

Direct Pipeline Infrastructure (DPI): - About the Scheme for GPN Connectivity

Government of India has announced the scheme to support and subsidize the construction cost of pipelines connecting CBG plants with CGD network. The total financial outlay is Rs 994.50 Cr during the period of FY 2024-25 to FY 2025-26. The primary objective of the scheme is to ensure full offtake of CBG through cost-effective pipeline transportation of CBG from production facilities to consumption centres and ensure maximum utilization of CBG produced.

The *Scheme for Development of Pipeline Infrastructure (DPI)* for injecting Compressed Biogas (CBG) into the City Gas Distribution (CGD) network was launched by the Ministry on **15th March 2024**, with its guidelines subsequently issued on **24th June 2024**. Further, MoPNG revised the scheme guidelines on **27th August 2025** to include Financial Assistance for injecting CBG into Gas Pipeline Network.

Component II: Funding Pattern, Eligibility Criteria, Process and Procedure for Injection of Compressed Bio Gas (CBG) by Gas Pipeline Operator into Gas Pipeline Network. Under this component financial support will be provided to the GPO (Gas Pipeline Operator) laying the pipeline connecting CBG plants to Gas Pipeline Network.

Who can apply under the scheme

1. Gas Pipeline Operator (GPO) shall be eligible for applying for the scheme.
2. Gas pipeline operator for the purpose of this scheme may be considered as those operators who are engaged in the development/laying/operating of the following:
 - i. Natural Gas pipeline as authorized by PNGRB
 - ii. Dedicated Pipeline for transportation of Natural gas
 - iii. Captive Pipeline for transportation of Natural gas
3. Financial support shall be provided to the GPO for establishing pipeline connectivity with those CBG clusters/plants which fulfil the following criteria: -
 - i. Plants should be registered on GOBARdhan portal.
 - ii. Clusters/plants have an installed CBG production capacity of atleast 10 TPD.
 - iii. Under Construction plants with atleast 25% of physical progress as per DPR.
4. GPO should have gas supply/ gas transportation agreement with CBG Producers for supply or transportation of CBG through the transmission network. The agreement should ensure minimum 50% take or pay as well as supply or pay arrangement of the average CBG volume produced.
5. In normal circumstances, the GPO having/laying the gas pipeline nearest to the CBG plants/Clusters shall have the first right of the refusal for the laying of the pipeline connecting the CBG plants/clusters to the gas pipeline. However, MoPNG reserves the

right to nominate any GPO for constructing a pipeline connecting the CBG plants/clusters to the gas pipeline.

6. SC reserves the right to review the eligibility criteria.

General Note

- Eligible applicant has to apply only through designated portal (<https://dpi.eil.co.in>). No physical application shall be taken for consideration.
- The last date for submitting the applications shall be 30.09.2028, or as revised from time to time. Incomplete proposal in any form and without requisite documents is liable to be rejected.
- * Marked entries/documents are mandatory to fill or upload on the portal.
- Term used in the scheme-
 - i) PMA- Project Management Agency: Centre for High Technology (CHT) nominated as PMA.
 - ii) PAC- Project Appraisal committee- chaired by Addl./ Joint Secretary, MoPNG
 - iii) PAB- Project Approval Board- chaired by Secretary, MoPNG
- The beneficiary whosoever has applied for FA to PMA and has invested for rest of cost of the project shall be considered as the owner of the pipeline.
- The beneficiary shall be responsible for maintenance, upkeep, security and safe operation of the pipeline.
- Pipeline laid under the scheme shall be utilized only for supply of Biogas. The CBG producer shall be free to sell the Biogas volume produced beyond the committed quantity as Biogas/CBG to other customers.
- The beneficiary whosoever has applied for FA to PMA and has invested for rest of cost of the project shall be considered as the owner of the pipeline.
- The beneficiary shall abide by all regulatory compliances related to hook up of pipeline to CGD/ Gas Pipeline network, technical safety standards, open access, transportation tariff, etc. as mandated by the regulator.
- If a beneficiary fails in fulfilling its responsibilities, written notice will be issued starting with a onetime warning. For subsequent failure, the PAC may recommend to recover the financial assistance amount from the beneficiary.
- Beneficiaries shall follow the extant safety regulations valid for CNG till separate safety and other regulations are issued by the Competent Authority.
- The tariff would be as mutually decided under the CBG supply agreement between the CGD Entity/GPO/CBG producer. For calculation of tariff to the concerned CGD entity / GPO, the subsidy /grant component given under the scheme shall not be considered.

Selection of applicant

- i. PMA shall evaluate the proposals on the basis of the Pipeline project feasibility report/ CBG project DPR/ estimates provided by beneficiary (GPO) and/or physical verification.
- ii. GPO would be the beneficiary of the scheme under component-II.
- iii. Incomplete proposal in any form and without requisite approvals/ documents will be rejected. However, fresh proposal complete in all aspects may be resubmitted.
- iv. CHT shall forward the consolidated eligible proposals with its advice to the PAC for further recommending the proposals to PAB.
- v. Approval of PAB shall be issued within 2 months of the receipt of the application. After the approval of the PAB, the PMA shall inform the beneficiaries regarding the approval of the application.

Mandatory Documents Required for Application Filling:

1. PAN card of Applicant
2. GST No. of Applicant
3. Copy of cancelled Cheque
4. GOBARDHAN Portal Certificate
5. Detailed project report (DPR) of CBG plant
6. Latest High-Resolution Photograph of the plant site (with timestamp) along with geo coordinates
7. Gas Supply Agreement copy – between GPO & CBG producers
8. Pipeline Project Feasibility report with details like Pipe length, diameter, material, proposed route Map showing existing network, Pressure, Injection point coordinates, Justification for not selecting shortest route, etc.

Pre-Feasibility cum Survey report may include following points:

- Map of the Pipeline Route clearly mentioning length of the pipeline with start & End Points.
- Injection point in the Existing CGD Network
- Cost Breakup of the Pipeline Estimate
- Bill Of Materials
- Pipeline specifications like Dia, Pressure, Materials and Length section wise.
- Any justification if shortest route not selected.

Applicants may add any other details as required.

Procedure after approval of application (Clause 5.4)

1. Approval of application will be conveyed to selected beneficiaries. The beneficiary shall take necessary statutory approvals for laying of pipeline and lay the pipeline.
2. If required, beneficiary may apply to the PMA for mobilization advance of 10% of the sanctioned FA along with submission of bank guarantee (BG).

3. Beneficiary has to lay the pipeline within one year from the date of approval of application. In case of delay for reasons not attributable to the beneficiary, a suitable extension of time over the original period may be granted by PAC based on recommendation of PMA. An application in this regard may be made by the beneficiary to PMA 30 days before the end of time period prescribed in the approval of application along with supporting documents (justifications).
4. After completion of 50% of physical progress, beneficiary may apply for release of additional 40% FA (if advance availed) or 50% of the sanctioned FA (if advance not availed) on submission of the CA certified statement of expenditure.
5. After laying of pipeline the beneficiary will upload a commissioning report along with CA certified copy of expenses incurred on laying of pipeline and seek time of PMA for physical verifications.
6. FA shall be released as per milestone.

Milestone	% Payment Release	Details
1st Milestone: On Approval of application	10 % of FA sanctioned as advance, if applied	Release against submission of equivalent bank guarantee that would be valid for 18 months from the date of issue and can be extended as required by the PMA.
2nd Milestone: 50 % of construction of the Pipeline	40 % of FA sanctioned (If advance availed) or 50% of the FA sanctioned (If no advance has been availed)	Released against submission of CA certified statement of expenditure.
3rd Milestone: Complete Construction & Commissioning of the Pipeline	Balance 50% of eligible FA sanctioned	As per Scheme guidelines clause 5.4.6 to release the payment.

In case the beneficiary applies for 1st and 2nd Milestone, the balance 50% FA shall be released after confirmation of utilization of the pipeline capacity (percentage utilization- at least 50 % of the quantity committed in commercial agreement for a period of three months). However, in case beneficiary does not apply for 1st & 2nd Milestone then total eligible FA will be released after confirmation of utilization of the pipeline capacity (percentage utilization- at least 50 % of the quantity committed in commercial agreement for a period of three months).

7. After performance assessment PMA will submit the proposal along with recommendation for release of FA to the Ministry.

8. Ministry shall process the proposal and, after due approval, release the funds to the CNA which shall release the financial assistance within two weeks of receipt of funds in beneficiary's account.

Mandatory Documents for Financial Assistance Release

1st Milestone

- i. BG copy to be uploaded on DPI portal (Original to be dispatched to CHT).

Centre for High Technology
OIDB Bhawan,
Tower 'A', 9th Floor,
Plot No. 2, Sector- 73,
Noida - 201316,
Uttar Pradesh, India

- ii. Cover Letter from Beneficiary

2nd Milestone

- i. Cover Letter from Beneficiary (Write to Executive Director- CHT)
- ii. CA certified statement of expenditure which includes- PO No. with date (Material and services), vendor name, invoice number with date, Invoice value, date of payment
- iii. Physical progress certificate
- iv. Copy of work orders
- v. Site photographs

3rd Milestone

- FA will be released after confirmation of utilization of the pipeline capacity (percentage utilization- at least 50 % of the quantity committed in the agreement for three months).
- CA certified copy of expenses incurred for the project (PO No. with date (Material and services), vendor name, invoice number with date, Invoice value, date of payment).
- Actual Route Map of pipeline certifying Actual length of the pipeline and other technical details.
- Final Project report containing technical details like Length, diameter, material, gas transmitted after Commissioning etc.
- Copy of Statutory Clearances/ Permissions supporting pipeline route.
- PMA or appointed agency will carry out physical verification.
- Other documents if any required as per the requirement/ revision of scheme time to time.

Funding Pattern:

As per the scheme under discussion, GOI shall subsidize such pipeline in the following manner

Pipeline Length (km)	Financial Assistance /KM (Rs. Cr)	
	Steel	MDPE
Up to 75 km	0.75 Cr/km or 50% of Project cost on WIL basis	0.075 Cr/km or 50% of Project cost on WIL basis

*WIL: Whichever is Low

FA would not be provided for any pipeline length beyond 75 km. The distance of 75 km (as illustrated below) will include the distance of CBG plant from the Gas Gathering Station (GGS) and the GGS from the gas pipeline. However, beneficiary can lay the pipeline beyond 75 km at its own expenses.

Indicative Financial Assistance Pattern

The plants will be eligible for FA as per the following procedure.

i) Distance eligible for FA from Gas Pipeline Network (GPN) to Gas Gathering Station (GGS) = a/b

where: a= the distance of the GPN from the GGS

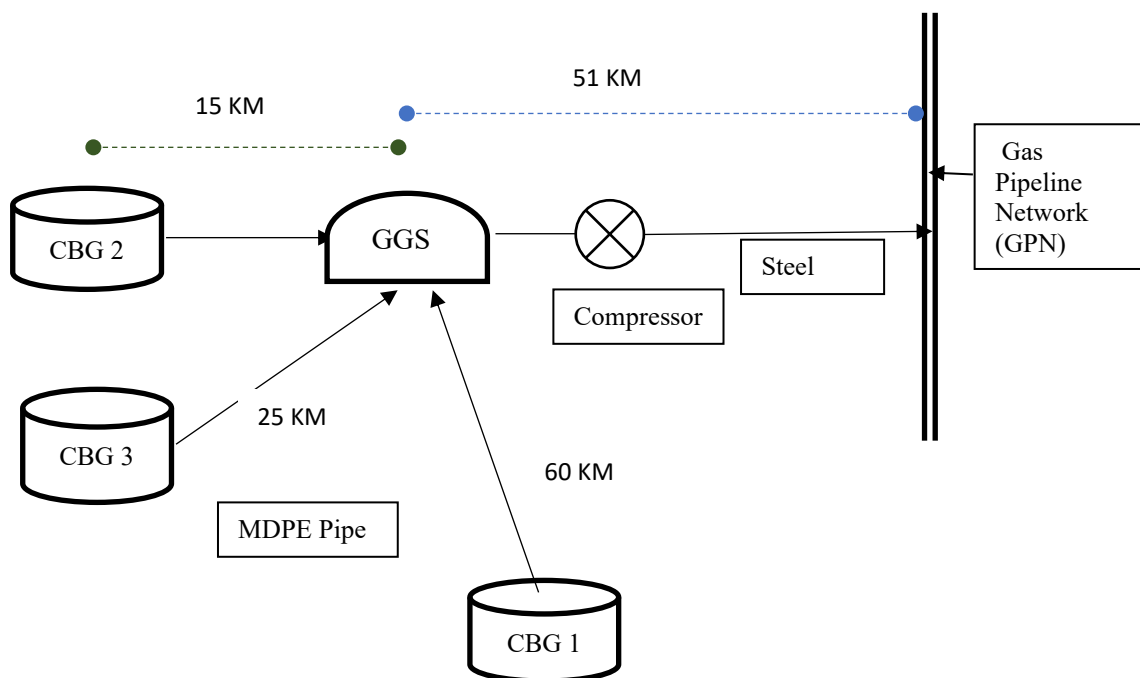
b= Number of plants that will be connected to GGS in the proposed cluster

ii) Every plant that forms the part of the proposed cluster will then be eligible for an additional FA (i.e the distance between the GGS to the CBG plant) = $75-(a/b)$

The following schematic representation will further clarify it: -

Assumptions:

1. Gas Gathering Station (GGS) is located at 51 km from Gas Pipeline Network (GPN).
2. CBG-1, CBG-2 and CBG-3 plants are located at 60 km, 15 km and 25 km respectively.



S. No.	Length for which FA shall be applicable	CBG-1	CBG-2	CBG-3
1.	Distance of GGS from GPN (KM)	51	51	51
2.	Distance considered for FA to connect GPN to GGS	17 (51/3) *	17 (51/3) *	17 (51/3) *
3.	Additional Maximum Distance for which additional FA shall be applicable (KM) #	58	58	58

*where 51 is the distance between GPN to GGS and 3 is the total no. of plants that will be connected in the proposed cluster

i.e. A plant that is situated within 58 KM from the GGS will be eligible for additional FA.

For instance (as depicted in the above illustration):

CBG-1 will be eligible for additional 58 KM.

CBG-2 will be eligible for the whole 15 KM.

CBG-3 will be eligible for the whole 25 KM.

Further, it is clarified that any additional plant that may become the part of the cluster, after the sanctioning of the pipeline project, will be eligible for the entire 75 KM (since the pipeline from Gas Pipeline Network to Gas Gathering Station has already been laid).

Process and fund flow mechanism

