

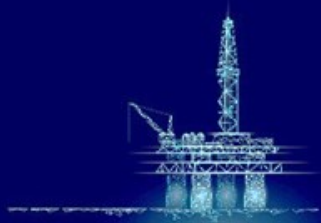


Overview of CBG plants under SATAT
22.12.2023



Ministry of Petroleum and Natural Gas
Government of India

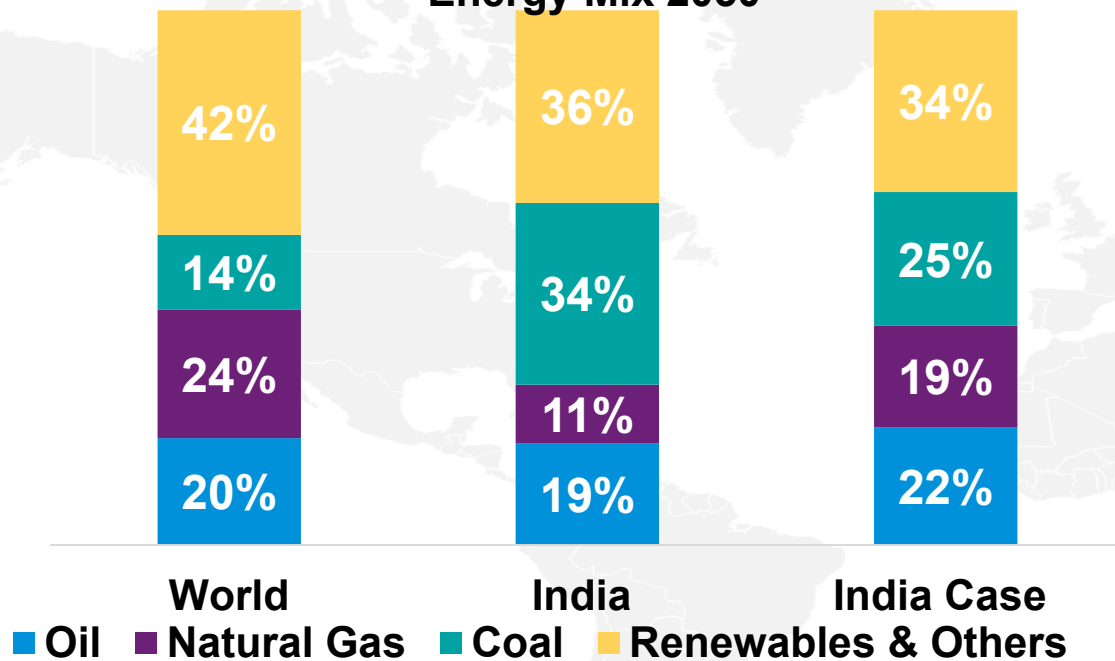
INDIA'S OIL & GAS INDUSTRY OVERVIEW - INDIA TO DRIVE FUTURE GLOBAL ENERGY DEMAND



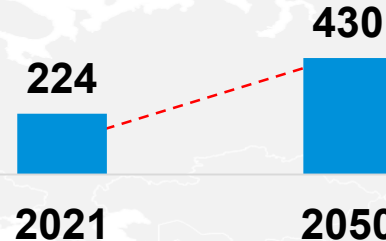
India's share in global energy consumption to rise from 5.93% (2021) to 12.75% (2050)

India's Oil and Gas Demand to triple by 2050, renewables increase 2.5 times

Energy Mix 2050



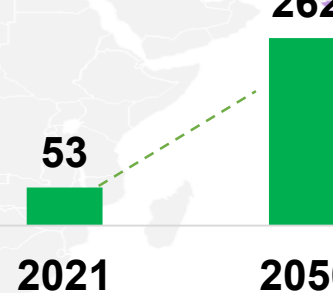
Oil Demand (Mtoe)



Renewables & Others Demand (Mtoe)



Natural Gas Demand (Mtoe)



Coal Demand (Mtoe)

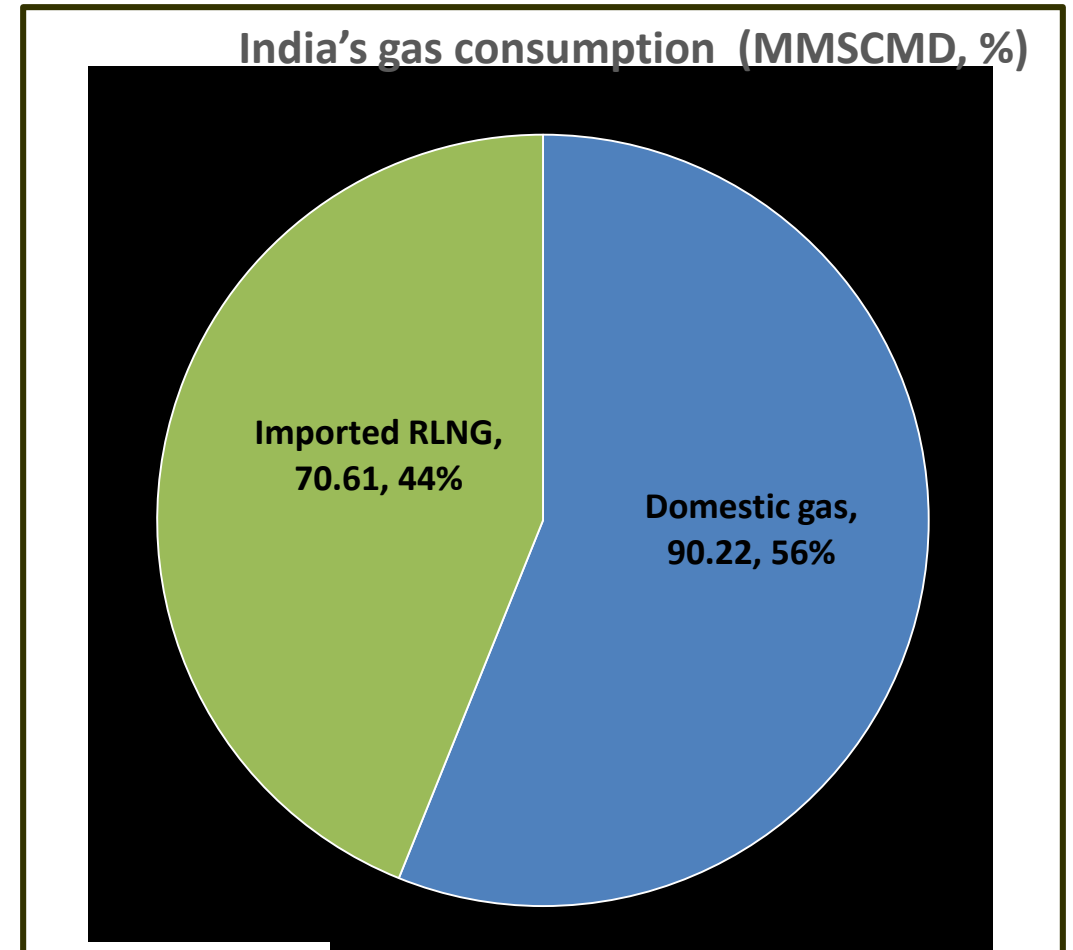
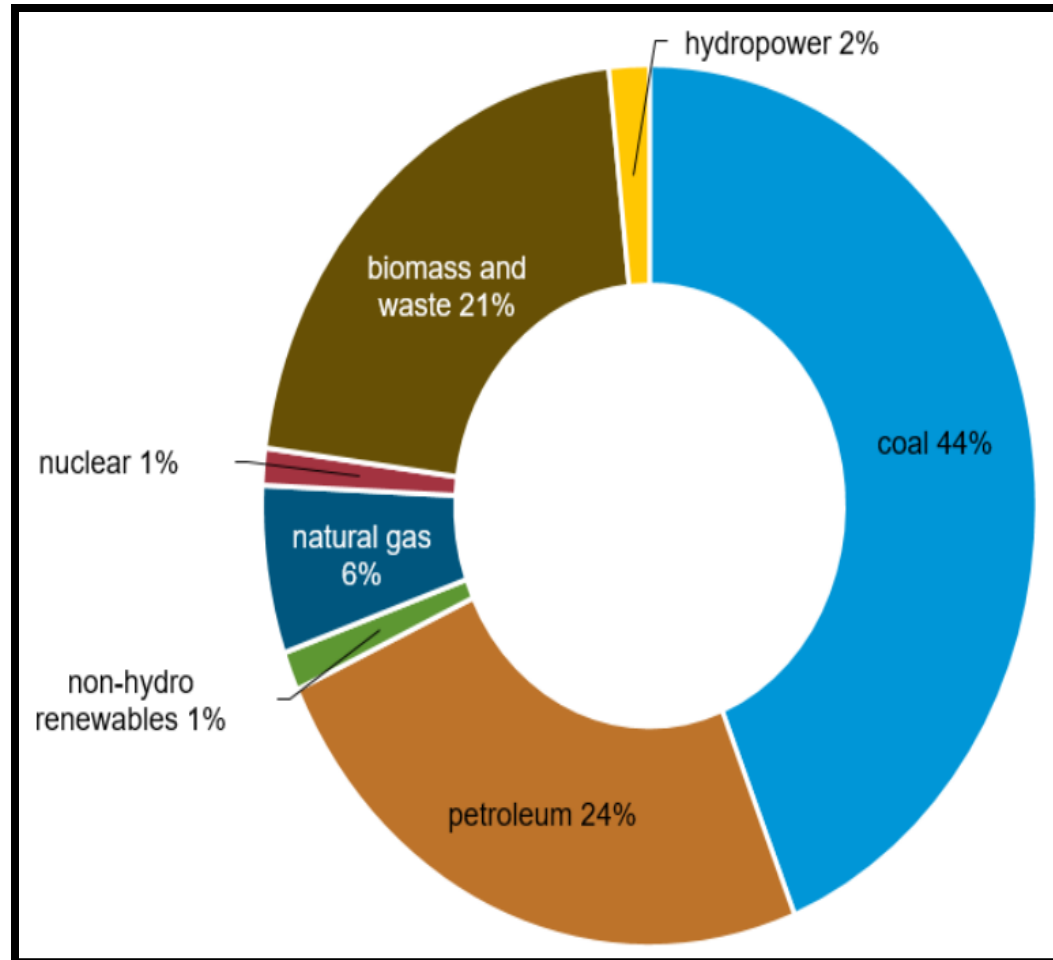


Note: Others includes Solar, Wind, Hydro, Bioenergy and other renewables and new energy sources. India Case is the envisioned 'Energy Mix 2050' for India as per PPAC estimates
Source- BP Stats 2022 & PPAC

Source: BP Stats & Outlook 2022

Map indicative only

India's Present Energy Consumption and Energy Mix (2022-23)



Steps taken to enhance domestic gas production

- Gol has taken various initiative to increase production of domestic gas supply.
- New blocks have been nominated for exploration under HELP.
- Natural gas pipeline grid has been strengthen to avoid any leakage.
- Operation efficiency is being focused and increased.
- **SATAT initiative under GOBARdhan umbrella scheme to increase Compressed Biogas production**

GOI Vision for India's Energy future

- **Panchamrit for Climate action:** Target of Net Zero by 2070
- **Reduction in Import:** India imports ~85% crude oil and ~50% Natural Gas.
- **Hon'ble PM's Vision:** Four pillars of India's energy future – energy access, energy efficiency, energy sustainability and energy security
- **Gas Based Economy:** Gas in India's energy mix from existing 6% to 15% by 2030
- **Circular Economy:** Creation of Waste to Wealth
- **Whole of Government Approach :** Convergence of central ministries and State government through GOBARdhan

Budget 2023 - Announcements

GOBARdhan

- 500 new 'waste to wealth' plants under GOBARdhan scheme
 - ❖ 200 compressed biogas (CBG) plants (75 plants in urban areas)
 - ❖ 300 community or cluster-based plants
 - ❖ Total investment – Rs. 10,000 Crore
- 5 per cent CBG mandate for all companies marketing natural gas
- Fiscal support for collection of bio-mass and distribution of bio-manure
- Exemption of excise duty on amount of GST-paid CBG blended with CNG

Sustainable Alternative Towards Affordable Transportation (SATAT) initiative

Launch

- Launched on 1.10.2018 by Govt. of India
- Synergy with Swachh Bharat Mission/ COP 26 commitments

Features

- Conversion of Waste / biomass by value addition into useful CBG and Bio fertilizer
- CBG plants to be set up mainly by entrepreneurs
- Oil and Gas Marketing Companies (OGMCs) inviting Expression of Interests from entrepreneurs
- Raw material procurement and offtake of output is being facilitated Central /State Agencies

Investment

- Total investment of Rs. 1.75 Lakh crore

Benefit

- Employment in rural & waste management sectors
 - Estimated direct employment (~25 / plant) : 1,25,000
 - Estimated indirect employment (~50 / plant) : 2,50,000
- Boost to entrepreneurship and MSME sector
- Additional income to farmers from their unutilised organic waste
- Help to achieve target of Net Zero

Status of SATAT initiative

CBG Plants Commissioned: 52

CBG supply initiated through Retail Outlets: 150

GA's supplying CBG under synchronization scheme: 19

During 2022-23, OGMCs have procured CBG (Ton): 11,227

April 2023 to November, OGMCs have procured CBG (Ton): 9,548

Enablers under SATAT initiative (1/2)

CBG Off-take Arrangement

- Commercial Agreement for 15 years –synchronization extended for 10 years
- Formation of State Level SATAT Committee of OGMCs to ensure off-take of produced CBG

CBG Pricing

- Revision in CBG procurement price - linked with CNG RSP.
- Minimum procurement price is Rs. 54/- per kg plus GST.

CBG-CGD synchronization

- CBG procurement price indexed with CNG retail price. Rs. 1380/ MMBTU for procurement of CBG under synchronization scheme.
- Producers to receive compressions charges in pipeline Rs. 2/kg. and in cascade Rs. 8/per kg

Enablers under SATAT initiative (2/2)

Taxation

- CNG when blended with Biogas or CBG, exempted from so much of the duty of excise leviable thereon the amount of central tax, State tax, Union territory tax or integrated tax, as the case may be, paid on the Biogas or CBG contained in such blended CNG.

Financing

- Inclusion of CBG under RBI Priority Sector Lending.
- Canara Bank has been nominated as Nodal Banker under SATAT.
- State Bank of India, Bank of Baroda, Canara Bank and some other banks have developed exclusive loan product for financing of CBG projects.
- World Bank, -Risk Sharing Facility and Guarantee Structure (RSF) with SIDBI - mitigate the credit risk and enable scaling-up lending.

Enablers under consideration

Development of pipeline Infrastructure

- Financial Assistance on development of pipeline connectivity of CBG plants and CGD network.
- Facilitate offtake of CBG and reduce logistics cost .

Financial support for biomass aggregation

- financial support to CBG producers to facilitate collection of biomass including working capital support – **has been approved**

Mandatory blending of CBG

- Proposal for mandatory 5% blending of CBG in CNG (T) and PNG (D) segment of CGD sector.
- Create market for CBG – **has been approved by NBCC**

Thank you