

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

UNSTARRED QUESTION NO:1525
ANSWERED ON:27.11.2009
POWER GENERATION FROM BAGASSE
Reddy Shri Anantha Venkatarami

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

- (a) the quantum of power generated through the sugarcane bagasse co-generation projects in the country during the last three years and the current year, State/UT-wise;
- (b) the quantum of power estimated to be generated thereby in the country, State-wise in the Eleventh Five year Plan;
- (c) whether any assessment of the cost of the power generated through this source has been made;
- (d) if so, the details thereof;
- (e) whether any scheme has been formulated by the Government for the generation of power from this source; and
- (f) if so, the details thereof?

Answer

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

(a): A total surplus power generation capacity of 1240 MW has been installed in the country based on sugarcane bagasse cogeneration projects during the last three years and the current year viz. 2006-07, 2007-08, 2008-09 and 2009-10. State-wise information is given in Annexure.

(b): A target of adding 1200 MW from bagasse cogeneration project has been proposed for the 11th Five Year Plan period. Though state-wise targets has not been fixed, these projects will be set up in sugar producing states of Maharashtra, Uttar Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh, Bihar, Punjab, Haryana and Gujarat.

(c) & (d): The cost of power generation from bagasse based cogeneration project is in the range of Rs.3.0 to Rs.3.50/unit depending upon technical, financial and operating parameters.

(e) & (f): The Ministry is already implementing a scheme for promotion of surplus power generation through bagasse cogeneration in the sugar mills for supply to the grid. The scheme provides for Central Financial Assistance in the form of capital subsidy depending upon boiler configuration of projects in cooperative, public and private sector sugar mills. 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, soft loan from Sugar Development Fund, loan from Indian Renewable Energy Development Agency (IREDA), National Cooperative Development Corporation 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 organizing business/interaction meets and training programme for sugar mill engineers etc.

Annexure

Annexure referred to in reply to part (a) of the Lok Sabha Unstarred Question No. 1525 for 27th November, 2009 regarding Power Generation from Bagasse.

State-wise installed capacity of Bagasse Co-generation Project set up in country during the last three years and the current year viz. 2006-07, 2007-08, 2008-09 and 2009-10.

S.No. State Total Capacity (MW)

1. Andhra Pradesh 147.00
2. Haryana 2.00
3. Karnataka 247.00
4. Maharashtra 122.00
5. Punjab 24.00
6. Tamilnadu 234.00

7 Uttar Pradesh 464.00
Total 1240.00