

600 MW K'taka solar projects stuck over new wheeling, transmission charges

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A TOTAL OF 600 MW solar power projects, set up with investment of Rs 2,500 crore under the open access scheme, in Karnataka have come under severe stress after the state electricity regulator last month increased wheeling and transmission charges retrospectively.

As per the new order from the Karnataka SERC, dated May 14, developers will have to pay 13 paise/unit as transmission charge at 25% of current charge of 51.09 paise/unit for conventional power producers. These charges were exempted for 10 years from the date of commissioning for open access projects.

The wheeling charges levied by various discoms in Karnataka vary between 57 paise per unit and 94 paise per unit for conventional (thermal) power producers. Now, solar power developers under open access will have to pay 25% of this as wheeling charge.

The open access policy

allows solar power generators to directly supply power to consumers, mostly corporates, instead of supplying to discoms.

According to people close to the development, investments have got stuck for developers such as CleanMax Solar, Azure Power, Shapoorji Pallonji Group, and Golden Group with clients asking for renegotiation of contracts, since they entered into contracts at much lower tariff. According to industry estimates, setting up a 1 MW solar power plant costs between Rs 4 crore/MW and Rs 4.5 crore/MW, while levelled cost of tariff is between Rs 2.6/unit and Rs 3/unit.

Gajanan Nabar, managing director of CleanMax Solar, told FE that the company, along with other developers, has approached the court and obtained a stay order on the latest charges.

Animesh Damani, managing partner of Artha Energy Resources, said since the state discoms made retrospective amendments to open access charges, thousands of crores of investments are put in question.