

F. No. 202/4/2010-BM
Government of India
Ministry of New and Renewable Energy
(Biomass Division)

Block No. 14, CG.O. Complex,
Lodi Road, New Delhi-110003
Dated: 28th May 2010

To
Head, State Nodal Department /
State Nodal Agencies (SNA's) /
Other concerned Implementing Agencies

Subject: Programme on “Biomass Gasifier for industries” – amendment regarding

Sir,

I. I am directed to say that the implementation strategy for the programme on “Biomass Gasifier for industries” issued vide No.2/2/2009-BM-U&I dated 5th June 2009 and continued vide No.202.04/2010-BM dated 28th April 2010 is amended as per details given below:

1.0 Implementation Strategy:

1.1 Programme Implementing Agencies / Organizations: Project proposals as per guidelines could be submitted online / directly to the Ministry by State Nodal agencies / Departments, Energy Service Companies (ESCOs), Co-operatives, Panchayats, SHGs, NGOs, manufacturers, entrepreneurs, independent power producers, promoters & developers, etc.

1.2 Submission & Approval Process:

1.2.1 The following methodology would be followed for submission and approval of project proposals:

- i. Programme Implementing Agencies / Organizations as given in para 1.1 above will submit proposals to the Ministry with requisite information for gasifier based captive power and thermal applications in industries as per indicative proforma given at *Annexure – I, II & III*.
- ii. A Project Advisory Committee (PAC) set up by the Ministry would evaluate and recommend the proposals for issue of in-principle approval based on the programme guidelines, project details, commissioning schedule. PAC would consider in-principle approval for the projects cumulatively costing up to 125% of the approved budgetary allocation for the given year.

2.0 Central Financial Assistance (CFA)

Central Financial Assistance in the form of capital subsidy would be provided to biomass gasifier projects in industries and other provisions are given below:

2.1 Capital subsidy for Biomass Gasifiers for thermal and electrical applications

- i) Rs.2.0 lakh / 300 KW_{th} for thermal applications.
- ii) Rs.2.5 lakh / 100 KW_e (for electrical applications through dual fuel engines.
- iii) Rs.10.00 lakhs / 100 Kw_e for 100% producer gas engines with gasifier system.
- iv) Rs. 8.00 lakhs / 100 Kw_e for 100% producer gas engine alone.

2.2 Capital Subsidy for deployment of biomass Gasifiers with 100% producer gas engines in Institutions for captive use:

- i) Rs. 15.00 lakhs / 100 Kw_e for 100% producer gas engines with gasifier system
- ii) Rs. 10.00 lakhs / 100 Kw_e for 100% producer gas engines alone

2.3 Incentives / service charges to SNAs.

Incentives / service charges @ Rs.1.00 lakh / MW_e (or equivalent) would be provided to SNAs on pro-rata basis, subject to a ceiling of Rs.5.00 lakh / project, for their active involvement in promoting Biomass Power projects.

2.4 The capital subsidy will be considered subject to the following :-

- i) The amount of capital subsidy would be calculated on the basis of installed capacity;
- ii) CFA would be limited to a maximum capacity of 5 MW, irrespective of the installed capacity of the project.
- iii) In case of Special Category States (NE Region, Sikkim, J&K, Himachal Pradesh and Uttaranchal), 20% higher capital subsidy than that for General Category States would be provided.

3.0 Pattern of Release of funds:

- i. After receipt of the verification and commissioning report and other requisite documents / reports from the verification agency as stated in para 4.0 below, the case would be processed for sanction for the payment of eligible CFA after taking IFD's concurrence and approval of the competent authority.
- ii. CFA as applicable under the scheme will be disbursed post-commissioning through one installment directly to the promoters or lending institutions / FIs after receipt of commissioning & verification reports and submission of the requisite documents / reports.
- iii. The service charges for Independent Verification Agency (IVA) or State Nodal Agencies (SNAs), as the case may be would be provided after commissioning and certification by the designated agencies as per guidelines. The service charges would be provided to the designated agencies, including the state nodal agencies and FIs including banks to cover their expenses.

4.0 Independent Verification system

- 4.1 The Ministry will also separately empanel Independent Verification Agencies (IVA) other than State Nodal agencies.
- 4.2 Verification would be conducted after operation of project at least for a period of one month.
- 4.3 The Independent Verification Agencies would be required to furnish the following requisite documents / reports:
 - i. Verification and commissioning reports along with Joint Commissioning Report as per the indicative format given at **Annexure-IV**. The verification report would be submitted covering various items as per details as per indicative proforma given in **Annexure-V**.
 - ii. Statement of Expenditure duly audited by the Chartered Accountant or other designated authority as per Govt. of India Rules.
 - iii. The Utilization Certificates in the prescribed format as per the GFR Form - 19A to be submitted after receipt of funds (**Annexure-VI**).

- iv. Verifying agency certificate that the agreement between the user and supplier of the gasifier systems for full guarantee and warranty for one year followed by AMC for two years has been entered into.
- v. General terms and conditions for grants by government for biomass programme are given at **Annexure-VII**.

II. All State Nodal Agencies / State Nodal Departments and other concerned implementing agencies etc. are requested to initiate necessary action for implementation of programme on **“Biomass Gasifier in Industries”** during the current financial year 2010-11 following the modified guidelines as indicated above.

III. This Sanction issues under the powers delegated to this Ministry and with the concurrence of Integrated Finance Division dated 26.05.2010 vide their No. IFD/328/2010-11 dated 24.05.2010.

Yours faithfully

(Dr. D.K.Khare)
Director
011-24363402

Email – dkkhare@nic.in

Copy to: -

1. The Principal Director of Audit, CW&M-II (Scientific Departments), DGACR Building, New Delhi
2. The Heads of all States / UTs Implementing Departments/ Agencies
3. All Advisers / Joint Secretary
4. MD, IREDA
5. All Directors, MNRE
6. Director (Finance), MNRE
7. PS to Minister
8. Sr. PPS to Secretary, MNRE
9. P.S to AS&FA
10. CA, MNRE / PAO, MNRE / Cash Section / IFD, MNRE
11. All Regional Offices of MNRE
12. Sanction Folder

(Dr. D.K.Khare)
Director

PART - D

FORMAT FOR BASIC INFORMATION FOR PROJECTS ON BIOMASS GASIFIER SYSTEMS FOR THERMAL AND ELECTRICAL APPLICATIONS, 100% PRODUCER GAS BASED PROJECTS AND CONVERSION OF EXISTING POWER PLANTS

:

Sl. No.	User's address Mode of application	Name of Manufacturer / Supplier	Rating of system Thermal / Mech./ Electrical	No. of systems proposed	Unit Cost Estimate / actual price as intimated by the user / manufacturer	Amount of Central Financial Assistance (CFA) as per approved scheme of Biomass Gasifier

Certified that:

1. Certified that adequate quantity of surplus biomass is available at the site and user/applicant is genuinely interested for installation and operation of gasifier on regular basis.
2. User Industry has agreed to provide balance funds over and above CFA for installation of proposed gasifier system.
3. User Industry has agreed to operate and maintain the system at their own on a regular basis.

Name & Signature of the Promoter/User

(Countersigned by Manufacturer)

Date:

Place:

Annexure-II

Guidelines for Filling up of Proforma for submission of the Project Proposal on Biomass Gasification Based Captive Power Generation and thermal applications in Industries (<100 kW)

- 1. Name and full postal address of the Industry**
 - a. Name of the contact persons
 - b. Name and full postal address of the Industry
 - c. Fax No / Email.: if any
 - d. Telephone No.
 - e. Mobile No.
 - f. Registration No. of Rice Mill (e.g. SSI etc.) (copy enclose)

- 2. Details of the Industry:**
 - a. Present installed Capacity for power & thermal need of industry
 - b. Average daily operation hrs per day
 - c. Average days of operation in a year days /years
 - d. Whether having electricity connection - Yes / No
 - e. Existing Diesel Engines
 - i. Capacity-kW
 - ii. Make / Model No.
 - iii. Year of purchase
 - iv. Present Diesel consumption liter per hour
 - f. Brief description of the Industry with existing process and proposed process with gasifier for thermal and / or electrical applications. Pl indicate present conventional fuel used, hrs of operation, cost of fuel,

- 3. Details of proposed Gasifier to be installed**
 - a. **With 100% producer gas engines, if required.**
 - b. **Retrofitted with existing / new DG sets**
 - c. **Retrofitted with boiler / furnace**
 - i. Name of the supplier of gasifier / producer gas engine / DG sets
 - ii. Capacity (kW)
 - iii. Type of biomass to be used
 - iv. Biomass consumption Kg/hr
 - v. Availability of biomass and its cost and proposed supply mechanism
 - vi. Expected saving and economics etc
 - vii. Cost of Gasifier / producer gas engine / DG sets if new (any other equipments)
 - viii. Civil & Other cost
 - ix. Total cost - in Rs.....
 - x. Copy of Invoice, time schedule for supply & terms and condition of warrant and charges for 2 years AMC (Please attach copies)
 - d. Expected date of commissioning.

- 4. Financing Details**
 - a. Own Equity - Rs.
 - b. If loan sought form the banks
 - i. Total loan Amount sanctioned / sought – Rs.
 - ii. Name & full Address of the Bank / Branch
 - c. Central Financial assistance (Subsidy from MNRE) Rs.....

** - in the absence of full details, proposals will not be considered for approval in-principle.*

5. **Details of Bank Account of Industry:**
a. Name of account Holder
b. Name & Address of the Bank& Branch
c. Branch Code
d. RTGS No and MICR Code
e. Bank Account No

6. **In case, loan taken from bank**
a. Name & Address of the Bank& Branch
b. Branch Code
c. RTGS and MICR Code
d. Loan Account No of the Bank

7.

8. **Certificates** - Please send the following certificates while submitting the proposal to the MNRE along with covering letter seeking financial support from the MNRE addressed to Dr D K Khare, Director, Ministry of New & Renewable Energy, Block No. 14, CGO Complex, Lodhi Road, New Delhi-110003 (E-mail dkkhare@nic.in Tele Fax no 011-24363402):

Certificate from developer / owner of the rice mill

This is to certify that the above information is correct to the best of my knowledge.

()
Signature of the developer /
owner of the industry with full
name & address with seal.

Date:
Place

Certificate from Forwarding Agency, if any.

This is to certify that the above information has been verified and are found correct to the best of my knowledge.

()
Signature of the forwarding
agency with full name &
address with seal.

Date:

Place

**APPLICATION FORMAT FOR CAPITAL SUBSIDY
(BIOMASS GASIFIER PROJECTS FOR ELECTRICAL AND THERMAL
APPLICATIONS IN INDUSTRY)**

[TO BE FILLED IN BY PROMOTER & FORWARDED THROUGH LEAD FI]

1. GENERAL

- (i) Name, Address, Phone, Fax & :
Email of the Promoter and industry separately.
- (ii) Name and designation of :
authorized signatory
- (iii) Constitution (whether Co-operative/ :
Private Sector/Public Ltd/
joint sector/Public Sector Company etc.)
- (iv) Location of the Project with address :

2. PROJECT DETAILS

- (i) Installed capacity (MW) :
(a) Thermal (MW)
(b) Power (MW)
- (ii) Captive requirement (MW) :
- (iii) Surplus Exportable (MW), if any :

3. DETAILS OF TECHNOLOGY USED WITH SCHEMATIC DIAGRAM etc
(Please specify whether Gasification for electrical / thermal applications or both)

4. BIOMASS

- (i) Biomass proposed :
- (ii) Quantity required per day :
- (iii) Biomass Availability in the region :

5. SUPPORT FUEL

Type of other fuels, if proposed to be used as :
Support / supplementary fuel

**6. AVERAGE COST OF GENERATION (Rs/Kwh) and OTHER BENEFITS
GIVE DETAIL:**

7. PROJECT DETAILS

- Total cost of project
 - i. Civil Works
 - ii. Plant & Machinery
 - iii. Misc. Equipment
 - iv. Pre-operative expenses
 - v. Others
- If loan sought, total cost as approved by FIs :
- Means of financing
 - (i) Debt : Equity Ratio :
 - (ii) Promoter's contribution (Equity) :
 - (iii) Term loans with rate of Interest (FI wise):
 - (iv) CFA from MNRE
 - (iv) Any other source :
- Loan repayment period (FI Wise) :
- Anticipated commissioning schedule

8. Details of Company / Rice Mill:

- i. Name and Address of the Company / Rice Mill with City, District, State & Pin Code
- ii. Act/Registration No:
- iii. Date of Registration (DD/MM/YYYY):
- iv. Registering Authority
- v. State of Registration:
- vi. TIN Number
- vii. TAN Number

9. Full detail of the Bank Account of Rice Mill / Rice Mill owner:

- i. Name of account holder with E-mail / telephone no / fax no etc
- ii. Name & Address of the Bank & Branch
- iii. Branch Code
- iv. RTGS and MICR Code
- v. Bank Account No

10. In case, loan taken from bank

- i. Name & Address of the Bank & Branch
- ii. Name of the contact person with E-mail / telephone no / fax no etc
- iii. Branch Code
- iv. RTGS & MICR Code
- v. Loan Account No of the Bank

11. Enclosure check list / whether enclosed (Please tick)

1. One copy of DPR ()
2. Copy of PPA/No objection certificate under section 44 if required ()
3. Copy of Statutory clearances / State Government approvals ()
4. Authorized / attested copies of loan Agreement (s) ()
5. Sanction Order of FI(s) ()
6. Appraisal Note of FI(s) ()
7. Eligibility check list ()
8. Disbursement Schedule (FI-wise) ()
9. Any other (please specify) ()

12. Any other issues related to the project

13. Enclose all relevant documents of the industry, statutory clearances sought, pollution clearances etc.

AUTHORIZED SIGNATORY

**INDICATIVE FORMAT FOR JOINT COMMISSIONING REPORT (JCR)
BIOMASS GASIFIER BASED CAPTIVE POWER GENERATION / THERMAL
APPLICATIONS PROJECTS**

Reference MNRE in-principle approval Letter No. & Date	Users Name & Address	Name of Manufacturer / Supplier	Rating / capacity of systems , both for gasifier and engines kWe / kWth and engine capacity KVA	Mode of application	Machin e No.	Date of Commissioning	Amount of CFA
1	2	3	4	5	6	7	8

Certified that:

- i. Training on operation and maintenance and safety aspects has been given adequately to users/ operators of the Institutes/Organizations concerned.
- ii. Operating manuals, warranty card etc. have been provided to the Institute/Organization concerned.
- iii. Undertakings for the regular operation & maintenance of the systems have been obtained from the concerned Institute/Organization.
- iv. Gasifier system and sub-system (including equipments and instruments) have been verified at site and functioning satisfactorily as per terms & reference of the grant.
- v. Verified operation of project at least a period of one month.
- vi. Verified agreement between the user and supplier of the gasifier systems for full guarantee and warrantee for one year followed by AMC for two years

Name & Address of the Manufacturer / Supplier with seal

User Name & Signature

Signature of authorized verifying authority

Date:

Place:

Indicative Proforma- Verification Check list

1	Project File No. and date of in-principle approval		
2	Name & address of the Developer		
3	Location of the system (Full address)		
		Approved	Verified
4	Project Type (Gasification)		
	Captive Generation		
	Thermal Application		
	Grid Connected Project or Combination with captive / distributed / grid		
5	Biomass		
	Rice Husk		
	Wood		
	Other Agro residues (give details of agro residues)		
	Multiple Biomass (give details of other biomass)		
6	Project Type		
	100% producer gas engines / Dual fuel		
	Thermal		
7	Gasifier Supplier Name and Address		
8	Gasifier Capacity (kWe / kWth)		
9	Machine number of Gasifier, producer gas engines / turbine / generator set (as provided by the manufacturer)		
10	Load (kWe / kWth)		
11	Engine manufacturer		
12	Rating of the engine (KVA)		
13	Date of commissioning		
14	Total Project Cost (Lakhs) (Indicate cost of gasifiers, engine, etc)		
15	Amount of CFA (Lakhs)		
16	O&M as per logs		
	Hours of operation		
	Amount of biomass / rice husk consumed per unit of electricity or hr if thermal		
	Number of filters changed in a month for electrical system		
	Shutdowns in the last three months		
	Revenue collected / saving of conventional fuels during last one months		
	Training to operators (by manufacturer): Duration of training On O&M	On site	External
	Duration of training: On Safety aspects etc		
17.	Attach original Commissioning Report, Utilization certificates and audited statement of expenditure (as per proforma).		
18.	Verified operation of project at least a period of one month through log book or other supporting documents.		
19	Verified agreement between the user and supplier of the gasifier systems for full guarantee and warrantee for one year followed by AMC for two years	Attach copy	
20	Support towards project formulation – Indicate Name & Address, Account No of the promoter complete details of Bank & Branch Name with address, Branch Code, RTGS Code,		
Gasifier system and sub-system (including equipments and instruments) have been verified at site and functioning satisfactorily as per terms & reference of the grant			
Signature of authorized independent verification authority			
Date / Place:			

**GENERAL TERMS AND CONDITIONS FOR GRANTS BY GOVERNMENT
FOR BIOMASS PROGRAMMES**

- (i) Approval of the proposal and the grant being released is for specific project and the grant is required to be spent for the project within the stipulated time. Any portion of the amount sanctioned which is not utilized would be required to be surrendered to the Government of India and carry forward of funds to the next financial year for utilization for the project during that year may be considered with the specific approval of this Ministry.
- (ii) The achievements made during the course of the project will be photographically covered from time to time and a copy of each such photograph will be sent to this Ministry for information and record.
- (iii) The organization will arrange to display a Notice Board at prominent place at the project site to the effect that the project has been financially supported by Ministry of New & Renewable Energy (MNRE).
- (iv) The organization shall ensure that the time schedule laid down for the execution of the project is strictly followed.
- (v) The organization would render to this Ministry an audited statement of accounts including comments of the Auditor(s) regarding the observance of the condition governing the grant within six months following the end of each financial year.
- (vi) The Comptroller and Auditor General or any other Agency/officer(s) authorized by this Ministry will have the right of access to the books and accounts of the organization for grant received from the Government.
- (vii) The recipient financial institution shall provide utilization certificates in the prescribed format as per the **GFR form 19A (Annexure-VI)**. Audited Statement of Expenditure to be submitted by the grantee organization at the time of seeking next installment as per the Terms & Condition of the sanction.
- (viii) Equipments acquired with Govt. of India assistance should not be disposed of or encumbered or utilized for purpose other than for which grant has been sanctioned without prior approval of the Ministry. Separate Stock Register has to be maintained by the Organization for these items procured through Government funds and whose value is more than Rs 10,000/-.
- (ix) The organization shall furnish a final commissioning report within three months of project commissioning incorporating salient technical features of the project and summary of its performance.
- (x) MNRE reserves the right to add/alter/change these conditions at its sole discretion in the wider interest of the scheme.