

LOK SABHA
STARRED QUESTION No. 407
TO BE ANSWERED ON 23rd March, 2020

Biofuel Policy, 2018

*407. DR. SHRIKANT EKNATH SHINDE:
SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government has introduced the new Biofuel Policy in 2018;
- (b) the details of the Letters of Intent obtained in furtherance of the Policy to manufacture biofuels, categorised by type of biofuel;
- (c) whether the Government is likely to achieve the target of ethanol blended petrol as mentioned in the Biofuel Policy, 2018 and if not, the reasons therefor;
- (d) the details of the budget allocated for implementing the Biofuel Policy, 2018 and the amount spent till now, State-wise; and
- (e) whether the rules have been formulated under the Policy and if so, the details thereof and if not, the reasons therefor and the present stage of drafting of the rules?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री धर्मन्द्र प्रधान)

MINISTER OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(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. 407 TO BE ANSWERED ON 23.03.2020 REGARDING BIOFUEL POLICY, 2018 BY DR. SHRIKANT EKNATH SHINDE AND SHRI DHAIRYASHEEL SAMBHAJIRAO MANE.

(a) to (c): The Government has notified the National Policy on Biofuels-2018 on 4th June 2018. This policy has laid out indicative targets of achieving 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel in the whole country by 2030.

The Government is promoting biofuels with the broader objectives of reducing import dependency, generating employment, providing better remuneration to farmers, promoting better waste management practices, etc.

The procurement of ethanol under the ethanol blended petrol (EBP) programme has increased from 38 crore litre during ethanol supply year (ESY) (1st December to 30th November) 2013-14 to almost five times to 188.6 crore litre during ESY 2018-19. The important measures taken to increase the production of ethanol for blending include:

- (i) Encouraging production of ethanol from sugarcane juice and sugar/ sugar syrup.
- (ii) Fixing remunerative ex-mill price of ethanol from various feed stocks.
- (iii) Extending interest subvention to distilleries.
- (iv) Amendment to Industries (Development & Regulation) Act, 1951, for free movement of denatured ethanol for Ethanol Blended Petrol (EBP) Programme.
- (v) Reduction in Goods & Service Tax on ethanol meant for EBP Programme from 18% to 5%.
- (vi) Extension of EBP Programme to whole of India except island UTs of Andaman Nicobar and Lakshadweep with effect from 01.04.2019.
- (vii) Enhancing ethanol storage at Oil Marketing Companies locations.
- (viii) Formulating an “Ethanol Procurement Policy on a long-term basis under Ethanol Blended Petrol (EBP) Programme”.

In the ESY 2019-20, till 09.03.2020, the Oil Marketing Companies (OMCs) have released Letter of Intents (LoIs) for procurement of 156.47 crore litre of ethanol.

Government, to further augment ethanol supplies, allowed procurement of second generation ethanol produced from other non-food feedstock like cellulosic and lingo-cellulosic materials including petrochemical route. Accordingly, Oil PSUs have planned to establish twelve 2G Ethanol Bio-refineries in 11 States of the country.

For promotion of biodiesel, Used Cooking Oil (UCO) has been identified as a potential raw material for biodiesel production and public sector oil marketing companies (OMCs) have floated an Expression of Interest (EoI) for procurement of Biodiesel produced from UCO across 200 locations. 29 EoIs have been received by OMCs for setting up 46 plants for manufacturing Biodiesel from UCO.

With a view to promote the use of Compressed Bio Gas (CBG) as automotive fuel, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative has been launched on 01.10.2018 under which OMCs are inviting Expression of Interest (EoI) from potential entrepreneurs to produce CBG. SATAT initiative envisages for establishment of 5000 CBG plants across the country with an estimated production of 15 MMT CBG per annum by 2023. Till 15.03.2020, Oil PSUs have issued Letters of Intent (LoIs) for establishment of 493 CBG plants in response of EoIs floated.

(d): In March, 2019, Government has notified the “Pradhan Mantri JI-VAN (Jaiv Indhan- Vatavaran Anukool fasal awashesh Nivaran) Yojana” for providing financial support to integrated bioethanol projects for setting up second generation ethanol projects in the country using lignocellulosic biomass and other renewable feedstock. The total financial outlay for the scheme is Rs. 1969.50 crore for the period 2018-19 to 2023-24.

(e): The biofuel policy comprehensively covers various aspects of biofuel program including strategy and approach, interventions and enabling mechanism, role of stake holders, institutional mechanism, international cooperation, etc. At this stage, there is no proposal to formulate rules.
