

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
UNSTARRED QUESTION No. 457
ANSWERED ON 24.07.2023

REGARDING SETTING UP ETHANOL PLANT

457#. SHRI SATISH CHANDRA DUBEY

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

- (a) the details of the procedure to be followed after the receipt of the EOI for supply of ethanol;
- (b) the efforts being made by Government to set up ethanol plants in the States to make up for the shortage of ethanol;
- (c) whether an ethanol plant is being set up in the State of Bihar or any proposal has been sent from the Bihar Government to the Central Government; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS

(SHRI RAMESWAR TELI)

(a): Public Sector Oil Marketing Companies (OMCs) make a combined estimate of the total requirement of ethanol for an Ethanol Supply Year (ESY) which is published as an Expression of Interest (EOI). Bidders are required to quote ethanol quantities which can be supplied by them against quarterly requirement of OMCs, location wise / feedstock category wise/ quarter wise in the quantity bid. Allocation of ethanol to the participating bidders is made on the basis of terms and conditions of the EOI. For locations where the requirement is not met, the balance quantity is met through next EOI cycles till the requirement is covered.

(b): Since 2014, Government has taken several measures to increase production and utilization of ethanol in the country which includes permitting procurement of ethanol produced from other non-food feedstock besides molasses, such as cellulosic and lignocelluloses materials like cotton stalk, wheat straw, rice straw, bagasse, bamboo etc. including petrochemical route, subject to meeting the relevant BIS standards; allowing use of sugarcane and food grains (maize and surplus stocks of rice with Food Corporation of India) for conversion to ethanol; administered price mechanism for procurement of ethanol under the Ethanol Blended Petrol (EBP) Programme including enhanced ex-mill price; lowered GST rate to 5% on ethanol for EBP Programme; amendment in Industries (Development & Regulation) Act for free movement of ethanol across states for blending, interest subvention schemes for enhancement and expansion of ethanol distillation capacity, Long Term Offtake Agreements (LTOAs) for setting up Dedicated Ethanol Plants (DEPs) in ethanol deficit states etc.

(c) & (d): A total of 47 ethanol projects in the state of Bihar have been approved under various ethanol interest subvention scheme notified by the Govt. from July, 2018 to April, 2022 out of which 7 projects are molasses based, 32 grain based and 8 dual feed.
