मध्यप्रदेश राजपत्र

(असाधारण)

प्राधिकार से प्रकाशित

क्रमांक 107] भोपाल, शुक्रवार, दिनांक 4 अप्रैल 2025—चैत्र 14, शक 1947

नवीन एवं नवकरणीय ऊर्जा विभाग

मंत्रालय, वल्लभ भवन, भोपाल

भोपाल, दिनांक 4 अप्रैल 2025

क्र. F-NRE-5-0003-2025—साठ.— मंत्रि—परिषद्, दिनांक 18 फरवरी 2025 को सम्पन्न बैठक में, प्रदेश में 'मध्यप्रदेश नवकरणीय ऊर्जा नीति—2022' अंतर्गत "Scheme for implementation of Biofuel Project in Madhya Pradesh" अनुमोदित की गई है. सर्वसाधारण की जानकारी के लिए उपरोक्त योजना का प्रकाशन "मध्यप्रदेश राजपत्र (असाधारण)" में एतद्द्वारा किया जा रहा है.

मध्यप्रदेश के राज्यपाल के नाम से तथा आदेशानुसार,
मनु श्रीवास्तव, अपर मुख्य सचिव.

Scheme for implementation of Biofuel Projects in Madhya Pradesh

1. As per the power conferred to office of Commissioner, New and Renewable Energy under Clause 1.2.6 read along with Clause 1.1.1 of Guidelines for implementation of Madhya Pradesh Renewable Energy Policy – 2025, the following Scheme is hereby notified for implementation and development of Biofuel Projects in Madhya Pradesh.

2. This shall be termed as "***Scheme for implementation of Biofuel Projects in Madhya Pradesh***". It shall be read along with the Madhya Pradesh Renewable Energy Policy – 2025 and associated Guidelines.

3. 'Biofuels' are the fuels produced from renewable resources. 'Renewable resources' are the biodegradable fraction of products, wastes and residues from agriculture, forestry, tree-based oil, used cooking oil, other non-edible oils and related industries; these include lignocellulosic feedstocks (i.e. agricultural and forestry residues, e.g., rice & wheat straw, corn cobs & stover, bagasse, soya husk, mustard husk, pressmud, woody biomass), non-food energy crops (i.e. grasses, algae) and animal dung. 'Renewable resources' also cover biodegradable fraction of septage and industrial and municipal wastes. 'Renewable resources' also include any mix or combination of the above feedstock. Biofuels include inter alia the following:

a) Briquettes and Pellets from Biomass, Torrefied Biomass and BioChar;

b) Synthesis Gas (Syngas) through Biomass Gasification;

c) Bio-CNG/CBG: Purified form of biogas whose composition & energy potential is similar to that of fossil based natural gas and is produced from agricultural residues, animal dung, food waste, pressmud, spent wash, MSW and Sewage water;

d) Biodiesel: A methyl or ethyl ester of fatty acids produced from non-edible vegetable oils, acid oil, used cooking oil or animal fat and bio-oil;

e) Biomass, including bagasse, based power projects and cogeneration projects;

f) Drop in fuels: Any liquid fuel produced from Biomass, agri-residues, wastes such as Municipal Solid Wastes (MSW), used cooking oil, used mobil oil, Plastic wastes, Industrial wastes, etc. which meets the Indian standards for MS, HSD and Jet fuel, in pure or blended form, for its subsequent utilization in vehicles without any modifications in the engine systems and can utilize existing petroleum distribution system;

g) Electricity, heating, cooling and steam for industrial purposes produced from renewable resources;

h) Clean cooking initiatives using biofuels, replacing use of fossil fuels;

i) Biomass to Green Hydrogen to align with National Green Hydrogen Mission.

j) CO2 Capture plants which are setup for production of Biogenic CO2

k) Other sources of energy, including inter alia biofuels produced from syngas, algae based 3G biofuels, halophytes-based biofuels, bio-methanol, Di Methyl Ether (DME) derived from bio-methanol, etc., produced from biomass; and

l) Any other, as declared by Central/State Government from time to time.

1G bioethanol or first-generation bioethanol, i.e., bioethanol produced from sugar- or starch-based crops, like corn, sugarcane, molasses, etc., would not be covered under this Scheme, since there is an existing framework for its promotion.

4. Background

Madhya Pradesh, a leading agrarian state in India, holds significant potential for biofuel production due to its abundant agricultural resources and biomass. The State is focused on optimal utilization of its abundant resources for providing clean energy and boosting socio-economic development.

Rising income and living standards underscore the need for increased energy demand. Presently, India is dependent on fuel imports to meet its energy requirements, particularly in the transport sector. Biofuels thereby present an opportunity to not only reduce import dependence, but also provide a cleaner alternative to fossil fuels, particularly for transport and logistics.

The state recognizes the critical role of biofuels in reducing import fuel dependence, promoting energy security, reducing greenhouse gas emissions, and creating rural employment opportunities. This Scheme outlines a comprehensive framework to develop a robust biofuel ecosystem in the state.

5. Scope

The Scheme covers all aspects of biofuel production, including feedstock cultivation, production technologies, distribution, and utilization. The Scheme also addresses the issue of supply of 'renewable resources' necessary to produce 'biofuels'.

6. Vision

Madhya Pradesh's Biofuel Scheme aims to transform the state into a leader in biofuel production, fostering sustainable development, while contributing to national energy security and climate goals. By leveraging its agricultural strength and promoting innovation, the state seeks to create a green and prosperous future for its citizens.

7. Objectives of the Scheme

i. To promote the production and usage of biofuels in Madhya Pradesh.

ii. To encourage the sustainable use of agricultural residues, non-food biomass various non-fossil oils, Biogenic CO2, bio fractions of effluents

and waste streams from industries, and municipal solid waste (MSW) for biofuel production and for integrating a supply chain mechanism to prevent open-field biomass burning and environmental pollution.

iii. To reduce dependence on fossil fuels and contribute to India's commitment to achieving net-zero emissions.

iv. To generate rural employment and enhance the income of farmers by providing an alternative market for agricultural by-products.

v. Develop bio-refinery clusters in potential regions of the state.

vi. Set up infrastructure for biomass and waste collection, storage, and transportation.

vii. Promote the establishment of biofuel dispensing outlets across urban and rural areas.

viii. Provide opportunities for skilling, employment and entrepreneurship to youth of the state.

ix. Support research, development, and innovation in biofuel technologies.

8. Eligible Units for Incentives

Incentive structure for Biofuel manufacturing units and Biomass supply chain units, investing more than ₹10 Crore, is provided in Para 9 below. However, the limit of ₹10 Crore would not apply to Biomass Briquette/Pellet manufacturing plants, Biomass based steam generation units (boilers / TFHs, etc.) and power and cogeneration projects, Biomass supply chain companies and conversion of existing Sewage Treatment Plants to Biofuel Plants.

Existing units, expanding or diversifying into biofuel production should have clearly demarcated unit, to be eligible for incentives. The quantum of assistance to expansion or diversification units shall be at par with new standalone units.

9. Incentives

9.1. The following incentives are applicable for Biofuel Projects registered under applicable provisions of Madhya Pradesh Renewable Energy Policy, 2025 and commencing production after registration:

a) ***Basic Investment Promotion Assistance***: Basic Investment Promotion Assistance (BIPA) for each Project shall be as mentioned in Annex 1, limited to maximum ₹200 Crores provided in seven equal annual instalments.

b) ***Infrastructure Development Assistance***: Units shall be eligible for 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure up to the factory gate, subject to a maximum of ₹5 Crores if the investor acquires private land or gets undeveloped Government land for setting up of the unit.

c) ***Green Industrialisation Assistance***: 50% assistance, up to ₹5 Crore for waste management systems (ETP, STP, pollution control devices), and up to ₹10 Crore for ETP with Zero Liquid Discharge, in two equal annual instalments.

d) ***IPR Assistance***: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), up to a maximum of ₹10 Lakh per unit for first 5 years.

e) ***Quality Certification***: Reimbursement of 50% of Quality Certification cost or ₹1 Lakh whichever is lower.

f) ***Exemption in Electricity Duty***: As per the provisions of Madhya Pradesh Vidyut Shulk Adhiniyam, 2012, projects shall be entitled to receive hundred percent (100%) exemption from payment of Electricity Duty on generation or consumption of electrical energy for period of ten (10) years from the date of COD;

g) ***Exemption in Energy Development Cess***: No energy development cess shall be payable on the power supplied or consumed by projects for a period of ten (10) years from the COD.

h) ***No Cross Subsidy Surcharge and/or Additional Surcharge***: No cross-subsidy surcharge and/or Additional Surcharge shall be payable on the power supplied, consumed or self-consumed by projects for a period of ten (10) years from the COD, subject to approval by MPERC.

i) ***Reimbursement of stamp duty***: 50% reimbursement on stamp duty on purchase of private land for the project shall be available to developers.

j) ***CCIP Customized Package***: Mega Industrial Units with an investment of more than ₹500 Crores in this sector shall be eligible to avail customized package under CCIP as per IPP 2025.

9.2. The investor can use the produced CBG for sale in a CBG pump installed by them after obtaining all statutory clearances.

9.3. Thermal plants of MP Power Generating Company under Energy Department, Government of Madhya Pradesh would preferentially purchase crop residue pellets or briquettes, as provided in 'Revised Policy for utilization of Biomass for power generation through Co-Firing in coal based Power plants' issued on 08.10.2021 by Ministry of Power, wherein mandatory use of biomass pellet blend with coal has been increased to 7% with effect from FY 2025-26. Thermal plants of NTPC and Independent Power Producers in the state would also be encouraged to procure biomass pellets from Biofuel plants in the state.

9.4. To ensure availability of biomass for Biofuels Projects, upfront subsidy will be provided to Cutters, Rakers, Balers, Trawlers, Trolleys, and other farm equipment involved in the collection of biomass. This would be implemented by Department of Agriculture and Farmer Welfare, Government of Madhya Pradesh. Scheme being run under the Sub-Mission on Agriculture Mechanization program of the Ministry of Agriculture and Farmer Welfare,

Government of India provides 50% subsidy. Additional targets will be sought from Government of India, if necessary, to provide subsidy to these equipment. Additional subsidy of 30 percent (up to a maximum limit of Rs. 20 Lakh per set of equipment) will be given by the government of Madhya Pradesh in addition to the subsidy given by the Government of India. Farmer Producer Organizations/Cooperative societies/Aggregators would be encouraged by Department of Agriculture and Farmer Welfare, Government of Madhya Pradesh to operate in their respective catchments to provide biomass to Biofuels Projects.

10. Land related provisions:

10.1. For establishment and operation of bio-energy enterprises in Madhya Pradesh, revenue land shall be provided at 50% of Circle rate. This would be only for plant and machinery, and not extend to land for producing biomass.

10.2. The land requirements for various biofuel projects are as follows:

a) Compressed Biogas (CBG) plant: 10 acres of land for 10 ton capacity CBG plant.

b) Bio-coal/Briquette plant: 0.02 acre per ton per day of plant capacity

c) Biodiesel plant: 0.015 acre per kL per day of plant capacity

Land requirement for other plants, as also exemption from the above norms, would be decided by high-powered committee constituted under the chairpersonship of Chief Secretary of Madhya Pradesh.

10.3. Taking into consideration the requirement of contiguous government land for setting up renewable energy projects, permission for use of Government land for Biomass generation could be allowed by CCIP at annual charges amounting to 10% of the prevalent Collector rate.

11. Role of departments in facilitating collection of biomass by Biofuel Projects

11.1. Training and handholding of aggregators for biomass collection in each development block in the state will be carried out by the State Agricultural Department. An FPO or Cooperative society could also work as an aggregator. Ordinarily there would be one aggregator for each block. On the basis of recommendation of the District Level Committee, more aggregators could be registered for a block. The Agriculture Department will facilitate formation, training and capacity building of Farmer Producer Organisations in their respective areas for the supply of agricultural waste (Parali) to Biofuel plants, as well as for the execution of long-term supply contract of agricultural waste between aggregators and Biofuel projects. Priority shall be given to those blocks where Biofuel plants needing biomass are being set up.

11.2. Forest department would make available biomass from forest areas close by to the Biofuel projects needing biomass. Further, Forest department would analyse the biomass that can be grown in degraded forests and work to make the same available to Biofuel projects.

11.3.District level committee will be constituted as follows, in order to make biomass easily available to the investor at market price in the districts. The Committee shall comprise of the following:

a) Collector: Chairperson
b) CEO Zilla Panchayat: Member
c) CEO, Janpad Panchayat
d) SDM: Member
e) Tehsildar: Member
f) Conservator Forest/ District Forest Officer
g) Officer/representative from Agriculture Department

h) Secretary of APMC

i) Officer/representative from NRE Department, GoMP

j) Representative from Farm Producer Company/Aggregator

11.4. Bio-manure obtained as a by-product from Bio-CNG plants has been included in the "Fermented Organic Manure" by the Government of India under the Fertiliser Control Order - 1985 vide Gazette notification dated 13.07.2020. Agriculture Department and State Agricultural Universities will promote research marketing and distribution of organic manure produced by bio-energy units under defined standards. Sale and purchase of this bio-manure at licenced fertilizer shops will be made mandatory by the State Agriculture Department.

12. Urban Solid Waste, Livestock Waste and Agricultural Produce Market Waste to Bio CNG/CBG plants

12.1. Urban solid waste-based enterprises will be allowed to use facilities mentioned under the policy issued by the Department of Urban Development and Housing of the state.

12.2. Animal Husbandry Department, Madhya Pradesh will cooperate in the establishment of CBG plants through selected LoI holders under SATAT scheme of Government of India by executing a long-term contract for the availability of land for animal shelters and availability of cow dung in state animal cell shelters. By fixing the price of cow dung, mechanism will be developed for collection and supply of cow dung from private gaushalas to CBG plants.

12.3. Mechanism will also be developed for the collection of waste from State Agricultural Produce Markets and delivery to CBG plants. For this long-term feedstock delivery contracts will be signed between the Krishi Upaj Mandis and CBG plants.

13. Development of Waste Supply Chain

13.1. Ensuring waste supply remains a significant challenge in biofuel enterprises. The entire supply chain has to be developed with involvement of aggregators and having long-term contracts between the biofuel project, waste aggregator and the farmer. For this, an IT based portal and mobile app will be developed by NRE Department, GoMP, through which the aggregator, farmer and project will be brought on one platform.

13.2. The district level committee constituted under the chairpersonship of the Collector will have the following responsibilities for the development of supply chain:

a) To establish coordination amongst the farmers, aggregators and biofuel projects for establishing a supply chain of agricultural waste.

b) To determine the appropriate rate of agricultural waste in the entire district on the basis of mutual consent. Price of agricultural waste in the district will be determined with the consent of the farmers.

c) Provide regulatory support to aggregators for transportation of agricultural waste.

d) To facilitate co-ordination of biofuel projects with State level organizations, such as Agriculture Department, Horticulture Department, Municipal Bodies, Development Authorities, etc. for procurement and marketing of organic fertilizers.

e) Encouraging the entrepreneurs for all regulatory clearances, such as fire, land ceiling, conversion from agricultural to non-agricultural land, availability of government land, electricity supply, transmission system, waiver of development charges of development authority, etc.

f) To ensure compliance of command area by each aggregator.

g) Review of farmers' payments.

h) Facilitation of contracts for organic manure, compressed bio-gas, bio-pellets.

14. Procedure for Registration

14.1. The Unit shall be registered by Commissioner, NRE Department, GoMP.

14.2. The Biofuels developer will submit an application to Commissioner, NRE Department GoMP along with the following documents:

a) Application in the prescribed format.

b) a certified copy of the Memorandum and Articles of Association of the company/bylaws of the registered society (as applicable).

c) Certified copy of the partnership deed (if applicable).

d) Copy of the accounts (balance-sheet) of the last three years; in case of startup, the balance sheet of the promoter company.

e) Pre-feasibility report

f) Registration fees shall be submitted as per Guidelines for implementation of Madhya Pradesh Renewable Energy Policy – 2022, i.e., ₹ 20 thousand per crore of investment.

14.3. The following documents will be submitted by the developer for approval within three months:

a) Detailed Project Report

b) Biomass Assessment Report

c) Land related documents (marked site for the project).

d) CPM/PERT chart (for the proposed project implementation).

e) Water allocation order based on the availability of water at the project site.

f) No objection certificate from the concerned urban body/village panchayat.

14.4. No other bio-energy project shall be registered in the block so that continuous availability of sufficient biomass can be ensured for the operation of the said plant and to avoid any conflict between projects for supply of biomass. According to the capacity of the project, requirement of biomass and area covered for the same, the District-level Committee can increase the catchment area to other blocks.

15. Miscellaneous Provisions:

15.1. It will be mandatory for biofuel projects to be established under this policy to comply with the relevant environmental laws, regulations and orders.

15.2. A high-powered committee will be constituted under the chairpersonship of Chief Secretary of Madhya Pradesh for monitoring, reviewing, interdepartmental coordination, redressal of difficulties and better implementation of the Policy.

15.3. Under this Policy, facilities and incentives will be payable only on technologies approved by Ministry of New and Renewable Energy or under the National Biofuels Policy 2018 (as amended). Mixing of fossil-based fuels with waste/biomass will not be permitted, unless explicitly allowed like in government of India schemes like EBP, CBG blending, Co-firing of biomass, etc.

Annexure – I

1. Basic Investment Promotion Assistance (BIPA): Basic Investment Promotion Assistance shall vary between 40% to 10% based on the below formula:

   *BIPA=IF(EFCI>2000, 200,IF(EFCI<=50, 0.4*EFCI,MIN(15 + 0.08*(EFCI-50) + (EFCI/12) * ((1/(1+EXP(-5.9*(1 - EFCI/2490))))(1 - EFCI/2490)) + 9.3(1 - EFCI/2500),0.4*EFCI,200)))*

2. Incentive Multipliers

Sl. No.	MULTIPLIER	DESCRIPTION
1	Gross Supply Multiple (GSM)	For 1st year, GSM shall be 1, provided utilization of the total installed capacity is 40%. For 2nd year onwards, GSM shall be 1 provided the production is 75% of previous peak year or 50% of installed capacity, whichever is more. In case the above conditions are not fulfilled, GSM shall be reduced proportionately.
2	Export Multiple (EM)	1.0 to 1.3 for exports ranging from 25% to 75% as per Annexure II. The Export Multiple shall be '1' for units coming in SEZ areas
3	Employment Multiple	1.0 to 1.5 for employment over 100 employees to 2,500 employees as per Annexure III
4	Geographical Multiple	Multiple of 1.3 for setting up units in Priority Blocks.

3. Eligible Fixed Capital Investment (EFCI)
   (i) Plant and Machinery as defined in the MSMED Act, 2006 excluding:
      a. Old Machinery
      b. Investments made in ETP, STP, ZLD and other pollution control equipment, Waste Heat Recovery System (WHRS) & Co-generation systems, and renewable & non-renewable energy devices.
   (ii) Factory sheds and Buildings excluding compound wall, internal roads and dwelling units.
   (iii) In-house R&D (capped at 40% of Plant & Machinery with Factory sheds and Buildings) registered under Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. In-house R&D for pharmaceuticals and biotechnology sector (capped at 50% of the Plant & Machinery with Factory sheds and Buildings).

(iv) 50% cost of captive power based on renewable energy (Maximum limit 20% of Plant & Machinery with Factory sheds and Buildings), provided that not less than 50% of power so generated is for consumption at the plant site.

(v) 20% cost of the energy saving devices like WHRS, Co-generation systems (Maximum up to a limit of 20% of Plant & Machinery with Factory sheds and Buildings)

(vi) Imported Second hand or refurbished machinery with an expected machinery life of 10 years.

4. Export Multiple

The Export Multiple shall vary from 1.0 to 1.3 for exports ranging from 25% to 75% of the total production.

*ExportMultiple(EM)=IF(ExportPercentage<25%,1,IF(ExportPercentage<75%,1+0.3 *(Export Percentage-25%)/50%,1.3))*

5. Employment multiple

The employment multiple shall vary from 1.0 to 1.5, based on the employment generation by a unit in the range of 100 employees to 2,500 employees.

Employment Multiple (EYM) = MAX[1,MIN{1.5,(1+(AE-100)*((1.5-1)/(2500-100))}]

Average Employees in the Reviewed Year (AE): Average employee count of the company in the reviewed year.
AE will be derived as = Σ(Employee count at the month end for each month of the financial year)/12

1. Till 100 employees (AE), EYM will be 1
2. From 100 to 2,500 employees (AE), the EYM will increase from 1 to 1.5, proportionately
3. For 2,500 and above employees (AE), EYM is capped at 1.5.

नियंत्रक, शासकीय मुद्रण तथा लेखन सामग्री, मध्यप्रदेश द्वारा शासकीय केन्द्रीय मुद्रणालय, भोपाल से मुद्रित तथा प्रकाशित–2025.