

Uttar Pradesh State Bio-Energy Policy-2022

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1 Preface

The Government of Uttar Pradesh has implemented The State Bio-Energy Promotion Programme-2018 with the aim of promoting Bio-Energy enterprises in the State. Under this programme, facilities such as Capital Subsidy to Bio-Energy Enterprises, 100% reimbursement of State GST for 10 years and 100% exemption in Stamp Duty on the purchase of land for the establishment of these enterprises were provided by the state government. So far 14 projects related to various Bio-Energy products and technologies have been issued sanction letters under the said programme.

In the present scenario, it is necessary to promote agricultural waste Bio-Energy enterprises more effectively based on agricultural waste to solve the problem of environmental crisis and loss in fertility of soil which arises from the burn in of agricultural waste in the fields itself.

The establishment of Bio-Energy enterprises will also create additional income for farmers and generate new employment opportunities in rural areas. Similarly, there seems to be a need for rectification in the present policy structure to generate Bio-Energy from the widely available urban solid waste, livestock waste, waste generated from agricultural markets and waste of sugar mills in the state.

- 1.1 The name of this policy is “Uttar Pradesh State Bio-Energy Policy-2022”
- 1.2 Under this policy, Bio-Energy units will be established by the construction, operation and ownership through private investors/developers based on attraction by various facilities and incentives provided by the state government.
- 1.3 The period of this policy should be for five years from the date of notification and the bio-energy units registered and commissioned under this policy will get the benefits and facilities admissible under the policy for the entire life of the projects. The State Bio-Energy Enterprise Promotion Program-2018 and State Bio-Energy Policy-2014 shall be deemed to have ended from the date of notification of the

new policy. Under the Bio-Energy Enterprise Promotion Program-2018 issued earlier, the units to whom the letter of acceptance has been issued, will continue to get the benefits mentioned in the above approval letters, subject to terms and conditions mentioned in current policy.

- 1.4 Under this policy, benefits and facilities will be admissible only in the case of establishment of new plant and machinery and in the case of establishment of new plant and machinery in the already registered unit.
- 1.5 Under this policy for the promotion of Bio Energy enterprises different ministries coming under the Government of India will play a vital role in timely execution of policies and programme in already established Bio energy enterprises and for proper policy structure has been framed which depicts the desired cooperation from state government. Under this policy Ministry of Petroleum and Natural Gas, Government of India, the Letter of Interest (LoI) holders and various other enterprises related to bio-energy will be issued Expression of Interest (EoI) as per rules, Under this policy,. After that, on providing DPR etc., the benefits of the policy will be given to the registered enterprises.
- 1.6 The main thrust of this policy is to promote production of Bio-CNG and Bio-Coal etc., through waste-based Bio-Energy enterprises but in the seasonal reduction of the availability of waste or as an alternative arrangement of feed stock for bio-energy plants, non-edible oil seeds/plantation of crops like karanj, neem, castor, jatropha etc. will be encouraged. Small rotation crops likes weet jowar and energy grass etc. will be planted in the barren lands to create additional feed stock for the production of bio-energy in the state. The work of plantation and production and value chain development of non-food oilseed crops, small rotation crops and energy grasses will be done through farmer producer companies or rural entrepreneurs on barren and infertile lands off farmers and village Panchayats.

2. Agricultural Waste Based Bio-CNG / CBG Enterprises

2.1 Up front subsidy will be provided on rakers, balers and trollers involved in the collection of bio-mass for the projects registered under the policy and to Farmer Producer Companies (FPOs) / Co-operative Societies/Sugar cane Societies operating in their catchment area/command area, by schemes running under the Agriculture Department Under the Sub Mission on Agriculture Mechanization program by the Department of Agriculture and Farmers Welfare, Government of India, additional targets will be sought from the Government of India, if necessary, to provide subsidy on these equipments to the units established under the policy by the Department of Agriculture. The material-based equipment containing the ingredients will be provided to the Farmer Producer Companies / Co-operative Societies / Aggregators operating in their catchments to provide agricultural waste to CBG plants. Additional subsidy will be given by the Government of Uttar Pradesh in addition to the subsidy given by the Government of India.

2.2 At least one Farm Producer Company will be formed, training and hand holding will be done in each block for biomass collection by the agricultural department. The Agriculture Department will facilitate formation, training and capacity building of FPOs in their catchment areas for the supply of agricultural waste to Compressed Biogas (CBG) plants as well as for execution of long-term supply contract of agricultural waste between them and the LOI holders.

2.3 District level committee will be constituted as follows in order to make agricultural waste (Parali) easily available to the investor at market price in the districts.

1. District Magistrate:	Chairman
2. Chief Development Officer:	Member
3. Deputy R.M.O.	Member
4. Deputy Director of Agriculture:	Member Secretary
5. District Panchayat Rajya Officer:	Member
6. District Agriculture Officer:	Member

7. Project Officer, UPNEDA:	Member
8. FPO Organization/Aggregator:	Member
9. Bio-Energy Entrepreneur:	Member

- 2.4 Bio-Manure obtained as a by-product from Bio-CBG plants has been included in the “Fermented Organic Manure” by the Government of India under the Fertilizer Control Order- 1985 vide Gazette Notification dated 13.07.2020. Agriculture Department State Agricultural Universities will promote research, marketing and distribution of organic manure produced by Bio Energy units. Sale and purchase of this Bio Manure at licensed fertilizers shops will be made mandatory by the agriculture department.
- 2.5 The investor can use the produced CBG for sale in a CBG pump installed by him after obtaining all statutory clearances.
- 2.6 Subsidy on production will be given to the investor by the State Government. This subsidy will be in addition to the benefits given in the waste/biomass based bio-energy projects of the Government of India.
- 2.7 Establishment of bio-coal projects based on agricultural waste on the basis of non-applicable land availability and commercial terms and conditions in the premises of coal based power plants of Rajya Vidyut Utpadan Nigam Limited or on the basis of commercial terms and conditions, their supply/use along with coal for power generation. Private investors will be encouraged for burning and other uses. Apart from this, bio-coal will also be purchased by the independent power producer as per the guide lines of the Ministry of Power, Government of India.
- 2.8 One Bio Plant(CBG or Bio-pellet or Bio diesel) will be installed in each Tehsil of Uttar Pradesh Tehsil will be made as a catchment area for Bio Plant.

3. Urban Solid Waste, Livestock Waste, Agricultural Produce Market Waste and Sugar Mills Waste Based Bio CNG /CBG Enterprises

- 3.1 Urban solid waste-based enterprises will be allowed to use facilities mentioned under the policy issued by the Urban Development Department of the state.
- 3.2 Bio-CBG plants will be set up in Uttar Pradesh according to the arrangement given in the Cooperative Societies Act, 1965 and with the permission of Uttar Pradesh Co-operative Sugar Mills Federation Ltd., in the premises of sugar mills of the cooperative sector. While issuing orders not to use the by-products of sugar mills like press mud etc., anywhere else and it will be used through long-term contract for bio-CNG plants, in which the rate of purchase of feed stock and the rate for reverse supply of bio-manure will be decided amongst themselves by the sugar mills and the cane development department. Bio-Manure, a by-product of CBG plants, will be distributed to the farmers of the sugar mill area.
- 3.3 Under the Government of Uttar Pradesh, the Animal Husbandry Department will cooperate in the establishment of CBG plants through selected LOI holders under SATAT scheme of Government of India executing long-term contracts for the availability of land and cow dung available in state animal shelters. By fixing the price a mechanism will be developed for collection and supply of cow dung from private Gaushalas to CBG plants.
- 3.4 Mechanism will also be developed for the collection of waste from State Agricultural Produce Markets and their delivery to CBG plants, for this a long term feedstock delivery contract will be entered in between Krishi Mandies and CBG plants investors.

4. Incentives

- 4.1 Under this policy, 100% exemption in electricity duty will be provided to the bio-energy enterprises established for 10 years from the date of commencement of commercial production.
- 4.2 In case of acquisition of land through lease or purchase from private tenants for setting up of bio-energy enterprises/plants or feedstock collection and storage, 100% exemption of stamp duty payable on rent deed/lease/sale deed/registration will be provided.
- 4.3 Bio-energy enterprises will be given 100% exemption from the development charges charged by the development authorities of the state.

4.4 Subsidy

- (a) In addition to the maximum 50% subsidy given on the plants under the Central Government's Submission on Agricultural Mechanization scheme to the aggregators defined devices like belar, raker and troller will be provided by the state government through UPNEDA under this policy, [30 percent subsidy (up to a maximum limit of Rs. 20 Lakh)].
- (b) In addition to the policy/scheme of the Government of India, subsidy based on their production capacity will be given to the bio-energy enterprise units. Under this, on Compressed Bio-gas production at the rate of Rs. 75 lakh per ton to a maximum of Rs 20 crore, on Bio-coal production at the rate of Rs 75,000/- per ton up to a maximum of Rs 20 crore, on production of Bio Diesel at the rate of Rs 3 lakh per kiloliter. Maximum upto 20 crore will be given. This subsidy can be used by the unit for plant and machinery, infrastructure, construction, power supply and transmission system related works, which will not include the cost of administrative building and land.
- (c) The detailed project proposal regarding the project will be examined by a team of subject experts before deciding the liability of the subsidy by Government component to the unit the amount of capital subsidy will be released in the bank loan account after the commencement of

commercial production at full capacity of the concerned unit. Apart from this, if no bank loan is taken by the investor of the unit, then the amount of capital subsidy will be released in the bank account of the unit. Additional Chief Secretary/Principal Secretary, Additional Resources of Energy Department will be the competent authority to allow extension in the time of acceptance of the subsidy and completion of the project.

- 4.5 If an entrepreneur invests 50 crores or more in a bio-plant, then he will be given the facility of approach road upto a maximum of 05 km from the unit to the main road.

5. Nodal Agency:

Under this policy, UPNEDA will be the nodal agency to promote the execution of bio-energy units policy. The nodal agency will provide assistance in registration of investors/developers, resolving their queries and problems and speedy disposal of pending applications lying with different departments related to bio energy.

6. Procedure for registration of enterprises to be established under the policy.

- 6.1 Under the Sustainable Plan of the Ministry of Petroleum and Natural Gas, Government of India, the developers who have already been issued LOI and other bio-energy units will be registered under the current policy.
- 6.2 UPNEDA will obtain and notify district wise/tehsil wise information from the concerned departments such as Agriculture, Animal Husbandry, Urban Development, Agriculture Marketing Department. District/ Tehsil wise surveys will be conducted by UPNEDA at regular intervals to upgrade the reports of biomass production capacity and viability of different type of biomass.

- 6.3 Based on energy generation from waste bio-mass based bio energy generation in tehsil, a bio plant up to the extent of maximum 40percent of the waste based energy generation capacity of the tehsil will be registered, the entire capacity cannot be registered so that it can be used for alternative uses other than bio energy and biomass should also be available in abundance to the local community. On the basis of the recommendation of the District Magistrate's committee, the registration of the unit will be done by UPNEDA after assessing the work and capacity of the unit and accordingly increase or decrease in the affiliated area.
- 6.4 The developer will have freedom to choose the actual site of the project within the tehsil. According to the capacity of the project and the requirement of biomass and the area covered for the same, no other bio-energy project will be registered in the tehsil so that continuous availability of sufficient biomass can be insured for the operation of the said plant and overcome the conflict between the projects for the supply of biomass and their financial viability should not be affected. Based on the capacity of the plant and the availability of biomass, the District Magistrate of the concerned district can increase the catchment area. The waste available in the Tehsil will be used in the concerned Tehsil. If someone establishes a large capacity plant, then two Tehsils can also be declared by the district magistrate as catchment area.
- 6.5 The Developer (Developer / Promoter) will be required to follow the guidelines issued by the Ministry of New and Renewable Energy, New Delhi and the relevant guidelines /regulation is issued by the Government of Uttar Pradesh from time to time in relation to the proposed project.
- 6.6 Under this policy, the developer willing to setup a waste/biomass-based bio-energy enterprise will submit the application for EOI in UPNEDA along with the following documents :-
- (1) Application in the prescribed format.

- (2) A certified copy of the Memorandum and Articles of Association of the company/bye-laws of the registered society.
- (3) A certified copy of the partnership deed (if applicable).
- (4) Copy of the accounts (balance sheet)of the last three years, in case of start-up, the balance sheet of the promoter company /mother company.
- (5) Pre-feasibility report.
- (6) Registration fee, Bank Demand Draft of ten thousand rupees per unit. This registration fee is non-refundable.

6.7 The following documents will be submitted by the developer for approval within the prescribed time limit(three months):

- (1) Detailed Project Report.
- (2) Bio-mass Assessment Report.
- (3) Land related documents (marked site for the project).
- (4) CPM/PERT Chart (for the proposed project implementation)
- (5) Water allocation order based on the availability of water at the project site.
- (6) In case the project is located in urban area / rural area, no objection certificate from the concerned urban body /village Panchayat.

6.8 On the basis of per area net worth with respect to applied areas Implementation agreement will be executed after obtaining 3% performance guarantee on the basis of DPR submitted for bio- plants after approval from competent level, The time limit for setting up the plants will be of 2 years from the date of implementation agreement.

6.9 **Extension of Time**

As mentioned in Para 6.7 of this Policy, if there is a delay in the completion of the requisite activities and the delay is beyond the control of the developer, after reconciliation (according to the specific circumstances of the case) extension of two terms of two months can be given to the developers.

6.10 After verification of the records submitted by the developer at UPNEDA, if found satisfactory, LOI will be issued to the developer after

the approval of the following state level committee constituted under the chairmanship of Additional Chief Secretary, Additional Sources of Energy Department, Government of Uttar Pradesh:-

- | | | |
|----|---|---------------------|
| 1. | Additional Chief Secretary, Department of Additional Sources of Energy. | Chairman |
| 2. | Additional Chief Secretary, Finance Department or
Nominated Representative not be low the rank of Special Secretary. | Member |
| 3. | Additional Chief Secretary, Revenue Department or
Nominated Representative not be low the rank of Special Secretary. | Member |
| 4. | Additional Chief Secretary, Department of Justice or
Nominated Representative not be low the rank of Special Secretary. | Member |
| 5. | Chief Executive Officer, Invest UP or
Nominated Representative not below than the rank of Special Secretary. | Member |
| 6. | Additional Chief Secretary, Agriculture Department or
Nominated Representative not below the rank of than Special Secretary. | Member |
| 7. | Additional Chief Secretary, Planning Department or
Nominated Representative not below the rank of Special Secretary. | Member |
| 8. | Distinguished Subject Experts from Central /State(Nominated byUPNEDA) | Member |
| 9. | Director,UPNEDA | Member
Secretary |

The services of subject experts will be taken for examination of the records as and when required.

On the basis of the sanctioned letter, the developer will get the benefit of area affiliation mentioned in para 6.3 and 6.4 of the policy and they will be able to execute long-term contract related to feed stock supply from the concerned agreement. And FPOs / rural entrepreneurs operating in the catchment area, etc. will be able to get incentives related to the benefit of subsidized agricultural equipment. In case of non-commissioning of the plants by the scheduled commissioning date mentioned in the acceptance letter, the said approval and related benefits, incentives and facilities can be transferred in favor of other developer considering the above approval as cancelled. In addition to the above, this committee will ensure the discharge of the following additional responsibilities:

1. Get maximum investment under this policy.
2. To review the progress of implementation of such investor, who have been approved, and if there is any problem in their implementation, then redressal of them.

3. In this policy if any practical problem comes to notice, then recommendations will be made for amendment.

7. Allocation of land and related Permissions

7.1 For establishment and operation of bio-energy enterprises in Uttar Pradesh, 10 acres of land is required for 10 ton capacity CBG plant and 25 acres of land for storage at various places. 02 acres of land is required for 100 ton per day bio-coal plant and 1.5 acres of land is required for 100 kiloliter bio-diesel /bio-ethanol plant. Accordingly, applications of developers for grant of land related permissions such as exemption from land ceiling etc. will be processed.

7.2 Deemed exemption from land ceiling and provision for conversion from agriculture to non agriculture land used for setting up of bio-energy enterprises/plants and for collection and storage of feed stock will be allowed.

7.3 (A) Land will be made available by the Revenue Department on token lease rent of Re 1 per acre annually for a maximum lease period of 30 years for setting up of bio-energy enterprises/plants and for collection and storage of feed stock. This lease will be non transferable.

(B) Land for Urban solid waste-based bio-energy plants will be admissible under the policy of the Urban Development Department of the land region.

8. Development of Waste Supply Chain

8.1 Ensuring waste supply remains a significant challenge in bio-energy enterprises. To address this problem, the entire supply chain has been developed in the policy. Under this, the aggregator model has been developed. In this model, long term contract will be established between the bio-energy entrepreneur, was teaggregator and the farmer. For this, an IT based portal and mobile app will be developed by UPNEDA, through which the aggregator, farmer and developer will be brought on one plat form. Any FPO, Cooperative society and sugarcane society will work as aggregator.

This aggregator has to be registered on the above-mentioned platform. On the basis of the recommendation of the District Level Committee, one or more aggregators can be registered under a Tehsil. The District Level Committee will ensure that the number of aggregators is limited as per the requirement. Subsidy for machinery will be given to the aggregators registered by UPNEDA. In addition to the Submission on Agriculture Mechanization scheme, Government of India, 30 percent subsidy will be given by the Government of Uttar Pradesh up to a maximum limit of 20 lakhs. The district level committee constituted under the chairmanship of the District Magistrate will have the following responsibilities for the development of supply chain:

1. To establish coordination amongst the farmers, aggregators and entrepreneurs for establishing a supply chain of agricultural waste.
2. To determine the appropriate rate of agricultural waste in the entire district on the basis of mutual consent. Same price of agricultural waste in the district will be determined with the consent of the farmers.
3. Provide regulatory support to aggregators for transportation of agricultural waste.
4. To establish co-ordination of the entrepreneur with the organizations like Agriculture Department, Horticulture. Department, Municipal Body, Development Authority etc. for marketing of organic fertilizers.
5. Encouraging the entrepreneur for all regulatory clearances, such as fire, land sealing, conversion from agricultural to non agricultural land, availability of government land, electricity supply, transmission system, waiver of development charges of development authority etc.
6. To ensure compliance of command area by each aggregator.
7. Review of farmer's payments.
8. Facilitation of the contract for organic manure, compressed bio-gas, bio-pellets.

9. In case there is more than one aggregator the committee can recommend UPNEDA to grant subsidy on agricultural equipment's to more than one.

A route chart will be prepared by the aggregator as per the minimum cost principle by which the agricultural waste received from the farmers can be easily transported to the plant. The farmers will be paid by the aggregator within 15 days and the aggregator will be paid by the entrepreneur within 15 days. The produced bio-coal will be supplied by the entrepreneur to the thermal power projects. For this, the entrepreneur will enter into a contract with thermal power projects.

9. Bio-Diesel and Bio-Ethanol

Under the notification of Ministry of Petroleum and Natural Gas dated 30.4.2019, under the guidelines issued for the sale of bio-diesel for mixing with high-speed diesel for transportation purposes.

- 9.1 Uttar Pradesh government will take appropriate action to fix the retail sale and inspection of Bio Diesel (B 100).
- 9.2 Bio-diesel and Bio-mass/Agriculture Waste based Bio Ethanol will be procured and sold as per Oil Marketing Companies/BIS Standards.
- 9.3 Under the latest bio-energy policy of the Government of India, subsidy will be provided by the State Government with admissible central financial assistance to promote the establishment of bio-diesel and biomass/agro-waste based bio-ethanol production units in the state. To provide feed stock to these units in the state through Farmer Producer Companies/Government Societies, plantation of non-oil edible plants oilseed plants/trees/energy grass will be promoted for this purpose a basic structure for allotment of Gram Panchayat/Government lands, publicity, training and creation of necessary infrastructure will be framed.

10. **Miscellaneous**

- 10.1 It will be mandatory for the bio-energy units to be established under this policy to comply with the relevant environment allaws, regulations, and orders.
- 10.2 A high-powered committee will be constituted under the chairmanship of the Chief Secretary for monitoring, review, inter departmental co-ordination, redressal of difficulties and better implementation of the policy.
- 10.3 Under this policy, facilities and incentives will be payable only on technologies approved by the Ministry of New and Renewable Energy, Government of India. Mixing of fossil-based fuels with waste/bio-mass will not be permissible.
- 10.4 Financial support for the establishment and running of project management unit to implement the U.P. State Bio-Energy policy 2022 and to support U.P. State bio energy development board will be provided by the budgetary allocation by the State Government.
- 10.5 In every district of the state, a budgetary arrangement will be made at the rate of 1lakh per district with the aim of motivating the entrepreneurs by giving wide publicity to the bio-energy policy.