

LOK SABHA
STARRED QUESTION No. 305
TO BE ANSWERED ON 10th August, 2023

BIODIESEL PURCHASE POLICY

*305. DR. KRISHNA PAL SINGH YADAV:
DR. HEENA VIJAYKUMAR GAVIT:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the details of the contribution of Biodiesel Purchase Policy implemented by the Government as a sustainable fuel source in the country;
- (b) the criteria and standards set for the procurement of biodiesel under the Biodiesel Purchase Policy;
- (c) the manner in which the policy ensures quality control and adherence to environmental sustainability norms in the production and procurement processes;
- (d) the measures taken by the Government to create awareness and encourage participation among farmers and other stakeholders in the cultivation of biofuel feedstock crops such as jatropha and pongamia and their subsequent utilization in biodiesel production; and
- (e) the progress made under the Biodiesel Purchase Policy along with achievements in biodiesel production, procurement volumes and the overall contribution to India's energy security and environmental sustainability goals?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री हरदीप सिंह पुरी)

MINISTER OF PETROLEUM & NATURAL GAS
(SHRI HARDEEP SINGH PURI)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. *305 TO BE ANSWERED ON 10.08.2023 REGARDING 'BIODIESEL PURCHASE POLICY' ASKED BY DR. KRISHNA PAL SINGH YADAV AND DR. HEENA VIJAYKUMAR GAVIT.

(a) to (e): One of the critical elements for enhancing the energy security of the country is the development of alternative sources of energy including biofuels. Biofuels including biodiesel in India are of strategic importance as they auger well with the ongoing initiatives of the Government such as Make in India & Swachh Bharat Abhiyan and offer great opportunity to integrate with the ambitious targets of doubling of Farmers Income, Import Reduction, Employment Generation, Waste to Wealth Creation, etc.

Biodiesel is an environment friendly sustainable fuel which can be blended in diesel as per BIS Standards and used in automobiles and other applications without any modifications in the engines. The PSU Oil Marketing Companies (OMCs) procure biodiesel from registered biodiesel manufactures which meets the prescribed criteria of Bureau of Indian (BIS) thus ensuring proper quality control. To encourage the production of Biodiesel in the country, the Government had notified the Biodiesel Purchase Policy, in October, 2005, which is effective from 1st January 2006. The criteria and standards set for procurement of biodiesel under the Biodiesel Purchase Policy *inter alia* include:

- i. Biodiesel manufacturers need to get their biodiesel samples approved as per BIS and certified by the OMCs. Subsequently they need to be registered as authorised suppliers for supply of biodiesel.
- ii. Biodiesel manufacturers should have their production capacity and credibility assessed by the OMCs.
- iii. Biodiesel meeting the fuel quality standards prescribed by BIS is purchased by the OMCs at the specified purchase centres.
- iv. Priority shall be given to those biodiesel producers who propose to use non-edible Tree Borne Oils (TBOs) as feedstock for producing biodiesel.

Due to challenges in harnessing TBOs such as long gestation period, poor yields, etc., and their subsequent conversion into biodiesel, the procurement of biodiesel by the OMCs could only start in August 2015. Most of biodiesel procured by PSU OMCs has been produced from Palm Stearin Oil, Used Cooking Oil (UCO) and negligible quantities from TBOs.

The Government had thereafter notified the National Policy on Biofuels 2018 (NPB) in June 2018. This policy has laid out an indicative target of achieving 5% blending of biodiesel in diesel / direct sale of biodiesel in the country by 2030.

The measures taken to create awareness and encourage participation among farmers and other stakeholders *inter alia* include:

- i. Reduction in GST rate for biodiesel supplied to the OMCs for blending with diesel.
- ii. Offering of remunerative prices by the PSU OMCs for procurement of biodiesel.
- iii. Launch of Repurpose Used Cooking Oil (RUCO) initiative which involves collection of Used Cooking Oil (UCO) for conversion to biodiesel. This also involved playing of radio jingles / advertisements print media, etc. to give wide publicity to the initiative.
- iv. As part of Azadi Ka Amrit Mahotsav (AKAM), exhibitions on biofuels including biodiesel held across the country by the OMCs.
- v. The NPB envisages that farmers will be encouraged to grow variety of different biomass as well as oilseeds on their marginal lands, as inter crop and as second crop wherever only one crop is raised by them under rain fed conditions.
- vi. Studies are being undertaken by PSU OMCs to analyse the effect of blending of various biofuels such as Ethanol, Methanol, Dimethyl Ether, etc., in diesel.
- vii. Celebration of World Biofuel Day on 10th of August every year.

The details of Biodiesel procured by the PSU OMCs year-wise till June 2023 are as follows:

Biodiesel procured by the OMCs (in Cr Litre)	
Year	Biodiesel Procured
2015-16*	1.19
2016-17	3.59
2017-18	4.37
2018-19	8.22
2019-20	10.55
2020-21	0.51
2021-22	0.06
2022-23	6.05
2023-24 (April-June)	11.57

* Biodiesel blended sale started by the OMCs with effect from 10.08.2015.
