

Sector	Project Title
New & Renewable Energy	Wind Farm Project

Project Description

India is among leading energy consumers in the world, accounting for 4.1% of global energy consumption (2007 data). Energy requirement of the country stood at 830594 MU during 2009-10. The demand for energy has grown at an average of 3.6% per annum over the past 30 years and an energy shortage of around 10-12% anticipated during 2010-11 in the country

Details of estimated renewable energy potential and cumulative achievement under different programmes as on 31.12.2009 are given as follows:



- a. For grid-interactive renewable power

Programmes/ Systems	Estimated Potential	Cumulative Achievement
Biomass Power	16881 MW	829.50 MW
Wind Power	45195 MW	10925 MW
Small Hydro Power	15000 MW	2558.92 MW
Cogeneration-Bagasse	5000 MW	1308 MW
Waste to Energy	2700 MW	65.01 MW
Solar Power	50 MW / sq. km.	9.13 MW

- b. For Off-grid/ distributed renewable power including captive / CHP plants

Programmes/ Systems	Cumulative Achievement
Biomass Power / Cogeneration (Non-Bagasse)	238.17 MW
Biomass Gasifier	125.44 MW eq.
Waste to Energy	52.72 MW eq.
Solar PV Power Plants	2.92 MW
Aero-Generators/ Hybrid Systems	1.07 MW

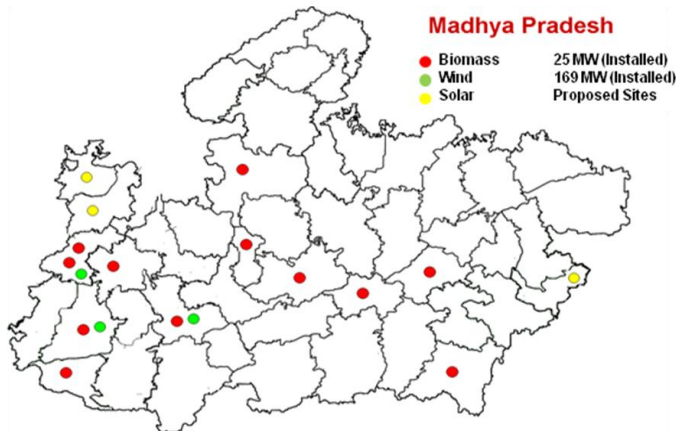
Gross potential of the state of Madhya Pradesh for power generation from wind energy is 5500 MW. The present installed capacity for wind power is about 169 MW and other technically proven sites have a cumulative potential to generate 1200 MW of energy.

In order to utilise the current and future opportunities in power generation from renewable sources, the project envisages to set up a wind farm in the state of Madhya Pradesh.

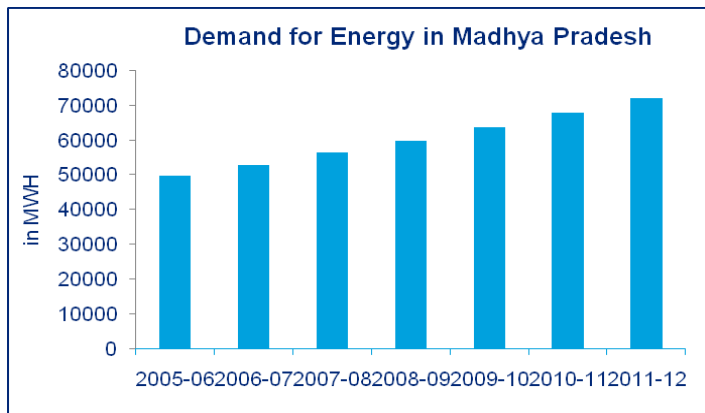
Project's Value Proposition

The state has signed two MoUs with WEG Manufacturer & Power Developers for developing 400 MW of wind energy projects. Other projects in pipeline for installation of wind power systems are worth 800 MW of capacity. The State also plans to install new wind monitoring stations – 5 sites (MNRE/C-WET), 20 sites (Private wind monitoring).

The project will help utilize the high renewable energy potential of the state of Madhya Pradesh. Following is an illustration of the installed and proposed energy projects in the state.



The project will also help cater to the increasing energy demands of the state.



MP's value proposition

Madhya Pradesh is ideally suited to house this project on account of the following reasons:

State's wind energy potential

- There are several sites in the state which provide favourable climatic conditions for wind energy projects.

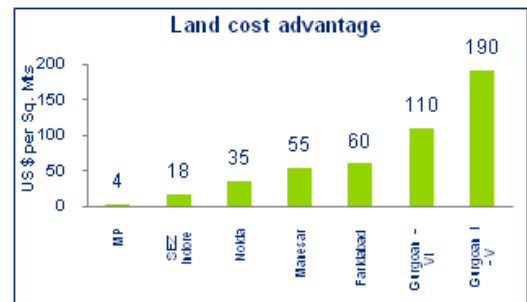
- Following is an illustration of the potential sites in M.P. for wind power generation

POTENTIAL SITES OF WIND POWER GENERATION



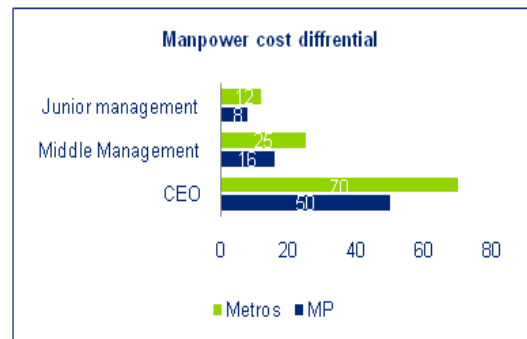
Land cost advantage

- MP offers cheap land cost in comparison to other developed industry centres



Man Power Cost Advantage & peaceful labour environment

- Number of engineering & technical graduates passing out every year
- Cost to a company for human resources is cheaper by 30-35% in the State
- Greater saving potential for the executive levels on account of cheaper land, cheaper housing and cheaper labour
- Man days lost over last 5 years < 1% of total available man days
- One of the most peaceful and labour productive State



Policy Initiatives by MP state Government

- First right to develop wind farm will be given to the same party surrounding 5 km of mast to founder of site
- Industrial investment promotion assistance – 50 to 75% of commercial tax for 4-5 years
- 5 year electricity duty exemption on captive power generation
- For thrust sector industries, 25% capital subsidy
- Concessional registration charges and stamp duty exemption for term loans
- Interest subsidy of 3-5% on term loan for 5-7 years
- Land on 75% concessional rate for mega projects
- Govt. (non forest) Land use permission @ Rs. 1/-(token) premium per year

- Entry tax exemption for 5 years
- Projects Reports Cost Reimbursement Scheme
- Subsidy on ISO Certification, Patent Registration & Technology Acquisition
- VGF funding of upto 40% (20% GoI + additional 20% GoMP)
- Carbon credit related financial benefits directly given to the investor
- Banking of generated power in each financial year at minimal charges (2%)

Project Specification

The proposed project will have the following specifications:

- Location: The wind farm can be located in one of the identified districts with good wind potential i.e. Dewas, Dhar, Betul, Shajapur, Ratlam, Mandisor, Neemach, Badwani.
- Capacity: Approx. 8.3 million units per year are proposed to be set up for 5.88 MW of power generation
- Project Cost: Major components of the project and their estimated costs are presented in the table below:

Particulars	Amount (INR in Millions)
Land	100.00
Building	10.00
Plant & machinery	250.00
Misc. Fixed assets/furniture fixtures	-
Contingencies	50.00
Pre-operative expenses	16.00
Margin money for working capital	-
Total	426.00

- Returns: Internal rate of return is estimated at 13-15%.

Project Contacts

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