

RAJYA SABHA
UNSTARRED QUESTION No. 276
TO BE ANSWERED ON 03rd FEBRUARY, 2021

Ethanol as an alternate fuel

276. SHRI K.P. MUNUSAMY:

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

- (a) whether Government proposes to promote use of ethanol as an alternate fuel in the country;
- (b) if so, the details and the cost of production thereof;
- (c) the measures taken by Government to augment production and use of ethanol in the country; and
- (d) the quantity of ethanol produced in the country during the last three years and the projected demand and supply thereof?

ANSWER

MINISTER OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a) & (b): Government has been promoting use of ethanol as a blend stock with main automotive fuel like petrol in line with the National Policy on Biofuels (NBP) -2018 under the Ethanol Blended Petrol (EBP) Programme. This policy envisages an indicative target of blending 20% ethanol in petrol by 2030.

Government has since allowed production of ethanol from sugarcane and food grain based raw-materials. Department of Food & Public Distribution has informed that the cost of production of ethanol varies from distillery to distillery and depends upon various factors viz. cost of raw material, conversion cost, efficiency of distillery plants etc.. Further, keeping in view the above factors, the Government has fixed the ex-mill price of ethanol from sugarcane based raw-materials and Oil Marketing Companies (OMCs) have fixed the price of ethanol from damaged and surplus rice with FCI for Ethanol Supply Year (ESY) (period from Dec. to Nov.) 2020-21 which is as under:

Category of feed stock	Ex-mill Ethanol Price (Rs./litre)
C-heavy Molasses	45.69
B-heavy Molasses	57.61
Sugarcane juice / sugar / sugar-syrup	62.65
Damaged food grain / Maize	51.55
Surplus rice with Food Corporation of India (FCI) Rice	56.87

(c): The remunerative prices of ethanol produced from different feedstock has been fixed to encourage supply of ethanol under EBP Programme. In addition to remunerative prices, production of ethanol from various feedstock is also allowed to augment the supply of ethanol under EBP Programme. Furthermore, Government, in order to augment production of ethanol, has notified interest subvention schemes for setting up of molasses and grain based new distilleries or expansion of existing distilleries, setting up of dual feed distilleries, installation of zero liquid discharge system, etc.

(d): The quantity of ethanol supplied to Public Sector OMCs under the EBP Programme in the last three ESYs as under:-

ESY	Quantity received under EBP (in Crore litre)
2017-18	150.50
2018-19	188.57
2019-20	173.03
