

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 2429
ANSWERED ON 03.08.2023

MANUFACTURING OF BIOMASS PELLETS

2429. SHRI LAVU SRI KRISHNA DEVARAYALU
SHRIMATI SUNITA DUGGAL
SHRI HASNAIN MASOODI
SHRI JAGANNATH SARKAR
SHRI BRIJENDRA SINGH

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

- (a) Whether the Government has information on the number of entrepreneurs which availed financial subsidies and/ or benefit from Priority Sector Lending scheme to manufacture biomass pellets;
- (b) if so, the details thereof, State/ UT- wise and if not, the reasons therefor;
- (c) whether the Government also has information on the number of biomass pellet manufacturing units operational in the country;
- (d) if so, the details thereof, State/ UT- wise and if not, the reasons therefor;
- (e) whether the Government proposes to promote establishing such units in States which produce significant agricultural residue in terms of stubble and if so, the details thereof, State/UT-wise including Haryana;
- (f) whether the Government has conducted any assessment to envisage the overall impact of co-firing of biomass pellets with coal in thermal power plants in terms of reduction of air pollution; and
- (g) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER

(SHRI R.K. SINGH)

- (a) & (b) Ministry of New and Renewable Energy has notified National Bioenergy Program to promote setting up of Bioenergy Projects including Pellet/Briquette manufacturing plants. Under this programme, as on 31.07.2023, 76 applications have been received for availing Central Financial Assistance (CFA) for setting up of briquette/pellet manufacturing plants. The statewise details of these applications are given in **Annexure-I**. Out of these 76 applicants, 45 of them have availed lending facility from various Banks/Financial Institutions. Further, CFA for 12 applications has been sanctioned by the Ministry so far. This CFA shall be released only after successful performance inspection of the plant post commissioning.
- (c) & (d) As per information available, around 217 pellet manufacturers are located in different States of the country. The State/UT-wise list is given in **Annexure-II**.
- (e) The Government has taken various steps to promote establishment of biomass pellet manufacturing units across the country which, *inter alia*, include the following:
 - (i) The Ministry of New & Renewable Energy has notified National Bioenergy Programme in November, 2022 for the period 01.04.2021 to 31.03.2026. This programme provides Central Financial Assistance for setting up of Bioenergy plants across all states in the country including Haryana. Under the Biomass component of this programme, central financial assistance of Rs. 9 lakh/TPH is granted to eligible applicants for setting up of briquette/pellet manufacturing plants with a capping of Rs. 45 lakhs per plant.

(ii) Central Pollution Control Board, Ministry of Environment, Forest and Climate Change has notified guidelines to provide one-time financial support for setting up of paddy straw based pelletisation and torrefaction plants in the NCT of Delhi, States of Punjab and Haryana and NCR districts of Rajasthan and Uttar Pradesh.

A maximum amount of Rs. 28 lakhs per ton plant production capacity per hour, or 40% of the capital cost considered for plant and machinery of a 1 TPH plant, whichever is lower, shall be given as one-time financial support by CPCB, subject to a maximum total financial support of Rs. 1.4 crore per proposal.

(f) & (g) Co-firing of biomass pellets in a thermal power plant (TPP) reduces the amount of coal required by the power plant. This leads to a reduction of carbon dioxide emissions as biomass is a renewable source of energy. It is estimated that each tonne of biomass co-fired in TPP, reduces the carbon-dioxide emissions by 1.2 tonnes. At 5% rate of biomass cofiring in TPPs, biomass pellets amounting to 35 Million Metric Tonne (MMT) would be required which would lead to CO₂ reduction of approx. 42 MMT. This would also prevent about 47 MMT of raw stubble from being burnt in the field.

Annexure referred to in reply to part (a) & (b) of the Lok Sabha Unstarred Question No. 2429 to be answered on 03.08.2023 on “Manufacturing of Biomass Pellets”

State wise details of applications received for availing central financial assistance for setting up of briquette/pellet manufacturing plants under the National Bioenergy Programme (as on 31.07.2023)

S.No.	State	No. of Proposals received
1	Gujarat	11
2	Haryana	4
3	Karnataka	1
4	Madhya Pradesh	34
5	Maharashtra	9
6	Odisha	1
7	Punjab	2
8	Rajasthan	11
9	Tamilnadu	1
10	Uttrakhand	1
11	West Bengal	1
	Total	76

Annexure-II

Annexure referred to in reply to part (c) & (d) of the Lok Sabha Unstarred Question No. 2429 to be answered on 03.08.2023 on “Manufacturing of Biomass Pellets”

Number of biomass pellet manufacturers in the country, State/ UT-wise list

S.No.	States	Numbers of Pellet Manufacturers
1	Punjab	15
2	Haryana	8
3	Andhra Pradesh	4
4	Rajasthan	20
5	Uttar Pradesh	28
6	Madhya Pradesh	7
7	Delhi	7
8	Gujarat	30
9	Maharashtra	33
10	Chattisgarh	3
11	Jharkhand	4
12	Assam	1
13	Bihar	1
14	Karnataka	8
15	Orissa	9
16	Telangana	12
17	West Bengal	7
18	Kerala	4
19	Tamil Nadu	9
20	UK	5
21	J&K	1
22	Manipur	1
	Total	217