

F. No. L-16020/1/2023-GP-I (E-45649)  
Government of India  
Ministry of Petroleum and Natural Gas  
(G P Division)

Shastri Bhawan, New Delhi  
Dated: 27<sup>th</sup> February, 2024

**OFFICE MEMORANDUM**

**Subject: "Mandatory blending of Compressed Bio-Gas (CBG) in Compressed Natural Gas (Transport) {CNG (T)} and Piped Natural Gas (Domestic) {PNG (D)} segments of City Gas Distribution (CGD) networks - CBG Blending Obligation (CBO)" -reg.**

The undersigned is directed to refer to the recommendation of National Biofuel Coordination Committee (NBCC) given in its meeting held on 24.11.2023 and to convey the introduction of Mandatory blending of Compressed Bio-Gas (CBG) in Compressed Natural Gas (Transport) {CNG (T)} and Piped Natural Gas (Domestic) {PNG (D)} segments of City Gas Distribution (CGD) networks- CBG Blending Obligation (CBO) to stimulate demand for CBG in CGD sector and to meet the commitments towards "Net Zero". The salient features of the mandate are as under:

- i. CBG Blending Obligation (CBO) – CGD entities are mandated to blend CBG as a prescribed percentage of Natural Gas (NG) consumed in the CNG(T)/PNG(D) segment of CGD sector across the country.
  - ii. CBO will be voluntary till FY 2024-2025.
  - iii. CBO shall be kept as 1%, 3% and 4% of total CNG(T)/PNG(D) consumption for FY 2025-26, 2026-27 and 2027-28 respectively. From FY 2028-29 onwards CBO will be 5%.
  - iv. Till the operationalization of CGD network across the country, volume of CBG marketed without co-mingling with natural gas by all CGD entities will be considered as blending to fulfil CBO.
  - v. Further to protect renewable origin of CBG:
    - a. CBG shall be promoted as the green fuel by guaranteeing its renewable origin and which could be suitably monetized through tradability of green certificate system.
    - b. Mechanism like open access, book and claim, mass balancing etc. may be used for transfer and trading of energy and green certificate.
  - vi. Petroleum Planning and Analysis Cell (PPAC) shall act as Central Repository Body (CRB) to formulate operational guidelines for implementation of blending obligation. The detailed guidelines shall be issued with approval of Minister, PNG.
2. This issues with the approval of competent authority.



(Anand Kumar Jha)  
Deputy Secretary to the Government of India  
Tel.No.011- 2338-8764

**To,**

- i. Chief Executive Officer, NITI Aayog, Parliament Street, New Delhi-110001.
- ii. Secretary, Petroleum and Natural Gas
- iii. Secretary, Department of Rural Development

- iv. Secretary, Department of Agriculture and Farmers Welfare
- v. Secretary, Ministry of Environment, Forests & Climate Change
- vi. Secretary, Department of Science & Technology
- vii. Secretary, Department of Expenditure, Ministry of Finance
- viii. Secretary, Ministry of Road Transport & Highways
- ix. Chairman, Railway Board
- x. Secretary, Department of Food & Public Distribution
- xi. Secretary, Department of Heavy Industry
- xii. Secretary, Department of Bio-Technology
- xiii. Secretary, Ministry of New and Renewable Energy
- xiv. Secretary, Ministry of Housing & Urban Affairs
- xv. Secretary, Department of Financial Services
- xvi. Secretary, Department of Drinking Water and Sanitation
- xvii. Secretary, Ministry of Civil Aviation
- xviii. Joint Secretary, (E&BR), MoPNG (Member Secretary)
- xix. All Divisions of MoPNG
- xx. All CGD entities
- xxi. Chairman IOCL/ CMD-HPCL/BPCL/ONGC/GAIL/EIL/OIL/MD PLL/IGL
- xxii. Director General, Petroleum Planning and Analysis Cell (PPAC)
- xxiii. Chairman, Petroleum and Natural Gas Regulatory Board (PNGRB)

**Copy for information to:**

- i. PS to Hon'ble Minister of PNG.
- ii. PS to Hon'ble Minister of State for PNG.
- iii. PPS to Secretary, PNG.
- iv. PPS to Additional Secretary & Financial Adviser, MoPNG.
- v. PPS to Additional Secretary, MoPNG.
- vi. PPS to Joint Secretary, GP
- vii. NIC for web hosting on MoPNG's website