

KARNATAKA ELECTRICITY REGULATORY COMMISSION**(Tariff for Wind Power projects)****Order dated 10 October 2013, OP NO.19/2012**

Sl. No.	Description	Summary
1	Curtailement of Control period of Wind Power Projects and determination of preferential tariff for future Wind Energy Projects.	<p>(i) The petitioners had filed petitions for (a) Curtailement of control period tariff of 5 years from 1-1-2010 to 31-12-2014 fixed in the Commissioners tariff order dated 11-12-2009 to 27 months from 1-1-2010 to 31-3-2012 in respect of Wind Power projects and (b) determination of preferential tariff for future Wind Energy Projects commissioned after 31-3-2012</p> <p>(ii) The Commission by order dated 11-2-2009 determined the tariff for Wind Energy at Rs. 3.70 per unit. In the same order the Commission had also determined tariff for other Renewable Sources of energy which was made applicable to all RE projects which enter into PPAs with Distribution Licensees on or after 1-1-2010 and within the control period of 5 years.</p>
2	Operational and Financial parameters	<p>The following operational and financial parameters have been considered while determining wind power tariff under the cost plus approach.</p> <p>(a) Capital cost including evacuation system cost – Rs. 5.60 crores per MW inclusive of evacuation cost of Rs. 10 lakh per MW</p> <p>(b) CUF, Capacity Utilization Factor – 26.5%</p> <p>(c) Debt Equity Ratio – 70:30</p> <p>(d) Interest on term loan – 12.3%</p> <p>(e) Depreciation – 5.83% for first 12 years</p> <p>(f) Return on Equity – 16%, post tax</p> <p>(g) Operation and maintenance charges – 1.25% of Capital Cost with 5% escalation annually</p> <p>(h) Interest on Working Capital – 13%</p> <p>(i) Auxiliary consumption – 0.5%</p>
3	Tariff	<p>The Commission determines tariff for wind projects at Rs. 4.20/ unit without any escalation for the period of PPA and the same shall be applicable to all PPAs signed during the period of 5 years from the date of order. The order of the Commission dated 11-12-2009 in so far it relates to tariff for Wind Power Projects stands suppressed with immediate effect.</p>