

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

UNSTARRED QUESTION NO:901
ANSWERED ON:27.11.2014
PROMOTION OF BIOFUELS
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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) the current share of bio-fuels in total fuel consumption in the country;
- (b) whether the infancy of the ethanol industry in the country is constraining the future demand growth in the projects as stated in the National Policy on Bio-fuels, 2009 and if so, the details thereof;
- (c) whether the Government proposes to enhance production and usage of bio-fuels in the country from the current levels;
- (d) if so, the details of the steps taken/ proposed to be taken by the Government in this regard including the targets set for the same; and
- (e) the details of steps taken by the Government to promote research and development in the field, especially third generation bio-fuels, and funds allocated and spent in this regard and other steps proposed by the Government for promotion of bio-fuels and hybrid engines ?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

- (a): The blending of bio-ethanol into petrol by the Oil Marketing Companies (OMCs) is reported to have been 1.37 % for the year 2013-14. However, no bio-diesel has been procured by the OMCs for blending with diesel.
- (b): The ethanol is being produced in the country mainly from sugarcane molasses, which is limited by production of sugar. This is being used for the potable alcohol and the chemical industries and the balance is being used for blending in petrol.
- (c)&(d): For enhancing the production of biofuels, research and development is being supported for production of bioethanol from ligno-cellulosic biomass and for improving the yields of Tree Borne Oilseeds for production of bio-diesel. As regards increase in usage, the Government had decided on 22.11.2012 that 5% mandatory ethanol blending with petrol should be implemented across the country and that the procurement price of ethanol would 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. However, on 3.7.2013, the Government decided that the OMCs should procure ethanol only from domestic sources to achieve the mandatory 5% ethanol blending with petrol by October, 2013 in 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.
- (e): Research and Development in Biofuels, especially the second and third generation biofuels is being supported mainly by the Department of Biotechnology; Council of Scientific & Industrial Research and the Ministry of New and Renewable Energy. The allocation for the 12th Plan period so far and the expenditure for these organisations has been Rs 107.15 crore and Rs 67.14 crore. Beside, the Department of Science and Technology is supporting research and development on the use of biofuels in engines.