

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.3038
ANSWERED ON 21.12.2023**

PRICE REGULATING POLICY FOR USE OF BIOMASS PELLETS

3038. SHRI DUSHYANT SINGH:

**Will the Minister of POWER
be pleased to state:**

- (a) whether the Government is taking steps to foster a more robust market for biomass pellets and help stabilize the volatile raw biomass prices, ensuring a secure supply of eco-friendly fuel for country's growing power needs;**
- (b) if so, the details of the price regulating policy for biomass pellets used for co-firing in thermal power plants; and**
- (c) the other steps being taken by the Government to establish a more organised and equitable renewable energy market in the country, creating a conducive environment for sustainable energy growth and investment?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) & (b) : With a view to promote and develop sustainable supply chain & at the same time to ensure faster procurement of biomass pellets for co-firing with coal in thermal power plants, the benchmark price for non-torrefied biomass pellets has been issued by Ministry of Power (MoP) on 23.08.2023 and 08.11.2023. The benchmark prices have been fixed as Rs 2.32, Rs 2.27 and Rs 2.24 per 1000 kcal (excluding GST & transportation cost from pellet manufacturing plant site to thermal power plant) for National Capital Region (NCR), Northern (excluding NCR) Region and Western Region respectively. This will also have a stability effect on the prices of raw biomass in the market.

(c) : The Government has taken a number of steps from time to time as per need to create a conducive environment for sustainable energy growth, investment and to establish a more organized and equitable renewable market in

the country. Some of these steps are enumerated under:

(i). Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 have been issued and the limit of open access has been reduced from 1 MW to 100 kW paving the way for small consumers for purchasing RE and there is no limit for Captive Consumers.

(ii). Electricity (Amendment) Rules, 2022 have been notified for implementation of “Uniform Renewable Energy Tariff for Central Pool”.

(iii). Ministry of Power vide order dated 12th April, 2022 issued the revised scheme for ‘Flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power’ with the objective of reducing dependence on fossil fuels, increasing RE capacity addition and increasing uptake of Renewable Energy by distribution licensees.

(iv). To promote the addition of renewable energy generation in the country, waiver of Inter-State Transmission (ISTS) charges has been provided for electricity generated from solar, wind, hydro-pumped storage projects (PSP), and Battery Energy Storage Systems (BESS) for a fixed duration.

(v). Government vide notification dated 20th Oct 2023 mandated all designated consumers, including electricity distribution licensees, captive users, and open-access consumers, to replace a specific portion of their electricity consumption with renewable energy sources, in accordance with the trajectory outlined in the notification.

(vi). Ministry of Power vide order dated 27th February 2023 has mandated that any coal/lignite-based thermal generating station commencing Commercial Operation on or after April 1, 2023, must establish renewable energy generating capacity equivalent to a minimum of forty percent (40%) of its thermal capacity or procure and supply renewable energy equivalent to such capacity as per the specified time lines.

(vii). The Government has introduced the Real-Time Market (RTM), Green Term Ahead Market (GTAM), and Green Day Ahead Market (GDAM) to accommodate a greater amount of renewable energy sources and to promote competition along with the deepening of the electricity markets.

(viii). The trajectory for Renewable Purchase Obligation (RPO) up to the year 2029-30 has been specified and penal provisions have been introduced for non-compliance under Energy Conservation Act, 2001. For RE procured beyond the obligation, tradable Renewable Energy Certificates can be issued.
