

No. L-16022/05/2020-GP-I (E:35118)  
Government of India  
Ministry of Petroleum & Natural Gas

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Shastri Bhawan, New Delhi.  
Dated: 26<sup>th</sup> October, 2021

To,  
CMD, GAIL, New Delhi.

Sub: Operationalisation of guidelines for supply of Biogas/CBG under CBG-CGD synchronisation.

Sir,

I am directed to refer to GAIL's letter GAIL/CO/MKTG/CBG/MoP&NG/CBG-CGD sync/2021 dated 28.09.2021 regarding operationalising of guidelines regarding supply of Biogas/CBG under the CBG-CGD synchronisation and to state that GAIL may operationalise the scheme as notified through guidelines dated 09.04.2021 in terms of the methodology provided in letter dated 28.09.2021 including, inter-alia,

- i. GAIL to pay total composite sale price of CBG to CBG producer inclusive of compression charges and charge the Biogas compression charge to the CGD entity along with the Biogas price, at the Weighted Average Price (WAP) for the pooled quantity of Biogas/CBG and APM/NAPM gas Biogas/CBG and APM/NAPM gases.
  - ii. Revision of the Basic Price of Biogas with methane content of ~96%, to be paid to Biogas/CBG producers, upward from Rs. 730/MMBTU to Rs. 770/MMBTU.
  - iii. A Pipeline Compression Charge of Rs 2/Kg may be paid to the Biogas producer for injecting in the MDPE/Steel pipeline of CGD entity and also for transporting the same in cascades for injecting into CGD pipeline through decompression units.
  - iv. Biogas/CBG quantities, received directly and physically by the CGD entity from nearby CBG producers under CBG-CGD synchronization scheme, would be over and above its APM/NAPM domestic allocation quantity and would not attract any natural gas pipeline transmission charges. However, such Biogas/CBG quantities would only be for use in CNG (T) & PNG (D) segments and would be reported by CGD entity to PPAC on a periodic basis as per the applicable formats and MOP&NG guidelines.
2. GAIL may review, in consultation with other stakeholders, the pricing of CBG to reflect the costs of inputs/feedstock and ensure minimum annual escalation of 2-3% as per the guidelines under SATAT. They may also consider reviewing the compression charges to align with the input costs and transportation/handling charges and the need to promote the CBG ecosystem.
3. This has the approval of competent authority.

Yours faithfully,

  
(Anand Kumar Jha)

Deputy Secretary to the Govt. of India

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Encl: as above.

Copy to:

All CGD entities as per list attached.