

LOK SABHA
UNSTARRED QUESTION No. 3226
TO BE ANSWERED ON 20th March, 2025

INCREASING OF ETHANOL BLENDING BEYOND 20%

3226. Shri Anurag Sharma:
Shri Jaswantsinh Sumanbhai Bhabhor:
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Shri P C Mohan:
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Shri Captain Brijesh Chowta:
Shri Gajendra Singh Patel:
Shri Alok Sharma:
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Shri Khagen Murmu:
Dr. Hemant Vishnu Savara:
Dr. K Sudhakar:
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Shri Chavda Vinod Lakhamsi:
Shri Manoj Tiwari:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the specific timeline being considered for increasing ethanol blending beyond 20 percent;
- (b) the measures taken/being taken to address potential vehicle compatibility issues with higher ethanol blends;
- (c) the manner in which the increased ethanol blending target will impact India's agricultural sector particularly sugarcane and maize production;
- (d) the manner in which farmers and ethanol producers would be incentivized to scale up production sustainably;
- (e) the manner in which the Government plans to balance maize and sugarcane allocation between ethanol production and food supply chains to ensure food security while advancing renewable energy initiatives; and
- (f) the manner in which the farmers of Karnataka have benefited from this program so far and the future procurement planned from farmers of Karnataka?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI SURESH GOPI)

(a) The National Policy on Biofuels – 2018, as amended in 2022, *inter-alia* advanced the target of 20% blending of ethanol in petrol to Ethanol Supply Year (ESY) 2025-26 from 2030. 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. Blending of ethanol further increased to 12.06% in ESY 2022-23, 14.60% in ESY 2023-24 and 17.98% in ESY 2024-25 upto 28th February 2025. So far, no decision has been taken by the Government for increasing ethanol blending beyond 20%.

(b) According to the Roadmap for Ethanol Blending in India 2020-25, prepared by an inter-ministerial committee, using 20% ethanol-blended petrol (E20) results in marginal reduction in fuel efficiency for four-wheelers designed for E10 and calibrated for E20. The Society of Indian Automobile Manufacturers (SIAM) had informed the committee that with modifications in engine hardware and tuning, the efficiency loss due to blended fuel can be reduced. The committee report has also highlighted that no major issues were observed in vehicle performance, wear of engine components, or engine oil deterioration with E20 fuel.

(c) to (e) The National Policy on Biofuels permits use of food grains during surplus phase as declared by the National Biofuel Coordination Committee. This Policy also promotes and encourages use of feedstock such as corn, cassava, rotten potatoes, damaged food grains like broken rice, food grains unfit for human consumption, maize, sugarcane juice & molasses, agriculture residues (Rice straw, cotton stalk, corn cobs, saw dust, bagasse etc.). The extent of utilization of individual feedstock for ethanol production varies annually, influenced by factors such as availability, costs, economic feasibility, market demand, and policy incentives. Any diversion of sugarcane juice, its by-products, maize etc. for ethanol production is carefully calibrated in consultation with relevant stakeholders.

Further, Government, since 2014, has taken several measures to encourage farmers and ethanol producers to scale up production under the EBP Programme which include expanding feedstock for ethanol production, implementing an administered price mechanism for the procurement of ethanol under the EBP Programme, lowering the GST rate to 5% on ethanol for the EBP Programme, amending the Industries (Development and Regulation) Act to facilitate intrastate and interstate movement of ethanol, simplifying the ethanol procurement process by Public Sector Oil Marketing Companies (OMCs), and advancing the target for 20% ethanol blending in petrol to the Ethanol Supply Year (ESY) 2025-26 from 2030. Additionally, during 2018-22, the Government introduced various Ethanol Interest Subvention Schemes (EISS) for ethanol production from both molasses and grains to establish ethanol plants. Long Term Offtake Agreements (LTOAs) were also signed by OMCs with Dedicated Ethanol Plants (DEPs).

(f) During ESY 2023-24 (November 2023 to October 2024), OMCs procured 679 crore litres of ethanol, of which 53.8 crore litres were supplied by distilleries based in Karnataka. For the ongoing ESY 2024-25, Public Sector OMCs have allocated 1000 crore litres of ethanol, of which 159.3 crore litres have been allocated to distilleries based in Karnataka. Furthermore, under the EBP Programme, since 2014-15, ethanol blending in petrol by Public Sector OMCs has resulted in expeditious payments to farmers of more than Rs. 1,04,000 crore, including those in the state of Karnataka, up to January 2025.
