

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2406

ANSWERED ON:03.12.2009

ETHANOL MIXED PETROL

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

- (a) the present status of ethanol blended petrol programme;
- (b) whether there is any proposal to make 10% doping mandatory in petrol;
- (c) if so , the details thereof;
- (d) whether the ethanol programme has been introduced since November 2006 in 16 cities of sugarcane growing States;
- (e) if so, whether this programme is suffering due to inadequate Special Denatured Spirit (SDS) availability and this mandatory doping may disrupt in fuel supply in case of SDS shortage;
- (f) if so, the response of the Union Government thereon; and
- (g) the steps taken by the Union Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (g) The Cabinet Committee on Economic Affairs has decided on 12.11.2009 to enforce mandatory blending of 5% ethanol for the time being, and resolve issues relating to supply through an inter-ministerial committee consisting of Secretaries in Deptt. of Food & Public Distribution, Deptt. of Consumer Affairs, Ministry of Petroleum & Natural Gas (MOP&NG), and Ministry of New & Renewable Energy. Accordingly, MOP&NG has issued instructions to the Oil 7 Marketing Companies for necessary action. Earlier, Ministry of Petroleum & Natural Gas vide its notification dated 20th September, 2006 has directed the Oil Marketing Companies (OMCs) to sell 5% Ethanol Blended Petrol (EBP) subject to commercial viability as per Bureau of Indian Standards specifications in entire country except North-Eastern States, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshdweep with effect from 1st November, 2006.

The Cabinet Committee on Economic Affairs (CCEA) had decided on 9.10.2007 to make 5% blending of ethanol with petrol mandatory with immediate effect across the country (except Jammu & Kashmir, North Eastern States and Island territories) and optional blending of 10% ethanol with petrol from October 2007 and thereafter mandatory blending from October, 2008.

The indigenous availability of ethanol on a sustainable basis to meet the requirement of the EBP Programme has been an issue ever since the programme was implemented throughout the nation in November 2006. Availability of Ethanol during the period 2006-2009 was deficient to the extent of 60% as against the requirement of 181.54 Crore litres, quantity contracted was 146 Crore litres and the quantity supplied was only 58.7 Crore litres. Shortfall during 2009-10 was 84%. in Orissa, Chhattisgarh, West Bengal, Tamil Nadu, Kerala, Jharkhand and Puducherry, the programme has not taken shape due to non-resolution of issues like procedural problems and taxation policy affecting the commercial viability in the implementation of the programme. At present 5% EBP programme is being implemented in 14 States and 3 UTs out of 20 States and 4 UTs identified for implementing the programme.

Further, OMCs had floated fresh tenders in June`09 / July`09 for the requirement of ethanol of 69 crore litres of ethanol for next one year. The parties have offered only 27.3 crore litres (40% of the requirement) of ethanol. As such the availability of ethanol in sufficient quantity is a problem.

The Government is constantly making efforts to procure adequate quantity of ethanol. Issue of inter-state movement of ethanol has been addressed through intervention of Department of Industrial Policy and Promotion, and some States have taken positive measures to remove these obstacles. However, availability of ethanol is dependent on the sugar cane production and demands of other sectors like potable and chemical industry.