

suppliers of trash. A monitoring mechanism will be established by the MCIA. Table 8 below summarises the proposal for the funding of the project:

Table 8: Proposal for Funding of cane trash

Rs / KWh		Note
2.36	Energy Fee paid to IPPs by CEB: avoided cost of coal	To be adopted for all IPPs for cane trash energy (for collection, transport and processing)
1.00	Purchase of cane trash from planters funded by IPPs.	Agreed for a maximum of Rs 24M for Alteo new power plant and other 2 IPPs subject to further consultations.

4.4.3 Other biomass remuneration

4.4.3.1 The JTC proposes that a simplified Power Purchase Agreement (PPA) be adopted to enable existing power plants to export excess energy to the grid. For instance, Omnicane would be able to export some 3.5 to 6 MW of firm energy to the grid.

4.4.3.2 Other biomass from cane and non-cane sources includes the following:

- (i) mix cane which implies same sugar yield as compared to present commercial varieties but with higher biomass yield;
- (ii) energy cane which implies cane of lower sugar yield compared to present commercial varieties but with higher fibre yield; and
- (iii) bamboo, *Arundo Donax*, eucalyptus and other woody and non-woody biomass at research and development stage.

4.4.3.3 The JTC considers that there is need to boost research on the other biomass and consultations / discussions be initiated with the stakeholders and authorities on a recommended tariff, which could be adopted to encourage investment and utilisation of other biomass on commercial scale in the near future.

4.5 Review of Labour Laws

4.5.1 The current labour laws governing the sugar industry date back to the period when the industry was the main employer and enjoyed preferential treatment and privileges under the Sugar Protocol through guaranteed market access and prices for its sugar exports to the EU. The Sugar Protocol has been abolished for almost a decade now and it is no longer sustainable to