

KARNATAKA ELECTRICITY REGULATORY COMMISSION

(Tariff Applicable to Bio-mass Projects using Air Cooled Condenser)

Order dated 16th September 2014, OP No.18/2013

Sl. No.	Description	Summary																																										
1.	Parameters for determining Tariff	<p>After considering the pleadings, the documents, suggestions/ views and comments received (from the Stakeholders) and the tariff parameters adopted in different states, the Commission decides the various parameters for sale of power, produced by Bio-Mass Projects Using Air Cooled Condensers as under:</p> <p style="text-align: center;">Financial Assumptions for Biomass</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr><td>Capital Cost/MW- Rs. Lakhs</td><td style="text-align: right;">580.00</td></tr> <tr><td>Debt: Equity</td><td style="text-align: right;">7030</td></tr> <tr><td>Debt-Rs. Lakhs</td><td style="text-align: right;">406.00</td></tr> <tr><td>Interest charges on Debt-%</td><td style="text-align: right;">12.50%</td></tr> <tr><td>Debt Repayment in Yrs.</td><td style="text-align: right;">10.00</td></tr> <tr><td>Tax for first 10 years</td><td style="text-align: right;">0.000</td></tr> <tr><td>Plant Load Factor (PLF)</td><td style="text-align: right;">75.00%</td></tr> <tr><td>Equity- Rs. lakhs</td><td style="text-align: right;">174.00</td></tr> <tr><td>ROE-%</td><td style="text-align: right;">16.00%</td></tr> <tr><td>Auxiliary Consumption</td><td style="text-align: right;">10.00%</td></tr> <tr><td>O & M Expenses on capital cost</td><td style="text-align: right;">4.00%</td></tr> <tr><td>O & M expenses in Rs. lakhs</td><td style="text-align: right;">23.20</td></tr> <tr><td>O & M Escalation p.a.</td><td style="text-align: right;">5.00%</td></tr> <tr><td>Working capital for 2 months in Rs. lakhs</td><td style="text-align: right;">50.73</td></tr> <tr><td>Interest on Working capital</td><td style="text-align: right;">13.25%</td></tr> <tr><td>Depreciation per year 7.00%</td><td style="text-align: right;">7.00%</td></tr> <tr><td>Fuel cost in Rs./Ton</td><td style="text-align: right;">2000.00</td></tr> <tr><td>Fuel Cost escalation</td><td style="text-align: right;">5.00%</td></tr> <tr><td>Fuel Consumption kWh</td><td style="text-align: right;">1.18</td></tr> <tr><td>Calorific Value of Fuel Kcal/kg.</td><td style="text-align: right;">3300</td></tr> <tr><td>Station Heat Rate KCal/kWh</td><td style="text-align: right;">3900</td></tr> </tbody> </table>	Capital Cost/MW- Rs. Lakhs	580.00	Debt: Equity	7030	Debt-Rs. Lakhs	406.00	Interest charges on Debt-%	12.50%	Debt Repayment in Yrs.	10.00	Tax for first 10 years	0.000	Plant Load Factor (PLF)	75.00%	Equity- Rs. lakhs	174.00	ROE-%	16.00%	Auxiliary Consumption	10.00%	O & M Expenses on capital cost	4.00%	O & M expenses in Rs. lakhs	23.20	O & M Escalation p.a.	5.00%	Working capital for 2 months in Rs. lakhs	50.73	Interest on Working capital	13.25%	Depreciation per year 7.00%	7.00%	Fuel cost in Rs./Ton	2000.00	Fuel Cost escalation	5.00%	Fuel Consumption kWh	1.18	Calorific Value of Fuel Kcal/kg.	3300	Station Heat Rate KCal/kWh	3900
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2	Approved Tariff	<p>Based on the above, tariff parameters approved by the Commission, the Commission approves the following tariff for Air cooled Condenser based Bio-mass Projects with the yearwise tariff indicated below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Tariff Rs./Unit</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1st year</td><td style="text-align: right;">5.15</td></tr> <tr><td style="text-align: center;">2nd year</td><td style="text-align: right;">5.21</td></tr> <tr><td style="text-align: center;">3rd year</td><td style="text-align: right;">5.29</td></tr> <tr><td style="text-align: center;">4th year</td><td style="text-align: right;">5.37</td></tr> <tr><td style="text-align: center;">5th year</td><td style="text-align: right;">5.46</td></tr> <tr><td style="text-align: center;">6th year</td><td style="text-align: right;">5.55</td></tr> <tr><td style="text-align: center;">7th year</td><td style="text-align: right;">5.66</td></tr> <tr><td style="text-align: center;">8th year</td><td style="text-align: right;">5.78</td></tr> <tr><td style="text-align: center;">9th year</td><td style="text-align: right;">5.90</td></tr> <tr><td style="text-align: center;">10th year</td><td style="text-align: right;">6.04</td></tr> </tbody> </table>	Year	Tariff Rs./Unit	1st year	5.15	2nd year	5.21	3rd year	5.29	4th year	5.37	5th year	5.46	6th year	5.55	7th year	5.66	8th year	5.78	9th year	5.90	10th year	6.04																				
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3	Applicability of the Order	The above tariff shall be applicable to all Biomass based power projects using air cooled condensers achieving commercial operation in the period from 01-04-2014 to 31-03-2018																																										