GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
STARRED QUESTION NO-98
ANSWERED ON - 09/02/2026

ETHANOL BLENDING PROGRAMME

*98. SHRI RATANJIT PRATAP NARAIN SINGH:

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

(a) progress made towards achieving 20 per cent ethanol blending target by 2025 under the Ethanol Blending Programme;

(b) number of second-generation (2G) ethanol and compressed bio-gas plants established under Sustainable Alternative Towards Affordable Transportation (SATAT) particularly in the State of Uttar Pradesh;

(c) initiatives to utilise agricultural residue and waste for green fuel production; and

(d) estimated savings in import bills, reduction in carbon emissions and enhancement of farmers' income through sustainable biofuel value chains?

ANSWER

MINISTER OF PETROLEUM & NATURAL GAS

(SHRI HARDEEP SINGH PURI)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) IN RESPECT OF THE RAJYA SABHA STARRED QUESTION NO. 98 FOR REPLY ON 09.02.2026 REGARDING ETHANOL BLENDING PROGRAMME ASKED BY SHRI RATANJIT PRATAP NARAIN SINGH.

(a): Government has promoted blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme. The National Policy on Biofuels – 2018, as amended in 2022, inter-alia, advanced the target of 20% blending of ethanol in petrol from 2030 to Ethanol Supply Year (ESY) 2025–26 (1st November, 2025 to 31st October, 2026). This target of 20% has been achieved in December, 2025 due to the concerted efforts of Government that have led to increased ethanol blending with petrol from 38 crore litres in ESY 2013-14 to over 1000 crore litres in ESY 2024-25. Public Sector Oil Marketing Companies (OMCs) achieved the target of 10% ethanol blending in petrol in June 2022, i.e. five months ahead of the target during ESY 2021–22. Ethanol blending levels thereafter increased to 12.06% in ESY 2022–23, 14.60% in ESY 2023–24, and 19.24% in ESY 2024–25. During the ESY 2025–26, as on 31.12.2025, more than 179 crore litres of ethanol have been blended, achieving an average ethanol blending of 20% in petrol.

(b) & (c): Government have taken several initiatives to utilise agricultural residue and waste for green fuel production in the country, which *inter-alia* includes initiatives of Pradhan Mantri JI-VAN Yojana for advanced biofuel production and Sustainable Alternative Towards Affordable Transportation (SATAT) to promote CBG production from biomass, cattle dung, and organic waste.

Under the Pradhan Mantri Jaiv Indhan–Vatavaran Anukool Fasal Awashesh Nivaran (PM JI-VAN) Yojana notified in 2019 and amended in 2024, Government provides financial support for promotion of biofuel projects based on agricultural residue, waste and other renewable feedstock, with the objective of setting up Advanced Biofuel Projects, including Second Generation (2G) ethanol plants, across the country including Uttar Pradesh. The scheme has an outlay of Rs. 1969.5 crore. At present, two commercial 2G ethanol plants are operational in the country, namely a 100 KLPD (kilo litres per day) paddy-straw-based 2G ethanol plant at Panipat, Haryana, by Indian Oil Corporation Limited and a 185 KLPD bamboo-based 2G ethanol plant at Numaligarh, Assam, by Numaligarh Refinery Limited through its joint venture company, Assam Bio Ethanol Private Limited (ABEPL).

Government have taken various steps to promote the establishment of CBG projects under SATAT and GOBARdhan initiative across the country including Uttar Pradesh. These steps include assured price for off-take of CBG through long term agreements with Oil and Gas Marketing Companies (OGMCs); the Umbrella Scheme of National Bio Energy Programme by the Ministry of New and Renewable Energy, which inter-alia provided Central Financial Assistance to all

kind of CBG/biogas plants; Additional Central Assistance for Municipal Solid Waste-based CBG projects under Swachh Bharat Mission Urban 2.0; the inclusion of bio-manure produced from CBG plants as Fermented Organic Manure and Liquid Fermented Organic Manure under Fertilizer Control Order 1985; Market Development Assistance to promote Organic Fertilizer produced from CBG projects by Department of Fertilizers; the inclusion of CBG projects under 'White Category' by Central Pollution Control Board on case to case basis; the inclusion of CBG projects under Priority Sector Lending by RBI and loan products from various Banks for financing of CBG projects.

Ministry of Petroleum and Natural Gas has taken initiatives such as (i) issue of guidelines for synchronization of CBG with CNG in CGD Network; (ii) a scheme for the development of pipeline infrastructure (DPI) for injection of CBG into the City Gas Distribution (CGD) and National Gas Grid; (iii) a scheme to support CBG producers for procurement of Biomass Aggregation Machinery (BAM) Scheme and (iv) phase wise mandatory selling of CBG in CNG (T) and PNG (D) segment of CGD network.

As on 04.02.2026, a total of 187 Compressed Biogas (CBG) plants have been established under the GOBARdhan including SATAT initiative, out of which 37 CBG plants are located in Uttar Pradesh.

(d) Ethanol Blended Petrol (EBP) Programme has resulted in expeditious payment to farmers to a tune of over Rs. 1,43,822 crore from Ethanol Supply Year (ESY) 2014-15 up to December 2025, besides savings of more than Rs. 1,63,395 crore of foreign exchange, net CO2 reduction of approximately 832 lakh metric tonne and substitution of more than 277 lakh metric tonne of crude oil.

Under the SATAT, Oil and Gas Marketing Companies (OGMCs) have procured approximately 58,000 tonne of CBG during the period from April, 2025 to December, 2025, resulting in import substitution of Re-gasified Liquefied Natural Gas (RLNG) to the tune of about Rs. 300 crore. Further, CBG production contributes to reduction of carbon emissions by replacing fossil fuel with renewable energy CBG. The sector also supports augmentation of farmers' income through generation of direct and indirect employment and additional earnings from the sale of agricultural residue and cattle dung.

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