

2.1.6 With the above measures, the producers would benefit from an average bagasse remuneration estimated at Rs 2,447 / t sugar for Crop 2018, which is still short of Rs 553/ t sugar as compared with the proposed remuneration of Rs 3,000 / t sugar. However, a favorable consideration has been given on the sharing towards small planters for them to obtain Rs 3,000 / t sugar.

2.1.5 The JTC is of the view that it would be appropriate that the proceeds of the MID levy be utilised to support the production of a renewable source of energy as in essence the MID levy on petroleum products have been set up to increase resilience on renewable energy.

2.1.7 The JTC recommends that the total fund available for bagasse be credited to the Sugar Cane Sustainability Fund to be used to effect payment to the cane planters as per breakdown below:

	Small planters	Planters > 60 T	Corporate Planters		
Sharing on total sugar produced	16%	32%	30%		
	56,000t	112,000t	105,000t		
	Bagasse remuneration (Rs / t sugar)			Rs M	
BTP	150	150	55	64	Note 1
MID Coal Levy	1,100	300	300	137	Note 2
	447	447	447	122	Note 3
Sub Total	1,697	897	802	323	
MID Petroleum	530	530	530	145	Note 4
CEB Contribution	865	700	700	200	Note 5
<b>Total Bagasse remuneration</b>	<b>3,092</b>	<b>2,127</b>	<b>2,032</b>	<b>668</b>	

Note 1: BTPF (Bagasse Transfer Price Fund) created in 1985 and sharing established in SIE Act

Note 2: Sugar Cane Sustainability Fund created 2015 and sharing as per Cabinet decision 11.12.2015

Note 3: Equal sharing of Rs122M, balance to Rs259M of MID Coal levy

Note 4: Equal sharing of Rs145M

Note 5: Positive sharing differential to small planters

## 2.2 Remuneration for Cane Trash

2.2.1 Cane trash is a biomass having a high potential of green energy that could contribute in the short to medium term some 70 GWh to country's the energy mix production. During discussions held at the level of RNC with regard to the implementation of the Alteo Power Plant, the principle of remuneration for the collection, transport and processing of cane trash on the avoided cost of coal was agreed upon. It was also agreed that trash commodity would be remunerated at Rs 1.00/ kwh by Alteo. This is equivalent to Rs 1,000 / t trash or Rs 600 to Rs 800/ t