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Government Allows Ethanol Extraction for Blending from Foodgrains

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- The Central Government has extended the ambit of the Ethanol Blended Petrol (EBP) programme to extract the fuel from surplus quantities of food grains such as maize, jawar, bajra fruit and vegetable waste.
- Till now, only excess sugarcane production was allowed to be converted into ethanol for procurement under the fuel blending programme.

Importance

- It will enable the farmers by enabling them **to make additional money from surplus production and broaden the sources for producing ethanol** for the EBP programme.
- The policy of ethanol blending can help in reducing vehicle exhaust emissions and also to reduce the import burden on account of crude petroleum from which petrol is produced.
- It is estimated that a 5% blending (105 crore litres) can result in replacement of around 1.8 million Barrels of crude oil.
- The renewable ethanol content is expected to result **in a net reduction in the emission of carbon dioxide, carbon monoxide (CO) and hydrocarbons (HC)**.
- Ethanol itself burns cleaner and burns more completely than petrol it is blended into.

Ethanol Blending Programme (EBP)

- It aims at blending ethanol with petrol, thereby bringing it under the category of biofuels and saving millions of dollars by cutting fuel imports.
- Under EBP program, availability of ethanol will increase due to the higher price for C heavy molasses based ethanol and enabling procurement of ethanol from B heavy molasses and sugarcane juice for the first time.
- The Government has also reduced GST on ethanol for blending in fuel from 18% to 5%.

National Policy on Bio-fuels

- The National Policy on Bio- fuels 2018 has empowered the **National Bio-fuel Coordination Committee (NBCC)** to allow conversion of surplus quantities of food-grains for production of ethanol during an agriculture crop year when there is projected oversupply of food-grains.
- The objective of the Bio- fuel policy is to achieve **20% ethanol-blending and 5% biodiesel-blending** by the year 2030. The policy also expands the scope of feedstock for ethanol production and has provided for incentives for production of advanced bio-fuels.

National Biofuel Coordination Committee is headed by - **Prime-Minister** to provide policy guidance and coordination.

Concerns

- Under the EBP programme, the Centre has asked the oil marketing companies (OMCs) to target 10% blending of ethanol with petrol by 2022. However, there is a major shortfall in the availability of ethanol as sugar mills currently tap only 'C-heavy' molasses for ethanol production.
- The fuel requirements can compete with food requirements and that only surplus food crops should be used for fuel production, if at all.
- The annual capacity of biorefinery is still not enough to meet the 5% petrol-ethanol blending requirement.

Way Forward

- There should be Increase in the ethanol production capacity of bio-refineries.
- Alternatives like 3rd generation (derived from algae) and 4th generation biofuels (derived from specially engineered plants or biomass) should be encouraged.