

Publication	Times Property (timesproperty.com)
Link	https://timesproperty.com/news/post/tamil-nadu-government-hikes-power-tariff-will-it-impact-homebuyers-blid3189
Date	20 October 2022

Tamil Nadu Government Hikes Power Tariff. Will It Impact Homebuyers?

Tamil Nadu increased the base rate for domestic electricity consumers from three per unit to 4.50 per unit. Will this see a rise in alternate avenues of generating power? Read on to find out

The Tamil Nadu Electricity Regulatory Commission (TNERC) has revised the tax rates with effect from September 10, 2022, despite solid resistance and opposition from various sectors causing concern among the Chennaiites. Many 'digital calculators' have cropped up to help city residents calculate what the new, expected amount could be; we take a look at how this will affect the choices of homebuyers in the city. Many developers have already begun to witness enquiries on alternative solutions that will help homeowners reduce their power bills. M Murali, chief managing director of a real estate company in the region says, "The increase in energy costs has prompted several homeowners in Chennai to explore alternate solutions to power their homes, thus giving a rise to demand for solar power. While solar power is a viable option, the technology however can only act as a supplementary avenue to the conventional power system in apartments since installing it would require a lot of space. Most gated communities have opted for solar-powered lighting in common areas, pathways, and parking areas.

However, to power an entire household only on solar power is difficult at the moment, but the technology is improving at an incredible pace, and we are hopeful that in the next few years, we will witness greater solar utility." Sivagurunathan, president, CREDAI Chennai, says, "In the last two years, we have seen that there are more concerns regarding budget, affordability, increased space, etc. when a homebuyer goes home-hunting. Even though it is early to predict the impact the increase in electricity bills will cause, the pinch on the pocket will indeed be seen only from October. I do not think that this hike will immediately cause a stir in homebuying trends and lead buyers towards projects with alternate power-producing options. I feel that the citizens will pay this hike for now, but if it keeps increasing, then a long-term alternative option would be sought. The problem with rooftop solar panels is that they require regular maintenance and routine checks. This could cause a problem to the residents, which is why we do not find a lot of takers for solar-powered projects, but again, we have to wait and watch." Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) has also announced that the power tariff would be hiked every year on July 1 from 2023-24 up until 2026-27 based on inflation for all the consumer categories.

Many residents feel that solar is still not developed enough for it to make a cheaper alternative; Padmaja J (55), a resident of South Central Chennai and a teacher says, "I feel that the government needs to tie up with private developers who can make solar more affordable to residents. A project that might have up to 500 apartments can be chosen and people in Chennai can give it a try as we are now very aware of the fact that this revision will be done every year. This increase might not pinch our pocket this year, but a few years down the line, this will become a big part of our monthly expense. There needs to be more awareness among developers and they must go back to the drawing board and ensure more sustainable designs. It's obvious that if they launch a project this year, by the time they hand the apartments over, the fare will be revised at least three times if not more."