

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

STARRED QUESTION NO:246

ANSWERED ON:07.02.2014

ETHANOL BLENDING WITH PETROL

Jaiswal Shri Gorakh Prasad ;Karunakaran Shri P.

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

- (a) whether the Oil Marketing Companies (OMCs) have been able to achieve the target of 5 per cent ethanol blending with petrol;
- (b) if so, the details thereof and if not, the reasons therefor along with the corrective measures taken by the Government/OMCs in this regard;
- (c) whether the Government proposes to increase the mandatory limit of ethanol blending with petrol from 5 per cent to 10 per cent and if so, the details thereof ;
- (d) whether the quantum of ethanol required for the purpose is available with the OMCs; and
- (e) if so, the details thereof and if not, the steps being taken or proposed to be taken by the Government/ OMCs to meet the required quantum of ethanol for blending with petrol?

Answer

MINISTER OF PETROLEUM AND 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. 246 BY SHRI P. KARUNAKARAN AND SHRI GORAKH PRASAD JAISWAL FOR 07TH FEBRUARY 2014 REGARDING ETHANOL BLENDING WITH PETROL

(a) to (e) : The Government had decided on 22.11.2012 that 5% mandatory ethanol blending with petrol should be implemented across the country and it be achieved by 30.06.2013. The procurement price of ethanol was to be decided between OMCs and suppliers of ethanol and in case of any shortfall in domestic supply, the OMCs and Chemical companies were free to import ethanol.

Subsequently, a Gazette Notification was issued by MoPNG on 2nd January, 2013 directing Oil Marketing Companies (OMCs) to sell ethanol blended Petrol with percentage of ethanol upto 10% as per BIS Specification to achieve 5% ethanol blending across the country as a whole.

Accordingly, OMCs floated a tender on 29th December, 2012 for their requirement of 140.4 crore litres of ethanol for 10% blending in 6 States and 5% blending in 14 States and 4 UTs for the period from July 2013 to June 2014. Against their requirement of 140.4 crore litres of ethanol, the OMCs could receive offers only for 55 crore litres of ethanol, and the finalized quantity was limited to 39.8 crore litres. Out of this tender, 21.4 crore litres of ethanol has been procured till end of January 2014.

Besides, a global tender was also floated by OMCs on 18th January 2013 for 82.03 crore litres of ethanol. However, due to the high prices quoted by the vendors, the global tender has been closed by the OMCs.

The Government decided on 3.7.2013 that OMCs should 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 would be increased progressively depending upon the availability of ethanol to reach the 5% mandatory level.

OMCs floated a fresh tender on 22.07.2013 for the period from 1.12.2013 to 30.11.2014 for a quantity of 133.2 crore litres of ethanol for blending with petrol. The quantity offered by vendors was 61.3 crore litres and after 4 rounds of negotiation, a quantity of 25.2 crore litres has been finalized. Besides, a supplementary tender has also been issued on 21.1.2014 for the requirement of 25 crore litres for supply of ethanol between March 2014 to November 2014.

State Governments have been requested to simplify the procedure and expedite clearances to ease the availability of ethanol for the EBP Programme.

Achievement of the EBP target of 5% blending will depend upon the response to tenders floated by the OMCs.