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Page: 3

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## Orient Green to add 95 MW in Q3

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Renewable energy company Orient Green Power Ltd will add 95 MW of capacity in the third quarter of the current financial year and another 50 MW in the fourth, the company's Managing Director, Mr P Krishnakumar, told *Business Line*. The October-December quarter will see the addition of 40 MW of wind and 55 MW of biomass capacity. The 50 MW of capacity proposed to be commissioned in the fourth quarter will all be wind, he said.

The Rs 225-crore Orient Green Power began the financial year with a capacity of 220 MW, of which 40 MW was biomass and the rest, wind. Thus far during the year, it has added 70 MW. Orient Green expects to end the year with a total capacity of 435 MW. The company, which came out with its IPO in September 2010, is still in the investment-mode and intends to add 200 MW in 2012-13 in Karnataka and Andhra Pradesh.

A significant development for Orient Green is that it recently got approval from Tamil Nadu's generation and distribution utility, TANGEDCO, for putting its 'group captive capacity' under the 'REC mechanism'.

Most of Orient Green's wind power is sold to 'group captive' consumers, who have at least 26 per cent in the subsidiaries that own the wind farms. There was a need for a clarification as to whether the power produced by such wind farms is eligible for benefits under the 'renewable energy certificate' mechanism. (Under the scheme, the power generator will get tradable RE certificates that are sold over the power exchanges to 'obligated entities'.)

Now, all the prospective capacity of Orient Green will be put under the REC mechanism. Mr Krishnakumar declined to give an estimate of how much the company would earn from selling RECs.

However, analysts who track Orient Green reckon that the company will earn around Rs 30 crore from both RECs and carbon trading. Of this, Rs 20 crore will come from RECs and the rest from selling 'certified emission reductions', or carbon credits.

Incidentally, the company has been recognising income from CERs in its books - something that the auditors are not happy about. However, income from RECs has never been taken as earned.