

# SUN PHARMA(SPIL), ROPAR, PUNJAB BOOT PROJECT A RE (STEAM FROM BIOMASS) SUCCESS STORY FROM PRESPL

PRESPL (Punjab Renewable Energy Systems Private Limited) has carved a niche in the Biomass-based Bio-Energy Sector in India by rolling out the Build Own Operate Transfer (BOOT) Model for Steam Purchase Agreement with SPIL for a 10-year tenor. Steam was recognised as Renewable Energy vide MNRE notification of 23 July 2019 & this Project has been supported by financing from IREDA; while construction by PRESPL commenced prior to loan sanction.

## PROJECT BRIEF

### CONSTRUCTION FROM APRIL 2019 TO MARCH 2020

**CONSTRUCTION PHASE**, UNDER SUPERVISION OF COLONEL SUMEET MALHAN, SM (RETD), CTO, PRESPL (SUMEETMALHAN@PRESPL.COM)

Totally indigenous (Make In India & Swachh Bharat) solution & fastest construction of a BOOT Project in India, inspite of floods and disruptions. Total cost of the Project was approximately INR 14.50 Crores.

First ever project on industrial steam from raw biomass, resulting in 30% reduction in cost of steam energy for the client and direct bottom line addition.

### COMMERCIAL OPERATION DATE (COD) AND STEAM GENERATION FROM 20 MARCH 2020 ONWARDS

**EXECUTION PHASE**, UNDER SUPERVISION OF COMMANDER GS SEKHON (RETD), SR VP, NORTH ZONE, PRESPL (GURKEERAT@PRESPL.COM)

COD on 20 March 2020, 3xMonths ahead of schedule & since then Plant has been running on 100% availability through the COVID-19 Pandemic Crisis, supporting Essential Commodities / Services, adhering to all PHSD (Personal Hygiene and Social Distancing) / HSSE Norms and providing livelihood to many with revenue being generated.

## STATUS OF PROJECT

### FUNCTIONAL HEALTH

**GOOD**, FULL CAPACITY (12.5 MT PER HOUR) RUNNING OF PLANT WIHTOUT ANY BREAK DURING COVID-19

Plant has run for nearly 1357 hours from 20 Mar 2020 till 15 May 2020 and mostly through COVID-19 period; with constraints of manpower and through challenging yet effective Supply Chain Management

### FINANCIAL HEALTH

**SATISFACTORY**, FULL REVENUE GENERATED WITH ADEQUATE PROFIT MARGIN

Revenue generated has been approximately INR 1.98 Crores till 15 May 2020 & with stability of fuel prices post Lockdown, profit margins will increase further with stable revenues and expected enhanced offtake

Saving of approx. 30% on the energy bill for the client when compared to fossil fuels.

## ADVANTAGES / BENEFITS FROM PRESPL BUSINESS MODEL

- Large-scale Rural Development & Financial Inclusion
- Boosts agriculture-based Circular Economy
- Meets most Sustainable Development Goals
- Stable revenues generation & recovery model
- Replicable in all Steam Utility industries
- Direct jobs to nearly 50 & Indirect to 200
- Reduce carbon emission & harmful gases
- Support Essential Commodities and Services
- Sustainable source of Renewable Energy
- Massive reduction in fossil fuel imports

## RECOMMENDATIONS

1. Steam Purchase Agreements for supply of Steam as Renewable Energy should be adopted as a Strategy to offset crude and coal imports and generate larger Rural Development in India.
2. PRESPL Model be replicated Pan India and be funded by a corpus through Govt Financial Institutions at Interest Rate of 4 to 6 %.
3. Decentralised Renewable Energy other than electricity should also form a major thrust of the RE development & Bioenergy with the linkage to agri-farm waste to energy is an absolute win-win and much lower in energy costs as compared to fossil fuels.
4. Over a period of next 5xYears, make it mandatory for all industrial boilers to be replaced by biomass fired industrial boilers, hence creating rural jobs, financial inclusion, waste to energy and lowering the cost of energy with a complete Make in India & Made in India energy cycle with meets the SDGs & has a ***complete circular economy, starting from carbon from the atmosphere---->captured in agri-crops----->waste collection & aggregation (no open field burning)----->utilise agri-waste in the industrial boilers for steam energy---->ash generated is only carbon which goes back into the soil for top soil enrichment & landfills of brick kilns.***

## CONCLUSION

***“Aan Data Se Oorja Data”*** as proliferated by Hon’ble Prime Minister of India, Shri Narendra Modi has been put into actual practice by a group of ex-fauji also realizing ***“Jai Jawan, Jai Kisan”***. Seeing is believing and we invite all to please visit the project to see the benefits to the rural community & the industry linkage. Project location is an hour drive from Chandigarh airport.

PRESPL is a board governed company with a group of ex-servicemen as key management personals who have been able to translate the vision of agri-waste to bioenergy and sustainable revenue business models across bioenergy spectrum. Similar business models which are sustainable need to be supported & further enhanced across multiple states & geographies.

*PRESPL investors are: responsAbility (rA), Neev Fund & Shell Ventures B.V.*

### **Company Details:**

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