



National Policy on Biofuels

For Prelims: Ethanol Blending, Biofuels, Crude oil, 2018 National Policy on Biofuels

For Mains: Ethanol Blending and its significance

Why in News?

Recently, the Union Cabinet approved amendments to the [National Policy on Biofuels, 2018](#).

What are the Key Amendments approved?

- **More Feedstocks:**
 - One of the amendments is that the **government will allow more feedstocks** for the production of biofuels.
- **Ethanol Blending Target:**
 - Instead of 2030, the Centre plans to move ahead with its [ethanol blending target of 20% of petrol containing ethanol by 2025-26](#).
 - It will **promote the production of biofuels in the country**, under the [Make in India program](#), by units located in [Special Economic Zones \(SEZ\)](#)/ Export Oriented Units (EoUs).
- **New members to the NBCC:**
 - The government has allowed the addition of new members to the [National Biofuel Coordination Committee \(NBCC\)](#).
 - NBCC was constituted **under the Chairmanship of Minister, Petroleum & Natural Gas (P&NG)** to provide overall coordination, effective end-to-end implementation and monitoring of biofuel programme.
 - NBCC has members from 14 other ministries.
- **Export of Biofuels:**
 - Permission will be granted for the **export of biofuels in specific cases**.

What is the Significance of the Amendments?

- **Boost Make in India Drive:**
 - The proposed amendments are expected to pave the way for the [Make in India drive](#) **thereby leading to a reduction in the import of petroleum products** by the generation of more and more biofuels.
- **Promote the Atmanirbhar Bharat Initiative:**
 - Since many more feedstocks are being allowed for the production of biofuels, this will promote the [Atmanirbhar Bharat](#) and give an impetus to the Prime Minister's vision of **India becoming 'energy independent' by 2047**.
- **Generate More Employment:**
 - Also, the proposed amendments are **expected to attract and foster developments of indigenous technologies** which will pave the way for the Make in India drive and thereby generate more employment.

What is the National Policy on Biofuels, 2018?

▪ About:

- The “National Policy on Biofuels was notified by the **Ministry of Petroleum and Natural Gas in 2018**.
- The policy was **notified in supersession of the National Policy on Biofuels**, promulgated through the Ministry of New & Renewable Energy, in 2009.

▪ Categorisation:

- The Policy **categorises biofuels as**
 - **“Basic Biofuels”** viz. First Generation (1G) bioethanol & biodiesel and “Advanced Biofuels”.
 - **“Advance Biofuels”** viz. Second Generation (2G) ethanol, Municipal Solid Waste (MSW) to drop-in fuels.
 - Third Generation (3G) biofuels, bio-CNG etc. to enable extension of appropriate financial and fiscal incentives under each category.

▪ Features:

- It expands the **scope of raw material for ethanol production** by allowing use of sugarcane juice, sugar containing materials like sugar beet, sweet sorghum, starch containing materials like corn, cassava, damaged food grains like wheat, broken rice, rotten potatoes, unfit for human consumption for ethanol production.
- The Policy **allows use of surplus food grains for production of ethanol** for blending with petrol with the approval of National Biofuel Coordination Committee.
- With a thrust on Advanced Biofuels, the **Policy indicates a viability gap funding scheme for 2G ethanol Bio refineries** of Rs. 5000 crore in 6 years in addition to additional tax incentives, higher purchase price as compared to 1G biofuels.

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Salient features



An indicative target of **20%** blending of ethanol in petrol and **5%** blending of biodiesel in diesel is proposed by 2030.



With a thrust on **Advanced Biofuels**, the Policy indicates a viability gap funding scheme for **2G ethanol Bio refineries of Rs.5000 crore in 6 years** in addition to additional tax incentives, higher purchase price as compared to **1G biofuels**.



Categorization of Biofuels into **Basic Biofuels** - First generation(1G) Bioethanol & biodiesel and "**Advanced Biofuels**"- Second Generation(2G) ethanol, drop-in fuels, **algae based** Third Generation(3G) Biofuels.



Increase scope of raw material for ethanol procurement by encouraging Intermediate (**B-Molasses**), Sugarcane Juice, other Sugar containing materials and damaged as well as surplus food grains.



Develop **National Biomass repository** by conducting appraisal of biomass across the Country.



Bio diesel production to be encouraged from non edible oilseeds, **used cooking oil**, short gestation crops and development of supply chain mechanisms.



Thrust on **research, development and demonstration** in the field of **Biofuel feedstock** production, advanced conversion technologies from identified feedstock.



Setting up of **National Biofuel coordination committee (NBCC)** under **Ministry of Petroleum & Natural Gas** and Working Group on Biofuels.



What are the Related Initiatives?

- **Ethanol Blended Petrol (EBP) programme**
 - It seeks to **achieve blending of Ethanol with a view to reducing pollution**, conserve foreign exchange and increase value addition in the sugar industry enabling them to clear cane price arrears of farmers.
- **Pradhan Mantri JI-VAN Yojana, 2019**
 - To create an ecosystem for setting up commercial projects and to boost Research and Development in 2G Ethanol sector.
- **GOBAR (Galvanizing Organic Bio-Agro Resources) DHAN scheme**
 - It focuses on managing and converting cattle dung and solid waste in farms to useful compost, biogas and bio-CNG, thus keeping villages clean and increasing the income of rural households.
- **Repurpose Used Cooking Oil (RUCO)**
 - It was launched by **Food Safety and Standards Authority of India (FSSAI)** and aims for an ecosystem that will enable the collection and conversion of used cooking oil to biodiesel.

UPSC Civil Services Examination, Previous Years Questions (PYQs)

Q. According to India's National Policy on Biofuels, which of the following can be used as raw materials for the production of biofuels? (2020)

1. Cassava
2. Damaged wheat grains
3. Groundnut seeds
4. Horse gram
5. Rotten potatoes
6. Sugar beet

Select the correct answer using the code given below:

- (a) 1, 2, 5 and 6 only
- (b) 1, 3, 4 and 6 only
- (c) 2, 3, 4 and 5 only
- (d) 1, 2, 3, 4, 5 and 6

Ans: (a)

- The National Policy on Biofuels, 2018, allows production of ethanol from damaged food grains like wheat, broken rice, etc., which are unfit for human consumption.
- The Policy also allows conversion of surplus quantities of food grains to ethanol, based on the approval of the National Biofuel Coordination Committee.
- The Policy expands the scope of raw material for ethanol production by allowing use of sugarcane juice, sugar containing materials like sugar beet, sweet sorghum, starch containing materials like corn, cassava, damaged food grains like wheat, broken rice, rotten potatoes, unfit for human consumption for ethanol production. Hence, 1, 2, 5 and 6 are correct. Therefore, option (a) is the correct answer.

[Source: TH](#)

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