

E. File No.19/25/2024-Biomass Power Division  
Government of India  
Ministry of New and Renewable Energy  
Biomass Power Division

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Atal Akshay Urja Bhawan, Opp. CGO Complex  
Lodhi Road, New Delhi-110003  
Dated: 27.06.2025

**OFFICE MEMORANDUM**

**Sub: Revision in Guidelines for the Biomass Programme under the Umbrella scheme of National Bioenergy Programme for duration of FY 2021-22 to 2025-26 (Phase-I) notified on 02.11.2022.**

In continuation to the Administrative Approval for implementation of Biomass Programme under Umbrella Scheme of National Bioenergy Programme for duration of FY 2021-22 to 2025-26 (Phase-I) notified on 02.11.2022, the following clauses of the Guidelines for the Biomass Programme are amended/dropped:

S. N.	Clauses in Current Guidelines	To be read as
1.	<b><u>Annexure-I</u></b> <b><u>Part A: List of documents required for in-principle approval of proposals</u></b> <b>i. For Briquette/Pellet Manufacturing Plants:</b> d. Techno-economic Feasibility Report (for projects based on debt/loan) as governed by clause 4.6(ii)	This clause stands omitted
2.	<b><u>Annexure-I</u></b> <b><u>Part A: List of documents required for in-principle approval of proposals</u></b> <b>i. For Briquette/Pellet Manufacturing Plants:</b> e. Latest high resolution photographs of the site (with time stamp)	This clause stands omitted.
3.	<b><u>Annexure-I</u></b> <b><u>Part B: List of documents required for release of CFA</u></b> <b>i. For Briquette/Pellet Manufacturing Plants:</b> e. EIA clearance (wherever applicable)	This clause stands omitted.

S. N.	Clauses in Current Guidelines	To be read as
4.	<p><b><u>Annexure-I</u></b></p> <p><b><u>Part B: List of documents required for release of CFA</u></b></p> <p><b>i. For Briquette/Pellet Manufacturing Plants:</b></p> <p>f. Copy of contract agreement for sale of briquettes / pellets for a minimum period of two years</p>	<p><b><u>Annexure-I</u></b></p> <p><b><u>Part B: List of documents required for release of CFA</u></b></p> <p><b>i. For Briquette/Pellet Manufacturing Plants:</b></p> <p>f. Copy of Offtake/Sale agreement for sale of briquettes / pellets is to be submitted.</p>
5.	<p><b><u>Annexure-I</u></b></p> <p><b><u>Part B: List of documents required for release of CFA</u></b></p> <p><b>i. For Briquette/Pellet Manufacturing Plants:</b></p> <p>h. Details of SCADA/remote monitoring system installed by Plant.</p>	<p><b><u>Annexure-I</u></b></p> <p><b><u>Part B: List of documents required for release of CFA</u></b></p> <p><b>i. For Briquette/Pellet Manufacturing Plants:</b></p> <p>h. Details of IoT based monitoring solution or undertaking to share data of biomass briquette/pellet manufactured on quarterly basis.</p>
6.	<p><b>3.0 Terms and Conditions</b></p> <p><b>3.9</b> Central financial assistance from any other Ministry or department of the Central Govt. should not be claimed for proposed plant for which application has been submitted to this Ministry.</p>	<p><b>3.0 Terms and Conditions</b></p> <p><b>3.9</b> Applicant seeking capital subsidy from this Ministry for the proposed plant shall not claim capital subsidy from any other Ministry or Department of the Central Government for the same plant.</p>
7.	<p><b>4.3 Commissioning of the Plant:</b></p> <p><b>ii.</b> After submission of application in the BioURJA portal, if a developer intends to commission the plant before in-principle approval to the proposal is accorded by MNRE, a prior intimation of commissioning of the project to the Implementing Agency is mandatory. However, in-principle approval of the project shall be subject to fulfilment</p>	<p><b>4.3 Commissioning of the Plant:</b></p> <p><b>ii.</b> After submission of application in the BioURJA portal, if a developer commissions the plant, the developer has to update the status of the plant as commissioned on the BioUrja Portal.</p>

S. N.	Clauses in Current Guidelines	To be read as										
	of the eligibility conditions mentioned in this scheme guideline.											
8.	<p><b>4.4 Performance Inspection:</b></p> <p>iii. Performance testing of Briquette/Pellet Manufacturing Plants would inter-alia imply the following:-</p> <p>(a) Operation of the plant at an average of 80% of rated capacity measured over a period of three consecutive days (taking average 16 Hrs per day as standard operating hours), <b>and</b></p> <p>(b) Operation of the plant at an average of 70% of rated capacity measured over a period of three consecutive months (taking average 16 Hrs per day as standard operating hours).</p>	<p><b>4.4 Performance Inspection:</b></p> <p>iii &amp; v:</p> <p>The Performance testing of Briquette/Pellet Manufacturing Plants would inter-alia imply the following: -</p> <p>Operation of the plant at an average of 80% of rated capacity measured over continuous period of 10 hrs for eligibility to receive 100% CFA.</p> <p>In cases, where developer fails to operate the plant at minimum 80% of the rated capacity during performance inspection of</p>										
9.	<p>4.4 (v) The Briquette/pellet manufacturing plant should fulfil the conditions mentioned in clause 4.4 (iii) (a) and clause 4.4 (iii)(b) above to become eligible for full release of CFA. In case of any variation in fulfilment of the conditions of clause 4.4 (iii) (b), following graded structure based on average capacity utilisation factor over a period of three months shall be used, for release of CFA:</p> <table border="1" data-bbox="240 1318 581 1864"> <thead> <tr> <th>Average Capacity Utilization factor (CUF)* over 3 months</th> <th>% of eligible CFA</th> </tr> </thead> <tbody> <tr> <td>CUF ≥ 70%</td> <td>100%</td> </tr> <tr> <td>60% ≤ CUF &lt; 70%</td> <td>80%</td> </tr> <tr> <td>50% ≤ CUF &lt; 60%</td> <td>60%</td> </tr> <tr> <td>CUF &lt; 50%</td> <td>0%</td> </tr> </tbody> </table> <p>*Capacity Utilization Factor over three months = Total Briquette/pellet generation in three months (in</p>	Average Capacity Utilization factor (CUF)* over 3 months	% of eligible CFA	CUF ≥ 70%	100%	60% ≤ CUF < 70%	80%	50% ≤ CUF < 60%	60%	CUF < 50%	0%	<p>the plant by the inspection agency, the below-mentioned pro-rata-based disbursement will be made based on the percentage output achieved.</p> <p>For example:</p> <p>≥ 80% CUF - 100% of eligible CFA</p> <p>If 73% CUF - CFA would be made on pro-rata basis i.e., (100*73)/80=91.25% of eligible CFA</p> <p>However, if the CUF &lt; 50%, the % of CFA shall be 0%.</p> <p>*Capacity Utilization Factor (CUF) = Total Briquette/pellet generation in 10 hrs (in metric tons) / [Rated Capacity of plant (in metric tons per hour) * 10 Hrs]</p> <p>In addition to that one Minute video and Geotagged photos shall be submitted by the inspecting agencies along with the inspection report.</p>
Average Capacity Utilization factor (CUF)* over 3 months	% of eligible CFA											
CUF ≥ 70%	100%											
60% ≤ CUF < 70%	80%											
50% ≤ CUF < 60%	60%											
CUF < 50%	0%											

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	<i>metric tons)/ [Capacity of plant (in metric tons per hour) *16 Hrs per day* total no. of days in three months].</i>	

2. The Ministry revised the rate of CFA for pellet manufacturing plants with the incorporation of Non-Torrefied and Torrefied Pellet manufacturing plant component vide OM No. 238/14/2023-Biomass Power Division dated 16.07.2024. The revised rates of CFA as per the said OM dated 16.07.2024, for both Non-torrefied and Torrefied pellets manufacturing plant, will be applicable for plants using new machineries for exclusively manufacturing Pellets only (torrefied or non-torrefied) and not both Briquettes and Pellets by the same machine.

3. Applicants applying on Bio-Urja portal for availing CFA for manufacturing Biomass Pellets (both non-torrefied and torrefied) from the NCT of Delhi, States of Punjab and Haryana and NCR Districts of Rajasthan and UP, are hereby informed that the Central Board of Pollution Control (CPCB), Ministry of Environment, Forest and Climate Change, Government of India has a Scheme for Pelletization (both non-torrefied and torrefied) wherein a higher CFA for manufacturing pellets for these regions compared to MNRE Biomass Scheme and the applicants from these regions can avail CFA from either of the two Schemes. However, the developer from these regions will have to submit a duly notarized Undertaking in original (on a non-judicial stamp paper of Rs. 500/-) as per the format given in Annexure-A of this OM.

4. The above revisions shall be applicable to all the projects sanctioned under Biomass Component of the National Bioenergy Programme Phase-I of MNRE notified on 02.11.2022.

5. Remaining contents of the Guidelines for the Biomass Programme dated 02.11.2022 shall remain unchanged.

6. This issues with the approval of Department of Expenditure and Hon'ble Minister of New & Renewable Energy.



(S.K. Shahi)  
Scientist 'E'

To (through website of the Ministry):

1. All Central Government Ministries and Departments
2. Renewable Energy/Power/Energy Departments of all States & UTs
3. Principle Director of Audit, Scientific Audit-II, DGACR Building, I.P.Estate, Delhi-110002
4. CMD, Indian Renewable Energy Development Agency Limited (IREDA), 3<sup>rd</sup> Floor, August Kranti Bhawan, Bhikaji Cama Place, New delhi-110066
5. State Nodal Agencies (SNAs) of all States/UTs

6. Sardar Swaran Singh National Institute of Bioenergy (SSS-NIBE), Kapurthala, Punjab
7. Heads of Banks/Financial Institutions

Copy To:

1. PS to Hon'ble Minister of Power and New and Renewable Energy
2. PS to Hon'ble Minister of State for New and Renewable Energy
3. PPS to Secretary, MNRE
4. PPS to Additional Secretary, MNRE
5. All Group Heads, MNRE
6. Sh. L.K. Trivedi, Director (PFC-I), Department of Expenditure, Ministry of Finance,  
North Block, New Delhi-110001
7. Chief Controller of Accounts, MNRE
8. PAO, MNRE
9. DS(IFD), MNRE
10. DDO, MNRE
11. Director (NIC) – for uploading on website of the Ministry



Undertaking

I/We 'M/s <developer>' do hereby solemnly declare and affirm as under:

The Pellet manufacturing equipment/plant for which Central Financial Assistance (CFA) is being applied are new and CFA for this Pellet manufacturing equipment/plant under reference has not been availed from the Central Board of Pollution Control (CPCB), Ministry of Environment, Forest and Climate Change, Government of India 'Scheme for grant of one time financial support under the Environmental Protection Charge (EPC) Funds for establishment of Pelletisation and torrefaction plants to promote utilization of paddy straw'.

2. In case of violation of the above, the Ministry of New and Renewable Energy (MNRE) shall be entitled to recover the CFA released by MNRE with interest from us.

Authorized Signatory  
(Sign & stamp)

Name:  
Designation:

