

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

STARRED QUESTION NO:118

ANSWERED ON:01.12.2014

BLENDING OF ENVIRONMENT FRIENDLY BIO FUELS

Kirtikar Shri Gajanan Chandrakant;Venugopal Dr. Ponnusamy

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

- (a) whether the Government proposes to blend 10 per cent bio fuels/green fuel in diesel for use of Railways and Defence sector;
- (b) if so, the details thereof along with initiatives taken by the Government to gradually increase the scope and coverage to all diesel vehicles in the country;
- (c) whether there is any need for alternative improved fuel and thus save the environment;
- (d) if so, the policy chalked out by the Government in this regard; and
- (e) the steps taken/being taken by the Government to enhance the use of bio diesel/green fuel to save foreign exchange and also reduce the carbon footprint?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE) (SHRI DHARMENDRA PRADHAN)

(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.118 ASKED BY DR. P. VENUGOPAL AND SHRI GAJANAN KIRTIKAR FOR ANSWER ON 1ST DECEMBER, 2014 REGARDING BLENDING OF ENVIRONMENT FRIENDLY BIO FUELS

(a) & (b): There is no such proposal before the Government, at present.

(c) & (d) : Given the vulnerable energy security scenario in the country, the Government has already promulgated, a National Policy on Bio-fuels in December 2009, for introduction and promotion of Bio-fuels, that are environment friendly and can be produced from renewable feedstocks. The Policy has laid down detailed guidelines about introduction of bio-fuels i.e. ethanol and bio-diesel. The Policy was promulgated with the objective to bring about accelerated development and promotion of the cultivation, production and use of biofuels to increasingly substitute petrol and diesel for transport and be used in stationary and other applications, while contributing to energy security, climate change mitigation, apart from creating new employment opportunities and leading to environmentally sustainable development.

(e) : Ministry of Petroleum & Natural Gas (MoP&NG) has been taking several steps for blending ethanol in petrol and bio-diesel in diesel. In this regard, Ethanol Blended Petrol (EBP) Programme was launched by the Government in 2003, which was extended to 20 States and 4 Union Territories with effect from 1st November, 2006 vide Notification dated 20th September, 2006 and Oil Marketing Companies (OMCs) were directed to sell 5% Ethanol Blended Petrol (EBP) subject to commercial viability as per Bureau of Indian Standards specifications. Subsequently, the Government on 9th October, 2007 decided on 5% mandatory and 10% optional blending w.e.f. October, 2007 and mandatory from October 2008 excepting J&K, North Eastern States and Island Territories. However, low availability and state specific issues hindered the progress of the EBP Programme at desired level.

On 16th August, 2010, CCEA decided that OMCs would start procuring Ethanol at an adhoc ex-factory price of Rs. 27/- litre subject to adjustment based on the recommendations of the Expert Committee constituted for determining formula/principles for pricing of Ethanol. Subsequently, a Notification to this effect was issued on 1st September, 2010 in supersession of the earlier Notification dated the 20th September, 2006, directing that OMCs shall sell ethanol blended petrol as per the Bureau of Indian Standards specifications in the notified 20 States and 4 UTs.

In furtherance to this Programme, Government on 22nd November 2012, decided that 5% mandatory ethanol blending with petrol should be implemented across the country, for which the MoP&NG would issue a gazette notification, for the OMCs to implement from 2012-13 sugar season, effective from 1st December, 2012 and that procurement price of ethanol would be decided henceforth between OMCs and suppliers of ethanol. In case of any shortfall in domestic supply, the OMCs and Chemical companies are free to import ethanol and the 5% mandatory blending will be reckoned for the country as a whole and it be achieved by 30th June, 2013.

Pursuant to the above decision, a Gazette Notification was issued by MoP&NG on 2nd January, 2013, directing 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.

On 3rd July, 2013, the Government, inter-alia, decided 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.

Accordingly, OMCs are implementing Ethanol Blended Petrol Programme depending on the availability of ethanol.

Also, MoP&NG had announced a Bio-diesel Purchase Policy in October 2005, which became effective from 1.1.2006. Under this policy, OMCs would purchase bio-diesel, meeting the prescribed BIS standard, at a uniform price, as may be decided by the OMCs from time to time, for blending with High Speed Diesel (HSD) to the extent of 5%, at identified 20 purchase centres across the country.