

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

UNSTARRED QUESTION NO:4808
ANSWERED ON:04.05.2012
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): The Oil Marketing Companies (OMCs) are procuring Bio-ethanol for EBP Programme from domestic ethanol producers at ad-hoc ex-factory price of Rs. 27/- per litre since November, 2010. The Ministry of Petroleum and Natural Gas has informed that 36.19 crore litres bio-ethanol was procured by OMCs for the EBP between November 2010 and September 2011 and for the period October 2011 to March, 2012 OMCs have procured 9.69 crore litres of bio-ethanol for EBP. The Bio-diesel industry is still at nascent stage and since Bio-diesel is not available at the price declared by the OMCs, blending of Bio-diesel has not commenced yet.

(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 announced. 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 applications. The main components of Biofuels Policy are:

Bio-diesel production will be taken up from non-edible oil seeds in waste, degraded or marginal lands.

Major thrust on research, development and demonstration with focus on plantations, processing and production of Biofuels;

Minimum Purchase Price for purchase of Bio-ethanol and Bio-diesel with periodic revision;

Fiscal and financial incentives particularly for second generation Biofuels.