

Rice stubble based Rs 2500 crore projects to yield cleaner fuel, check pollution in North India

By Prashant Krar, ET Bureau | Dec 22, 2016, 06.36 PM IST

Rice stubble, a cause of air pollution due to open field burning, is set to catalyze investment of Rs 2400 crore in a string of biomass based energy projects and ethanol manufacturing facilities in Haryana and Punjab. While domestic oil marketing companies, Hindustan Petroleum Corporation BSE -0.43 % Limited and Indian Oil Corporation BSE -0.85 % Limited, are setting up bio-ethanol manufacturing facilities in Punjab and Haryana respectively, Germany based, bio fuel firm Verbio AG has proposed \$ 15 ..

The menace of burning of paddy stubble in fields is major cause of smog in winters in North. Due to ease and notion that it improves fertility, farmers resort to open field burning of paddy stubble in months of October and November in paddy growing areas.

The agrarian states are adopting multi-fold strategies to make use of paddy residue including power generation, production of ethanol and mulching in farms. In Punjab paddy stubble based power projects of capacity 180 MW have been allotted to firms that are scheduled to be operation by 2018. A prevailing lucrative tariff of over Rs 8.16 per unit has enticed investors to set up such projects in paddy growing districts in Punjab.

"The tariff for biomass energy also includes a variable component that takes care of rise in cost of fuel," says director Punjab Energy Development Agency, Balour Singh. The Power Purchase Agreements with Punjab State Power Corporation Limited are valid for 20 years from the date of commissioning of the plant, he added.

In Haryana biomass based power projects of capacity 50 MW are to be approved shortly to be set up in districts of Karnal Kurukshetra, Ambala, Kethal, Jind and Fatehabad.

"The cost of projects is comparable with coal based projects and is around Rs 5.5 crore per MW," a senior official of Haryana Renewable Energy Development Agency (HAREDA) told ET.

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