

Comment 1

11-09-07 5:12am

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I have gone through the PDD. From my perspective it is difficult to acknowledge the validity of CEA figures as no formula is provided to enable an assessment of their accuracy. To use these values within a PDD is a blind acceptance of their correctness.

Comment 2

27-09-07 12:27pm

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Comments:

1. The PP/consultant has mentioned state-of-art technology being implemented for execution of this project. The installations of 0.35 MW and 1.25 MW have been carried out in the bundled CDM project.

The definition of state-of-art is "is the highest level of development, as of a device, technique, or scientific field, achieved at a particular time"

The DOE will agree that the EPC contractor for this project as well as other players in the market (NEG-Micon) – now Vestas are manufacturing wind machines of larger capacities. Thus the machines used for subject project cannot be called as state-of-art

2. Senergy Global has been acting as project participant for this project, whereas the same company has registered 2 other projects in the same area in last 2 years. Could the DOE please check the debundling issues because the other two registered projects are also of small scale

3. Regulatory Barriers: The wind energy projects are presently out of competitive bidding and thus the state electricity regulatory commissions cannot have availability based tariff for this project. The DOE may check the notification of the federal / state government pertaining to competitive bidding / ABT and if this has been implemented in any of the states in India. Since the PPA executed between the machine owners and the state electricity utility clearly states a confirmed procurement at higher tariff than pool procurement price, there is no way that the tariff may be reworked now.

4. On page no. 12 of the PDD, an exhaustive table has been given which details the expected generation / PLF & actual generation from the project. The table in its own capacity has many contradictions

A) why different investors have assumed different PLFs and if PLFs upto 25.6% were assumed; this means the financial analysis must have been carried out using these values prior to placing purchase orders with EPC contractor. The DOE may check Return on Equity at such PLFs and if the numbers are in excess of the benchmark set out by state electricity regulatory commission. The project is not eligible for additional revenue under present Kyoto regime

B) What is the basis of 22% PLF which is mentioned just above the table. If there are any basis of assuming 22%, the same should be stated and ROE should be calculated.

C) The average expected PLF is written as 23.5%, which again creates confusion.

The actual generation of the project / actual PLF which is stated in the last column of the table is a post facto situation and the data was certainly not at the disposal of investor prior to implementation of project and thus they are not the basis of investment decision.

The DOE may see the sanctity of such arguments.

5. The alternative proposed to the project activity – thermal power station based on conventional fuel with a PLF in excess of 70%.

This being a bundled project (where individual investment decisions were taken at different times – can be cross checked through the purchase orders) with installations as small as 0.35 MW at about 22% PLF (stated in the PDD). Thus for equivalent generation the conventional fuel based plant would be of a capacity of $(0.35 * 22/70) = 0.11$ MW or 110 kW. For 1.25 MW machines, the number would be about 390 kW

I think for such small capacities the only available conventional fuel based alternative is diesel genset. The cost of generation in such case would be about Rs 5.50 /kWh to Rs 6.00/kWh. The cost of generation of wind project is certainly less than this, and by default it becomes the most profitable option for investment and thus becomes baseline.

The DOE may take a decision if a baseline project is eligible for CDM revenue?

6. Inadequate resources and financial constraints: The PP/consultant is contradicting his own arguments. Conventional fuel based power generation was portrayed as viable alternative and now it is stated that coal is not available. Again an absurd statement, just to fill pages.