

Fersa – India

Market Perspectives

1. Fersa Projects - India



- Presence in India since year 2008.
- Currently with three operating wind farms, for a total installed capacity of 101.6 MW.



	EN Wind Power Private Ltd	ER Renewable Energy Ltd.	Generación Eólica India Ltd.
W.F. Name	Bhakrani	Hanumanhatti	Gadag
Inst. Capacity	20 MW	50.40 MW	31.20 MW
Turbines	Enercon E53	Enercon E53	Enercon E53
Operation since	Apr-2014	Apr-2011	Oct-2008
Lender	IREDA	IREDA	IREDA
Location	Rajasthan	Karnataka	Karnataka
Phase	Under operation	Under operation	Under operation

1. Energy market overview



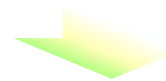
Energy Sector

Conventional

- Fossil fuels (Coal, Gas, Oil) still represents the primary source of energy (67%).

Renewable

- No representative within the countries global demand.
- High growth in the last decade.
- India occupies the 5th place in the world ranking of renewable energy (wind).



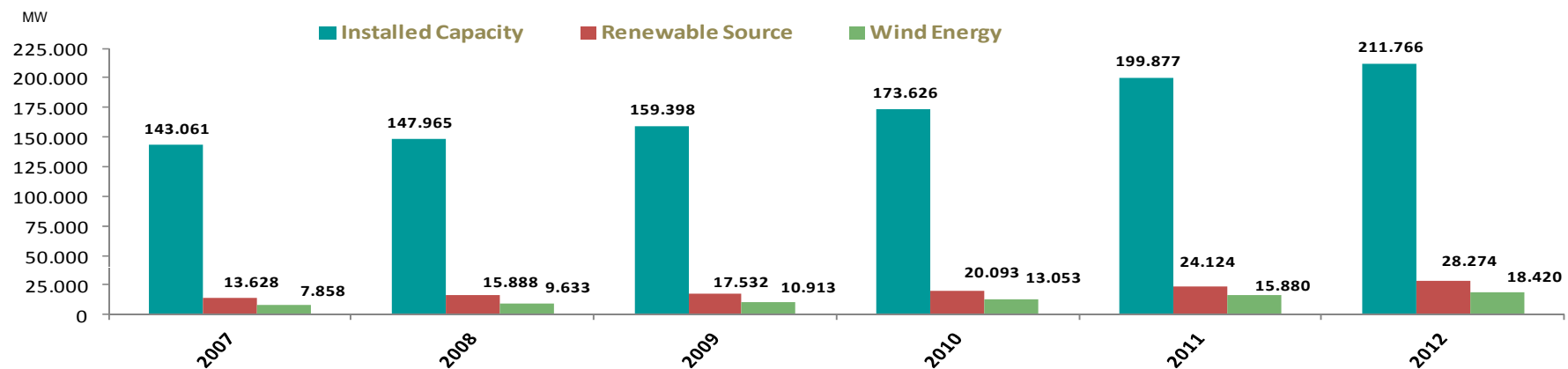
Renewable energy capacity potential estimated at 89 GW

1. Energy market overview



Electricity Sector

- Wind power installed capacity has grown steadily to the current 18.4 GW.
- Up to march 2012, renewable energy represented 13.3% of the total installed capacity for electric generation.
- The objective of the “12th Plan Period (April 2012 – March 2017)” is to reach a target of 17.12% (approx. 15 GW in new capacity additions) of the total installed generation capacity of electricity to be supplied from renewable source.



3. Key factors



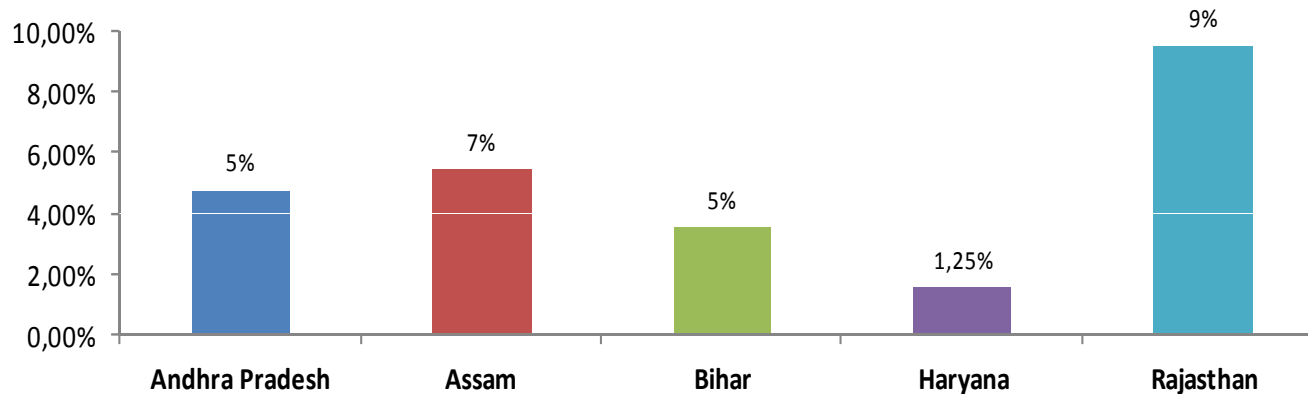
Electricity Market – Regulatory Framework

➤ The regulation is established at federal (Electricity act. 2003 and further amendments) and state level, setting the obligation to purchase energy generated from renewable sources and applicable rates according to each state.

Main Actors

▪ MNRE / CERC / SERC / DISCOM / IREDA

▪ Distribution by states of the renewable purchase obligation (RPO - 2014), p.a.:



* Source: Ministry of Statistics and Programme Implementation Government of India / Ministry of New and Renewable Energy / Central Electricity Authority of India / Global Wind Energy Council / Bloomberg New Energy Finance.

3. Key factors



Electricity Market - Incentives

Regulatory

- ✓ Feed-in tariff for renewable energy installations in 13 states.
- ✓ Generation based incentive (GBI) for wind projects between 7-10 years (2012-2017).
 - Wind energy : INR 0.50 per KWh.
- ✓ Clean development mechanism (CDM), for periods between 10 – 21 years.
- ✓ RECs + APFC in case of projects with no PPA and for the entire useful life (demand risk).
 - Minimum price INR 1,500 and Cap of INR 3,900 / MWh, fixed up to year 2017.

Tax

- ✓ Foreign direct investment (FDI) in renewable sector allowed under automatic route.
- ✓ 10-year tax holiday “Income tax” for renewable energy plants with COD up to March 31st, 2014.
- ✓ Reduced VAT level from 12.5% to 5.5% in some states.
- ✓ Dividend tax at 16.2225%.

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