

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION No. 57
TO BE ANSWERED ON- 18.07.2022

EFFECT OF QUOTA SYSTEM IN PRODUCTION OF ETHANOL BLENDED PETROL

57 #. SHRI BRIJLAL

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :-

- (a) whether Government is aware of the fact that the target of blending of 20 percent ethanol in petrol by the year 2025 is being affected by the existence of quota system in production, if so, the details thereof;
- (b) whether some State Governments have sought some permission from the Central Government to increase the production beyond the quota, if so, the reaction of Government thereon; and
- (c) the steps taken by Government to reduce dependence on import of crude oil by increasing the production of ethanol?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS

(SHRI RAMESWAR TELI)

(a) to (c) The Government has advanced the target of 20% ethanol blending in petrol from 2030 to 2025-26 which reduces dependence on crude to produce motor spirit. To meet the enhanced requirement of ethanol, Oil Marketing Companies (OMCs) have estimated the requirement of ethanol for 20% blending in petrol by the year 2025-26 considering the existing production capacity available in the States. Department of Food and Public Distribution (DFPD) has informed that States are free to produce ethanol as per production capacities. Further, entrepreneurs are free to set up ethanol distillation plants anywhere in the country and participate in the Ethanol Blended Petrol (EBP) Programme.

Government, since 2014, has taken several steps to increase production of ethanol by inter-alia, permitting other non-food feedstock besides molasses, like cellulosic and lignocelluloses materials, sugarcane and grains (maize and surplus stocks of rice with Food Corporation of India) for conversion to ethanol; administered price mechanism for procurement of ethanol; lowered GST rate to 5%; amendment in Industries (Development & Regulation) Act for free movement of ethanol across states for blending; interest subvention scheme for enhancement and augmentation of ethanol production capacity in the country.
