

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

UNSTARRED QUESTION NO:2900

ANSWERED ON:24.07.2009

POWER GENERATION FROM SUGARCANE WASTE

Ganpatrao Shri Jadhav Prataprao;Swamygowda Shri N Cheluvuraya Swamy

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

- (a) the details of power generated from sugarcane waste in the country at present;
- (b) whether the power generated from sugarcane waste is cheaper than hydro and thermal power;
- (c) if so, whether the Union Government proposes to direct the State Governments to set up projects in every sugar mill for power generation from the sugarcane waste; and
- (d) if so, the details thereof?

**Answer**

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

(a): A total surplus power generation capacity of 1134 MW based on sugarcane bagasse co-generation has been set up in the country as on 30.6.2009 in the States of Andhra Pradesh, Haryana, Karnataka, Maharashtra, Punjab, TamilNadu and Uttar Pradesh.

(b) The cost of power generation from sugarcane bagasse is in the range of Rs.2.5 to Rs.3.00/unit depending upon technical, financial and operating parameters and is generally comparable with costs for new conventional power projects depending upon the location, size and choice of fuel.

(c)&(d): Section 86 (1)(e) of the Electricity Act, 2003 has brought legal and regulatory framework applicable to renewable sector in the country. It provides for the State Electricity Regulatory Commissions to promote Cogeneration and generation of electricity from renewable sources of energy within their area of jurisdiction. The Ministry is implementing a programme for promotion of optimum surplus power from sugarcane bagasse cogeneration in the sugar mills. The programme provides for Central Financial Assistance in the form of capital subsidy for different sizes and types of cogeneration projects and for different categories of end users. Besides, fiscal incentives are provided 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 sugarcane bagasse cogeneration projects, loan from Indian Renewable Energy Development Agency (IREDA) and other financial institutions. This apart, preferential tariff is being provided for sale of power from sugarcane bagasse cogeneration projects in the potential states. Promotional incentives are also available for development of cogeneration projects, capacity building, awareness creation, training of sugar mill engineers etc. The Government of India is constantly encouraging the states to have cogeneration in sugar mills.