

Energy From Waste

6695. SHRI AYYANNA PATRUDU :
SHRI K.C. KONDAIAH :

Will the Minister of NON-CONVENTIONAL ENERGY SOURCES be pleased to state :

- (a) whether the Government propose to provide 50% of the project cost to set up a plant for generating energy from wastes;
- (b) if so, the guidelines in this regard;
- (c) whether a Seminar on energy from wastes was held in Ranchi during March, 1997;
- (d) if so, the outcome thereof;
- (e) whether any proposal is under consideration of the Union Government for setting up such plants;
- (f) if so, the details thereof; location-wise;
- (g) the quantum of wastes is required to generate one MW of electricity; and
- (h) the sources thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (CAPT. JAI NARAYAN PRASAD NISHAD) : (a) and (b) Yes, Sir. Govt. of India in the Ministry of Non-Conventional Energy Sources have launched a "National Programme on Energy Recovery from Urban, Municipal & Industrial Wastes", with provision of various fiscal and financial incentives. The financial incentives include an investment subsidy of 50% of the promoter's direct equity stake in the project, subject to a maximum of Rs. 1 crore/MW, for projects for generating energy from urban, and industrial wastes. Guidelines for Waste to Energy projects are given in the attached Statement.

(c) and (d) Yes, Sir. The Seminar has created awareness amongst policy planners, Urban Local Bodies/ State Nodal Agencies, project developers/promoters, financial institutions & NGOs, about the potential and possibilities of generating energy from wastes and about the programme of this Ministry on "Recovery of energy from Urban and Industrial Waste."

(e) and (f) A 5MW power generating plant from the garbage of Chennai City costing Rs. 19.0 crores has been sanctioned by the Ministry. One project of 0.5 MW from a landfill site at Lucknow costing Rs. 6.1 crores and another project of 2 MW power generation from biogas at SOM

Distillery, Bhopal costing Rs. 14.07 crores, have been received by the Ministry for consideration.

(g) and (h) Depending upon composition of wastes, about 100-150 tonnes per day of Urban & Municipal waste is required to generate one MW of electricity. Industries, Urban Local Bodies, Municipal Authorities are the main sources of such wastes.

Statement

Guidelines for Waste to Energy Projects

1. The eligible promoter intending to avail the incentives under this scheme may submit initial profile as per prescribed format to MNES for information.
2. The promoter is free to select the financial institution and interact directly with them for loan/ lease finance. If so desired by the promoter, a Letter of Intent with stipulated conditions, if any, could be issued by MNES to enable him to negotiate with the financial institution for the loan.
3. The responsibility for obtaining all clearances from the local bodies/statutory authorities, if any, will rest with the promoter.
4. The choice of technology, suited for specific wastes or mix of wastes and/or certification of its suitability shall be sole responsibility of the promoter/investor.
5. The appraisal of the draft proposal/TEFR/DPR as carried out by the leading Financial Institution will be acceptable to this Ministry and will be considered by the Ministry under this scheme subject to the availability of funds. This Ministry may also undertake such appraisal independently, in-house or by associating consultants, wherever felt necessary.
6. After the project details have been finalised and the funding pattern has been tied up with financial institution (s), the promoter will forward his request on the prescribed format for grant of incentive(s) applicable under the scheme. On receipt of such requests, the case will be processed by the Govt. reserving the right to reject/negotiate with the promoters and/or the financial institution(s) to further improve upon the financial pattern so proposed for according

sanction to provide incentives. This Ministry further reserves the right to constitute a Monitoring Committee to review/monitor the performance or nominate its representative on the Board/Governing Body of the promoter's/investor's company as may be deemed appropriate.

7. The MNES may consider extending benefits under this scheme even for other innovative projects on the subject by applying one or all the elements of indicative incentives available under this scheme depending on specific need, justification and replication aspects of such projects.

National Programme on Energy Recovery from Urban, Municipal & Industrial Wastes

1. Goals and Objectives

The overall goals/objectives of the programme includes :

- (a) creation of conducive conditions & environment, with fiscal and financial regime to help, promote, develop, demonstrate, disseminate utilisation of wastes for recovery of energy and resources.
- (b) help improve the Waste Management Practices through adoption of renewable energy technologies for processing and treatment of wastes prior to disposal.
- (c) promote setting up of project(s) on recovery of energy from Urban, Municipal & Industrial sectors, utilising the waste/waste mix of renewable nature.

2. Duration :

The duration of the aforesaid programme is up to 31st March, 1998.

3. Geographical Coverage :

It shall cover all States & Union Territories of India.

4. Eligibility :

(a) Promoters

Private and public sectors, entrepreneurs/investors including NRIs, ULBs, Institutions, associations, individuals or group of individuals, etc. financially sound to make promoter's equity contribution (satisfying the criteria of financial institutions) and possessing technical capability to implement projects with improved waste management systems, would be eligible under the programme.

(b) Wastes

Any waste or specific mix of waste(s) of renewable nature from Urban, Municipal & Industrial sectors other than bagasse, spent wash to gaseous fuel, etc. and wastes/residues, or its derivatives from conventional sources viz. Coal rejects, wood dust, dolochar, etc., is eligible to be utilised for energy recovery/power generation.

(c) Technologies

Any conversion technology like biomethanation, pelletisation, gasification, pyrolysis, incineration, sanitary landfilling etc. or their combination.

(d) Capacity

Waste to Energy in form : 15 TPD (output)
of Solid fuel

Waste to Energy in form : 50 cu.m/hour
of Gaseous fuel

Waste to Energy in form : 100 KWe.
of Electricity

Waste to Energy in : 100 Kwe. Equivalent
combined form

Note :

Some State Govts. Like U.P., M.P., T.N., Maharashtra & A.P. have also announced their policy guidelines for promoting Waste to Energy projects. The most attractive policy guidelines belong to UP which provide land on long term lease basis @ Rs. 1/- per sq.m./year, garbage free of cost at project site and power purchase @ Rs. 2.25/kwh.

National Programme on Energy Recovery from Urban, Municipal & Industrial Wastes

INCENTIVES

(a) Fiscal Incentives

- * Accelerated 100% depreciation.
- * Concessional custom duty on project import.
- * Wheeling, banking and third party sale of power (Minimum recommended rate for power being Rs. 2.25/unit with 5% escalation every year).
- * No excise duty on biogas generation from effluent treatment systems.

(b) Financial Incentives

Promoters

Interest Subsidy

- * Interest subsidy on the loan amount upto a maximum

of 10% on lending rate limited to Rs. 1 crore/MW payable on capitalised basis for the entire loan repayment period through the lead F1 to off-set the liability of the promoter.

Investment Subsidy

- * 50% of direct equity stack in the project cost limited to Rs. 1 crore/MW payable through the lead F1 or authorised/designated agency by MNES, in installments linked with progress.

For Site Clearance/Facilitations

- * @ Rs. 15.00 lakhs per MW equivalent to Municipal Corporations/Urban Local Bodies, subject to their coordinated actions for finalisation of all clearances/agreements with all concerned authorities for making land availability @ Rs. 1 per sq.m./annum for minimum lease period of 30 years, garbage availability free of cost at project site, power purchase/sale agreement payable upon commencement of the project work at site.
- * @ Rs. 5.00 lakhs per MW equivalent to state nodal agencies subject to their involvement in project generation/formulation/co-ordination/execution/evaluation, etc. payable upon commencement of the project work at site.

Financial Institution

- * A sum of 2% of the interest subsidy channelised through the lead F1, as services charges, payable to FIs/intermediaries subject to a maximum of Rs. 2.0 lakhs per project on reimbursement basis linked actual disbursement of loan amount.

For preparation of DPR/TEFR etc.

- * @ 50% of the cost subject to a maximum of Rs. 2.0 lakhs to MC/ULB only subject to prior approval of this Ministry

Financial support for Demonstration project :

- * Financial support up to 50% on cost sharing basis limited to Rs. 3 crores/MW for setting up innovative demonstration project(s) on emerging technologies/package subject to prior approval of this Ministry for only one project per waste sector and on a different/new/emerging technology (including up-gradation/up-scaling of indigenous technologies to near commercial scale).

Financial support for Energy Recovery at sewage Treatment Plants (STPs)

- * Subject to prior approval, cost sharing up to 50% of the incremental capital cost of power generation system at STPs.
- * Up to 100% funding for Resource Assessment Studies, if felt necessary.
- * Up to 100% for specific and innovative R&D projects sponsored to Leading/Premier Research & Tech. Institutions.

SEBs

- * As applicable for all other NRSE power projects (vide No. 3/23/95-CPG dated 26.10.95), SEBs are eligible for the following incentives for the waste to energy projects :
- * 25% of cost of equipment for inter-connection/evacuation facilities (max., Rs. 1.5 lakhs per MW of power evacuated).
- * Cash incentives for power fed in to the grid.

First 50 million units/year	– 5 p/unit
Next 100 million units/year	– 4 p/unit
Next 150 million units/year	– 3 p/unit

Investment in Europe

6696.SHRI P.R. DASMUNSI : Will the Minister of COMMERCE be pleased to state :

(a) whether the experts have pointed that entrepreneurs of export oriented units should invest in joint ventures and marketing in Europe in order to ensure that they are not marginalised due to tariff and non-tariff barriers;

(b) if so, whether this Ministry has also studied the UNCTAD report on Russian investments;

(c) if so, whether according to the report the European Union has become the country's largest trade partner and it is time for the Indian companies which consider EU as their target market set up bases there;

(d) if so, whether Report also states that the Government should not hinder firms which are keen to invest in any region including Europe and there is no harm in permitting foreign exchange outgo on this account;

(e) if so, the reaction of the Government in this regard; and