

L-16022/1/2026-GP-I (56050)
Government of India
Ministry of Petroleum and Natural Gas

Kartavya Bhawan-3, New Delhi-01
Dated: 13th May, 2026

To,

**The Chief Secretary,
All State Governments / UT Administrations
(As per list attached)**

**Subject: Guidelines for Special Assistance to States for Capital Investment (SASCI),
2026-27 – Operational Guidelines for CBG Sector Reforms regarding.**

Sir/Madam,

I am directed to refer to the Guidelines for Special Assistance to States for Capital Investment (SASCI), 2026-27 issued by the Department of Expenditure, Ministry of Finance vide F. No. 44(1)/PF-S/2026-27 (CAPEX) dated 27th March, 2026.

2. Attention is invited to Part–XII of the aforesaid Guidelines relating to “Compressed Bio Gas (CBG) Sector Reforms”, which has been introduced with the objective of incentivizing States/UTs to undertake time-bound reforms and enabling actions for accelerated development of the CBG ecosystem. The reforms focus on faster project commissioning, strengthening feedstock systems and waste-to-energy convergence, market access and evacuation readiness, offtake support, and creation of an investor-ready ecosystem at the State level.

3. Under Part–XII, an outlay of Rs. 3,000 crores have been earmarked for providing incentives to States/UTs under the following three components:

- (i) Component I – State CBG Policy Alignment
- (ii) Component II – State CBG Readiness Index (SCRI)
- (iii) Component III – State CBG Fiscal Co-financing Scheme

4. In order to facilitate effective implementation of the reforms envisaged under Part–XII of SASCI 2026-27, the Ministry of Petroleum and Natural Gas has prepared Operational Guidelines for CBG Sector Reforms. The Operational Guidelines, *inter-alia*, provide details regarding eligibility conditions, reform parameters, incentive structure, submission mechanism, timelines, verification framework, and evaluation criteria for States/UTs.

5. The Operational Guidelines are enclosed herewith for information and necessary action. States/UTs are requested to undertake necessary reforms and enabling measures in a time-bound manner for promotion of the CBG sector and for availing incentives under SASCI 2026-27.

6. States/UTs are further requested to designate/notify the appropriate nodal department/agency for coordination and implementation of reforms under the CBG Sector Reforms component and ensure timely submission of claims and supporting documents to this Ministry as per prescribed timelines.

7. The matter may kindly be accorded priority considering the importance of CBG in promoting circular economy, scientific waste management, clean energy transition, rural livelihood generation, and reduction in dependence on fossil fuels.

Encl.: As above

Yours faithfully,



(Vikas Singh)

Director GP

Tel: 011- 24011217

Email: dir.gp-png@gov.in

Copy for information to:

Department of Expenditure
Shri Prateek Kumar Singh
Director, (PF-States)
Ministry of Finance
Kartavya Bhawan-1
New Delhi

**Ministry of Petroleum and Natural Gas
Government of India**

**Operational Guidelines for Special Assistance to
States for Capital Investment – Part XII: CBG Sector
Reforms**

1. Background

- 1.1. Reference is invited to the guidelines issued by the Department of Expenditure (DoE) dated 27.03.2026 for Special Assistance to States for Capital Investment (SASCI), 2026–27.
- 1.2. Part XII of the aforesaid DoE Guidelines pertains to reforms in the Compressed Biogas Sector.
- 1.3. In this connection, the operational guidelines of the scheme are hereby laid down as follows.

2. Objective

- 2.1. The objective of this Part is to incentivize States/UTs to undertake time-bound reforms and enabling actions for the accelerated development of the Compressed Biogas (CBG) ecosystem. The focus areas include faster project commissioning and improved utilization of CBG plants; strengthening feedstock systems and waste-to-energy convergence; enhancing market access, evacuation readiness, and offtake support; and creating an investor-ready, execution-oriented ecosystem at the State level.

3. Salient Features of the Scheme

- 3.1. Support under the Scheme shall be provided to States based on reforms undertaken and documentation submitted in the prescribed manner and subject to approval by the competent authority.
- 3.2. Assistance under the Scheme shall be limited to the approved scope, approved components and sanctioned amount.
- 3.3. Funds released under the Scheme shall be utilized only for the purpose for which they are sanctioned and in accordance with the approved proposal and applicable guidelines.

- 3.4. The Government of India shall provide support under the Scheme within the overall timelines prescribed under SASCI. Any expenditure beyond the approved scope, sanctioned amount or prescribed timelines shall be borne by the State Government.
- 3.5. Release, utilization and reporting of funds under the Scheme shall be governed by the provisions of SASCI and such instructions as may be issued by the Government of India from time to time.

4. Pattern of Assistance

- 4.1. An amount of Rs. 3,000 crore is earmarked under this Part. The incentive amount may be utilized by the State Governments/UT Administrations for capital projects in any sector and shall be provided on a first-come-first-served basis.
- 4.2. The outlay under the Scheme shall be allocated across the following components:
- i. **Component I:** State CBG Policy Alignment – Rs. 1,300 crore
 - ii. **Component II:** State CBG Readiness Index (SCRI) – Rs. 500 crore
 - iii. **Component III:** State CBG Fiscal Co-financing Scheme – Rs. 1,200 crore
- 4.3. **Grouping of States/UTs:** For the purpose of incentives under Components I and II, States/UTs are classified into the following categories:
- i. **Category A:** Uttar Pradesh, Maharashtra, Madhya Pradesh, Karnataka, Rajasthan, West Bengal, Gujarat, Bihar, Tamil Nadu, Andhra Pradesh, Punjab, Telangana, Haryana
 - ii. **Category B:** Assam, Chhattisgarh, Jharkhand, Odisha, Kerala, Jammu & Kashmir, Uttarakhand, Himachal Pradesh, Delhi
 - iii. **Category C:** Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh, Goa, Sikkim, Puducherry, Mizoram, Andaman & Nicobar Islands, Chandigarh, Dadra and Nagar Haveli and Daman and Diu, Lakshadweep, Ladakh

5. Implementation Process

- 5.1. **Component I: State CBG Policy Alignment Incentive** – Component I aims to ensure that States/UTs achieve a minimum level of alignment with the Model State CBG Policy guidelines issued by the Ministry of Petroleum and Natural Gas (MoPNG) vide DO No. L-16022/9/2025-GP-I(E-54538) dated 6 April 2026. The objective is to facilitate the adoption and operationalization of key reforms, thereby establishing a consistent and robust policy framework across States/UTs for accelerated development of the CBG ecosystem.

5.1.1. Eligibility Criteria:

- i. A State/UT shall be eligible for incentives under this component only if it has notified a State CBG Policy aligned with the framework specified under the Scheme.
- ii. The State/UT shall implement:
 - a. All Foundational Governance Reforms;
 - b. At least 3 out of 8 Fiscal Support Measures; and
 - c. At least 1 out of 4 Ecosystem Enablers, as specified under Annexure I.

5.1.2. Determination of Eligible Incentive

- i. The incentive admissible to a State/UT under Component I shall be as follows, subject to the applicable category:
 - a. **Category A:** Up to Rs. 100 Crore
 - b. **Category B:** Up to Rs. 50 Crore
 - c. **Category C:** Up to Rs. 30 Crore
- ii. The eligible incentive shall be determined based on State/ UT category, subject to compliance with policy and reforms, as mentioned in clause 5.1.3.

5.1.3. Compliance Requirements

- i. The State/ UT shall submit the supporting documents as detailed under Annexure IV to be eligible to claim the incentive under Component I.
- ii. Additionally, a self-certification/undertaking by an officer not below the rank of Secretary (or equivalent) in the State Government, confirming incorporation of the prescribed reforms in the CBG/ Biofuel policy, as per Annexure III, shall be required.

5.2. Component II: State CBG Readiness Index (SCRI) – Component II aims to assess and incentivize the readiness of States/UTs in advancing the CBG ecosystem, with incentives linked to measurable improvements across key performance parameters, as mentioned in Annexure II.

5.2.1. Eligibility Criteria

- i. All States/UTs shall be eligible for consideration under this component, subject to their assessment under the State CBG Readiness Index (SCRI) for the period as specified under Clause 6.2.2.

5.2.2. Determination of Eligible Incentive

- i. The incentive admissible to a State/UT under Component II shall be as follows for **top 3 performing States/UTs** in each category:
 - a. **Category A:** Rs. 75 Crore
 - b. **Category B:** Rs. 55 Crore
 - c. **Category C:** Rs. 35 Crore
- ii. Incentives shall be awarded based on final SCRI rankings within each category.

5.2.3. Compliance Requirements

- i. MoPNG shall compute scores using data submitted by States/UTs in the prescribed format (as per Annexure III) along with data from official sources (GOBARdhan portal, Centre for High Technology, any other source designated by MoPNG).
- ii. The State/ UT shall submit the supporting documents as detailed under Annexure IV to be eligible to claim the incentive under Component II.
- iii. Indicators, measurement basis, data sources, and weights shall be as specified in Annexure II. Indicators shall be measured over the assessment period of **01.04.2026 to 01.12.2026**.
- iv. For each indicator, States/UTs within a category shall be ranked based on performance. The direction of ranking shall be as follows:
 - a. Concessional rate of land allotment: lower lease rate (Rs./acre) shall rank higher (ascending order);
 - b. Total land allotted for CBG production: higher allotted land (acres) shall rank higher (descending order);
 - c. Onboarding/ registration of feedstock aggregators on State portal/ records: higher number of FPOs / cooperatives / self-help groups onboarded shall rank higher (descending order);
 - d. Growth in CBG production capacity: higher absolute YoY increase (TPD) shall rank higher (descending order);

- e. Growth in CBG pipeline network: higher absolute YoY increase (km) shall rank higher (descending order); and
 - f. Utilization of CBG by-products by State Agencies (including organic manure): higher utilization (tons) shall rank higher (descending order).
- v. Based on the above ranking, scores shall be assigned as a percentage of the indicator weight as follows:
- a. Rank 1: 100%
 - b. Rank 2: 75%
 - c. Rank 3: 50%
 - d. Rank 4: 40%
 - e. Rank 5 and below: 30%
- vi. In case of a tie, States/UTs shall be assigned the same rank and corresponding score. Subsequent ranks shall be adjusted accordingly.
- vii. The overall SCRI score shall be computed based on weighted performance across all pillars.
- viii. Final rankings shall be published by MoPNG. Further, MoPNG reserves the right to review or modify the rank bands/methodology periodically. Its decision on any interpretation shall be final.

5.3. Component III: State CBG Fiscal Co-financing Scheme –Component III aims to incentivize States/UTs to design and implement comprehensive CBG policies that incorporate substantial and effective fiscal support measures. It seeks to ensure that States committing meaningful financial incentives are adequately supported, thereby encouraging the formulation of high-impact policies that materially improve project viability, attract investment, and drive sustained growth in the CBG sector.

5.3.1. Eligibility Criteria

- i. All States/UTs shall be eligible under this component, subject to assessment under the State CBG Fiscal Co-financing Scheme.
- ii. The Net Present Value (NPV) of State support shall be computed by MoPNG based on the details of fiscal support measures provided by the State/UT as under Annexure III, standardized for an **8 TPD CBG plant** configuration, duly verified against the provisions of the notified State/UT CBG Policy.

- iii. The NPV shall be calculated using a discount rate equal to the 10-year Government of India G-Sec yield (i.e. 6.96%) as on 01.04.2026. An illustrative methodology and sample calculation are provided at Annexure V.
- iv. No incentive shall be admissible where the NPV of State support planned is below ₹0.60 crore per TPD.

5.3.2. Determination of Eligible Incentive

- i. Incentive under this component shall be provided at 30% of the eligible NPV of state support planned per TPD, multiplied by the **Eligible capacity (TPD)**
 - a. Eligible capacity is defined as the capacity that has received Consent to Establish from State Pollution Control Board between the period **01.04.2026 to 01.12.2026**.

Incentive under Component III = [Eligible Capacity (TPD) × Lesser of (30% of NPV, ₹0.75 crore per TPD)]

- ii. The incentive admissible under this component shall be subject to a maximum cap of ₹0.75 crore per TPD.
- iii. The total incentive disbursed to any State/UT under this component shall not exceed ₹200 crore.

5.3.3. Compliance Requirements

- i. The State/ UT shall submit the supporting documents as detailed under Annexure IV to be eligible to claim the incentive under Component III.
- ii. The MoPNG shall identify and assess the fiscal support extended by States/UTs based on notified State/UT CBG policies, including relevant Government Orders and Gazette notifications.
- iii. The NPV computation shall be carried out by MoPNG in accordance with Clause 5.3.1(ii), based on the information provided in Annexure III.
- iv. Only clearly defined, quantifiable, and policy-notified fiscal support measures shall be considered for assessment. General or non-committal provisions (e.g., indicative statements such as 'infrastructure may be developed' or 'support shall be provided') without specified financial extent, duration, and applicability shall not be considered for NPV computation.

- v. MoPNG shall serve as the final authority in the interpretation, admissibility, and valuation of such provisions.

6. Submission and Verification

6.1. Submission of Applications

- 6.1.1. States/UTs shall submit a consolidated application for all components under which incentives are claimed, in the prescribed format as per Annexure III, along with all requisite supporting documents.
- 6.1.2. All completed applications, along with documentary evidence (in soft copy), shall be submitted to the Ministry of Petroleum and Natural Gas (MoPNG) via email at: **dir.gp-png@gov.in**
- 6.1.3. Applications shall be evaluated only for those component(s) for which complete information and supporting documentation have been furnished.
- 6.1.4. MoPNG reserves the right to seek additional information, clarifications, or supporting documents from the State/UT at any stage of evaluation. States/UTs shall furnish the same within the stipulated time, failing which MoPNG may proceed with evaluation based on available information or exclude the concerned component(s) from consideration.
- 6.1.5. State Governments/UT Administrations shall submit their claims, along with supporting documents and certification of compliance, **latest by 01.12.2026**. Any application received after the prescribed timeline shall not be considered.

6.2. Verification and Assessment

- 6.2.1. **Component I:** Verification of notified State/UT CBG Policy, supporting Government Orders, and certification of implementation of prescribed reforms.
- 6.2.2. **Component II:** Assessment based on performance data for the period **01.04.2026 to 01.12.2026**, and computation of SCRI scores in accordance with Annexure II.
- 6.2.3. **Component III:** Verification of:
 - i. Eligibility of the State/UT based on the NPV threshold;

- ii. Eligible capacity (TPD) based on GOBARDhan portal data or any other source data as designated by MoPNG; and
- iii. Admissible fiscal support and the NPV thereof.

6.2.4. MoPNG may seek additional clarifications or documents from States/UTs, wherever required.

7. Recommendation and Release of Funds

- 7.1.** Claims shall be processed in the order in which complete submissions (along with all supporting documents) are received by MoPNG.
- 7.2.** Based on the assessment, MoPNG shall determine eligibility and admissible incentive under each component.
- 7.3.** MoPNG shall make recommendations to the Department of Expenditure (DoE) for release of incentives **latest by 31.12.2026.**

**Special Assistance to States for Capital Investment
– Part XII: CBG Sector Reforms**

ANNEXURE

Annexure I: Compliance Requirements under Component I

Foundational Governance Reforms for Component I:

The State shall implement a CBG Policy which shall include key sections on:

- i. Governance Mechanism**

State Policy shall enable provisions for creating appropriate governance mechanism, comprising:

 - a. State Nodal Agency:** The State Government shall designate a State Nodal Agency as the principal authority for promotion, facilitation, monitoring, and coordination of CBG projects.
 - b. District-Level Committees (DLCs):** Each district shall constitute a DLC under the Chairmanship of the District Magistrate/Collector.
- ii. Single Window Portal (SWP)**

a. State Policy shall enable provisions for operational Single Window Portal for CBG projects providing:

 - 1. Online submission and tracking of applications
 - 2. Defined timelines for approvals
 - 3. Auto-escalation mechanism for delays
 - 4. Provision for deemed approval beyond notified timelines (except for statutory clearances)
- iii. Time-Bound Approval Framework:** The policy shall prescribe defined timelines for:
 - a. Land allotment:** Within 6 months of submission of a complete application at concessional rate
 - b. Utility approvals (power/water):** Decision within 30 days, with deemed approval after 60 days
- iv. Integrated Feedstock Planning Framework:** State Policy shall detail out integrated feedstock planning framework to ensure feedstock security and prevent excessive capacity allocation relative to biomass waste availability:
 - a. District-wise biomass waste assessment and periodic revision**
 - b. Provision for CBG plant catchment area based on biomass waste availability**

- c. Registration of new CBG projects basis surplus biomass waste assessment
 - d. Long-term feedstock linkages between CBG plants and ULBs, mandis, gaushalas, sugar mills, and FPOs
 - e. Supply of organic municipal solid waste shall be enabled by ULBs through long-term arrangements, to ensure reliable feedstock availability at no cost to CBG producers
- v. **Structured Organic Manure Market Development:** State Policy shall enable provision to promote utilization of bio-manure:
- a. Integration of organic manure into fertilizer distribution channels
 - b. Promotion of its usage through concerned State/UT Agriculture Department through extension programs
 - c. Institutional demand shall be encouraged through public procurement and soil health initiatives
- vi. **Monitoring and Grievance Redressal:** State Policy shall have provisions to enable CBG plant monitoring and addressal of grievances:
- a. Projects shall report periodic production and feedstock data
 - b. Two-tier grievance redressal mechanism (District and State level) shall be established

Fiscal Support Measures for Component I

The State shall implement a CBG Policy which shall include at least 3 reforms from the list below:

#	Reform Parameter	Brief description of Reform
1	Land Lease Support	Provision of land at concessional rate, exemption of stamp duty, registration charges, land conversion fee and other applicable charges.
2	Feedstock Aggregation Support	Financial assistance or subsidy for biomass aggregation machinery for Agri-Residue based CBG projects.

3	Plant CAPEX Support	Provision of capital subsidy for plant and machinery.
4	Bio – Manure Utilization Support	Provision of Direct Benefit Transfer (DBT) support to farmers for utilization of by-product produced by CBG plants.
5	Power Tariff Support	Electricity duty exemption or partial tariff reimbursement for CBG plants.
6	Tax and Interest Support	SGST reimbursement and interest subvention on term loans extended to CBG projects.
7	Manpower Support	Wage subsidy, EPF reimbursement or skill development support for personnel employed in CBG plant operations.
8	Supporting Infrastructure Development Support	Financial assistance for development of supporting infrastructure such as approach roads, power / water supply systems, gas pipelines, drainage / sewage and waste management systems.

Ecosystem Enablers for Component I:

The State shall implement a CBG Policy which shall include at least 1 reform from the list below:

#	Reform Parameter	Brief description of Reform
1	Research and Innovation Promotion	State Policy shall accommodate provisions for agreements/ MoUs with State universities, technical institutions and research bodies to promote CBG research including process optimization, and value-added FOM/LFOM/PROM product development
2	Technical Capacity Strengthening	State Policy shall accommodate provisions for issuance of SOPs / Field trainings led by State Nodal Agency for district officers, ULBs and

		FPOs/aggregators on feedstock systems, segregation/collection protocols and implementation procedures
3	Demand Creation in the Transport Sector	State Policy shall accommodate provisions for institutionalization of CBG sale mandate for State Transport Undertakings.
4	CGD-Based Offtake Integration	State Policy shall accommodate provisions for integration of CBG evacuation provisions within the State's CGD framework, including facilitation of pipeline connectivity, time-bound approvals, and standardized Right of Use (RoU) mechanisms to enable assured offtake of CBG.

Annexure II: State CBG Readiness Index Framework under Component II

Pillar	Indicator	Measurement Basis	Data Source	Weight
Land Lease Support	Concessional rate of land allotment	Lease rate in Rs. / Acre	State Declaration	10
	Total land allotted for CBG production	Total land allotted in acres for CBG production	State Declaration	30
Feedstock Planning Framework	Onboarding/ registration of feedstock aggregators on State portal/ records	Number of FPOs / cooperatives / self-help groups onboarded	State Declaration	10
CBG Production Capacity Expansion	Growth in CBG Production Capacity	Absolute YoY growth in CBG capacity, obtained consent to operate (TPD)	GOBARDhan portal (or any other portal as designated by MoPNG)	20
Evacuation Infrastructure Enablement	Growth in CBG Pipeline Network	Absolute YoY change in length of evacuation pipeline laid (Kilometers)	Centre for High Technology	20
Offtake for CBG by-products (incl. organic Manure)	Utilization of CBG by-product (incl. organic Manure) by state department/ agencies	Utilization of CBG-byproduct in Tons	State Declaration	10

Annexure III: Format for Availing Incentives under Part XII (CBG Sector Reforms) of SASCI 2026-27

To
The Secretary,
Ministry of Petroleum and Natural Gas,
Government of India,
New Delhi

Sir,

It is hereby certified that the State of _____ has adopted and notified the State CBG/ Biofuel Policy dated _____.

The State submits its claim for incentives under the following Component(s) (tick as applicable):

- ☐ Component I: State CBG Policy Alignment
- ☐ Component II: State CBG Readiness Index (SCRI)
- ☐ Component III: State CBG Fiscal Co-Financing Scheme

It is further certified that all supporting documents, as specified in Annexure IV, have been duly enclosed and correspond to the information provided for the Component(s) selected above.

A. Certification for Component I: State CBG Policy Alignment

1. All Foundational Governance Reforms prescribed under Component I of the Scheme for Special Assistance to States for Capital Investment (CBG Sector Reforms) have been incorporated in the CBG policy, released by the State Government.
2. _____ number of Fiscal Support Measures, which have been incorporated in the CBG/ biofuel policy, released by the State Government.:

i. _____
.... _____
xx. _____

3. _____ number of Ecosystem Enabler Reforms, which have been incorporated in the CBG/ Biofuel policy, released by the State Government:

i. _____
.... _____
xx. _____

B. Certification for Component II: State CBG Readiness Index (SCRI)

1. It is hereby certified that the State has undertaken actions contributing to performance under the State CBG Readiness Index (SCRI).
2. With respect to land-related parameters:
 - i. The State has provided land for CBG projects at an average concessional rate of Rs. _____ per acre, as per applicable policy provisions.
 - ii. The total land allotted for CBG production during the assessment period specified under the Scheme is _____ acres.
3. With respect to feedstock planning framework:
 - i. The State has adopted an aggregator-based feedstock supply model for integration of CBG developers, feedstock aggregators, and suppliers, as per notified policy provisions.
 - ii. The total number of registered/ onboarded feedstock aggregators classified as FPOs, cooperatives, SHGs on the state portal/ state records is _____.
4. With respect to utilization of CBG by-products:
 - i. State departments/agencies have undertaken utilization of CBG by-products (including organic manure), as per applicable programs and initiatives.
 - ii. Total quantity utilized during the relevant period is _____ (in tons).

C. Certification for Component III: State CBG Fiscal Co-Financing Scheme

1. It is hereby declared that the State has incorporated fiscal support measures for the development of CBG projects under the State CBG Fiscal Co-Financing Scheme, and that the relevant details below have been computed and provided based on an **8 TPD CBG plant** configuration:

Reform Parameter	Nature of Support (What is covered)	Extent of Support	Duration of Support (One-time/ # of years)
Feedstock Aggregation Support	Subsidy to CBG producers for aggregation equipment, such as balers, rakers, transport support, etc.	₹ _____ Cr per TPD of a CBG plant	

Plant CAPEX Support	Capital subsidy for CBG plant machinery	₹ _____ Cr per TPD of a CBG plant	
Power Tariff Support	Tariff reimbursement, electricity duty exemption, cross-subsidy surcharge exemption, etc.	₹ _____ per unit of net effective reduction in power tariff	
Tax Relief	SGST Reimbursement	_____ % reduction/ exemption in SGST	
Financing Support	Interest Subvention	₹ _____ Cr of interest subvention per CBG plant	
Supporting Infrastructure Development Support to CBG plants	Financial assistance provided for construction of approach roads, power connection, water supply, pipeline support, etc.	₹ _____ Cr per CBG plant	
Others	If State has provided other fiscal support measures to CBG plants that are not captured above, the details of such support may be provided here.	₹ _____ Cr per TPD of a CBG plant (as applicable)	

2. The total eligible CBG production capacity that has obtained Consent-to-Establish (CTE) from the State Pollution Control Board during the relevant period is _____ TPD.

This certification is being issued for the purpose of consideration of incentives under Part XII (CBG Sector Reforms) of Special Assistance to States for Capital Investment (SASCI) 2026-27.

Signature:

Seal: _____

(Secretary, Department of <xx>, Government of <State>)

Annexure IV: List of Supporting Documents to be Submitted by States/UTs for Availing Incentives under Part XII (CBG Sector Reforms) of SASCI 2026–27

This Annexure provides the indicative list of supporting documents to be submitted by States/UTs along with their application for claiming incentives under Part XII (CBG Sector Reforms) of SASCI 2026–27.

States/UTs shall ensure that all submitted documents are complete, duly authenticated, and clearly mapped to the relevant component(s) and indicators. MoPNG reserves the right to seek additional documents or clarifications, wherever required, for the purpose of validation and assessment.

Component	Documentary Evidence
Component I: State CBG Policy Alignment	a. Copy of the notified State CBG Policy; Or Relevant Government Orders / Notifications / Circulars issued by the State/UT. b. Any other supporting document relating to State-level systems and institutional mechanisms to support the CBG ecosystem, as applicable.
Component II: State CBG Readiness Index (SCRI)	a. Land allotment letters / lease agreements issued for CBG projects during the assessment period. b. Relevant Government Orders/ Office Orders/ documents specifying concessional land provisions (including lease rates). c. Documents evidencing utilization of CBG by-products by State departments/agencies (including procurement records, utilization reports, or scheme records). d. State records evidencing total number of registered/ onboarded feedstock aggregators classified as FPOs, cooperatives, SHGs e. Any other supporting documentation as applicable.
Component III: State CBG Fiscal Co-Financing Scheme	a. Relevant policy provisions under the CBG/ Biofuel policy, Government Orders, Notifications, etc. indicating the nature, extent, and duration of fiscal support provided to CBG projects. b. List of CBG projects with capacity (in TPD) that have obtained Consent-to-Establish (CTE) during the relevant period, along with supporting CTE certificates issued by the State Pollution Control Board. c. Any other supporting documentation relevant to the fiscal support measures claimed under Component III.

Annexure V: Illustrative Methodology for Assessment under Component III: State CBG Fiscal Co-financing Scheme

1. Objective

This document provides an illustrative methodology for assessment under Component III of Part XII: CBG Sector Reforms under SASCI 2026–27. It outlines how States/UTs shall furnish details of fiscal support measures in accordance with the operational guidelines issued by the Ministry of Petroleum and Natural Gas (MoPNG), and how such measures will be assessed by MoPNG for computation of Net Present Value (NPV) and determination of the eligible incentive.

The illustrations provided below are purely indicative, based on standardized assumptions and hypothetical sample values, and are intended solely to demonstrate the methodology and calculation approach adopted by MoPNG; They do not represent actual State/UT commitments.

2. Illustrative Template for Submission of Fiscal Support Measures – States will need to furnish below details as per Annexure III

States/UTs shall furnish details of fiscal support measures under their notified CBG Policy in the format prescribed by MoPNG. An illustrative template with sample values is provided below to show how this information is to be presented for assessment, on the basis of a standard 8 TPD CBG plant.

The values shown are for illustration only:

Reform Parameter	Nature of Support (What is covered)	Extent of Support	Duration of Support (One-time/ # of years)
Feedstock Aggregation Support	Subsidy to CBG producers for aggregation equipment, such as balers, rakers, transport support, etc.	₹ 0.05 Cr per TPD of a CBG plant	One-time
Plant CAPEX Support	Capital subsidy for CBG plant machinery	₹ 0.5 Cr per TPD of a CBG plant	One-time
Power Tariff Support	Tariff reimbursement, electricity duty exemption,	₹ 2 per unit of net effective	5 years

	cross-subsidy surcharge exemption, etc.	reduction in power tariff	
Tax Relief	SGST Reimbursement	100% reduction/ exemption in SGST	5 years
Financing Support	Interest Subvention	₹ 2 Cr of interest subvention per CBG plant	One-time
Supporting Infrastructure Development Support to CBG plants	Financial assistance provided for construction of approach roads, power connection, water supply, pipeline support, etc.	₹ 10 Cr per CBG plant	One-time
Others	If State has provided other fiscal support measures to CBG plants that are not captured above, the details of such support may be provided here.	n/a	n/a

3. Computation of Fiscal Support

Based on the inputs provided in the above template, MoPNG shall compute the fiscal support for a standard 8 TPD CBG plant. Illustrative calculations for each category of fiscal support are provided below.

a) Feedstock Aggregation Support

- Input: Support notified by State/UT = ₹0.05 crore per TPD of CBG plant capacity
- Plant capacity = 8 TPD
- Calculation: ₹0.05 crore/TPD × 8 TPD = ₹0.40 crore
- Accordingly, admissible fiscal support for feedstock aggregation shall be ₹0.40 crore, considered as a one-time benefit.

b) Plant CAPEX Support

- Input: Capital subsidy notified by State/UT = ₹0.50 crore per TPD

- Plant capacity = 8 TPD
- Calculation: ₹0.50 crore/TPD × 8 TPD = ₹4.00 crore
- If the State/UT policy specifies an overall cap per plant, the admissible support shall be the lower of:
 - Calculated support based on per TPD rate; and
 - Overall cap notified under the State/UT policy.

c) Power Tariff Support

- Input:
 - Plant capacity = 8 TPD
 - Plant Load Factor (PLF) = 50% [Fixed Assumption]
 - Daily CBG production = 4,000 kg/day
 - Electricity consumption = 2 units per kg of CBG [Fixed Assumption]
 - Net tariff reduction = ₹2 per unit
 - Duration of support = 5 years
- Calculation:
 - Annual CBG production: 4,000 kg/day × 330 days = 13,20,000 kg/year
 - Annual electricity consumption: 13,20,000 kg × 2 units/kg = 26,40,000 units/year
 - Annual fiscal support: 26,40,000 units × ₹2/unit = ₹52,80,000 = ₹0.53 crore per year

d) Tax Relief

- Support notified by State/UT = 100% SGST reduction/ exemption
- Duration = 5 years
- Admissible support = ₹0.50 crore in Year 1 (SGST exemption on CAPEX included)
- Admissible support = ₹0.20 crore in subsequent years (SGST exemption on CAPEX not applicable)

e) Financing Support

- Support notified by State/UT = ₹2 crore per CBG plant
- Plant capacity = 8 TPD
- Admissible support = ₹2.00 crore
- This shall be considered as a one-time benefit, unless the notified State/UT policy specifies a different disbursement schedule.

f) Supporting Infrastructure Development Support to CBG Plants

- Support notified by State/UT = ₹10 crore per CBG plant
- Nature of support includes development of supporting infrastructure such as approach roads, power connection, water supply systems, pipeline connectivity, and drainage/sewage or waste management systems.
- Admissible support = ₹10.00 crore

4. Aggregation of Year-wise Fiscal Support

Based on the above computations, the fiscal support shall be aggregated on a year-wise basis for a standard 8 TPD CBG plant. The resulting cash flows shall form the basis for computation of Net Present Value (NPV) by MoPNG. An illustrative aggregation is provided below:

Fiscal Support Measure	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Feedstock Aggregation Support	0.40	-	-	-	-	0.40
Plant CAPEX Support	4.00	-	-	-	-	4.00
Power Tariff Support	0.53	0.53	0.53	0.53	0.53	2.64
Tax Relief	0.50	0.20	0.20	0.20	0.20	1.30
Financing Support	2.00	-	-	-	-	2.00
Supporting Infra. Development Support to CBG plants	10.00	-	-	-	-	10.00
Others	-	-	-	-	-	-
Total Cash Flow	17.43	0.73	0.73	0.73	0.73	20.34

All values are illustrative and based on the assumptions outlined in Section 3.

5. Computation of Net Present Value (NPV)

The Net Present Value (NPV) of fiscal support shall be computed by discounting the year-wise cash flows derived in Section 4, using the yield of Government of India 10-year Securities (G-Sec) as on 1 April 2026. This discount rate shall be uniformly applied across all States/UTs for the purpose of assessment under Component III.

The NPV shall be computed by discounting the below cash flows to the base year using the applicable discount rate.

Year No.	1	2	3	4	5
Total Cash Flow	17.43	0.73	0.73	0.73	0.73

Accordingly, the NPV for the illustrative case is computed to be ₹18.60 crore for a standard 8 TPD CBG plant. On a per TPD basis, this translates to an NPV of ₹2.33 crore/TPD.

In this example, as the NPV of State support per TPD is greater than Rs. 0.60 crore, the Central incentive shall be applied at the rate of 30% of the NPV of State support per TPD subjected to maximum cap of Rs. 0.75 crore per TPD.

Accordingly, in the present example, the central incentive, in accordance with SASCI guidelines, will be equivalent to Rs. 0.70 crore per TPD (as Rs. 2.33 crore x 30% = Rs 0.70 crore).