

## EXECUTIVE SUMMERY

Solapur Bioenergy Systems Private Limited (SBSPL) was incorporated as a Special Purpose Vehicle (SPV) of Cicon Environment Technologies Limited as per the terms of the Concession Agreement executed with the Solapur Municipal Corporation (SMC) to undertake Waste Management Project in Solapur. CICON Environment technologies Ltd was selected for the development of MSW power project after following the competitive bidding process by Solapur Municipal Corporation. The SMC has granted necessary permissions for setting up the 2.83 MW capacity MSW power project to SBES. For this purpose the SMC has handed over the required land area admeasuring 9 acres located at Tuljapur Road in Solapur to SBES for a period of 29 years on lease basis.

The project is based on what is generically known as 'Anaerobic Digestion' process. This is simply an 'accelerated' version of what nature does to bio-degradable waste. This is a proven technology and ideal for Indian conditions where moisture content in the waste is high especially in the monsoon. It is also is the best suited technology for the MSW generated within the area of SMC. The composition of MSW generated in the area of SMC is found to be rich in organic decomposable matter and also contain a substantial part of Bidi patta (Tendu patta) which is organic matter. Further the proposed Biomethanation technology is also ranked as number 1 under the National Master plan for development of waste to energy in India. The project activity will process approximately 300 tonnes per day of biodegradable waste and the resultant biogas will supply a 2.83 MW capacity electricity generation unit to generate 19.56 million units of electricity on annual basis. Thus the project activity makes a substantial contribution to sustainable development. The project activity disposes the waste in safe manner, reduces emissions of methane, a powerful contributor to climate change and any leachate that would have been generated. Moreover, the project activity will generate renewable electricity that will displace fossil-fuel based generation and assist in supplying state's pressing and growing electricity demand.

With an intention to sale the electricity to distribution licensees in the State, SBESL have filed petition for determination of tariff under section 62 and 86(e) of the Electricity Act 2003 before the Hon. Maharashtra Electricity Regulatory Commission in Oct 2009. The Commission has admitted the petition and conducted a Technical Validation Session (TVS) followed by two hearings before the authorized consumer representatives of the Commission and the representatives of distribution licensees on 31 March and 17 April 2010. Through the petition SBSL prayed that :

1. "Accept this petition for determination of tariff for supply of electricity from proposed Municipal Solid Waste Power project at Solapur to Distribution licensee in Maharashtra (MSEDCL). It is further requested that Hon'ble Commission may specify the levellised tariff for proposed MSW power plant for 20 year tariff period which is useful life of plant.(CERC/ MERC has recommended tariff period of 25years for SPV and solar Thermal projects in RE tariff notification dated September,2009). The Hon'ble Commission may direct the distribution licensee to execute PPA with the petitioner for the specified tariff period
2. Approve the levellised tariff of Rs 6.84/ kWh for sale of electricity generated from proposed MSW power project to distribution licensees.
3. Issue an interim order at an early date to enable the petitioner to avail the loan from the lender. The actual loan disbursement will take place after producing the PPA executed with DISCOM specifying the tariff approved by Hon'ble Commission.
4. Direct the distribution licensee to bear the cost of power transmission line beyond the switchyard point for evacuation of power. The necessary funding for the same may be made available from the Green Energy Fund as per Government of Maharashtra Policy.
5. To grant an opportunity in person before Hon'ble Commission during the hearing on the above matter.
6. Condone any inadvertent omissions/errors/shortcomings and permit the petitioner to add/ change/ modify/ alter this filing and make future submissions as may be required at a future date."

-----