

Uttar Pradesh: New biofuel policy to raise farmer income

TNN | Sep 29, 2022, 08.39 AM IST



LUCKNOW: The new policy on biofuels, cleared by the state cabinet on Tuesday, is expected to bring in investments of at least Rs 5,500 crore over the next five years. The policy not only aims at increasing production of biofuel in the state but also considers safe disposal for agricultural and municipal waste which, in turn, will prevent air, soil and water pollution, said an official. The Uttar Pradesh BioFuel Policy 2022 has been formulated under the orders of the National Green Tribunal where it was considering prevention of burning of agricultural waste in the northern states every winter, leading to massive air pollution in states like Punjab, Haryana, Delhi and UP.

A government spokesperson said the new policy will lead to an increase in farmers' incomes, prevent burning of agricultural waste, help in

disposing of organic waste in a scientific manner, bring investments into rural areas and reduce dependency on imported fuel and petroleum gas.

State urban development minister AK Sharma said the policy is focussed on the fuel production aspect. Under this, incentives will be given to bio-fuel projects set up in the next five years for compressed biogas, biocoal, bioethanol and biodiesel. For biofuel units or storage for feedstock, land will be given for a maximum of 30 years at a token lease of Re 1 per acre per year.

Under the policy, a subsidy of Rs 75 lakh per ton up to a maximum of Rs 20 crore will be given on production of compressed biogas, Rs 75,000 per ton up to a maximum of Rs 20 crore on biocoal, and Rs 3 lakh per kilolitre up to a maximum of Rs 30 crore on biodiesel production.

In addition to the subsidy, stamp duty will be reimbursed completely while there will also be a complete waiver of power dues for 10 years.

To ensure availability of biomass, FPOs and aggregators will also be incentivised. Gram sabha and revenue land and that available in sugar mills will be made available for setting up units and also for storage of raw material. The government will aim at setting up one biogas plant in every tehsil.

Raw material that will be used for biofuel production includes agricultural waste, mandi waste, animal waste, waste generated in sugar mills, municipal waste and other organic waste.

An official said that to implement this policy, provision will have to be made in the budget. For 1,000 ton of compressed biogas per day capacity plants, Rs 750 crore will be spent by the government, for 4,000 ton biocoal per day capacity plants it will spend Rs 30 crore and for 2,000 kilolitre per day capacity bio-ethanol and bio-diesel plants, Rs 60 crore will be spent. In addition to this, the government will also be making provision of Rs 1 lakh per district for publicity of this policy. Under the previous bio-fuel policy 2018, approvals were granted to 14 units and three of these have also completed work.