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Union Budget 2013: Waste to energy funds likely to help Chennai corporation

CHENNAI: The city corporation, which is planning to implement waste-to-energy projects, is likely to benefit from the Centre's announcement of funding for such projects set up through public-private partnerships. Chennai Corporation and waste management companies welcomed the move, but said it would be effective only if substantial funds were allotted.

Finance minister P Chidambaram announced evolving "a scheme to encourage cities and municipalities to take up waste-to-energy projects in PPP mode". "The support would be through different instruments such as viability gap funding, repayable grant and low cost capital," he said.

While corporation officials refused to comment since they had not received a notification, they said it was a sign that the Centre supports the technology. "We have not decided on the technology we will adopt. We will wait for the state's instructions," said an official.

In October 2012, the corporation identified four sites to set up solid waste management plants — Malaipattu, Minjur, Vallur and Kuthambakkam. Two weeks ago, it invited bids from 16 private companies to set up waste management plants at Minjur and Kuthambakkam. Thirteen companies propose waste to energy in PPP mode as specified in the Budget. The civic body might be a contender for gap viability funding or

repayable grants. Experts said the allocation would be useful only if it is a sizeable figure. "We have a thumb rule that 60 metric tonnes of garbage should produce 1MW of power. This requires 1.4 crore of investment," said Ram Mohan Rao of Ramky Enviro Engineering . "If the civic body wants us to handle 4,500 tonnes, they need an investment of 1,050 crore from us," he said. Once the company sets up the plant, the operational cost of incinerating the waste has to be paid by the corporation, which can earn revenue from selling the power generated.

Environmentalist Dharmesh Shah said waste-to-energy technology is outdated. "A decentralized way of dealing with garbage will help poverty alleviation."