

LOK SABHA
UNSTARRED QUESTION No. 883
TO BE ANSWERED ON 23rd JULY, 2018

SETTING UP OF ETHANOL PLANT

883. SHRIMATI RAKSHATAI KHADSE:
PROF. CHINTAMANI MALVIYA:
SHRI PRATHAP SIMHA:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government proposes to introduce for setting up plants based on new technology by consuming Bio-Mass to produce Bio-Gas, Bio-CNG and enriched manure to curb the menace of stubble burning and if so, the details thereof along with the locations identified for the purpose;
- (b) whether the Government has approved the Mechanism for procurement of Ethanol by Public Sector Oil Marketing Companies (OMCs) to carry out the Ethanol Blended Petrol (EBP) Programme and if so, the details and objectives thereof;
- (c) whether EBP Programme was launched by the Government in 2003 on pilot basis which has been subsequently extended to the Notified 21 States and 4 UTs and if so, the details thereof along with the specific advantages of blending Ethanol with Petrol;
- (d) whether the Government proposes to make more use of ethanol and introduce the vehicles propelled with mixed fuel having 90 per cent ethanol and also taken up the matter regarding duty structure on ethanol with the Ministry of Finance and if so, the details thereof along with the steps taken to enhance/encourage the use of ethanol in vehicles to make the environment clean;
- (e) the benefits likely to be extended for the betterment of the sugarcane farmers and sugar producers; and
- (f) whether some constraints have been noticed in implementing the EBP Programme, if so, the details thereof and the corrective steps taken/being taken in this regard?

ANSWER

**पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री धर्मेन्द्र प्रधान)**

MINISTER OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) Government is implementing a scheme on Energy Recovery from Urban, Industrial and Agricultural Wastes/Residues which promotes generation of Biogas/Bio-CNG/Power from Urban waste, Agricultural Waste and Industrial Wastes/Effluents. Plants under this scheme are set up by private developers and location & other modalities of the plants are decided by them based on projects financial viability and availability of waste.

(b) Public Sector Oil Marketing Companies blend ethanol in Petrol under the Ethanol Blended Petrol Programme. The Government has recently revised the ex-mill price of ethanol derived out of C-heavy molasses and B-heavy molasses as Rs. 43.70 per litre and Rs. 47.49 per litre respectively for the forthcoming sugar season 2018-19 during ethanol supply period from 1st December, 2018 to 30th November, 2019. These prices are exclusive of GST and Transportation charges.

(c) Ethanol Blended Petrol (EBP) Programme was launched w.e.f. 1st January, 2003 in nine States and four Union Territories for sale of 5% ethanol blended petrol. Government has directed the Public Sector Oil Marketing Companies (OMCs) to sell 5% Ethanol Blended Petrol as per Bureau of Indian Standards specifications in the notified States and UTs of the country with effect from 1st November, 2006, subject to commercial viability. Presently, the Government, through OMCs, is implementing EBP Programme in twenty one States and four Union Territories under which, OMCs sell EBP with percentage of ethanol upto 10%. Ethanol has higher octane than petrol and burns slowly and completely resulting in reduced emissions. Government is promoting use of EBP to address environmental concerns, provide remunerative income to farmers and to reduce import bill.

(d) At present, BIS standards allow blending of ethanol in Petrol upto 10 per cent. Ministry of Petroleum and Natural Gas has taken up the matter of reduction of GST rate on ethanol with Department of Revenue, Ministry of Finance. Government has taken many steps including easing the procurement

procedure, fixing administered price of ethanol for C-heavy molasses, B-heavy molasses and sugarcane juice route, etc. to increase ethanol blending in Petrol.

(e) In addition to above steps, the Government has recently approved a scheme to provide interest subvention @ 6% per annum or 50% of rate of interest charged by banks, whichever is lower, for augmenting capacity & upgradation of distilleries.

(f) Non-availability of full quantity of ethanol required to achieve targeted percentage envisaged in EBP Programme is a major constraint in implementing the EBP Programme. The important steps taken by Government to address the issue are given at (d) above.
