

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

STARRED QUESTION NO:206
ANSWERED ON:23.08.2013
ETHANOL BLENDING PROGRAMME
Singh Shri Ijyaraj ;Singh Shri Ratan

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

- (a) whether the Government has implemented or proposes to implement ethanol blending programme in the country;
- (b) if so, the details thereof including the estimated saving of foreign exchange as a result thereof and the names of agencies/ companies/industries which have asked to supply ethanol for the purpose, State/UTwise;
- (c) whether there is any delay in the placement of supply orders for ethanol by Oil Marketing Companies (OMCs);
- (d) if so, the details thereof and the reasons therefor; and
- (e) the corrective measures being taken or proposed to be taken by the Government so as to ensure implementation of ethanol blending programme at the earliest?

Answer

MINISTER of PETROLEUM & NATURAL GAS (Dr. M. VEERAPPA MOILY)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 206 BY SHRI RATAN SINGH AND SHRI IYARAJ SINGH FOR 23RD AUGUST 2013 REGARDING ETHANOL BLENDING PROGRAMME

(a)to(d) Yes Madam. The Government has launched Ethanol Blended Petrol (EBP) Programme w.e.f. 1.11.2006 in the entire country except the North Eastern states, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshadweep.

Blending of ethanol with petrol will have very little impact on import of crude oil, since petrol is only a by-product of the distillation process and overall blending of ethanol is limited to 5%. The domestic availability of ethanol is also inadequate. Hence the savings in foreign exchange as a result of ethanol blending in petrol would be minimal.

The Government had decided on 22.11.2012 that procurement price of ethanol will henceforth be decided between Oil Marketing Companies (OMCs) and suppliers of ethanol. In pursuance to this decision, OMCs had floated a tender on 29th December, 2012 for their requirement of 140.4 cr litres of ethanol, against which, a total quantity of 55 crore litres of ethanol was offered by the bidders. 40 crore litres of ethanol has been finalized for procurement. As on 03.08.2013, the OMCs have issued 218 LOIs for 32.72 crore litres and 199 Purchase Orders have been placed for 29.42 crore litres, out of which 2.30 crore litres of ethanol has been received by the OMCs.

(e) The Government has further decided on 3.7.2013 that Oil Marketing Companies (OMCs) will procure ethanol from domestic sources to achieve the mandatory requirement of 5% ethanol blending with petrol by October, 2013 in areas/parts of the country where sufficient quantity of ethanol is available. In other parts of the country, blending of ethanol may be increased progressively depending upon the availability of ethanol to reach the 5% mandatory level. OMCs have been directed to implement the programme accordingly. OMCs have now floated a fresh domestic tender on 22.7.2013 for a quantity of 133 crore litres of ethanol for blending with petrol for additional quantities for the period December 2013 to November 2014.