

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-764
ANSWERED ON - 10/02/2025

SAVINGS THROUGH BIOFUEL BLENDING

764. SHRI SANJAY SETH:

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

- (a) the details of the total monetary savings achieved through biofuel blending and the plans on the way these savings will be utilized, State-wise;
- (b) the initiatives taken by Government to promote biofuel production in states with high agricultural output and to encourage private sector participation;
- (c) the steps taken to ensure equitable access to biofuel production opportunities across various regions of the country; and
- (d) whether Government has data on the contribution of the biofuel blending in reducing greenhouse gas emissions and achieving country's commitments under international climate agreements, if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS

(SHRI SURESH GOPI)

(a) Government has been promoting biofuel blending with multiple objectives including reducing import dependence, savings in foreign exchange, providing boost to domestic agriculture sector and for associated environmental benefits. Under the Ethanol Blended Petrol (EBP) Programme since 2014-15, ethanol blending in petrol by Public Sector Oil Marketing Companies (OMCs) has resulted in approximate savings of more than Rs. 1,13,000 crore of foreign exchange and expeditious payment to farmers of more than Rs. 96,000 crore.

(b) & (c) The Government has been implementing EBP Programme, Bio-diesel blending Programme and SATAT (Sustainable Alternative Towards Affordable Transportation) initiative across the country. The Government, since 2014, has taken several measures to ensure equitable access to biofuel production opportunities across various regions of the country which *inter-alia* includes expansion of feedstock for production of ethanol, administered price mechanism for procurement of sugarcane based ethanol under the Ethanol Blended Petrol (EBP) Programme, lowered GST rate to 5% on ethanol for EBP Programme, introduction of various Ethanol Interest Subvention Schemes (EISS), during 2018-22, for ethanol production from molasses as well as grains and Long Term Offtake Agreements (LTOAs) by Oil Marketing Companies (OMCs) with Dedicated Ethanol Plants (DEPs), etc. Notification of "Pradhan Mantri JI-VAN (Jaiv Indhan - Vatavaran Anukool fasal awashesh Nivaran) Yojana" 2019, amended in 2024, to provide financial support for integrated bio-ethanol projects for setting up Advanced Bio-ethanol projects in the country using lignocellulosic biomass and other renewable feedstock.

Further, for biodiesel, the Government has prescribed indicative target of blending of biodiesel in diesel / direct sale of biodiesel under the National Policy on Biofuels, notifying of “Guidelines for sale of biodiesel for blending with high speed diesel for transportation purposes-2019”, reduction of GST rate for procurement of biodiesel for blending programme from 12% to 5%, etc.

The Government launched SATAT initiative in 2018 with the aim of establishing an ecosystem for production and use of compressed biogas (CBG) from various waste/ bio-mass sources including agri-residue. Under this initiative CBG plants are set up across the country, based on the techno-commercial feasibility and feed stock availability.

(d) Over the last 10 years, ethanol blending in petrol by Public Sector OMCs has helped reduce approximately 578 lakh metric tonnes of CO₂ emissions.
