

# GOVERNMENT PROMOTING USE OF ETHANOL PRODUCED FROM SUGARCANE AND FOOD GRAINS UNDER EBP PROGRAMME

Relevant for: Developmental Issues | Topic: Government policies & interventions for development in various Sectors and issues arising out of their design & implementation incl. Housing

Government of India through Oil Marketing Companies (OMCs) is implementing Ethanol Blended Petrol (EBP) Programme, wherein ethanol is being blended in petrol to achieve the objectives of reducing import dependence, promote clean fuel and provide boost to agriculture. Ministry of Petroleum & Natural Gas vide notification dated 5<sup>th</sup> February, 2019 directed Oil Marketing Companies (OMCs) to sell 10% ethanol blended petrol as per Bureau of Indian Standards (BIS) specifications.

Government, since 2014, has allowed procurement of ethanol produced from other non-food feedstock besides molasses, like cellulosic and lignocelluloses materials like cotton stalk, wheat straw, rice straw, bagasse, bamboo etc. including petrochemical route, subject to meeting the relevant BIS standards. The steps taken by the Government to promote use of ethanol so as to provide employment opportunities in rural area includes, allowing use of sugarcane and food grains (maize and surplus stocks of rice with Food Corporation of India) for conversion to ethanol; administered price mechanism for procurement of ethanol under EBP Programme including enhanced ex-mill price of ethanol year on year from ethanol supply year 2017; lowered GST rate to 5% on ethanol for EBP Programme; amendment in Industries (Development & Regulation) Act for free movement of ethanol; interest subvention scheme for enhancement and augmentation of ethanol production capacity in the country.

This information was given by the Minister of State for Petroleum and Natural Gas Shri Rameswar Teli in a written reply in the Lok Sabha today.

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