

# **<STATE> CBG POLICY**

## PREAMBLE

India's energy transition requires solutions that enhance energy security, strengthen rural livelihoods, improve waste management systems, and advance circular economy outcomes. Compressed Biogas (CBG) produced from agricultural residues, animal waste, municipal organic waste, and agro industrial by products, offers a strategic pathway to convert locally available biomass into clean gaseous fuel while generating decentralized economic value in rural and peri urban areas.

The Government of India has introduced policy measures to promote large scale deployment of CBG as part of the national clean energy and waste to wealth agenda. However, realization of this national vision depends substantially on effective implementation at the State level. To strengthen CBG infrastructure and accelerate progress toward a gas-based economy, several challenges across the CBG value chain require resolution at the State level. These areas span land allocation, feedstock aggregation and storage systems, convergence with agricultural and municipal waste management frameworks, provisioning of reliable utilities, fiscal facilitation, development of supporting infrastructure, and coordination across district administrations and Urban Local Bodies - all of which fall primarily within the jurisdiction of State Governments and require coordinated policy intervention.

In the absence of a predictable and coordinated State level framework, these value chain gaps are often addressed in a fragmented manner, leading to execution delays, elevated project risk, and underutilization of installed capacity. There is therefore a need for a harmonized State policy framework that aligns with national objectives while providing clarity, predictability, and implementation certainty to project developers and other stakeholders.

This **Model State Compressed Biogas Policy has been formulated, drawing upon best practices adopted across States, stakeholder consultations and sectoral learnings.** It is intended to serve as a guiding template that States may adopt to streamline execution, standardize enabling provisions, and ensure coherent alignment of State level actions with national CBG promotion initiatives, while reinforcing the broader objective of advancing India's gas-based economy.

**States adopting this Model Policy may calibrate and modify the nature, extent, and duration of incentives in accordance with their fiscal capacity, budgetary provisions and development priorities, while maintaining alignment with the overall objectives and guiding principles set out herein.**

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## VISION

<State> envisions establishing a regionally balanced and resource-responsive Compressed Biogas (CBG) ecosystem that converts organic waste into clean energy and creates long-term environmental value.

By leveraging its diverse bio-resource base – comprising agricultural residues, animal dung, municipal solid waste, agro-industrial by-products, and dedicated energy crops, <State> seeks to embed CBG as a key pillar of its clean energy transition and waste-to-wealth strategy.

Recognizing that feedstock availability, logistics, and demand profiles vary across zones, <State's> vision is to promote a zonally differentiated CBG development pathway. This approach enables optimal utilization of locally available feedstock, improves operational reliability of plants, and supports scalable and efficient deployment of CBG infrastructure across the State.

In alignment with this vision, <State> envisages development of a calibrated mix of CBG plants across its zones, as indicated below:

#	Zone	Districts covered	Key Feedstock	Number of plants envisioned
1	North			
2	South			
3	East			
4	West			

Through this spatially anchored and feedstock-aligned plant mix, <State> aspires to emerge as a leading example of structured CBG deployment in the country.

## OBJECTIVES

The overarching objective of this Policy is to enable large-scale deployment of Compressed Biogas (CBG) plants across <State> by addressing structural challenges related to feedstock supply chain, plant set up and operations, ancillary infrastructure readiness and existing ecosystem.

The Policy aims to position CBG as an integral component of the <State's> clean energy transition, circular economy framework, and waste management strategy by creating a predictable and enabling ecosystem for project development and operations. In furtherance with this objective, the Policy seeks to:

- **Enable reliable, predictable and cost-efficient feedstock supply chains** through structured aggregation, storage, and logistics mechanisms aligned with local waste availability.
- **Improve project viability and bankability** by creating an enabling ecosystem supported by targeted fiscal measures, regulatory facilitation, and coordinated institutional support.
- **Enhance ease of doing business** by streamlining access to infrastructure and utilities, including land, power, water, and waste management systems.

- **Foster investor confidence and accelerate private sector participation** by ensuring policy clarity, regulatory stability, and time-bound approvals across all stages of project development and operation.

Collectively, these measures are intended to complement and reinforce national CBG promotion initiatives, contribute to enhanced energy security, reduce dependence on imported natural gas, strengthen rural and urban livelihoods, improve large-scale organic waste management, and advance India's climate mitigation and circular economy objectives.

## APPLICABILITY OF POLICY

This Policy shall apply to all Compressed Biogas (CBG) projects and associated activities undertaken within the territorial jurisdiction of <State> subject to the provisions set out herein:

- The Policy shall be applicable to all new CBG projects established within the <State> during the operative period of the Policy.
- CBG plants utilizing any form of organic feedstock shall be eligible under this Policy. Eligible feed stocks shall include:
  - Agricultural and crop residues
  - Animal dung and livestock waste
  - Municipal solid waste and segregated organic fractions
  - Agro-industrial residues such as press mud, cane trash etc, and
  - Energy crops such as Napier etc.
- All projects covered under this Policy shall comply with applicable laws, rules, and standards issued by the Government of India and the Government of <State>, including those relating to environment, safety, land use, quality specifications and statutory approvals.
- Projects commissioned prior to the effective date of this Policy shall not be eligible for incentives or benefits under this Policy except where specific transition or migration provisions are expressly notified by <State> Government.

## TIMELINE

This policy shall come into effect from the date of notification and shall remain in force for a period of at least 5 years or until amended, suspended or withdrawn by <State> Government, whichever is later. The implementation framework, fiscal outlays, and incentive mechanisms will be reviewed at the end of each financial year, with suitable modifications, extensions, or rationalization to be decided and formalized based on ecosystem maturity, market response, and fiscal considerations.

As the CBG market evolves and supports policy frameworks such as gas market reforms, certificate-based mechanisms, or tax regime changes are operationalized, the scope and necessity of specific interventions under the policy will be reviewed and adjusted accordingly.

## INCENTIVE AND REGULATORY REFORM OF MODEL STATE CBG POLICY

### Pillar 1: Foundational Infrastructure Support for Setting up CBG Projects

**Objective:** Provide assured land access and time bound provisioning and shifting of utilities through a single-window, deemed-approval framework to prevent project development delays and upfront entry barriers for CBG projects

#### 1.1 Land Support

<State> will provide a comprehensive framework for land availability, allotment and associated facilitation measures as detailed below:

- For establishment and operation of CBG projects suitable land parcel of at least 1.5 acre per TPD of CBG capacity will be allotted by the <State Government>.
- Government / Revenue land shall be allotted within 6 months of application for CBG projects at a concessional lease rate not exceeding 1.5% of the circle rate per acre per year for an initial period of thirty (30) years or as may be notified by the <State Government> from time to time.
- Applicable lease rate will be subject to an escalation of up to 5% every two (2) years over the preceding lease rate unless otherwise revised by the <State Government>
- <State> Government will facilitate the lease of Panchayat land at reasonable rate directly through Panchayat (as per prevailing Government Policy) for setting up of CBG projects for minimum period of 30 years
- <State> Government will develop and maintain a dedicated land bank for CBG projects, mapped to project-wise feedstock catchment areas. Identified land parcels shall be hosted on a publicly accessible digital portal with location, extent, title status and land-use details
- Land allotted to CBG project from the land bank will be in a single contiguous parcel. Allotment of fragmented or non-contiguous parcels will not be permitted
- Stamp duty, registration charges, land conversion fees and other applicable charges for land acquisition or lease for CBG projects will be fully exempted
- Deemed Non-Agricultural status will be accorded for the land utilized for development of CBG projects. However, an application must be submitted to <State Department> notifying the conversion
- Land used for CBG projects will be out of the purview of the Land Ceiling Act.
- Land allotment and facilitation under this Policy will be coordinated through <State Nodal Agency> which will act as a single point of contact for CBG developers for approvals and inter-departmental coordination

#### 1.2 Provisioning and shifting of Utilities

To ensure timely commissioning of Compressed Biogas (CBG) projects, <State> will extend comprehensive support for provision and shifting of utilities through a structured and time-bound framework as detailed below:

- All utility-related permissions and facilitation required for establishment and operation of CBG projects including electricity connection, water supply and shifting or relocation of existing public infrastructure (such as electricity poles, underground cables, water and sewer lines etc) will be coordinated by the designated <State Nodal Agency> under online single-window mechanism. In case a Single Window Portal is already operational, the same shall be utilized and suitably integrated for processing CBG project applications.
- All costs associated with provisioning, shifting or relocation of utilities required for CBG projects — including electricity connection, water supply, drainage, road access and relocation of existing public infrastructure — shall be borne by the concerned project proponent(s), based on cost estimates approved by the <State Nodal Agency>.
- In cases where such infrastructure is shared or subsequently utilized by multiple CBG projects and/or other entities, including public agencies or local bodies, the associated costs will be apportioned, recovered or re-adjusted on a pro-rata basis, in accordance with the extent of usage or capacity allocation, as determined by the <State Government>.
- Clearances / Approvals / NOCs for provision, shifting or relocation of utilities required for CBG projects shall be processed by the concerned department within thirty (30) days from the date of submission of a complete application. Within this period, the department shall either grant approval or communicate, in writing, any specific modifications or deficiencies in the proposal. If no communication, approval or objection is issued within sixty (60) days from the date of submission of a complete application, the proposal shall be deemed approved by the <State Nodal Agency> subject to compliance with applicable safety, technical, and environmental norms. The above timelines shall be incorporated into and monitored through the State Single Window Portal (SWP) framework

## Pillar 2: Feedstock Supply Chain

**Objective:** Institutionalize a structured, catchment-based feedstock ecosystem to ensure reliable, year-round and cost-efficient supply of agricultural residues, municipal waste, animal waste, and sugar by-products to CBG plants

### 2.1 Integrated Feedstock Planning Framework

To ensure continuous, reliable and cost-effective availability of feedstock for Compressed Biogas (CBG) projects, <State> will establish a structured, decentralized and institutionally anchored feedstock supply chain framework as detailed below:

- Each CBG project will be assigned to a **clearly defined feedstock catchment area** which will serve as the primary zone for feedstock aggregation and supply. Based on plant capacity, feedstock availability and logistical considerations, the District Magistrate / District Level Committee of the concerned district may, where necessary, approve extension of the catchment area to one or more adjoining tehsils
- <State> will adopt an **aggregator-based feedstock supply model** for each catchment area. Under this model, long-term contractual arrangements will be facilitated between the CBG project developer, registered feedstock aggregators, and farmers / other feedstock suppliers. To enable this, IT based portal and mobile app will be developed by <State Nodal Agency> to onboard and integrate developers, aggregators and suppliers on a single platform for transparent contracting, coordination and monitoring of feedstock

supply. Farmer Producer Organizations (FPOs), cooperative societies, sugarcane societies, self-help groups, CBG producers and other eligible local institutions may function as feedstock aggregators subject to registration on the designated platform. The number of aggregators for each catchment area shall be restricted based on recommendation of <State Nodal Agency>.

- <State> will provision feedstock aggregation and storage centers within designated catchment areas to support efficient logistics and year-round feedstock supply. Such centers may be developed by project developers, Farmer Producer Organizations (FPOs), cooperatives, Panchayats, Urban Local Bodies, or authorized aggregators with facilitation support from the <State> Government.

## 2.2 Agricultural Residue based Feedstock Support

To strengthen the agricultural residue supply chain for CBG projects and address issues such as open burning and unutilized crop residues, the <State> will implement the following measures:

- <State> will support procurement and deployment of biomass aggregation and handling machinery, including balers, rakers, trolleys, shredders, loaders, and transportation equipment. Registered feedstock aggregators will be eligible to avail supplementary capital subsidy of up to **20% of total machinery cost, subject to a maximum limit of ₹30 crore per project** over and above Central Government's Scheme for biomass aggregation for at least <xx> projects
- The **subsidy ceiling shall be subject to annual revision** based on prevailing market prices of biomass aggregation machinery. <State> shall notify revised benchmark cost annually, considering inflation, import dependency and market volatility, to ensure continued commercial viability of procurement of biomass aggregation machinery
- <State Agriculture Department> will form at least one Farmer Producer Organization (FPO) for biomass collection within the designated catchment area. The Department will provide training, capacity-building, and hand-holding support to such FPOs and farmers on agri – waste collection, handling, storage and logistics. Further, the Agriculture Department will also facilitate execution of long-term feedstock supply contracts between these FPOs and CBG producers.

## 2.3 Municipal Solid Waste based Feedstock Support

To enhance urban sanitation, promote scientific processing of segregated organic waste and reduce landfill dependency, <State> will integrate municipal biodegradable waste streams with CBG projects as part of a structured urban waste management framework. For this purpose, <State> will implement the following provisions:

- State Nodal Agency will facilitate long-term arrangements for supply of segregated organic municipal solid waste to CBG projects located within or serving their catchment area, in accordance with applicable solid waste management rules. Such arrangements will include fixed fee-based supply contracts to ensure predictable feedstock availability while improving waste management outcomes with feedstock quality parameters.
- Krishi Mandis will also execute long term feedstock delivery contracts with CBG producers for collection of agricultural waste and residues generated at Agricultural Produce Markets

(Krishi Mandis) and for their systematic delivery to Compressed Biogas (CBG) plants. Such waste residues will be exempted from levy of Agricultural Produce Market Committee (APMC) fees for a period of at least seven (7) years from the date of notification of this policy or <xx> years as may be notified by the <State Government>

## 2.4 Press Mud and other sugar mill by-product based Feedstock Support

To ensure availability of press mud and other sugar mill by-product at fair market price for Compressed Biogas (CBG) projects, <State> will implement the following:

- In catchment areas where CBG plant is established using press mud or any other sugar mill by-product as feedstock, such **feedstock will be prioritized for use in the CBG plant and shall not be diverted for competing uses** (such as use as an organic manure or as a fuel in brick kilns), except where surplus quantities are formally assessed and certified by the competent authority
- Long-term feedstock supply contracts will be executed between sugar mills / sugar cooperatives and CBG project developers for assured supply of press mud. Such contracts will also provision for reverse supply of bio-manure (fermented organic manure) generated from the CBG plant to the sugar mills / sugar cooperatives or designated agencies. The purchase price of press mud and the rate for supply of bio-manure shall be mutually agreed between the sugar mill and the CBG project developer.

## 2.5 Animal Husbandry based Feedstock Support

To advance circular economic principles and transform livestock waste into clean energy and bio-fertilizer, <State> shall integrate animal husbandry waste streams into a structured waste-to-wealth framework that promotes resource recovery, rural sanitation and sustainable bio-resource utilization. For this purpose, <State> will implement the following provisions:

- The Animal Husbandry Department will facilitate long-term feedstock supply arrangements between gaushalas, cattle sheds, dairies and CBG project developers for supply of animal dung and livestock waste. Such arrangements will include fixed fee-based supply contracts to ensure predictable feedstock availability while improving circular economy and animal waste management outcomes.
- <State> will encourage aggregation of cattle dung at village level through cooperatives, SHGs, FPOs or registered aggregators to support decentralized feedstock logistics

## Pillar 3: Plant Setup and Operations Support

**Objective:** Enhance bankability and early-stage operational stability of CBG plants through capacity-linked capital assistance, power cost rationalization and structured manpower support mechanisms.

### 3.1 Capital Support

To mitigate high upfront capital requirements and improve the bankability of Compressed Biogas (CBG) projects, <State> will provide targeted capital support for establishment of CBG plants. Such support will be capacity-linked and designed to complement Central Government assistance, subject to conditions and limits specified below:

- Capital support will be provided at the **rate of up to ₹0.5 crore per TPD** of installed CBG capacity, subject to a **maximum limit of ₹20 crore per project** or **<higher limit>** as may be notified by the **<State>** Government from time to time
- Projects located in Special Category areas, including aspirational districts and border area districts if rich in biomass, will be eligible **for additional capital support of up to 5%**, subject to the overall cap on total assistance
- Projects using agri-residue or cattle dung as a feedstock will be eligible **for additional capital support of up to 5%**, subject to the overall cap on total assistance
- Projects developed by women-led enterprises and rural start-ups shall be eligible **for additional capital support of up to 5%**, subject to the overall cap on total assistance.
- Capital support under this Policy will be in addition to any capital assistance provided by the Central Government
- In cases where the CBG project is financed through debt, the capital support will be adjusted against the loan. Where the project is not debt-funded, the capital support shall be released to the project developer's bank account

### 3.2 Power Tariff Support

To reduce operating costs, the **<State>** will extend targeted power tariff support for electricity consumed during plant operations. Such support will be subject to conditions and limits specified below:

- Electricity duty on power consumed by CBG plants in their operations will be **fully exempted for a period of up to 10 years** from the date of commencement of commercial operation or such period as may be notified by the **<State>** Government from time to time
- Power tariff shall be reimbursed at rate of up to **₹2 per unit of electricity consumed** by CBG plants in their operation for 5 years from the date of commencement of commercial operation
- No energy development cess will be payable on power consumed by projects for a period of ten (10) years from the date of Commercial Operation Date.
- No cross subsidy and/or additional surcharge shall be payable on the power consumed by projects for a period of ten (10) years from the date of Commercial Operation Date.

### 3.3 Labor and Manpower Support

To promote local employment and reduce manpower related operating costs during the initial years of plant operations, **<State>** will extend targeted labor and manpower support to eligible CBG projects, subject to conditions and limits specified below:

- **<State>** will provide wage support of up to **50% of the Cost-to-Company (CTC)** for eligible employees engaged in CBG plant operations, subject to a ceiling of ₹50,000 per month per male employee and ₹60,000 per month per female employee. This incentive will be applicable only to employees who are domiciled in **<State>** and who have

successfully completed a minimum continuous employment period of at least one (1) year with the CBG plant

- <State> will reimburse the employer's contribution towards the Employees' Provident Fund (EPF) for eligible employees domiciled in <State>, subject to a cap of ₹1,000 per month per female employee and ₹500 per month per male employee for a period of at least five (5) years from the date of commencement of commercial operation of the CBG plant

#### **Pillar 4: Bio-Manure (FOM/LFOM) Management and Supporting Infrastructure Development**

**Objective:** Enable sustainable monetization and market integration of fermented organic manure while supporting development of essential project infrastructure such as approach roads, utility systems, and CBG evacuation linkages

##### **4.1 Management and Utilization of Bio-Manure (FOM/LFOM)**

Bio-manure (fermented organic manure) generated as a by-product of Bio-CBG plants constitutes an important input for sustainable agriculture and soil health improvement. To promote its systematic utilization and market integration, <State> will implement the following measures:

- <State> will provide Direct Benefit Transfer (DBT) support to farmers at the **rate of at least ₹0.50 per kg of FOM** utilized on farms. Disbursement of DBT shall be subject to due verification of purchase and utilization. Detailed operational guidelines, eligibility conditions, verification procedure, claim process and budgetary provision for implementation of the DBT mechanism shall be notified separately by the <State>
- <State Agriculture Department> in coordination with <State Agricultural Universities> and other designated institutions will promote **research, marketing and distribution** of bio-manure produced by CBG plants, to create farmer awareness and acceptance
- <State> will promote formation and strengthening of **Organic Manure Cooperatives / Farmer Producer Organizations (FPOs) / Self-Help Groups (SHGs)** for organized aggregation, quality standardization and structured marketing and distribution of FOM/LFOM to enable organized market access and ensure sustainable commercialization of organic manure
- The <State Agriculture Department> shall develop an enabling mechanism to facilitate sale and purchase of bio-manure through licensed fertilizer outlets and other approved distribution channels
- <State> will encourage its Departments of Agriculture, Horticulture, Forest, Rural Development and other relevant departments to integrate and prioritize the utilization of Bio-Manure (FOM/LFOM) produced by CBG plants in plantations, soil health programmes and other public procurement systems to create assured institutional demand
- <State> will extend support for establishment of digestate value-addition facilities, including granulation units to convert FOM/LFOM into standardized, transportable and market-ready organic fertilizer

##### **4.2 Supporting Infrastructure Development**

- <State> will develop approach roads up to a length of five (5) kilometers within a year of land allotment for CBG plants with investment of 50 crores and above to ensure adequate site accessibility for feedstock movement, by-product transport and plant operations
- <State> will extend financial assistance for development of supporting project infrastructure such as power supply systems, water supply systems and gas pipelines. Financial assistance will amount to at least 50% of the eligible infrastructure cost subject to a maximum limit of ₹5 crore per project
- <State> will provide financial assistance for installation of waste management systems, including Effluent Treatment Plants (ETP), Sewage Treatment Plants (STP), and pollution control equipment up to 50% of the eligible project cost subject to a maximum limit of ₹5 crore per project
- <State> will ensure availability of 33/11 kV power connectivity from the nearest suitable substation subject to technical feasibility and availability of adequate load capacity for CBG plants located within a radius of five (5) kilometers. The cost of dedicated infrastructure, augmentation or extension required for such connectivity will be borne by the CBG project developer in accordance with applicable regulations
- <State> will promote development of CBG industrial clusters in proximity to high-density biomass zones, agro-industrial hubs, livestock concentration areas or municipal waste generation centers. Such clusters will be developed with shared feedstock aggregation infrastructure, storage facilities, common utilities and coordinated evacuation linkages
- <State> will ensure that provisions related to creation of CBG evacuation infrastructure are integrated within the <State's> City Gas Distribution (CGD) policy. Such integration will include, inter alia, **time-bound and deemed approval mechanism, transparent and standardized framework for Right of Use (RoU), restoration charges and other applicable permissions and charges** to enable timely and cost-effective evacuation of CBG through CGD networks

## Pillar 5: CBG Demand Creation and Transport Sector Integration

**Objective:** Create assured and scalable demand for domestically produced CBG through structured integration with the transport sector, fiscal incentives for CNG vehicle adoption, and streamlined regulatory approvals.

### 5.1 Procurement by State Transport Undertakings

To create assured demand for domestically produced Compressed Biogas (CBG) and enhance the bankability of CBG projects, <State> shall institute the following measures for integration of CBG within the transport ecosystem:

- <State Transport Department> shall procure atleast 10–20% of their total CNG requirement from CBG plants located within the <State>, subject to availability, quality compliance, and commercial viability
- <State> shall extend capital support, as may be notified separately, for conversion of eligible public transport buses or private vehicles to CNG, in accordance with applicable technical and safety standards

- Educational institutions and private transport operators in cities with population exceeding 5 lakh shall be encouraged to transition to CNG-based vehicles within two (2) years from notification of this Policy. In other cities and towns, such transition shall be encouraged within four (4) years

## 5.2 Regulatory Facilitation for CNG Vehicle Ecosystem

To streamline regulatory processes and ensure time-bound approvals for adoption of CNG vehicles and conversion infrastructure, the <State Transport Department> shall implement the following facilitative measures:

- Applications for approval of CNG vehicles and CNG kits certified by Automotive Research Association of India (ARAI) or International Centre for Automotive Technology (ICAT) shall be processed within fifteen (15) days from the date of receipt of complete application. Validity certification and compliance verification shall be undertaken once every three (3) years in accordance with applicable safety norms
- Endorsement of CNG fuel conversion on the Registration Certificate (RC) shall be completed by the concerned RTO/DTO within ten (10) working days from submission of complete documentation and inspection
- Approval for establishment of CNG Retro-fitment Centres (RFCs) shall be granted within fifteen (15) days of receipt of complete application, subject to compliance with applicable technical and safety standards

## Pillar 6: Development of Ecosystem Enablers

**Objective:** Create a predictable, investment-friendly CBG ecosystem through tax and interest support, innovation and R&D incentives and a digital single-window approval mechanism with defined timelines and accountability.

### 6.1 Tax and Interest support

To reduce financing costs and to ease taxation for Compressed Biogas (CBG) projects, <State> will extend the following support measures:

- <State> will provide up to **100% reimbursement of net State Goods and Services Tax (SGST) for 5 years**. The SGST reimbursement will be capped to 100% of project cost
- <State> will provide a rebate of Value Added Tax (VAT) on the CBG component of blended Natural Gas (PNG/CNG) supplied within the State, in proportion to the notified blending mandate or as decided by the <State Government>
- <State> will **provide interest subvention of at least 75% of total interest on term loan** capped to Rs 2 crore per project

### 6.2 Research, Development, and Innovation Support

To promote innovation, indigenization and technological advancement in the CBG sector, <State> will extend targeted support for research and development as follows:

- <State> shall establish a dedicated Research & Development (R&D) and Innovation Fund for the CBG sector to support technology improvement, operational efficiency

enhancement and ecosystem strengthening. The Fund shall be utilized to undertake targeted initiatives such as enhancement of digester efficiency, development and standardization of Fermented Organic Manure (FOM) products, technology validation studies and other operational efficiency / technology improvement initiatives. The modalities, eligibility criteria and implementation framework of the Fund shall be notified separately.

- <State> will provide at least **100% reimbursement of expenses incurred for filing and registration of patents, copyrights, trademarks, and geographical indications (GI)** related to CBG technologies, processes, products and by-products subject to a maximum limit of **₹10 lakh per project** during the first **five (5) years** from the date of commencement of commercial operation
- <State> shall examine the feasibility of decentralized, plastic-tank based Biogas generation systems at the household and community level in rural, semi-urban and urban areas. This assessment shall be undertaken in consultation with the Department of Drinking Water & Sanitation (DDWS), the Ministry of Housing and Urban Affairs (MoHUA), the Ministry of New & Renewable Energy (MNRE) and other relevant stakeholders. The evaluation shall include technical viability, financial sustainability, scalability potential, safety standards and integration with existing rural sanitation and waste management systems.

### 6.3 Institutional Capacity Building and Skill Development

To ensure availability of a skilled technical workforce and build long-term institutional capability for sustainable CBG sector growth, <State> will establish a dedicated CBG Skill and Capacity Development Framework with provisions given below:

- <State> will develop standardized certification and training modules for plant operators, maintenance technicians, safety supervisors and quality control staff associated with CBG plant operations
- Structured training programs will be implemented in collaboration with Industrial Training Institutes (ITIs), Polytechnics, Agricultural / Engineering & Technology / Veterinary and Integrated Universities, <State> Skill Development Missions and other accredited institutions
- <State> will provide a skill development subsidy of ₹20,000 or as per applicable <State> Skill Development Mission rates whichever is lower for approved training programs to personnel engaged in CBG plant operations. The subsidy shall be applicable to employees who are domiciled in <State> and shall be disbursed in accordance with guidelines notified by <State> Government.

### 6.4 Single Window Mechanism

To ensure coordinated implementation, reduce approval timelines and improve ease of doing business, <State> will establish a single window mechanism for approvals, permissions and clearance required as detailed below:

- In case single window mechanism does not exist, <State Nodal Agency> will develop an online dashboard-based portal for submission and processing of applications related to

implementation of CBG. The Single Window online portal will be developed and made operational within six (6) months from the date of notification of this Policy

- In case single window mechanism exists, <State Nodal Agency> will be responsible for integrating and streamlining the portal with CBG implementation requirements within six (6) months from the date of notification of this Policy
- All the project related approvals, clearances, NOCs will be granted via single window mechanism

## GOVERNANCE MECHANISM

### 1. State Nodal Agency

Under this Policy, the designated <State Nodal Agency> will be the principal authority responsible for promotion, facilitation, and coordinated execution of Compressed Biogas (CBG) projects across <State>

The <State Nodal Agency> will, inter alia, perform the following functions:

- Facilitate registration of investors and project developers under the Policy, provide guidance on applicable incentives, and assist in resolution of queries, grievances, and implementation-related issues
- Act as the single point of coordination for expeditious processing and disposal of applications pending with various <State> departments and local authorities
- Align planning of CBG projects and associated evacuation infrastructure with the PM Gati Shakti National Master Plan to optimize feedstock transportation routes, minimize logistics costs and enable co-location with gas distribution networks
- Grant deemed approvals, where applicable, in accordance with the provisions of this Policy and notified timelines
- Obtain, compile, and notify district-wise and block / tehsil-wise data yearly on availability of agricultural residues, animal dung, municipal solid waste, agro-industrial residues, and other biomass, in coordination with the Agriculture Department, Animal Husbandry Department, Urban Development Department, Agriculture Marketing Department, and other relevant agencies
- Conduct or facilitate annual district and block / tehsil-level surveys to update assessments of biomass production capacity, competing uses, and techno-economic viability of different biomass streams, which shall be used as inputs for project registration, catchment allocation and capacity planning
- Based on recommendations of the District-Level Committee / District Magistrate, approve and notify the number of registered feedstock aggregators permitted to operate within each catchment area
- Develop, operate and maintain the single-window portal for submission, tracking, and time-bound processing of CBG-related approvals and applications

- Facilitate processing of Consent to Establish (CTE), Consent to Operate (CTO) and other applicable environmental clearances for notified CBG projects in accordance with CPCB industry classification norms as determined based on feedstock type, scale of operation, and wastewater discharge parameters
- Coordinate implementation of the <State's> CBG Skill and Capacity Development Framework in collaboration with <State> Skill Development Missions, ITIs, Polytechnics, Agricultural / Engineering & Technology / Veterinary and Integrated Universities, and other accredited institutions
- Monitor and administer disbursement of incentives and fiscal support under this Policy, including capital assistance, power tariff support, tax reimbursements, and skill development subsidies, in accordance with notified guidelines
- Undertake periodic monitoring, reporting, and review of CBG sector performance at the <State> level and recommend policy refinements, regulatory interventions, or corrective measures to ensure ecosystem scale up

## 2. District-Level Committee

A District-Level Committee will be constituted in each district under the chairmanship of the District Magistrate / District Collector and will undertake the following functions:

- Establish coordination among farmers, feedstock aggregators and CBG project developers for creation and smooth functioning of feedstock supply chains within the district
- Facilitate determination of appropriate and uniform district-level prices for feedstock based on mutual consultation with farmers, aggregators, and project developers, ensuring transparency and fairness
- Provide regulatory and administrative support to aggregators for transportation, storage, and movement of feedstock within the district
- Coordinate with the Agriculture Department, Horticulture Department, Forest Department, Urban Local Bodies, Development Authorities, and other relevant agencies for marketing and distribution of organic manure and bio-manure produced by CBG plants
- Facilitate and coordinate regulatory approvals and clearances required at the district level, including but not limited to fire safety, land use permissions, conversion of agricultural to non-agricultural land, availability of government land, electricity and water supply, used water/ wastewater treatment, transmission infrastructure, and waiver or rationalization of development charges, as applicable
- Ensure compliance with approved command / catchment areas by aggregators and project developers to prevent conflict over feedstock supply and protect project viability
- Monitor and review timely payments to farmers / feedstock suppliers for feedstock supply and address grievances, if any
- Facilitate execution of contracts related to supply and utilization of organic manure and compressed biogas

- In cases where multiple aggregators operate within the same catchment area, recommend appropriate measures to the <State Nodal Agency> for rationalization, coordination or restriction of aggregator numbers to ensure orderly supply and fair competition

## PROCEDURE FOR REGISTRATION OF CBG PLANTS TO BE ESTABLISHED

### 1.1 Applicability of Registration

Developers who have already been issued a Letter of Intent (LoI) under the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative of the Ministry of Petroleum and Natural Gas, Government of India or any similar offtake guarantee and have further registered on central GOBARdhan portal will be registered under the current policy.

### 1.2 Block / Tehsil-Based Capacity Regulation and Catchment Area Affiliation

Based on assessed waste-to-biogas potential at the block / tehsil level, registration of CBG projects shall be restricted such that not more than 80% of the estimated waste-based biogas generation capacity of a block / tehsil is allocated to CBG projects. This is to ensure:

- Availability of biomass for alternative uses;
- Adequate supply for local community requirements; and
- Long-term sustainability of feedstock supply.

Registration of projects shall be undertaken by the <State Nodal Agency> based on the recommendations of the District Magistrate led committee, which shall assess project capacity, feedstock requirement and implementation readiness. Based on such assessment, the affiliated feedstock catchment area of a project may be increased or rationalized.

### 1.3 Site Selection, Feedstock Catchment Area and Exclusivity

The developer shall have the freedom to select the project site within the approved block / tehsil. Based on project capacity and biomass requirement:

- No additional CBG project shall be registered within the same block / tehsil if it is likely to adversely affect feedstock availability or financial viability of the approved project.
- The District Magistrate may, where justified by plant capacity and biomass availability, extend the catchment area to adjoining blocks / tehsils.
- Biomass generated within a tehsil shall ordinarily be utilized within the same block / tehsil. For large-capacity projects, the District Magistrate may designate two or more blocks / tehsils as a combined catchment area.

### 1.4 Compliance with Central and State Guidelines

All developers shall comply with guidelines issued by the Ministry of New and Renewable Energy (MNRE), Government of India, and relevant rules, notifications, and regulations issued by <State> Government from time to time in relation to CBG projects.

### **1.5 Submission of Expression of Interest (EOI)**

Developers intending to establish a CBG enterprise shall submit an Expression of Interest (EOI) to the <State Nodal Agency> along with the following:

- Application in the prescribed format;
- Certified copy of Memorandum and Articles of Association or bye-laws of the registered entity;
- Certified copy of partnership deed (where applicable);
- Audited balance sheets of the last three financial years (or promoter/mother company in case of start-ups);
- Pre-Feasibility Report; and
- Non-refundable registration fee of ₹10,000 per unit.

### **1.6 Submission of Detailed Documents**

Within a period of three (3) months from submission of EOI, the developer shall submit the following documents for approval:

- Detailed Project Report (DPR);
- Biomass Assessment Report;
- Land-related documents identifying the proposed project site;
- CPM/PERT chart for project implementation;
- Water allocation order based on availability at the project site; and
- No-Objection Certificate from the concerned Urban Local Body or Gram Panchayat, as applicable.

### **1.7 Implementation Agreement and Performance Guarantee**

Based on evaluation of net worth, project area, and DPR, an Implementation Agreement shall be executed with the developer after submission of a Performance Bank Guarantee equivalent to 3% of the project cost.

The developer shall commission the project within two (2) years from the date of execution of the Implementation Agreement.

### **1.8 Extension of Time**

Where delays in project implementation are attributable to reasons beyond the control of the developer, <State> Government may grant up to two extensions, subject to reconciliation of facts and conditions specific to the case.

### **1.9 State-Level Approval Committee and Issuance of Lol**

Upon satisfactory verification of records and progress, a Letter of Intent (LoI) shall be issued to the developer after approval by a <State> Level Committee constituted under the chairmanship of the Additional Chief Secretary / Chief Secretary (Energy or Additional Sources of Energy).

On issuance of LoI:

- The developer shall receive area affiliation benefits as per clauses 6.2 and 6.3;
- The developer may execute long-term feedstock supply contracts within the approved catchment area;
- FPOs and rural entrepreneurs operating within the catchment area shall become eligible for incentives related to subsidized agricultural equipment.

If the project is not commissioned within thirty-six (36) months from the date of approval, or where no substantial on-ground execution is initiated within six (6) months from such approval, all the approvals and associated incentives under this Policy may be withdrawn and the project capacity may be reallocated to another eligible developer.

## MISCELLANEOUS PROVISIONS

1. All Compressed Biogas (CBG) units established under this Policy will comply with applicable environmental laws, rules, regulations, notifications and orders issued by the Government of India and the <State> Government from time to time, including those relating to pollution control, waste management, safety, and statutory clearances
2. A High-Powered Committee will be constituted under the chairmanship of the Chief Secretary to the <State> Government for overall monitoring, periodic review, inter-departmental coordination, resolution of implementation-related issues, and effective execution of the Policy. The composition, powers, and functions of the Committee will be notified separately by the <State> Government
3. Facilities and incentives under this Policy will be applicable only to projects adopting technologies approved by the Ministry of New and Renewable Energy (MNRE), Government of India, or such other competent authority as notified from time to time. Mixing or co-processing of fossil-based fuels with waste or biomass will not be permitted under this Policy
4. <State> Government will make necessary budgetary provisions to ensure effective implementation, coordination, monitoring and administration of this Policy