

# Ministry of Coal Issues Draft RFP's on Coal Gasification Scheme for Consultation

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The Ministry of Coal has taken a significant step by issuing **three draft Requests for Proposals (RFPs)** to solicit feedback from interested Government PSUs and Private Investors for the establishment of coal gasification plants in India. This move comes in the wake of the Cabinet's approval of a financial assistance scheme, allocating ₹ 8500 crores for incentives towards coal gasification projects, categorized into three categories.

Draft requests for proposals (RFPs) have been issued separately for each of the three categories. **Category I** allocates Rs. 4,050 crores to Government PSUs to support up to 3 projects, offering a lump-sum grant of Rs. 1,350 crores or 15% of the capital expenditure, whichever is lower. In **Category II**, Rs. 3,850 crores are earmarked for both the Private Sector and Government PSUs, providing each project with a lump-sum grant of Rs. 1,000 crores or 15% of the capital expenditure. Additionally, at least one project in this category will undergo a tariff-based bidding process. **Category III** includes Rs. 600 crores for Demonstration Projects and small-scale Gasification Plants, offering a lump-sum grant of Rs. 100 crores or 15% of the capital expenditure to entities with a minimum Capex of Rs. 100 Crore and minimum production of 1500 Nm<sup>3</sup>/hr Syn gas.

The Ministry has initiated the stakeholder engagement by floating three Requests for Proposal (RFPs), inviting feedback **until March 20, 2024**. All stakeholders are encouraged to provide their feedback to email: hitlar.singh[at]nic[dot]in . This proactive measure underscores the Ministry's dedication to advancing coal gasification projects, with the intention of finalizing the RFPs in March 2024.

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