

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

UNSTARRED QUESTION NO:878

ANSWERED ON:25.02.2011

UTILISATION OF BIO-DIESEL AND BIO-ETHANOL

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

- (a) the current status of utilization of bio-diesel and bio-ethanol in the country;
- (b) whether there is any plan to use these fuels in a phased manner to reduce the utilization of fossil fuel; and
- (c) if so, the details thereof?

Answer

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

(a): In order to give a fillip to the Ethanol Blended Petrol (EBP) Programme announced earlier, the Govt. has issued fresh guidelines for its effective implementation. The Oil Marketing Companies (OMCs) are procuring Bio-ethanol for EBP Programme from domestic ethanol producers at ad-hoc ex-factory price of `27/- per litre decided by the Govt. Accordingly, the procurement has started and supply of EBP has commenced since November, 2010. To encourage production of Bio-diesel in the country, the Ministry of Petroleum and Natural Gas announced a Bio-diesel purchase policy, which became effective from 1.1.2006. Under this scheme, OMCs would purchase Bio-diesel for blending with high speed diesel to the extent of 5% at identified 20 purchase centers across the country. The Bio-diesel industry is still at nascent stage of growth. Since Bio-diesel was not available at the price declared by the OMCs, blending of Bio-diesel could not commence.

(b)&(c): In order to develop, produce and use Biofuels, which primarily include Bio-ethanol and bio-diesel, 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 for use in stationary and other applications. The main components of Biofuels Policy are:

- # Bio-diesel production will be taken up from non-edible oil seeds in waste/degraded /marginal lands.
- # Major thrust on research, development and demonstration with focus on plantations, processing
- # Minimum Purchase Price (MPP) for purchase of Bio-ethanol and Bio-diesel with periodic revision;
- # Fiscal and financial incentives particularly for second generation Biofuels.