

Shell Foundation Supports Power Project for 2000 Off-Grid Villages in Bihar

Shell Foundation announced the second round of support for Husk Power Systems

New Delhi, Delhi, November 3, 2009 /[India PRwire](#)/ -- Shell Foundation announced the second round of support for Husk Power Systems (HPS), a rural electrification company, to further scale up operations of their unique biomass gasification technology which converts rice husks into electricity.

HPS owns and operates 35-100 kW "mini power-plants" that deliver electricity as a pay-for-use service to villages of 2,000 to 4,000 inhabitants in the Indian Rice Belt. Each plant becomes operationally profitable in the first six months of operations. HPS has successfully implemented projects in 50 villages in Bihar and will expand its footprint to 100 villages in 2009, 400 in 2010, and 2000 in 2012.

The second round of support will help deliver more power plants, increase the operational and technical capacity of the company and develop the Husk Power Systems brand in India and the US. Shell Foundation has been a partner to Husk Power Systems since November 2008, providing ongoing business development assistance and technical support.

Rice husks (the casing on the outside of rice grains) have traditionally been discarded. However, upon heating, rice husk releases gas and which HPS uses to run modified diesel engines to generate electricity. The waste product of the process is high in silica and can be sold to concrete manufacturers. The business has also been awarded the first prize in the 2009 Global Business Plan Competition by leading global venture capital firm Draper Fisher Jurvetson (DFJ) and Cisco.

Simon Desjardins, Analyst, Shell Foundation, said: "Today, more than 40% of the Indian population, or approximately 1,25,000 villages, have no access to reliable electricity. Existing energy options in rural communities such as diesel generator sets and kerosene lanterns are polluting, prohibitively expensive, and logistically difficult to disseminate. Those villages which do have access to electricity are often subject to frequent power cuts and shortages in power supply. This directly impedes the economic development of the affected communities and indeed India as a whole."

"Husk Power Systems is using unique technology and processes to tackle the rural energy deficit in India in an environmentally and commercially sustainable way. They are proving that rural Indian communities are willing and able to pay for reliable electricity and that Bihar represents a viable market in which to deliver modern energy services. The Husk Power Systems team has surpassed Shell Foundation's expectations and we are excited to build on this partnership with a second round of financing required to lay the groundwork for a wider scaling up of operations," he further added.

Chip Ransler, Chief Strategy Officer, Husk Power Systems, said "The first round of Shell Foundation financing provided access to energy for 15 villages and critical improvements to scale our business. This new round of support will take us over the hump: funding more expansion, but also the people and resources we need to make Husk Power Systems an important player in the Indian rural power market."

"The Shell Foundation gets our vision - that power is critical to creating a new reality for rural Indians and that innovative technology and service models are critical to delivering it in a meaningful, sustainable way."

The company which has set up 10 plants is creating new job opportunities locally in Bihar. Ransler continued, "We are currently looking for 3 regional managers (to oversee 35-50 plants each) dozens of mid-level managers (in terms of fresher mechanical engineers, talented fresher management trainees, and experienced project managers), and close to 100 field workers (mainly skilled mechanical technicians from local technical schools) to join the Husk Power team. As we scale up, we'll hire hundreds of employees - most of them coming from Bihar. Candidates will be trained at our training facility where they will become skilled in large engine repair and maintenance, facility management, and continuous improvement processes. Anyone can inquire about a position at www.huskpowersystems.com"

Shell Foundation aims to help small enterprises provide modern energy services for the poor in ways that are

financially viable and scalable through a combination of direct investments and support of intermediary organizations.

Notes to Editor

Shell Foundation focuses on global development and environmental challenges linked to the impact of energy and globalisation.

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Shell Foundation

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