

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

STARRED QUESTION NO:124
ANSWERED ON:22.03.2012
ETHANOL BLENDED PETROL
Alagiri Shri S. ;Rama Devi Smt.

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

- (a) the steps being taken by the Government for introduction of bio- fuels such as ethanol blended petrol and blended bio-diesel as a suitable alternative to petroleum products;
- (b) the details of achievements made in this regard as compared to other countries;
- (c) whether the efforts made by the Government in this regard have not yielded the desired results; and
- (d) If so, the reasons therefor and the steps being taken by the Government to improve the working of agencies involved therein?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRI R.P. N. SINGH)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE LOKSABHA STARRED QUESTION NO.124 (4th Position) BY SHRIMATI RAMA DEVI AND SHRI S. ALAGIRI TO BE ANSWERED ON 22ND MARCH 2012 REGARDING ETHANOL BLENDED PETROL

(a) A National Policy on Bio-fuels has been notified by the Government in December 2009, to bring about accelerated development and promotion of the cultivation, production and use of bio-fuels to increasingly substitute Petrol and Diesel for transport and be also used in stationary and other applications. The Policy envisages blending of Ethanol with Petrol and Bio-diesel with Diesel.

(b) Some countries such as Brazil, which have had abundant production of Ethanol from sugarcane etc., are leaders in the use of Ethanol and Ethanol-blended Gasoline in motor engines. Of late, however, worldwide there is a debate on the issue of 'food security vs. fuel security' since the production of bio-fuels such as Ethanol from agricultural crops requires a shift away from food crops to cash crops, thus impacting a country's food security.

Even prior to the National Policy on Bio-fuels, Ethanol Blended Petrol (EBP) Programme was implemented in the entire country with effect from 1.11.2006, except the north-eastern states, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshdweep. Presently, the programme is running in 13 States due to the insufficient availability of Ethanol and due to the restrictions imposed/non-issuance of the requisite licenses and clearances by some State Governments.

As regards Bio-diesel, the Ministry of Petroleum and Natural Gas announced a Bio-diesel Purchase Policy effective from 1.1.2006 envisaging Oil Marketing Companies (OMCs) to purchase Bio-diesel for blending with High Speed Diesel (HSD) from identified purchase centres across the country.

(c)&(d) On 16.08.2010, the Government has decided that the Oil Marketing Companies (OMCs) would purchase the entire quantity of Ethanol made available by domestic manufacturers of Ethanol at a price to be decided by the Government. In pursuance of this decision, OMCs are implementing the 5% EBP Programme by procuring the entire quantity of Ethanol made available by domestic suppliers at the adhoc ex-factory price of Rs.27/litre, as decided by the Government. However, due to restrictions imposed by some State Governments on inter-state movement of Ethanol and/or refusal to issue storage and blending licences/other clearances and taxation issues, the programme has faced constraints in the field. In order to help OMCs achieve their targets under the EBP Programme, State Governments have been requested to simplify procedures and expedite clearances related to the roll out of the EBP Programme.