



# Indian Renewable Energy Sector: Compressed Biogas

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**CBG sector to witness fillip with  
mandatory blending obligations in  
CGD commencing from April 01, 2025**

**MARCH 2025**





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*Implementation of the mandatory compressed biogas (CBG) blending obligations (CBO) in piped natural gas (domestic) - PNG (D) and compressed natural gas (transport) - CNG (T) sectors under City Gas Distribution (CGD) sector from April 01, 2025, to provide fillip to biogas demand in India.*



India is expected to be the fastest growing bioenergy market in the world by 2030 and demand is projected to be driven by mandatory blending of ethanol, compressed biogas (CBG), biodiesel, sustainable aviation fuel and others.



Sustainable Alternative Towards Affordable Transportation (SATAT) and the CBG – CGD Synchronisation schemes are the two flagship schemes of the Government of India (GoI) for promotion of CBG, however, the progress under both these schemes has been slow owing to issues such as weak economics, lack of year-round availability of raw material, high land costs etc.



Around 80 CBG plants and 250 retail outlets (ROs) have been commissioned under the SATAT initiative as of December 01, 2024. Around ~53 geographical areas (GAs) are being served under the CBG-CGD synchronisation scheme currently. CBG prices are competitive vis-à-vis domestic natural gas prices and cheaper than LNG prices.



Entry of large players such as Reliance Industries Limited (RIL) and the Adani Group (Adani Total Energies) into the CBG sector is expected to boost CBG production in India. Moreover, PSUs such as ONGC, BPCL, IOCL, GAIL, MGL etc. will play a significant role in boosting CBG volumes in India.



While schemes such as SATAT, Development of Pipeline Infrastructure (DPI) etc. are enablers, the implementation of mandatory CBG blending from April 1, 2025, is foreseen as the catalyst for CBG volume ramp up and accordingly ICRA expects volumes to witness a CAGR of ~62% over FY2024 to FY2029.



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