

Enercon dismantling windmills

OUR REGIONAL BUREAU
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Enercon India Limited, the subsidiary of a German company, has started removing its 23 windmills set up in Kurnool district with a capacity of 18.4 mega watt.

The reason: The APTransco's refusal to enter into a power purchase agreement (PPA) despite a prolonged persuasion and free supply of power to the state power utility by the company for more than a year.

Sources in the company confirmed their decision of dismantling the windmills and the infrastructure built to support as many as 85 windmills, including a 132/33 kv substation built for evacuation of power but refused to comment any further.

The company, according to the sources, has invested about Rs 40 crore in infrastructure alone and the total investment went into the project is over Rs 110 crore.

"We are just bleeding now," an official of the company remarked wryly.

Officials in the Non-conventional Energy Development Corporation of Andhra Pradesh (Nedcap) said that the state power utility had refused to sign a PPA with Enercon even after the company expressed its readiness for a 20-year PPA at a fixed negotiated price that was lower than the per unit price of Rs 3.37 fixed by the AP Electricity Regulatory Commission (Aperc).

With Aperc terming the bulk tariff of wind power as the upper ceiling, the state power utility is understood to have asked the companies to reduce the tariff to as low as Rs 2.70 paise a unit as a precondition for entering into any purchase agreement, according to them.

But, many developers say that the price will not work out for windmills, which normally run at a very low plant load factor.

When contacted, officials in the APTransco refused to comment on the issue, including the forced migration of a wind power company after investing so much money in the

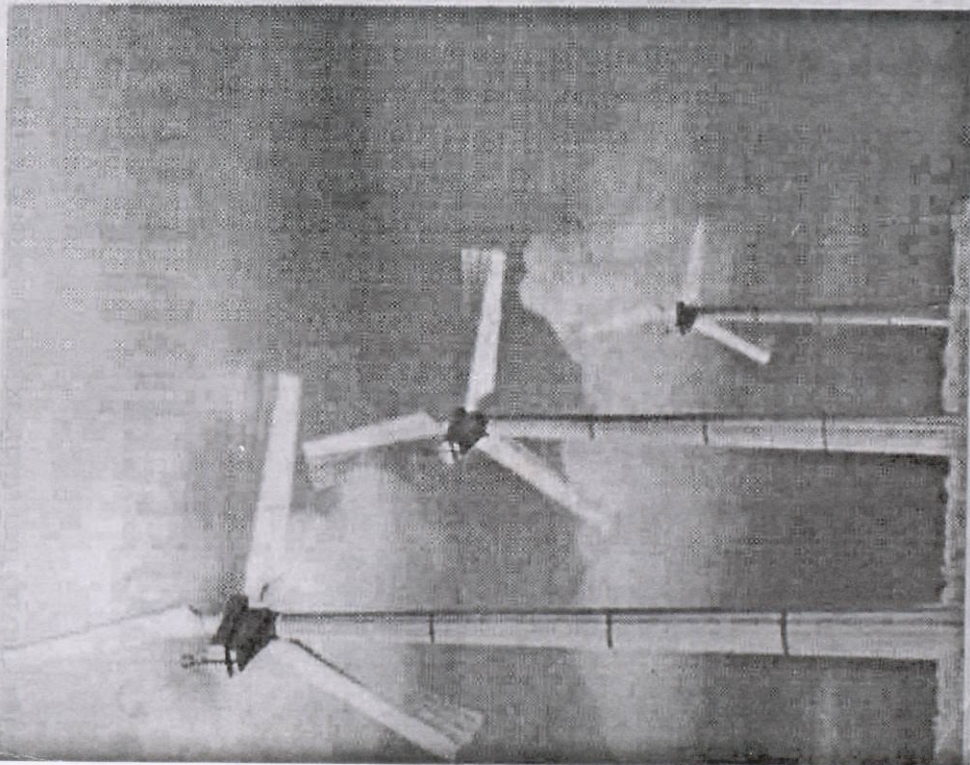
project.

The company has been supplying power generated at its wind power project at Kurnool district to APTransco since March 2005, but the power utility did not make any payment citing the absence of any written agreement.

Though Andhra has a potential of more than 1000 mega watt wind power, it has not crossed more than 100 mw so far while the late starters in the sector like Maharashtra, Rajasthan and Tamil Nadu have built a huge capacity, according to Nedcap officials who said the bulk tariff fixed for wind power in Karnataka, Maharashtra and some other states was much higher compared to the price indicated by Aperc in the state.

While it is learnt that the Enercon is shifting all the 23 windmills to Karnataka, officials of the company refused to divulge their next plan.

"We are moving them outside the state," a company official told *Business Standard*.



APTransco's refusal to enter into a PPA has led the company to remove its 23 windmills set up at a cost of Rs 110 crore in Kurnool