

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:2664
ANSWERED ON:11.03.2011
POWER FROM SUGARCANE WASTE
Rajendran Shri C.

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) the details of the power generated from sugarcane waste in the country, at present; and
- (b) the steps taken by the Government to incentivize the State Governments/ different sugar mills to set up power generation units?

Answer

THE MINISTER OF NEW AND RENEWABLE ENERGY (DR. FAROOQ ABDULLAH)

(a): A total surplus power generation capacity of 1603 MW based on sugarcane bagasse co-generation has been set up as on 31.01.2011 in the States of Andhra Pradesh, Bihar, Haryana, Karnataka, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and Uttrakhand.

(b): Ministry of New and Renewable Energy is implementing a programme for promotion of optimum co-generation from sugarcane bagasse in the sugar mills. The programme provides for Central Financial Assistance in the form of capital subsidy depending upon the capacity, technical specifications of the project as well as categories of sugarmills. Besides, fiscal incentives such as accelerated depreciation, excise duty exemption, concessional custom duty on equipment and components required for initial setting up of cogeneration projects, ten years tax holiday on income generated from bagasse cogeneration projects, loan from financial institutions including Indian Renewable Energy Development Agency (IREDA) and preferential tariff are also provided. Recently, Ministry of New and Renewable Energy has also started providing support for development of Build, Own, Operate, Transfer (BOOT) model projects to tap the untapped potential in cooperative sector sugar mills. Financial support is also provided for project development, capacity building, awareness raising and manpower training.