

**B/599**      The Honourable Second Member for Belle Rose and Quatre Bornes  
**(Dr Boolell)**

*To ask the Honourable Minister of Agro-Industry and Food Security-*

**Whether, in regard to the ongoing negotiations with Alteo Ltd, he will state if he proposes to intervene with the negotiating team to ensure that the small sugarcane planters obtain their fair share for bagasse as well as for trash energy in the deal?**

**REPLY**

*(Tuesday 09 July 2019)*

**MADAM SPEAKER,**

I am informed that the Power Purchase Agreement between the Central Electricity Board (CEB) and Alteo Energy Ltd expired in December 2018. The construction of a new power plant is contemplated to replace the existing one. Meanwhile, negotiations took place with Alteo Energy Ltd and the contract has been extended for the period 2019 to 2021.

Regarding the new power plant, a Steering Committee has been set up at the level of the Ministry of Energy and Public Utilities and my Ministry and the Mauritius Cane Industry Authority are represented to ensure that the interests of sugarcane planters are safeguarded.

I am informed that, as at date, negotiations are still ongoing.

**MADAM SPEAKER,**

I wish to highlight that there is consensus that bagasse has an economic value and, bagasse energy has to be appropriately remunerated. Similarly, trash energy has to

be remunerated on the same principle. Adequate remuneration for bagasse and cane trash will certainly help to increase the total revenue derived from cane and its by-products so as to sustain the industry.

The new power plant at Alteo, with an increased efficiency, will help to better remunerate planters for their cane biomass.

Therefore, during the ongoing negotiations with Alteo Energy Ltd, for the new power plant, Government will ensure that small planters reap a fair share from both their bagasse and cane trash.

I am informed that under the extended Power Purchase Agreement with Alteo Ltd, small planters will receive Rs 1,000 per tonne of cane trash equivalent to Rs 1.00/kWh and this will add up to their total revenue.

Furthermore, Government has introduced a new budget measure this year to develop a National Biomass Framework for the use of sugar cane biomass, including cane trash, for electricity generation. The framework will address the price component to remunerate sugar cane planters for bagasse and trash energy.