

F.No. 2/1/2005-UICA  
Government of India  
Ministry of New and Renewable Energy  
(U&I Group)

Block No. 14, CGO Complex  
Lodi Road, New Delhi – 110 003  
Date: 6<sup>th</sup> July, 2009

To,  
The Pay and Accounts Officer  
Ministry of New and Renewable Energy  
New Delhi

**Subject: Programme on Recovery of Energy from Industrial Wastes for the Year 2009-10 - Sanction - regarding.**

Sir,

I am directed to convey the sanction of the Government of India for the implementation of the **Programme on Recovery of Energy from Industrial Wastes** during the year 2009-10 with a total outlay of Rs. 12.00 crore (Rupees Twelve crore only). The details of the programme components, implementation methodology, financial assistance, release of funds and monitoring mechanism, are given in the **Appendix**.

2.0 The main objectives of the Programme on recovery of energy from industrial wastes are as follows:

- i) To accelerate the installation of energy recovery projects from industrial wastes with a view to harness the available potential by 2017;
- ii) To assess and upgrade various conversion technologies; and
- iii) To create a conducive environment for the development of the sector in the country;

3. Each proposal will be examined and concurred in by Integrated Finance Division of the Ministry, on case to case basis.

4. The expenditure on this scheme will be met from the budget provisions given below:

<u>Head of Account</u>	<u>Description</u>	<u>Allocated Amount</u>
'2810'	The expenditure is debitable to Demand No.67 Ministry of New and Renewable Energy, Major Head '2810' New and Renewable Energy, 00-101 – Grid Interactive and Distributed Renewable Power 01- Grid Interactive Renewable Power	
	03 Bio Power .31 GIA	Rs. 0.20 crore
	.33 Subsidy	Rs. 4.00 crore
	02- Off Grid /Distributed and Decentralised Renewable Power:	
	03 Bio Power .31 GIA	Rs. 0.30 crore
	.33 Subsidy	Rs. 7.50 crore
	<b>Total</b>	<b>Rs. 12.00 crore</b>

5. This issues with the approval of competent authority and concurrence of IFD vide their diary No. IFD/435/09 dated 2/07/2009.

Yours faithfully,

**(A.K. Dhussa)**  
**Scientist-F / Director (WTE)**

Copy to:

- i) All State/UT Implementing Departments / Agencies
- ii) PS to Minister (NRE)
- iii) Sr. PPS to Secretary, MNRE
- iv) PS to AS&FA, MNRE
- v) Joint Secretary / Advisers, MNRE
- vi) IFD / P&C, MNRE
- vii) IREDA, New Delhi
- viii) Cash Section, MNRE
- ix) Sanction Folder

**DETAILS OF PROGRAMME ON ENERGY RECOVERY FROM INDUSTRIAL WASTES FOR THE YEAR 2009-10**

**1.0 Scope**

The scheme provides for Central Financial Assistance in the form of capital subsidy and Grants-in-Aid in respect of the following activities:

- (i) Industrial waste to biogas
- (ii) Power generation from biogas
- (iii) Power generation from solid industrial waste.
- (iv) Promotional activities.
- (v) R&D, Resource assessment, technology upgradation and performance evaluation, etc.

**2.0 Eligibility of projects for Central Financial Assistance**

**Criteria based on type of wastes**

2.1 The eligibility criteria for type of wastes is as follows:

- i) Projects based on any bio-waste from industrial/agro-industrial sector (excluding rice husk and bagasse) that requires pre-processing before utilization for energy recovery.
- ii) Projects for co-generation / power generation from biogas.
- iii) Mixing of other wastes of renewable nature, including rice husk, bagasse, sewage, cow-dung, other biomass and industrial effluents, including distillery effluents, upto a maximum of 25% will be permissible.
- iv) Projects based on distillery effluents for generation of biogas, wastes from fossil fuels and waste heat (flue gases) shall not be supported.

**Criteria based on technologies**

2.2 The eligibility criteria for technologies will be:

- i) Projects based on waste-to-energy conversion technologies, namely, biomethanation, combustion, or a combination thereof.
- ii) Projects for generation of power from biogas will be based either on 100% biogas engines or steam turbines with a minimum steam pressure of 42 bar.

**Criteria based on capacity**

2.3 There will be no minimum / maximum limit on capacity of projects supported under this programme.

### 3.0 Central Financial Assistance

Central Financial Assistance (CFA) for projects of different categories would be given in the form of capital subsidy to the promoters and in the form of Grants-in-Aid for other activities, as given below:

#### 3.1 Capital subsidy to the promoters

Wastes / Processes / Technologies	Capital Subsidy
1. Industrial waste to Biogas	
i) Biomethanation of low energy density and difficult industrial wastes (i.e. dairy, tannery, slaughterhouse, sugar (liquid), bagasse wash, textile (liquid), paper (liquid) and pharmaceutical industry).	Rs. 1.0 crore / MWeq. (12000 Cu.m. biogas per day)
ii) Biomethanation of other industrial wastes.	Rs. 0.50 crore/ MWeq. (12000 Cu.m. biogas per day)
2. Power Generation from Biogas	
i) Boiler + Steam Turbine Configuration	Rs. 0.20 crore / MW
ii) Biogas Engine / Turbine Configuration	Rs. 1.00 crore / MW
3. Power Generation from Solid Industrial Waste (Boiler + Steam Turbine Configuration)	Rs. 0.20 crore/MW

3.2 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) Total capital subsidy would be limited to Rs. 5.00 crore per project.
- iii) Subsidy amount will be restricted to 20% of the project cost.
- iv) In case of Special Category States (NE Region, Sikkim, J&K, Himanchal Pradesh and Uttranchal), the capital subsidy would be 20% higher than that for other States. This provision will also be applicable to items (ii & iii) above.
- v) The projects already agreed to 'in principle' by the Ministry, which could not be sanctioned so far, would be considered on merit under this programme.

#### 3.3 Incentives to State Nodal Agencies

State Nodal Agencies would be provided an incentive / service charge @ 1% of the subsidy restricted to Rs. 5.00 lakh per project, in order to facilitate development of projects and their monitoring during implementation / post commissioning.

### **3.4 Financial assistance for promotional activities**

Financial assistance would be provided for organizing training courses, business meets, seminars / workshops, and publicity / awareness on case-to-case basis, subject to a maximum of Rs. 3.0 lakhs per event /activity.

### **3.5 Financial support to R&D projects**

Financial support would be provided to R&D and Applied R&D projects including studies on resource assessment, technology upgradation, performance evaluation, etc. to institutions / industries. This will be governed by the procedures / guidelines issued by the R&D Division of MNRE.

### **3.6 Financial support for preparation of DPR**

50% of the cost of DPR preparation, limited to Rs. 1.00 lakh/project, will be reimbursed to the promoters at the time of sanction of project.

### **4.0 Implementation Arrangements**

4.1 The scheme will be implemented by private and public sector enterprises and organizations, as well as NGOs. The prescribed format for submission of the proposal is given in the **Annexure**. For projects to be implemented without debt financing/loans, the proposals should be directly submitted to the Ministry for financial support. In cases where debt financing / loans from domestic FIs / Banks is involved, the proposals for financial support will be submitted by the promoters to the Ministry along with Project Appraisal Note and all the statutory clearances.

### **5.0 Release of Central Financial Assistance**

5.1 The entire capital subsidy amount would be released directly to the lead bank / lending financial institution for the purpose of offsetting the loan amount only after successful commissioning of project as per DPR norms and receipt of copies of statutory clearances and requisite project relating information / documents. The condition of successful commissioning of the project would, *inter-alia*, imply operation of the project for three months, including at least 72 hours continuous operation at minimum of 80% of rated capacity.

5.2 The incentives to State Nodal Agencies would be released after successful commissioning of the project.

5.3 In case the project is set up by the developer through his own resources, the CFA would be released directly to the developer after successful commissioning of the project as per item 5.1 above.

## 6.0 **Monitoring Mechanisms**

6.1 The State Nodal Agencies concerned will closely monitor the execution of the projects and provide guidance for their timely completion. They would also submit periodic progress reports to MNRE.

6.2 MNRE will also monitor the progress of implementation of the projects as well as their performance regularly through a Monitoring Committee consisting of representatives from MNRE, financial institution (s) / banks and State Nodal Agencies.

-----

**INDUSTRIAL WASTE-TO-ENERGY PROGRAMME**  
**APPLICATION FORM FOR GRANT OF SUBSIDY UNDER THE**  
**PROGRAMME ON RECOVERY OF ENERGY FROM INDUSTRIAL WASTES**

1. Name of Promoter/ Investor
2. Regd. Office address  
Tele No./ Fax No.
3. Postal Address  
TLX No./Fax No./E-Mail
4. Name of Project
5. Nature of the project along with capacity
6. Location-(city/district/state)
7. Name of Financial Institutions(s)  
with which financial tie-ups have  
been made
8. Total cost of project
  - a) Pre-project costs
  - b) Capital cost
  - c) Other costs
  - d) Total
9. Means of Financing
  - a) Promoter's direct equity
  - b) Loans (with details) from FIs
  - c) From other sources
10. Whether grid-connected or captive
11. Project period (in months)

12. Status of Project
13. Enclosures
  - a) Two copies of DPR, including bar charts for schedule of activities for the project
  - b) Proof of possession of site
  - c) Details of statutory clearances obtained, (if any)
  - d) Copy of the MoU executed with FI/Bank
  - e) Copy of the MoU executed with SEB / other State Agency

Note Certified that the above information given by me on behalf of my firm/ company is correct in all respects and no factual information has been suppressed.

**(Signature of the Applicant)**