

2.1 Form Template for Biomass Power Projects- Andhra Pradesh

S. No.	Assumption Head	Sub-Head	Sub-Head (2)	Unit	Assumptions
1	Power Generation	Capacity	Installed Power Generation Capacity	MW	1
			Auxillary Consumption during stabilisation	%	10%
			Auxillary Consumption after stabilisation	%	10%
			PLF(Stabilization for 6 months)	%	60%
			PLF(during first year after Stabilization)	%	70%
			PLF(second year onwards)	%	80%
			Useful Life	Years	20
2	Project Cost	Capital Cost/MW	Power Plant Cost	Rs Lacs/MW	450
3	Financial Assumptions	Debt: Equity	Debt	%	70%
			Equity	%	30%
			Total Debt Amount	Rs Lacs	315
			Total Equity Amount	Rs Lacs	135
			Debt Component	Loan Amount	Rs Lacs
		Moratorium Period	years	0	
		Repayment Period(incl'd Moratorium)	years	10	
		Interest Rate	%	14.29%	
		Equity Component	Equity amount	Rs Lacs	135
		Return on Equity for first 10 years	% p.a	19.00%	
		RoE Period	Year	10.00	
		Return on Equity after 10 years		24.00%	
		Weighted average of ROE		21.50%	
Discount Rate (equiv. to WACC)		16.45%			
4	Financial Assumptions	Fiscal Assumptions	Income Tax	%	33.99%
			MAT Rate (for first 10 years)	%	16.995%
			80 IA benefits	Yes/No	Yes
		Depreciation	Depreciation Rate(power plant)	%	7.00%
			Depreciation Rate 11th year onwards	%	2.00%
Years for 7% depreciation rate		10.00			
5	Working Capital	For Fixed Charges	O&M Charges	Months	1
			Maintenance Spare	(% of O&M exepenses)	15%
			Receivables for Debtors	Months	2
			For Variable Charges		
			Biomass Stock	Months	4
Interest On Working Capital	%	13.79%			
6	Fuel Related Assumptions	Heat Rate	After Stabilisation period	Kcal/kwh	3800
			During Stabilization Period	Kcal/kwh	3800
		Biomass	Base Price(FY09-10)	Rs/T	1301
			GCV - Biomass	Kcal/kg	3275
			Biomass Price Escalation Factor		5%
7	Operation & Maintenance	power plant	Total O & M Expenses	Rs Lakh	20.25
			Escalation	%	5.72%
8	Generation and Sale Of Energy	Working Hours/Day	No. of Days	Hrs	24
			Total No. of Hours	Days	365
				Hrs	8760

2.2 Form Template for (Biomass Power Projects- Andhra Pradesh ) : Determination of Tariff Component

Units Generation	Unit	Year-->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Installed Capacity	MW		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Gross Generation	MU		5.69	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01
Auxiliary Consumption	MU		0.57	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Net Generation	MU		5.12	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31

Variable Cost	Unit	Year-->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Biomass Cost	Rs Lakh		85.95	111.08	116.63	122.46	128.59	135.02	141.77	148.86	156.30	164.11	172.32	180.94	189.98	199.48	209.46	219.93	230.93	242.47	254.60	267.33

Fixed Cost	Unit	Year-->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
O&M Expenses	Rs Lakh		20.25	21.41	22.63	23.93	25.30	26.74	28.27	29.89	31.60	33.41	35.32	37.34	39.47	41.73	44.12	46.64	49.31	52.13	55.11	58.27
Depreciation	Rs Lakh		31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50
Interest on term loan	Rs Lakh		42.76	38.26	33.76	29.26	24.76	20.26	15.75	11.25	6.75	2.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on working Ca	Rs Lakh		9.56	11.29	11.65	12.03	12.43	12.86	13.32	13.80	14.32	14.87	15.13	15.85	16.61	17.41	18.25	19.13	20.05	21.03	22.05	23.13
Return on Equity	Rs Lakh		25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65
<b>Total Fixed Cost</b>	<b>Rs Lakh</b>		<b>129.72</b>	<b>128.11</b>	<b>125.19</b>	<b>122.36</b>	<b>119.63</b>	<b>117.01</b>	<b>114.49</b>	<b>112.09</b>	<b>109.82</b>	<b>107.67</b>	<b>91.85</b>	<b>94.59</b>	<b>97.48</b>	<b>100.54</b>	<b>103.77</b>	<b>107.17</b>	<b>110.76</b>	<b>114.56</b>	<b>118.57</b>	<b>122.79</b>

Levillised tariff corresponding to Useful life

Per Unit Cost of Gene	Unit	Year-->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Variable COG	Rs /kWh		1.68	1.76	1.85	1.94	2.04	2.14	2.25	2.36	2.48	2.60	2.73	2.87	3.01	3.16	3.32	3.49	3.66	3.84	4.04	4.24
O&M expn	Rs /kWh		0.40	0.34	0.36	0.38	0.40	0.42	0.45	0.47	0.50	0.53	0.56	0.59	0.63	0.66	0.70	0.74	0.78	0.83	0.87	0.92
Depreciation	Rs /kWh		0.61	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Int. on term loan	Rs /kWh		0.83	0.61	0.54	0.46	0.39	0.32	0.25	0.18	0.11	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Int. on working capital	Rs/kWh		0.19	0.18	0.18	0.19	0.20	0.20	0.21	0.22	0.23	0.24	0.24	0.25	0.26	0.28	0.29	0.30	0.32	0.33	0.35	0.37
RoE	Rs /kWh		0.50	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
<b>Total COG</b>	<b>Rs/kWh</b>		<b>4.21</b>	<b>3.79</b>	<b>3.83</b>	<b>3.88</b>	<b>3.94</b>	<b>4.00</b>	<b>4.06</b>	<b>4.14</b>	<b>4.22</b>	<b>4.31</b>	<b>4.19</b>	<b>4.37</b>	<b>4.56</b>	<b>4.76</b>	<b>4.97</b>	<b>5.19</b>	<b>5.42</b>	<b>5.66</b>	<b>5.92</b>	<b>6.19</b>

Levillised Tariff	Unit	Year-->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Discount Factor			1	0.859	0.727	0.632	0.544	0.467	0.401	0.344	0.296	0.254	0.219	0.187	0.161	0.138	0.119	0.102	0.087	0.075	0.064	0.055
Variable Cost			113.3	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4	139.4
Fixed Cost			99.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6	122.6

Levillised Tariff (Vari)	2.21
Levillised Tariff (Fixe)	1.94
<b>Levillised Tariff</b>	<b>4.15 Rs/Unit</b>



**Determination of Accelerated Depreciation for Biomass Power Projects- Andhra Pradesh**

Depreciation amount	90%
Book Depreciation rate	5.28%
Tax Depreciation rate	80%
Income Tax (MAT)	#####
Income Tax (Normal Rates)	33.99%
Capital Cost	450.0

Years	Unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Book Depreciation	%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	0.24%	0.00%	0.00%
Book Depreciation	Rs Lakh	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	23.76	1.08	0.00	0.00

Accelerated Depreciation																							
Opening	%	100%	60%	12%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Allowed during the year	%	40%	48.00%	9.60%	1.92%	0.38%	0.08%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Closing	%	60%	12%	2.40%	0.48%	0.10%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Accelerated Deprn.	Rs Lakh	180.00	216.00	43.20	8.64	1.73	0.35	0.07	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Net Depreciation Benefit	Rs Lakh	156.24	192.24	19.44	-15.12	-22.03	-23.41	-23.69	-23.75	-23.76	-23.76	-23.76	-23.76	-23.76	-23.76	-23.76	-23.76	-23.76	-23.76	-1.08	0.00	0.00	
Tax Benefit	Rs Lakh	26.55	32.67	3.30	-2.57	-3.74	-3.98	-4.03	-4.04	-4.04	-4.04	-8.08	-8.08	-8.08	-8.08	-8.08	-8.08	-8.08	-8.08	-0.37	0.00	0.00	
Net Energy generation	MU	5.12	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31	6.31
Per unit benefit	Rs/Unit	0.52	0.52	0.05	-0.04	-0.06	-0.06	-0.06	-0.06	-0.06	-0.06	-0.13	-0.13	-0.13	-0.13	-0.13	-0.13	-0.13	-0.13	-0.01	0.00	0.00	
Discounting Factor		1.00	0.86	0.74	0.63	0.54	0.47	0.40	0.34	0.30	0.25	0.22	0.19	0.16	0.14	0.12	0.10	0.09	0.08	0.06	0.06	0.06	

<b>Levelling Benefit</b>	<b>0.10</b>	<b>Rs/Unit</b>
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