

● NEW POLICY ON ANVIL

Biofuels can become ₹1 lakh-cr biz: Pradhan

The new biofuel policy that the government is working on will be taken to the Cabinet soon, says petroleum minister

FE BUREAU

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BIOFUELS HAVE THE potential to be a ₹1 lakh-crore business opportunity in India in the next few years, Dharmendra Pradhan, minister of petroleum and natural gas, said on Friday.

Pradhan said if 20% blending of ethanol with petrol was achieved by 2030, the country would need 1,000 crore litres of ethanol and this could be a ₹50,000 crore business, and a 5% bio-diesel blending would mean a ₹30,000-crore business. A similar opportunity in processing agri waste, urban waste and converting it into bio-CNG and methanol would take the total bio-fuel business opportunity to ₹1 lakh crore, the minister said.

The new bio fuel policy that the government is working on will enable the growth of the bio-fuel sector and will be taken to



Petroleum minister
Dharmendra Pradhan

the cabinet soon, Pradhan said at a conference on 'Ethanol as a Transport Fuel' organised by the Indian Federation of Green Energy (IFGE) and Central Institute of Road Transport (CIRT) under the Ministry of Road Transport & Highways in Pune.

Nitin Gadkari, minister of road transport & highways, shipping and water resources, said diversification into energy was one way to deal with the crisis in agriculture and also deal with pollution affecting our cities. The minister said despite the 10% target set for ethanol blending with petrol, the country had achieved only 2.5% so far. This was because ethanol was not available as sugar industry found molasses more profitable.

Gadkari said there was a need to look at second generation bio-ethanol technology that used

raw materials such as straws of rice, wheat and cotton, bamboo and other agro waste.

He wanted the new bio-fuel policy to include second generation bio-ethanol technologies.

He also suggested getting into 10-year ethanol purchase agreement and amending rules to allow retail of biofuels.

The shift to electric, bio-CNG, ethanol and methanol would not be possible without support from the petroleum ministry, Gadkari said.

Pradhan said they would consider changes in the transport fuel retail policy to enable vending of bio-fuels, look at procurement guarantees and also consider alternative sources of ethanol from corn to broken rice to expand the supply chain for ethanol and not remain dependent on sugarcane.

Pradhan said there was an improvement in the procurement of ethanol since 2014.

The procurement of ethanol was at 38 crore litre at around ₹27 to ₹30 per litre in 2013-14 which has now gone up to ₹40 to ₹42 per litre with offtake at 80 crore litre in 2015-16 worth ₹3,000 crore. With bumper sugar production this year, ethanol procurement will go up to 155 crore litres in 2017-18 which will be the highest ethanol procurement so far, Pradhan said.