

Andhra Pradesh

GDP: **\$168.2bn**

Five-year economic growth rate: **4.1%**

Population: **88.5m**

Total clean energy investment, 2009-2014: **\$2.1bn**

Installed power capacity: **20.6GW**

Renewable share: **10.0%**

Total clean energy generation: **3.4TWh**

Top energy authority:

Energy Department, Government of Andhra Pradesh

INDIAN RANKING

2014

2015

OVERALL SCORE

2015

6

8

1.20

OVERVIEW

In 2014, the state of Andhra Pradesh was bifurcated to carve out the new state of Telangana. For Climatescope 2015, we have assessed both states as one – Andhra Pradesh – for uniform comparison with the previous year.

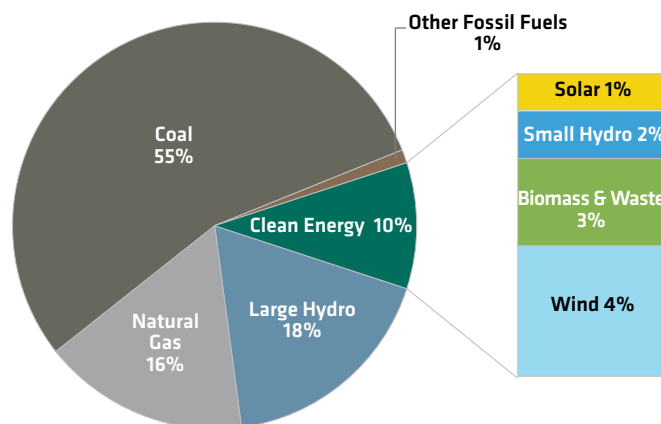
Of the total 20GW power-generating capacity on line in the state, 11GW is represented by coal. Renewables account for just 10% (2GW), mostly in the form of wind and biomass. The state's wind potential is far from tapped. With just 912MW commissioned today, there is substantial room for new projects.

New state and political uncertainties are creating new challenges to project development, however. Some wind farms in Andhra Pradesh have existing power purchase agreements signed with firms located in what is now Telangana and are facing hiccups as charges for wheeling power across the state line have not fully been determined. In an attempt to at least partially compensate for this, the states have raised the limit of accelerated depreciation claims allowed by 15% which results in a larger tax benefits for developers.

After the bifurcation, both new states have set very ambitious plans for adding solar capacity to address an existing power deficit. Combined, Andhra Pradesh and Telangana had 243MW on line at year-end 2014, up 350% increase from 2013 levels. Each state conducted a 500MW auction in 2014 that generated strong responses from developers and among the lowest priced offers to deliver clean power in the country. This capacity is under development currently. Both Telanagan and Andra Pradesh

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

20.6GW total installed capacity



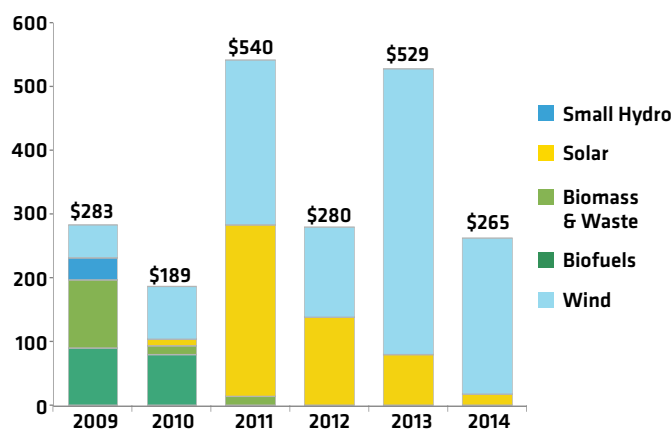
Source: Bloomberg New Energy Finance, Central Electricity Authority, Ministry of New and Renewable Energy, Southern Regional Power Committee
Note: Negligible values for oil & diesel cannot be graphically represented due to scale, see source data for the complete numbers.

have announced plans for a couple of GW solar auctions for 2015 including Telangana's 2GW.

NTPC, India's largest power generator, is seeking to develop 1.75GW of new solar capacity in the new Andhra Pradesh through various schemes.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2009-2014 (\$m)

\$2.1bn total cumulative investment



Source: Bloomberg New Energy Finance
Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

For further information, access www.global-climatescope.org/andhrapradesh