

F. No. L-16020/12/2022-GP-I(E-45002)
Government of India
Ministry of Petroleum and Natural gas
(GP Division)

Shastri Bhawan, New Delhi

Dated: 27th August, 2025

OFFICE MEMORANDUM

Subject: "Scheme Guideline for Development of Pipeline Infrastructure (DPI) for facilitation of Compressed Biogas (CBG) Offtake"-reg.

The undersigned is directed to refer to this Ministry's OM of even number dated 26th June 2024 on the above subject, wherein the guidelines of the "Scheme Guideline for Development of Pipeline Infrastructure (DPI) for facilitation of Compressed Biogas (CBG) Offtake" were issued.

2. In this regard, it is informed that the competent authority in this Ministry has approved revisions to the scheme guidelines. Now the aforesaid scheme will be named as **"Scheme Guideline for Development of Pipeline Infrastructure (DPI) for facilitation of Compressed Biogas (CBG) Offtake"**. The revised scheme guideline will support Pipeline Infrastructure for injection of Compressed Bio Gas (CBG) from CBG plant into City Gas Distribution (CGD) network and injection of Compressed Bio Gas (CBG) by Gas Pipeline Operator into Gas Pipeline Network
3. Accordingly, the revised guidelines of the scheme are enclosed herewith.
4. This is issued with the approval of the Hon'ble Minister of Petroleum and Natural Gas.

Encls: Revised Scheme Guidelines



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To,

- (i) CEO, NITI Aayog, Parliament street, New Delhi-110001.
- (ii) Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi-110001.
- (iii) Secretary, Ministry of Housing & Urban Affairs, Nirman Bhawan, New Delhi-110001.
- (iv) Secretary, Ministry of Environment, Forest and Climate Change, Indira Paryavaran Bhawan, Jor Bagh Road, New Delhi, 110003.
- (v) Secretary, Ministry of New & Renewable Energy, Atal Akshay Urja Bhawan, CGO Complex, CGO Complex, Lodhi Road, New Delhi, 110003.

- (vi) Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, Shastri Bhawan, New Delhi-110001
- (vii) Secretary, Department of Drinking Water and Sanitation, Pandit Deendayal Antyodaya Bhawan, CGO Complex, Lodhi Road, New Delhi, Delhi 110003
- (viii) Secretary, PNGRB
- (ix) Executive Director, CHT
- (x) All CGD entities
- (xi) All Divisions of MoPNG.

Copy for information to:

- (i) PS to Hon'ble Minister of PNG.
- (ii) PS to Hon'ble Minister of State for PNG.
- (iii) Sr.PPS to Secretary, PNG.
- (iv) PPS to Additional Secretary & Financial Adviser, MoPNG.
- (v) PPS to Additional Secretary, MoPNG.
- (vi) PSO to Joint Secretary, GP
- (vii) NIC for web hosting on MoPNG's website

Scheme Guideline for Development of Pipeline Infrastructure (DPI) for facilitation of Compressed Biogas (CBG) Offtake.

1. Introduction

- 1.1** The government is encouraging the production and use of Compressed Biogas (CBG) because of its numerous advantages for the economy, society, and environment. Pipeline transportation provides an environmentally friendly solution for optimal transportation of CBG and for avoiding flaring of CBG.

2. Objective

- 2.1** The primary objective of the scheme is to facilitate offtake of CBG through cost- effective pipeline transportation of CBG from production facilities to consumption centers and ensure maximum utilization of CBG produced. Its key aims include addressing financial barriers in pipeline infrastructure development, establishing a robust supply network in CBG-producing regions, and significantly reducing carbon footprints. This is sought to be achieved through two components. Para 4 (Component I) deals with Funding Pattern, Eligibility Criteria, Process and Procedure for Injection of Compressed Bio Gas (CBG) from CBG plant into City Gas Distribution (CGD) network and Para 5 (Component II) similarly deals with Injection of Compressed Bio Gas (CBG) by Gas Pipeline Operator into Gas Pipeline Network.

3. Scheme Execution

3.1 Steering Committee:

The scheme will be supervised by a Steering Committee (SC), comprised of the following members:

S.No.	Composition
1.	Secretary, PNG (Chairman)
2.	Secretary, Ministry of Housing and Urban Affairs or representative
3.	Secretary, Department of Drinking Water and Sanitation or representative
4.	Secretary, Ministry of New and Renewable Energy or representative

SC may co-opt any other member, as appropriate.

3.1.1 The Terms of Reference (ToR) of the Steering Committee will be as follows:

- i. Preparation of detailed scheme guidelines for approval of Hon'ble Minister, P&NG;
- ii. Provide overall direction for scheme implementation, monitoring and review of its progress;
- iii. Necessary amendment of scheme design to overcome operational difficulties, if so felt, during course of scheme implementation within the overall budget of the scheme.
- iv. Any other relevant matter.

3.1.2 SC will meet at least once in three months.

3.2 Project Approval Board: Project Approval Board (PAB) shall consider the projects recommended by Project Appraisal Committee (PAC). Approval of PAB shall constitute sanction for further action by Project Management Agency (PMA). PAB shall be chaired by Secretary, PNG and shall consist of Additional Secretary, PNG, Financial Advisor, PNG, Joint Secretary (GP), Director-in-charge of CBG, IOCL, GAIL and Head, PMA. PAB will approve the detailed matrix of parameters for evaluation of proposal on recommendation of Project Appraisal Committee.

3.3 Project Appraisal Committee: The scheme shall have a Project Appraisal Committee (PAC) for appraisal of proposals and recommending projects under the scheme and for effective planning and implementation of the scheme. The PAC shall have the following composition:

S.No.	Composition
1.	Additional /Joint Secretary, PNG (Chairman)
2.	Joint Secretary, Ministry of New and Renewable Energy or representative
3.	Joint Secretary, Department of Drinking Water and Sanitation or representative
4.	Joint Secretary, Ministry of Housing and Urban Affairs
5.	Representatives from Oil and Gas Marketing Companies

PAC may co-opt other members (domain experts), as appropriate.

3.3.1 The Terms of Reference (ToR) of the PAC will be as follows:

- i. Appraisal of the proposals and recommending projects under the scheme to PAB;
- ii. Effective planning and implementation of the scheme;
- iii. Assisting SC in monitoring of scheme and providing a quarterly progress report to the SC;
- iv. Recommend the detailed matrix of parameters for evaluation of proposal developed by the PMA;
- v. Recommend necessary amendment of scheme design to overcome operational difficulties, if so felt, during course of scheme implementation;
- vi. Provide necessary guidance to Project Management Agency (PMA) for scheme implementation.
- vii. Any other relevant matter.

3.4 Project Management Agency (PMA)

3.4.1 The responsibilities of PMA include:

- a. PMA will implement and monitor the scheme, including the development of the



dedicated portal.

- b. PMA will evaluate the applications received from beneficiaries (CGD entities/ Gas Pipeline Operator (GPO)/ CBG producers). For this purpose, PMA shall develop a detailed matrix of evaluation which will be approved by the PAB.
- c. PMA will examine the pipeline(s) configuration to ensure the optimum utilization of resources.
- d. PMA shall appraise and recommend suitable applications for appraisal of PAC which shall further recommend the projects for approval of PAB.
- e. After approval of PAB, PMA shall inform the beneficiaries regarding approval of application. It shall also convey the sanction to Central Nodal Agency (CNA).
- f. PMA will conduct verification of the utilization of pipeline capacity. PMA shall submit its recommendations for release of financial assistance.
- g. PMA will extensively deploy information and communication technology to ensure transparent implementation and efficient monitoring, enhancing the scheme's overall effectiveness.
- h. Any other activity as may be decided by SC.

4. Component I: Funding Pattern, Eligibility Criteria, Process and Procedure for Injection of Compressed Bio Gas (CBG) from CBG plant into City Gas Distribution (CGD) network
Under this component financial support shall be provided for laying a pipeline from a CBG plant to a CGD network.

4.1 Standard Financial Assistance (SFA) pattern for CGD connectivity

- 4.1.1 Cost of laying the connecting pipeline may vary from location to location, capacity, material used, plant size etc. The cost of pipeline is assumed as ~ Rs. 1 crore per km. for steel pipe line and ~ Rs. 0.15 crore for MDPE Pipeline for the purpose of calculation of financial assistance.
- 4.1.2 Financial Assistance for laying of pipeline (Steel/MDPE) up to 50 km would be provided as under: -
 - (a) In case of Steel pipeline, FA @ 50% of the project cost or Rs. 50 lakh per km whichever is less.
 - (b) In case of MDPE pipeline, FA @ 50 % of the project cost or Rs. 7.5 lakh per km whichever is less.
 - (c) In case of a combination of Steel and MDPE pipeline, FA for Steel pipeline will be provided as per 4.1.2 (a) and for MDPE pipeline will be provided as per 4.1.2 (b).
- 4.1.3 FA for Pipelines for CGD network above 50 kms and up to 75 kms would be provided as under:
 - (a) In case of Steel pipeline, FA @ 50% of the additional project cost of laying pipeline between 50 to 75 km or Rs. 15 lakh per km whichever is less.
 - (b) In case of MDPE pipeline, FA @ 50 % of the additional project cost of laying pipeline between 50 to 75 km or Rs. 7.5 lakh per km whichever is less.

(c) In case of a combination of Steel and MDPE pipeline, FA for Steel pipeline will be provided as per 4.1.3 (a) and for MDPE pipeline will be provided as per 4.1.3 (b).

4.1.4 FA would be allowed for pipelines up to 75 km. (Steel/ MDPE) and upper ceiling for FA for pipeline would be Rs. 28.75 crore per project.

4.1.5 FA would not be provided for any pipeline length beyond 75 km. However, beneficiary can lay the pipeline beyond 75 km at its own expenses.

4.1.6 CGD entities that connect to multiple CBG plants, would take care to ensure most optimal configuration of pipelines, including synergy with the existing network or upcoming network expansion. In case more than one CBG plant is desired to be connected through a single pipeline network to the same CGD network, the limit of FA as described in the scheme shall apply separately to each sector of the pipeline.

4.1.7 **Financial Assistance shall be released as per below Milestones:**

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 4.4.6 to release the payment.

- i. The bank guarantee should initially be valid for a period of 18 months from the date of issue. Thereafter the project developer will have to extend the validity of the bank guarantee as required by the PMA so as to cover the period permissible for procurement and release of FA.
- ii. The bank guarantee will be encashed if the project developer fails to adhere to the scheme guidelines. The bank guarantee will be released along with the final disbursement of FA. (Provisions 4.1.7 (i) and (ii) will be applicable only to those who submit BG)
- iii. All the approved applications (including earlier approved applications) shall be eligible to apply for milestone-based payment.

4.2 Procedure for Application for Financial Assistance

4.2.a. CGD entity laying the pipeline would be the beneficiary of the scheme.

- 4.2.b. In case of inability of CGD entity to lay the pipeline, the CBG producer may get the pipeline laid on its own or through any other interested entity. In such cases, the producer shall be the eligible beneficiary of the scheme.
- 4.2.c. Proposals submitted shall be selected for approval on monthly basis. Subject to the availability of budget, about 50 proposals would be approved in each FY-2024-25 and FY 2025-26.
- 4.2.d. **Eligibility criteria for a pipeline connectivity:** Financial support shall be provided for establishing pipeline connectivity with those CBG plants which fulfil the following criteria-
- i. Plants have an installed CBG production capacity of at least 2 tonnes per day (TPD) and are registered on the GOBARDhan portal. CBG projects above 5 TPD installed production capacity would be given preference under the scheme.
 - ii. All the existing and upcoming CBG projects should have gas supply/ gas transportation agreement with CGD entity for supply or transportation of CBG through the CGD network. The agreement should ensure minimum 50% take or pay as well as supply or pay arrangement of the average CBG volume produced.
 - iii. Under construction CBG projects with at least 25% of physical progress as per DPR shall be considered eligible to apply for FA.
 - iv. CBG project proponent seeking to connect his plant with the CGD network or the concerned CGD entity shall bilaterally consider the proposal for connectivity and mutually agree on the design specifications/ capacity based on the gas supply agreement.
- 4.2.e. After receiving applications, beneficiaries will be selected till the approved budget of that FY is exhausted. Remaining applicants shall be put in a waitlist.
- 4.2.f. Financial support to the beneficiary approved by the PAB but not released in the current FY shall be rolled over in the next FY.
- 4.2.g. SC reserves the right to review the eligibility criteria.

4.3 Process for approval of application for financial assistance for pipeline connectivity:

- i. The application for grant of approval of financial assistance for the pipeline connectivity will be accepted through designated portal.
- ii. The last date for submitting the applications under these guidelines shall be 30.09.2025 or as extended from time to time.
- iii. Incomplete proposal in any form and without requisite approvals/documents will be rejected. The rejection of the proposal will be intimated preferably within 60 days of submission of the proposal in the designated portal. However, fresh proposal complete in all aspects may be resubmitted.
- iv. PMA shall evaluate the proposals on the basis of the CBG project DPR/ estimates provided by beneficiary (CGD entity/ CBG producer) and / or physical verification. The

scrutiny and processing of the applications received shall be completed within 3 weeks of the end of cutoff date. The evaluation shall be done based on matrix approved by PAB and comprising of parameters, including, Financial closure status, commissioning/ construction status, monetization potential, etc.

- v. PMA shall forward the consolidated eligible proposals with its advice to the PAC for further recommending the proposals to PAB on monthly basis. If required, PAB and PAC may request PMA or CBG producer/ CGD entity for further explanation or justification of the proposal.
- vi. The PAC shall appraise/ recommend approval of the financial assistance to PAB.
- vii. Approval of PAB shall be issued within 2 months of the receipt of application.

4.4 Procedure after approval of application

- 4.4.1 Approval of application will be conveyed to selected beneficiaries. The beneficiary shall take necessary statutory approvals for laying of pipeline and lay the pipeline.
- 4.4.2 If required, beneficiary may apply to the PMA for mobilization advance of 10% of the sanctioned FA along with submission of bank guarantee (BG).
- 4.4.3 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).
- 4.4.4 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.
- 4.4.5 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.
- 4.4.6 FA shall be released as per milestone. In case the beneficiary applies for FA as mentioned in 4.4.2 and 4.4.4 then, 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 any FAs mentioned in 4.4.2 and 4.4.4 the 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).
- 4.4.7 After performance assessment PMA will submit the proposal along with recommendation for release of FA to the Ministry.
- 4.4.8 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.



4.4.9 If desired PAC will constitute a team of officers from MoPNG, MoHUA and DDWS for test audit of a fixed percentage of expenditure, as determined by PAC.

5. 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.

5.1 Standard Financial Assistance (SFA) pattern

5.1.1 Gas pipelines operate at significantly higher pressures compared to City Gas Distribution (CGD) pipelines, necessitating the use of high-pressure piping, which is more expensive than standard low-pressure pipelines. Additionally, the costs associated with obtaining permissions and Right of Use (RoU) charges may be higher. Further, construction of gas gathering station (GGS), installation of compressor may result in additional cost. Therefore, development of infrastructure connecting CBG clusters/plants to the gas pipeline may require greater financial assistance.

5.1.2 As the cost of laying the connecting pipeline may vary from location to location, capacity, material used, plant size etc. The cost of pipeline is estimated as ~ Rs. 1.50 crore per km. for steel pipe line and ~ Rs. 0.15 crore per km for MDPE Pipeline for the purpose of calculation of financial assistance.

5.1.3 Financial Assistance for laying of pipeline (Steel/MDPE) would be provided as under: -

(a) In case of Steel pipeline, FA @ 50% of the project cost or Rs. 75 lakh per km whichever is less.

(b) In case of MDPE pipeline, FA @ 50% of the project cost or Rs. 7.5 lakh per km whichever is less.

(c) In case of a combination of Steel and MDPE pipeline, FA for Steel pipeline will be provided as per 5.1.3 (a) and for MDPE pipeline will be provided as per 5.1.3 (b).

5.1.4 FA would be allowed for pipelines as illustrated in Annexure-1

5.1.5 FA would not be provided for any pipeline length beyond 75 km. The distance of 75 km (as illustrated in Annexure-1) 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.

5.1.6 Gas Pipeline Operator (GPO) that connect to multiple CBG plants, would take care to ensure most optimal configuration of pipelines, including synergy with the existing network or upcoming network expansion. As multiple CBG plants are to be connected for injection into Transmission pipeline via Gas Gathering Station (GGS), the limit of FA as described in the scheme shall apply separately to each sector of the pipeline.

5.1.7 Financial Assistance shall be released as per below Milestones:

Milestone	% Payment Release	Remarks
1 st 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 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.

- I. The bank guarantee should initially be valid for a period of 18 months from the date of issue. Thereafter the project developer will have to extend the validity of the bank guarantee as required by the PMA so as to cover the period permissible for procurement and release of FA.
- II. The bank guarantee will be encashed if the project developer fails to adhere to the scheme guidelines. The bank guarantee will be released along with the final disbursement of FA. (Provisions 5.1.7 (i) and (ii) will be applicable only to those who submit BG)

5.2 Eligibility criteria for Injection of Compressed Bio Gas (CBG) in Gas Pipeline network

- 5.2.1 Gas Pipeline Operator (GPO) shall be eligible for applying for the scheme.
- 5.2.2 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
- 5.2.3 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.
- 5.2.4 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.

- 5.2.5 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.
- 5.2.6 SC reserves the right to review the eligibility criteria.

5.3 Process for approval of application for financial assistance for pipeline connectivity to Gas Pipeline Network:

- 5.3.1 The application for grant of approval of financial assistance for the pipeline connectivity will be accepted through designated portal.
- 5.3.2 The last date for submitting the applications under these guidelines shall be 30.09.2025 or as extended from time to time.
- 5.3.3 Incomplete proposal in any form and without requisite approvals/documents will be rejected. The rejection of the proposal will be intimated preferably within 60 days of submission of the proposal in the designated portal. However, fresh proposal complete in all aspects may be resubmitted.
- 5.3.4 PMA shall evaluate the proposal on the basis of Pre-feasibility report / CBG project DPR/ estimates provided by beneficiary and / or physical verification. The scrutiny and processing of the applications received shall be completed within 3 weeks of the end of cutoff date.
- 5.3.5 PMA shall forward the consolidated eligible proposals with its advice to the PAC for further recommending the proposals to PAB. If required, PAB and PAC may request PMA or GPO for further explanation or justification of the proposal.
- 5.3.6 The PAC shall appraise/ recommend approval of the financial assistance to PAB.
- 5.3.7 Approval of PAB shall be issued within 2 months of the receipt of application.
- 5.3.8 Proposals submitted shall be selected for approval on monthly basis.
- 5.3.9 Financial support to the beneficiary approved by the PAB but not released in the current FY shall be considered in the next FY.

5.4 Procedure after approval of application

- 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.
- 5.4.2 If required, beneficiary may apply to the PMA for mobilization advance of 10% of the sanctioned FA along with submission of BG.
- 5.4.3 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 maybe 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).
- 5.4.4 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.

- 5.4.5 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.
- 5.4.6 FA shall be released as per milestone. In case the beneficiary applies for FA as mentioned in 5.4.2 and 5.4.4 then, 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 any FAs mentioned in 5.4.2 and 5.4.4 the 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).
- 5.4.7 After performance assessment PMA will submit the proposal along with recommendation for release of FA to the Ministry.
- 5.4.8 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.
- 5.4.9 If desired PAC will constitute a team of officers from MoPNG, MoHUA and DDWS for test audit of a fixed percentage of expenditure, as determined by PAC.

6. Responsibility of beneficiary

- 6.1 The beneficiary shall be responsible for maintenance, upkeep, security and safe operation of the pipeline.
- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 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.

7. Regulations:

- 7.1 Beneficiaries shall follow the extant safety regulations valid for CNG till separate safety and other regulations are issued by the Competent Authority.
- 7.2 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.

8. Scheme Monitoring

- 8.1** The Scheme envisages a coordinated approach for monitoring and evaluation with active involvement of PMA, beneficiary and other stakeholders.
- 8.2** A combination of periodic desk review, field visits and web-based mechanism will be adopted by MoPNG for monitoring physical and financial progress and achievement of proposed outcomes of the scheme.
- 8.3** Mid-term evaluation and end of scheme evaluation will be conducted through a suitably chosen third party. The funds towards evaluation will be used from within administrative expenses earmarked in the scheme budget.

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

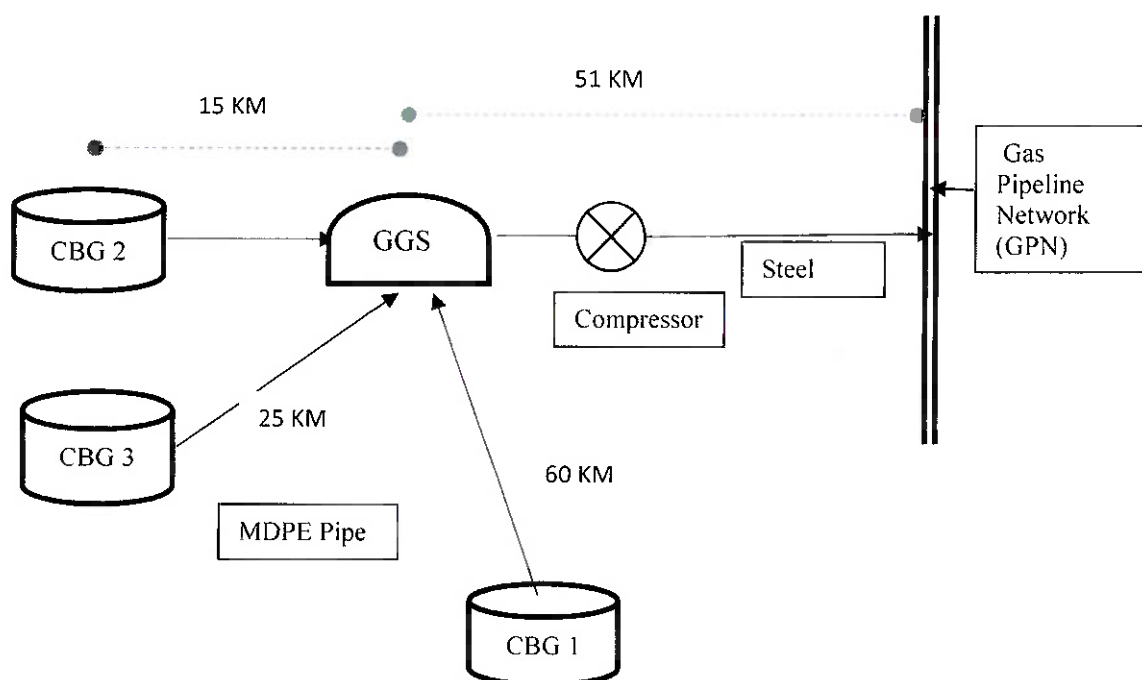
b= Number of plants that will be connected to GGS in the proposed cluster

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).