

**Representation of Entrepreneurs of AP in the Non-Conventional
Energy Sector**

1377. SHRI V. HANUMANTHA RAO: Will the Minister of NON-CONVENTIONAL ENERGY SOURCES be pleased to state:

(a) whether it is a fact that entrepreneurs of Andhra Pradesh in the non-conventional energy sector have submitted representation to Government on the need for better encouragement from Government;

(b) if so, the details thereof;

(c) what steps Government are taking to address the concern of the entrepreneurs of Andhra Pradesh who have invested a huge sums in plants producing energy from non-conventional sources;

(d) whether any fact finding team has been sent to Andhra Pradesh; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (SHRI VILAS MUTTEMWAR): (a) and (b) A representation has been received from the Biomass Energy Developers Association, Hyderabad, in which mainly, the difficulties faced by biomass based power generation plants in Andhra Pradesh on account of the electricity purchase tariff policy of Andhra Pradesh Electricity Regulatory Commission, have been highlighted.

(c) to (e) Fixation of electricity purchase tariffs is under the purview of the State Electricity Regulatory Commissions. However, the Ministry has suggested to the State Government to set up an Expert Committee to go into the issue of fixation of normative values for various operation parameters of these projects. The Ministry has also sponsored a study to the Administrative Staff College of India to determine the socio-economic benefits of these projects. The data generated through these reports could be presented to the Regulatory Commission for consideration during fixation of tariff. A suggestion has also been made to the biomass power plants to appoint an expert agency which could provide technical assistance to them for reducing costs of operation by improvement in efficiency. The

Ministry could consider meeting a part of the cost of such agency. The Ministry also continues to interact with the Association for identification of measures which could further improve viability of operations.

Using rice husk as raw material in power plants

1378. SHRI V. HANUMANTHA RAO: Will the Minister of NON-CONVENTIONAL ENERGY SOURCES be pleased to state:

(a) whether it is a fact that Government encourages industry and entrepreneurs to venture into the non-conventional energy sector which uses rice husk as raw-material for power plants;

(b) if so, what are the incentives given for such plants;

(c) whether it is a fact that this kind of energy has given a boost to the rural economy;

(d) what steps are proposed to be take to encourage such power producers using rice husk as the basic raw material for their power plants; and

(e) the steps proposed to assist and give incentives for this purpose?

THE MINISTER OF STATE OF THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (SHRI VILAS MUTTEMWAR):

(a) Yes Sir. Biomass-based power generation plants including those based on rice husk are being promoted under the Ministry's Biomass Energy and Cogeneration Programme.

(b) The Ministry has been providing interest subsidy ranging from 2-3% to the eligible biomass-based power plants linked to the technology configuration employed. A proposal to provide capital subsidy to such projects instead of the interest subsidy has been approved recently. Such projects may also avail of other incentives announced by the Government such as tax holiday for power plants, accelerated rate of depreciation, concessional duties, etc., as may be applicable.

(c) Biomass-based power plants are expected to be beneficial to the rural economy on account of their potential for generation of employment and enhanced income for farmers.

(d) and (e) The Ministry continues to encourage biomass-based power plants wherever economically viable. A mix of promotional measures which