY NEWS LETTER

ENERGY

January 31, 2011

India Government to Set Up Solar Firm

India is setting up a company with initial capital of 20 billion rupees (\$405.6 million) to build federal solar projects and help the country reach a target of 20 gigawatts of solar energy capacity by 2022, a top government official said.

The decision to create the company comes at a time when some solar and renewables experts are worrying that due to a shortage of funds and a relative lack of interest by commercial companies, India might miss solar energy targets set under a federal program.

- [India Government to Set Up Solar Firm](#)
- [Karnataka Energy Dept lifts stay order on bidding process for solar projects](#)
- [GERC fixes tariff for solar power projects](#)
- [Welspun Energy plans 500 MW wind energy farms in AP](#)

"A dedicated company will ensure that we meet our targets effectively," Renewable Secretary Gireesh B. Pradhan said in a recent interview.

Karnataka Energy Dept lifts stay order on bidding process for solar projects

The stay order placed by the State Energy Department on the tender process for developing solar projects under the Karnataka's Solar Mission has been lifted. Karnataka Renewable Energy Development Ltd (KREDL) is set to open the technical and financial bids in a couple of days.

The main issue that led to the stay was a complaint from bidders stating that KREDL should have followed e-tendering procedure for the bidding process for companies to participate in the Karnataka Solar Mission.

GERC fixes tariff for solar power projects

Ahmedabad, Jan 27 (PTI) Gujarat Electricity Regulatory Commission (GERC) today said that it has fixed the tariff for the solar power projects that will hold for next three years. The control period for the proposed tariff is from January 29, 2012 to March 31, 2015, an official statement said. The levelized tariffs under various categories range from Rs 8.03 per unit to Rs 11.55 per unit, the statement said. In view of the declining trend in the prices of solar photovoltaic (PV) globally, the commission has decided to reduce the tariff by seven per cent every year, during the second and third years of the control period, it said. The separate tariff determined and proposed by the commission are for solar PV MW-based power projects, solar PV KW-based rooftop power projects, and solar thermal-based power projects. The solar power projects, established with only new plants and machinery, would be eligible for the benefit of tariff determined within the scope of this solar tariff order. In order to promote KW scale rooftop solar projects, no wheeling charges shall apply for wheeling of power, generated by rooftop power projects, it said. No cross-subsidy surcharges shall be levied in case of third-party sale by the solar power projects, an official statement said. The decision of the regulator comes in the wake of the changing trends in the field and keeping in view interest of all the stakeholders, it said. Earlier, the commission had fixed the power tariff for solar power projects to be commissioned between January 29, 2010 and January 28, 2012 vide its order issued in January last year.

Welspun Energy plans 500 MW wind energy farms in AP

Welspun Energy Ltd (WEL), part of the diversified \$3-billion Welspun Group, has inked an agreement with New and Renewable Energy Development Corporation of Andhra Pradesh (NREDCAP), with a proposal to install 500 MW of wind energy

capacity in the State.

Apart from Welspun, Suzlon Energy and Mytrah Energy have entered into agreements independently expressing their interest for setting up of wind power projects in the State.

WEL has a portfolio of 500 MW of renewable energy under different stages of development. The company was awarded a 50-MW solar plant stated to be the single largest location project under the Jawaharlal Nehru National Solar Mission (JNNSM).

Investment

According to the memorandum of understanding signed with NREDCAP, the nodal agency for renewable energy, it is proposed to complete the projects by the end of 2014, entailing an investment of Rs 3,000 crore. The State Government will be facilitate necessary permissions, approvals and clearances for the development of wind farms.

NREDCAP has taken up several wind mapping and wind monitoring projects with the support of Ministry of New and Renewable Energy and C-WET, Chennai, to identify windy sites. The State is looking to boost capacity to bridge the demand supply mismatch. According to the Ministry's report, the installed capacity of grid interactive wind energy in India by September 2011 was 14,989 MW. The gross potential of wind power is estimated to be 48,561 MW.

Global Advisors Limited ('GAL') is a management consulting firm operating in the corporate finance, management advisory and research space in India and provides a range of custom research and business intelligence services, including research outsourcing solutions.

Pallavi Goyal / Piyush Mathur

Global Advisors Limited

pallavigoyal@globaladvisors.in / piyushmathur@globaladvisors.in

If you do not want this mail, in future please click and respond to the mail [Unsubscribe](#)

The information given in this document has been compiled from data, which is already available in publicly accessible media and is meant for information purposes only. Global Advisors Limited has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information contained in this document.