

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
HYDERABAD**

Order Dated 26-03-2016

IN

O.P.No.13 of 2016

(SUO - MOTU)

Present: Sri Justice G. Bhavani Prasad, Chairman

Dr. P. Raghu, Member

Sri P. Rama Mohan, Member

In the matter of notifying the generic preferential tariff applicable from 01-04-2016 to 31-03-2017 in respect of Wind Power Projects in the State of Andhra Pradesh pursuant to Regulation 6 of Regulation 1 of 2015

The Commission has issued the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulation, 2015 and notified on 31-07-2015.

As per the Regulation 6 of Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulation, 2015, the Commission shall notify the generic preferential tariff on *suo-motu* basis at the beginning of the each year of the tariff period for the wind power projects for which norms have been specified under the Regulation.

Accordingly, the parameters taken into consideration as per the Regulation 1 of 2015 for determination of tariff are as hereunder:

Sl.No.	Parameter	Value
1.	Tariff Period	25 years
2.	Useful Life	25 years
3.	Capital Cost	Rs.600.9 Lakhs/MW (including evacuation cost)
4.	O & M Expenses	Rs.9.06 Lakhs
5.	O&M Expenses' Escalation	5.72 % p.a.
6.	Depreciation for the First 10 years	7% p.a.
7.	Depreciation for the remaining useful life of the plant	1.33% p.a.
8.	Capacity Utilization Factor	23.5 %
9.	Return on Equity	16%
10.	Interest Cost on Debt	12.76%
11.	Tenure of Loan	10 years
12.	Interest on Working Capital	13.26%
13.	Debt Equity Ratio	70:30
14.	Discount Rate	10.64

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Based on the above parameters and considering the useful life of the Wind power Plant as 25 years, the levelised generic preferential tariff works out to Rs.4.84 per unit without considering the Accelerated Depreciation and Rs.4.25 per unit with Accelerated Depreciation as tabulated below.

Tariff without AD Benefit	Tariff with AD Benefit
4.84	4.25

The above tariff shall be applicable for all the new Wind Power Projects entering into Power Purchase Agreements (PPA's) with AP Discoms on or after 01-04-2016.

Sd/-
(P. RAMA MOHAN)
MEMBER

(on leave)
(Dr. P. RAGHU)
MEMBER

Sd/-
(JUSTICE G. BHAVANI PRASAD)
CHAIRMAN