

'Falling Rupee may Make Wind Projects Unviable'

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India's weakening rupee threatens to make wind projects unviable because it's pushing up the cost of imported components, according to CLP Holdings, the largest developer of wind farms in the South Asian nation.

"If the rupee isn't reined in, there'll be a lot of difficulty putting together viable projects," Mahesh Makhija, director of renewables at CLP's Indian unit, said.

The currency has slid 8.7% this quarter, the worst performance among Asian currencies, adding to the woes of the third-largest wind market where installations are forecast to drop more than 30% this year. In response to high-

er import costs, turbine suppliers have had to raise prices by 2% to 3% in the last few months, Makhija said.

Growth is set to stall in India, a major turbine market for suppliers like Suzlon Energy and Gamesa Corp Tecnologica, after the government ended two wind-industry incentives at the end of March. Installations this year could plunge by as much as a third to 2,000 megawatts if the incentives aren't reinstated, according to estimates by Bloomberg New Energy Finance and CLP.

CLP, Hong Kong's biggest electricity supplier with power assets across Asia, is focussing new investments in India on renewable projects after experiencing fuel shortages at its coal and gas-fired plants.

Link : <http://www.bloomberg.com/news/2012-06-18/indian-wind-developments-threatened-by-weakening-rupee-clp-says.html>