

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:4532  
ANSWERED ON:11.08.2014  
ALTERNATE FUELS FOR VEHICLES  
S.R. Shri Vijay Kumar

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether the Government proposes to make any investment in Research and Development on alternate fuels for vehicles in the country;
- (b) if so, the details thereof along with the funds earmarked for the purpose; and
- (c) the steps taken by the Government to promote alternate fuel for vehicles?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
(SHRI PON. RADHAKRISHNAN)

(a) Yes Madam, Ministry of New and Renewable Energy (MNRE) is associated with development and promotion of alternate fuels in the country. Oil companies, viz. IOCL and BPCL are actively associated in research activities related to production of bio-diesel from Jatraptha and Lignocellulose for blending in diesel. IOCL has also carried out research studies for use of ethanol blended petrol. Use of Di-methyl ether as transportation fuel is also being explored. Oil companies may be able to provide additional details.

(b) Information is being collected.

(c) The Government of India has taken several steps to promote alternative fuels like CNG, LPG, Ethanol Blended Petrol, Bio-diesel, Hydrogen for vehicles in the country.

**CNG**

Currently CNG is being supplied as an automotive fuel in about 50 cities. This is further likely to be expanded in more cities if the supplies of gas made available.

As of 31st December 2013, there were 922 CNG stations in 10 states of India (Andhra Pradesh, Delhi/NCR, Gujarat, Haryana, Maharashtra, MP, Rajasthan, Tripura, UP and West Bengal) serving more than 1.9 million vehicles.

**Auto LPG**

The issuance of amended Motor Vehicle Act 2000 by the Ministry of Road Transport & Highways and LPG (Regulation of use in Motor Vehicles) order in the year 2001 by Ministry of Petroleum & Natural Gas paved the way for introduction of LPG as automotive fuel in the country.

Retailing of Auto LPG through Auto LPG Dispensing Station could commence in late 2002 with the introduction of LPG conversion kits duly approved by ARAI (Automobile Research Association of India). Currently there are around 900 Auto LPG Dispensing Stations.

**Ethanol Blended Petrol**

Ministry of Petroleum & Natural Gas vide its notification dated 20th September, 2006 has directed the Oil Marketing Companies (OMCs) to sell 5% Ethanol Blended Petrol (EBP) subject to commercial viability as per Bureau of Indian Standards specifications in entire country except North-Eastern States, Jammu & Kashmir, Andaman & Nicobar and Lakshadweep with effect from 1st November, 2006.

The CCEA in its meeting held on 12.11.2009 had decided

- (i) to enforce mandatory blending of 5% ethanol with MS for time being and in the event of the failure of oil marketing companies to do so, appropriate financial penalties be imposed on them,
- (ii) All issues relating to supply of ethanol be resolved by Inter-ministerial Committee consisting of Secretaries in Department of Food & PD, Department of Consumer Affairs, MOP&NG and MNRE.

**Bio-diesel**

To encourage production of bio-diesel in the country, the Ministry of Petroleum & Natural Gas has announced a Bio-diesel Purchase Policy, in October, 2005, which became effective from 1.1.2006. Under this Scheme Oil Marketing Companies will purchase bio-diesel for blending with High Speed Diesel (HSD) to the extent of 5% at identified 20 purchase centres across the country. OMCs would buy bio-diesel at a uniform landed price, which is to be reviewed every six months.

## Hydrogen

The Ministry of Petroleum & Natural Gas has set up a Hydrogen Corpus Fund with a corpus of Rs.100 crore with contribution from five major oil companies and Oil Industry Development Board (OIDB) for supporting Research and Development in various aspects of hydrogen, which could substitute part of natural gas as transport fuel in future.

A Hydrogen-CNG (HCNG) dispensing station has been set up in R&D Centre at Faridabad to cater the re-fueling needs of test/demo vehicles operating on H<sub>2</sub>-CNG blends. This project is being partly funded by MNRE (Ministry of New & Renewable Energy) (50%) and partly from Hydrogen Corpus Fund (50%) created by Ministry of Petroleum & Natural Gas.