

File No. 3/141/2017-CPG
Government of India
Ministry of New and Renewable Energy
Biomass Power Division

Block No. 14, CGO Complex
Lodhi Road, New Delhi – 110003
Date : 11.05.2018

To,

1. Chief Secretaries of State Governments
2. Secretaries of concerned State Government Departments (Power/Energy/Non-Conventional Energy/ Additional Sources of Energy/ S & T etc.)
3. Heads of State Nodal Departments / Agencies.
4. Chairman of State Electricity Boards / Transco/Gencos etc.
5. Heads of Financial Institutions

Subject: Scheme to Support Promotion Of Biomass Based Cogeneration In Sugar Mills And Other Industries In The Country (Up To March 2020)

Sir,

I am directed to convey the sanction of the President of India for the implementation of the "Scheme To Support Promotion Of Biomass Based Cogeneration In Sugar Mills And Other Industries In The Country (Up To March 2020)". The details of the scheme guidelines are given in the Appendix. Approval is accorded for grant of Central Financial Assistance (CFA) to Biomass based cogeneration projects with total CFA outgo of Rs. 170.00 Crores (Rupees One Hundred Seventy Crores) and a physical target of 740 MW for the period from 2017-18 to 2019-20.

2. The proposals already received in the Ministry before the date of notification of this scheme will be governed by this Ministry's O.M.s No. 3/19/2006 – CPG dated 28.04.2010, 13/10/2013-BM dated 13.06.2014 and 10/1/2013-U&I dated 12.09.2013 as applicable.
3. The guidelines for power generation from Biomass Power Plants (IPPs) will be issued separately.
4. The expenditure on this scheme will be met from the budget provision of the Bio-Power head.
5. This issues in exercise of the powers conferred on this Ministry and with the concurrence of IFD vide their Dairy No. 72 dated 07.05.2018.
6. This has the approval of Hon'ble Minister for New and Renewable Energy and Power.

Yours faithfully


(S K Khurana)

Under Secretary to Government of India

Copy to

1. PS to Minister (MNRE)
2. PSO to Secretary, MNRE
3. PPS to JS & FA
4. PS to JS (Biomass)
5. Advisers/Directors, MNRE
6. Pay & Accounts Officer, MNRE
7. Shree Deep Bansal, Technical Director (NIC) requesting to upload the scheme on Ministry's website



(S K Khurana)

Under Secretary to Government of India

**Ministry of New and Renewable Energy
Biomass Power Division**

**SCHEME TO SUPPORT PROMOTION OF BIOMASS BASED
COGENERATION IN SUGAR MILLS AND OTHER INDUSTRIES IN THE
COUNTRY (UP TO MARCH 2020)**

1. OBJECTIVE

The objective of the scheme is to support Biomass based Cogeneration Projects in Sugar mills and Other Industries for power generation in the country.

2. Biomass Resources Covered under the programme

The programme will provide CFA for projects utilizing biomass like bagasse, agro-based industrial residue, crop residues, wood produced through energy plantations, weeds, wood waste produced in industrial operations, etc. Municipal Solid Waste is not covered under the programme.

3. Eligibility

Registered Companies, Partnership Firms, Proprietorship Firms, Cooperatives, Public Sector Companies, Government owned Firms are eligible for financial support available under the scheme. To avail financial support the applicant must have availed term loan from any financial institution like Public Sector Banks, NBFC, Private Sector Banks, Central or State Cooperative Banks etc. CFA (Central Financial assistance) will not be provided under the scheme to the firms which have not availed term loan.

4. Central Financial assistance(CFA)

Central Financial Assistance (CFA) will be provided at the rate of Rs.25 Lakh/MW (for bagasse cogeneration projects) and Rs.50 Lakh/MW (Non-bagasse Cogeneration projects) under the scheme. The CFA will be back-ended and will be released in one instalment after successful commissioning and commencement of commercial generation and performance testing of the plant. The CFA will be released to the term loan account to reduce the loan component of the promoter. No advance CFA will be released under the scheme. CFA will be provided only for projects which will be installing new boiler and turbines. CFA will be calculated on surplus exportable power as mentioned in Power Purchase Agreement (PPA) / Appraisal Report in case of bagasse cogeneration projects and on installed capacity in case of non-bagasse Cogeneration Projects.

5. Expansionary Projects:-

Biomass based cogeneration projects which intend to add capacity to the existing plants will also be considered for grant of CFA. CFA for such projects will be considered only for enhanced capacity. Applications already received for expansionary projects will be cleared as per guidelines existing at the time of submission of applications. All proposals will be examined by PAC and the recommended proposals will be considered eligible for grant of CFA.

6. Sanction of proposals

To avail CFA, the developers have to forward a copy of DPR to the Ministry through lead Financial Institution (FI) which is providing loan the project. Applications will be invited every quarter based on availability of funds and will be put up before Project Appraisal Committee (PAC). Further the Financial Institution will give presentation before Project Appraisal Committee (PAC). The sanction letter for grant of CFA will be issued to the promoter with approval of IFD and Secretary. Prior sanction letter from the Ministry is required for availing CFA. Applications received before notification of this scheme will be processed as per the extant guidelines prevailing during the period.

7. Time line for completion of the project

Promoters have to complete the project within twenty four months from the date of sanction. Another six months extension will be considered without penalty at the level of Secretary MNRE in cases where the reasons for delays are not attributable to the developer. In case the project is not completed within the stipulated time period, the sanction order for grant of CFA will stand cancelled.

8. Incentives to state Nodal Agencies

State Nodal Agencies (SNAs) will be provided Rs. 1 Lakh/MW (Maximum Rs.10 Lakh per project) as incentive or service charge towards post installation monitoring of the projects and sending periodic reports to the Ministry.

9. Performance Inspection

On receipt of information about the commissioning of the plant, a letter for performance inspection of the plant will be issued to lead FI. The utility where the project is located will carry out the performance testing. The respective SNA will be a part of the performance testing. Any charges for performance testing will be borne by the developer. Performance testing of the project would inter-alia imply operation of the project for three months including at least 72 hours continuous operation at minimum 80% of rated capacity.

10. Monitoring of the projects

Periodic monitoring of the projects will be monitoring will be carried out by a team comprising representatives from Utilities, SNAs, experts appointed by MNRE and Ministry officials.

11. Standards

Quality of project and the equipment utilized therein is considered important for reliability and long-term operations. Project developers would be required to follow various national/international standards for equipment utilized in a project. For biomass based cogeneration projects, equipment should conform to the following standards. The standards will vary from time to time and modified standards will be incorporated in the programme after due diligence with stake holders.

Equipment	Standard
Boilers	ASME – BPVC – Section – 1 IBR 1950 and amendments thereof or conforming to these standards.
Steam Turbine	IEC 60045 DIN** 1943 CSN* 080030 ASME PTC 6.2 (Steam turbine in combined cycle) or conforming to these standards.
Alternator/Rotating Electrical Machines	IS-4722 (Rotating Electrical Machines) IS-5422 (50HZ Turbine type Generators-Basic requirements for rotating machines reference shall be made to IS4722) IEC60034 IEEE 115 or conforming to these standards
Power Transformers	IS 2026 IEC 60076 or its equivalent standard

11. Support to promotional activities

Ministry will support the seminar, symposium, workshops, news letter and other related activities to popularize the programme as per existing norms of I&PA division

12. Any Other issues

All the communication will be done through the Lead FI only. In case of any ambiguity for interpretation of guidelines, Ministry's decision shall be final.

Annexure I

PROCEDURE FOR AVAILING FINANCIAL ASSISTANCE

The application in the prescribed format given in Proforma BM-1 for CFA shall be forwarded by the Developer through Lead FI immediately after approval of the term loan with copy of their appraisal note for eligible financial assistance. The Lead FI shall certify the information and also verify and authenticate all the documents. The documents required for sanction of the CFA are as follows:-

- a. Filled in Proforma BM-1
- b. Copy of DPR
- c. Copy of Loan Sanction letter (F.I. wise)
- d. Latest Photographs of Site
- e. Appraisal Note of Lead FI
- f. Consent to Establish from State Pollution Control Board mentioning the cogeneration power project.
- g. EIA clearance (From MoEF&CC for Projects having installed capacity \geq 20 MW and from SEIAA for projects having installed capacity greater than 15 MW but less than 20 MW)
- h. Copy of PPA (for Bagasse based cogeneration projects)
- i. Three separate Duly notarized Undertakings in original for:-
 - o Keeping the plant operational for a minimum period of 10 years.
 - o Cogeneration plant will not be utilizing any fossil fuel.
 - o Promoters have not availed and will not avail subsidy for the cogeneration power plant from other programmes of MNRE or any other Central Government Ministry.
- j. Purchase Orders for Boiler and Turbine (if any)

Annexure II

Documents required for release of CFA

After receiving the performance inspection report of the project from the utility, the Lead FI has to forward the following documents for release of CFA:

- a. CA certificate in original for total cost incurred on the project.
- b. Invoices for the purchase of boiler and turbine.
- c. Loan Disbursal Certificates (FI-wise)
- d. Specification of the plant certified by the performance inspecting utility.
- e. Consent to operate from State Pollution Control Board.
- f. Set of Photographs of the project.

Lead FIs must also send scanned copies of all the documents required for sanction as well as release of CFA as mentioned in Annexure – I and II.

APPLICATION FORMAT FOR SCHEME TO PROMOTE BIOMASS BASED COGENERATION IN INDUSTRIES AND SUGAR MILLS IN THE COUNTRY UP TO 2020

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

1. GENERAL

Name, Address, Phone, Mobile & Email of applicant.	
Name and designation of authorised signatory	
Constitution (Whether Private Sector/Public Sector / Joint sector/Co-operative . etc.)	
Location of project (Village, District, State) Indicate co-ordinates of the plant (latitude and longitude)	

2. Project Details

- For Bagasse Cogeneration Power Projects:-

Whether NEW or EXISTING (Expansionary) power project	
Licensed Sugar Mill crushing Capacity (TCD) for last three years	
Cane crushed during season for last 3 years	
Average crushing MT per day for last 3 years	
Quantity Required: Daily /Yearly (in Tonnes)	
Type of other fuels, if proposed to be used as Support / Supplementary Fuel	

- For Non-Bagasse Cogeneration Power Projects:-

Whether NEW or EXISTING (Expansionary) power project	
Type of Biomass	
Whether to be sourced from Outside (Yes/No)	
Quantity Required: Daily /Yearly (in Tonnes)	
Cost of Biomass at site (Rs. per ton)	
Proposed biomass storage facility	

3. POWER GENERATION

Installed Capacity (MW)	
Exportable Capacity (MW)	
Surplus Exportable Power (during season/off-season for bagasse cogeneration projects)	
Number of Operating Days (Season/Non-Season for bagasse cogeneration projects)	

4. STATUS OF THE PROJECT

PPA with utility / power trader (Yes/No)	
Purchase of equipment (Yes/No)	
Disbursement of loan (Yes/No)	

Likely date of commissioning	
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5. AVERAGE COST OF POWER GENERATION (Rs/KwH)–

6. FINANCING

Total cost of project as approved by Lead FI	
Civil Works	
Plant & Machinery	
Misc. Equipment	
Pre-operative expenses	
Others	
Total	
Means of Financing	
Debt : Equity Ratio	
Promoters Contribution (Equity)	
Term loans with rate of Interest (FI-wise)	
Any other source of funding (SDF)	

7. TECHNICAL DETAILS

Design pressure and temperature of steam generation	
Capacity of boiler & make	
Capacity of turbine & make	
Grid voltage at which interconnection is to be done	

8. BANK DETAILS

Name and address of the Lead Bank & Branch	
Name of Project Account Holder	
Project Loan Account No.	
Name, Address, Telephone Number & Designation of the contact person of Bank	

	Promoter
Name and Designation	
Signature	
Stamp	
Date and Place	

I hereby certify that all the information provided above are true and correct.

(Signature and Stamp of FI)