

LOK SABHA

**UNSTARRED QUESTION NO.401
TO BE ANSWERED ON 18TH DECEMBER, 2017**

COVENTIONAL ENERGY SUBSIDY

**401. SHRI R. PARTHIPAN:
SHRI J.J.T. NATTERJEE:**

पेट्रो लयम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government is planning to phase out all conventional energy subsidies in near future and if so, the details thereof;
- (b) whether the Government proposes to force petroleum products to compete with other fuels like biomass and biogas, etc. and if so, the details thereof;
- (c) whether the Government also proposes to accelerate the development and implementation of cost-effective energy efficiency standards to reduce the long-term demand for energy and if so, the details thereof along with the steps taken/being taken in this regard; and
- (d) whether the engagement of States, industrial companies, utility companies and other stakeholders to accelerate this investment has been planned and if so, the details thereof?

ANSWER

पेट्रो लयम और प्राकृतिक गैस मंत्री

(श्री धर्मन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)**

(a): The Government provides subsidy to consumers on Domestic LPG and Retail Selling Price (RSP) of PDS Kerosene. The prices of Petrol and Diesel have been made market determined by the Government effective from 26th June, 2010 and 19th October, 2014 respectively and since then their prices are being decided by the Public Sector Oil Marketing Companies (OMCs) in line with the changes in the international market prices.

(b): Government has been promoting blending of ethanol with Petrol and biodiesel with diesel. OMCs have been directed to sell ethanol blended Petrol with percentage of ethanol up to 10% as per BIS specifications to achieve a mandatory target of 5% overall. Currently, the ethanol blending percentage in petrol is around 2% and biodiesel blending percentage in diesel is less than 0.5 % due to limited availability for blending. Government has, therefore, planned a major policy initiative to promote 2G ethanol to augment availability of ethanol for blending.

Ministry of New and Renewable Energy has launched Biogas Power (Off-grid) Programme to promote power generation, specifically in the small capacity range (3 kW to 250 kW), based on the availability of large quantity of animal wastes and wastes from forestry, rural based industries (agro/food processing), kitchen wastes, etc.

(c) & (d): Ministry of Power has issued Notification dated 16.08.2017 regarding constant speed fuel consumption standard for heavy duty commercial vehicles of category M3 and N3 with gross vehicle weight and exceeding twelve tonnes.

Further, Government has implemented “PAT (Perform Achieve and Trade) scheme to reduce specific energy consumption in energy intensive industrial sectors. PAT is a market based mechanism, in which targets are set by BEE for each designated consumers. The mechanism is facilitated through trading of Energy Saving Certificates. In the PAT cycle-1, completed in March, 2015, 478 industrial units from 8 industrial sectors were covered. PAT scheme is covering large industrial sectors including power generating/distribution companies as designated consumers and the mechanism is facilitated with involvement of BEE/Energy exchanges, State Designated Agencies and the consultants.

X-X-X-X-X