

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:4425

ANSWERED ON:20.08.2010

DEVELOPMENT OF BIO-DIESEL

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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) the present status of the initiatives being taken by the Government for the development and production of ethanol and bio-diesel from the agricultural waste, jatropha plants and algae in the country;
- (b) the extent to which the success has been achieved in the production of bio-diesel in the country;
- (c) whether the Union Government has held any meeting recently regarding the production, distribution and use of bio-diesel in the country;
- (d) if so, the details of the outcome of the meeting;
- (e) whether the Government has constituted a High Level National Biofuel Coordination Committee; and
- (f) if so, the functions of the committee along with the work done by the committee for the development of biofuels in the country?

Answer

THE MINISTER OF NEW AND RENEWABLE ENERGY(DR. FAROOQ ABDULLAH)

(a): In order to develop, produce and use biofuels, which primarily include bio-ethanol and bio-diesel, from non-food feed-stocks including agricultural wastes, agro-industrial wastes, algae, etc; a National Policy on Biofuels has been brought out. The Policy aims at bringing about accelerated development and promotion of the cultivation, production and use of biofuels to increasingly substitute petrol and diesel for transport and be used in stationary and other applications.

To encourage production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas in October, 2005 announced a Biodiesel Purchase Policy, which became effective from 1.1.2006. Under this scheme, all marketing companies (OMCs) will purchase bio-diesel at a uniform landed price which is to be reviewed every six months. At present the purchase price of bio-diesel is Rs.24.50 per litre. The Government has exempted high speed diesel oil blended with biodiesel, upto 20% by volume from basic excise duty, additional duty of excise and special additional duty of excise, subject to the condition that appropriate duties have been paid both on high speed diesel and biodiesel. Biodiesel has been exempted from excise duty.

An intensive R&D work has been initiated by the Scientific Agencies to develop quality planting material of non-edible oil seed bearing plants for use as feed-stock for production of bio-diesel. R&D initiatives have also been taken to develop Second Generation Technologies for production of bio-diesel from algae and bio-ethanol from agricultural and forest wastes. The Department of Biotechnology of the Ministry of Science and Technology in July, 2010 has constituted a Committee on Research and Development on Biofuels with the objective to develop a clear road map and strategy for R&D efforts to meet the goals and targets of the National Biofuel Policy and develop different models of programme implementation and financing with special focus on Public Private Partnership and leveraging the global collaborations.

About 9.28 lakh ha of wastelands has been cultivated with Jatropha in nine states up to July, 2009 for production of bio-diesel feed-stock.

(b): Biodiesel is currently not being produced commercially for blending with diesel in the country due to non-availability of feed-stock.

(c) & (d): No Such meeting has been convened by the Ministry of New and Renewable Energy.

(e) & (f): The Government has constituted a High Level National Biofuel Coordination Committee in May, 2010 to provide overall coordination, effective end-to-end implementation and monitoring of biofuel programmes. The National Biofuel Coordination Committee has not yet met.