

# Falling rupee cripples wind power projects

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Mumbai

**INDIA'S WEAKENING** rupee threatens to make wind projects unviable because it's pushing up the cost of imported components, according to CLP Holdings Ltd, 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," said Mahesh Makhija, Director of renewables at CLP's Indian unit.

The currency has slid 8.7 percent 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 percent this year.

"In response to higher import costs, turbine suppliers have had to raise prices by 2-3 percent in the last few months," Makhija added.

Growth is set to stall in India, a major turbine market for suppliers like Suzlon Energy Ltd and Gamesa Corp Tecnologica SA, after the government ended two wind-industry incentives at the end of March.

CLP, Hong Kong's biggest

## DWINDLING TALES

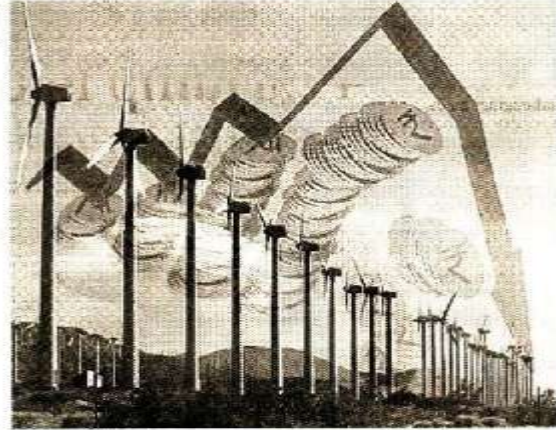
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electricity supplier with power assets across Asia, is focusing on new investments in India on renewable projects after experiencing fuel shortages at its coal and gas-fired plants.

The company completed a 1,320 megawatt coal plant in Haryana in April. The facility is 'dead cold' for lack of coal supplies, said Naveen Munjal, Director of business development.



TECHNOLOGY

Its 655 megawatt gas-fired plant in Gujarat state is also running below 50 percent capacity due to a fuel shortfall, he added.

India's coal output, dominated by government-run Coal India Ltd, has failed to meet demand, stalling \$36 billion of investment intended for new thermal power capacity. The nation's gas pipeline shortage constrains delivery of the fuel to power and fertiliser producers.

"For any new investments, the fuel will have to be within our

control," Munjal said. CLP would consider a new power project that comes with its own coal mine, for example, he said. Meanwhile, CLP plans its first solar investment in India by the end of the year.

The company will build a 15 megawatt photovoltaic plant at the site of one of its existing coal or gas power stations. The project will most likely use thin-film panels though a supplier hasn't been selected yet, Makhija concluded.

—Bloomberg