

# **SURYAA CHAMBALL POWER LIMITED**

(Formerly known as SURYA CHAMBAL POWER LIMITED)  
CIN NO. : U31909RJ1997PLC013826

12.03.2024

To  
The Secretary  
Central Electricity Regulatory Commission  
3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building,  
36, Janpath,  
**New Delhi- 110001,**

Respected Sir,

**Subject: Draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024**

**Ref.: Public Notice No.: RA-14026(11)/1/2023-CERC dated 17.02.2024.**

We wish to offer the following suggestions for Biomass based power plants for your kind consideration.

**A] USEFUL LIFE**

- The Useful Life of biomass based power plants should be revised from 25 years to 30 years
- Earlier the technology for power plants based on biomass as fuel was not developed.
- There was no past experience in running biomass power plants.
- Hence the Useful Life of biomass plants was decided arbitrarily.
- The biomass power Developers require initial 3-4 years to develop biomass market for educating farmers to collect and transport biomass.
- The Developers had to face lots of difficulties for transporting, stacking and storing the biomass in their initial period due to lack of experience.
- Now the technology as well as the experience of biomass power developers have been well developed.
- The total period of minimum 30 years is required to recover all costs.
- In view of the growing demand for power, Min. of Power, GOI directed not to retire any thermal units even after its Useful Life.
- This policy may be made applicable to biomass based power plants which have similar technology and similar equipment like coal based plants.
- Biomass based plants will definitely run for 30 years.

**B] GCV OF BIOMASS**

- CERC has decided GCV norm for biomass as 3100 kcal/kg.
- Most States have GCV of 3100 kcal/kg.
- There is normal experience of GCV deterioration due to long 10 months storage period and exposure to wind, rain and self-ignition characteristic.

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- The GCV norm of 3100 kcal/kg may be applicable to all biomass power plants in all States of India by issuing suitable advisory to all State Electricity Regulatory Commissions.

C] **FUEL PRICE**

- CERC has prescribed Rs. 3958/MT fuel purchase price for FY 2024-25 to the State of Rajasthan.
- It will be logical that the State wise biomass price decided by CERC should be made applicable to all biomass plants in India.
- Due to increase in demand for biomass in the adjoining States, some traders started purchasing the biomass, hoarding the same and transporting and selling it outside the State. This has resulted in non availability of biomass for power generation as well as other users.
- The interstate transportation of biomass should be banned to avoid hike in its price.
- The availability of biomass is also affected by the variations in monsoon, change in cropping pattern and consequent change in biomass availability and price.
- Unseasonal rainfall or storms lead to losses in storage. The price of biomass will further increase due to demand for co-firing by thermal projects.
- Biomass price should be compared with Imported Coal price.

D] **FUEL HANDLING COST & STORAGE LOSS**

- Cost of stacking and handling of Rs. 450/MT and Losses in Storage of Rs. 170/MT may be allowed in addition to the fuel purchase price.
- The Hon'ble Commission had already observed and noted in its Explanatory Memorandum as under:

*"The price of biomass fuel depends on various components, such as remuneration to farmers, costs related to collection and storage, transportation, loading and unloading costs, agent commission, etc.*

*The Fuel procurement and transportation are handled by the highly unorganised sector, and the prices are influenced by local factors. Most of the biomass power projects use a variety of biomass fuels with differing characteristics...."*

- Biomass fuel requires substantial costs for storage, preparation and feeding the same in the boiler. This preparation includes:
  - Stacking of biomass which is received in loose condition, with the help of tractors and dozers
  - Covering it by tarpaulins to avoid loss due to exposure to wind, sun, rain and fire.
  - Feeding biomass into the boiler by internal transportation from stacked biomass to the feeding point with the help of manual workers.





- Once the Hon'ble Rajasthan Electricity Commission had visited the biomass plants in Rajasthan and found that considerable cost was incurred on cutting, storing and feeding of biomass.
- It will be logical that the State wise biomass price as decided by CERC and additional Fuel Handling Cost & Losses in Storage should be made applicable to all biomass plants in the India.
- Suitable advisory may kindly be issued.

E] **HIGHLIGHTS OF BIOMASS BASED POWER GENERATION**

- Biomass power generation deserves to be incentivized due to its following unique features:
- Biomass power is the only renewable power generated for 24 hrs/day and in all seasons of the year.
- The biomass purchase price fully goes to the farmers and village labour.
- This creates substantial additional income to farmers and transporters.
- Mustard Husk is the main fuel in case of biomass power plants in Rajasthan State.
- There is no case of open field burning in Rajasthan State since the entire biomass is being used as fuel by biomass based power plants and other consumers.
- Rajasthan State is closer to NCR, however there is no air pollution due to open field burning.

We request you to consider the above points before finalising the RE Regulation.

Thank you.

Yours faithfully,  
For Suryaa Chambal Power Ltd.

Manish Mundra  
Manager - Finance

