

MINISTRY OF PETROLEUM AND NATURAL GAS NOTIFICATION

New Delhi, the 15th June, 2022

F. No. P-13032(18)/7/2021-CC (E-39223).—In exercise of the powers conferred under the Government of India (Allocation of Business) Three Hundred and Thirty Fifth Amendment Rules, 2017 published in the Gazette of India vide S.O. No.2492 (E) dated the 4th August, 2017, the Central Government, through the Ministry of Petroleum & Natural Gas, hereby amends the National Policy on Biofuels-2018 notified vide notification No F. No.P-13032(16)/18/2017-CC dated the 04th June 2018:-

1. (i) This amendment may be called the National Policy on Biofuels-2018 Amendment, 2022
(ii) This amendment is effective from the date of publication in the Official Gazette.
2. In the National Policy on Biofuels – 2018, the following mentioned clauses have been amended as follows:

(i) Clause 2.2: The Goal of the Policy is to enable the availability of biofuels in the market, thereby increasing its blending percentage. The Ministry of Petroleum & Natural Gas (MoP&NG) has notified that Oil Companies shall sell Ethanol Blended Petrol (EBP) with a percentage of ethanol up to twenty per cent throughout the country from 01st April 2023. Blending of ethanol in Petrol will gradually be increased in the coming years. A target of 20% blending of ethanol in petrol is proposed by Ethanol Supply Year (ESY) 2025-26. An indicative target of 5% blending of biodiesel in diesel/direct sale of biodiesel is proposed by 2030. This goal is to be achieved by: (a) reinforcing ongoing ethanol/biodiesel supplies through increasing domestic production (b) setting up Second Generation (2G) bio refineries (c) development of new feedstock for biofuels (d) development of new technologies for conversion to biofuels (e) creating a suitable environment for biofuels and its integration with the main fuels.

(ii) Clause 3.2 (i) ‘bioethanol’: ethanol produced from biomass such as sugar-containing materials, like sugarcane, sugar beet, sweet sorghum, etc.; starch-containing materials such as corn, cassava, rotten potatoes, agro-food/pulp industry waste, algae, etc.; and, cellulosic materials such as bagasse, wood waste, agricultural and forestry residues or other renewable resources like industrial waste, vegetable wastes, industrial waste off-gases, or any mix combination of the above feedstock.

(iii) Clause 3.2 (iii) ‘Advanced biofuels’: Fuels which are (1) produced from lignocellulosic feedstocks (i.e. agricultural and forestry residues, e.g. rice & wheat straw/corn cobs & stover / bagasse, woody biomass), non-food energy crops (i.e. grasses, algae), animal dung or industrial waste and residue streams, or any mix combination of the above feedstock. (2) having low CO₂ emission or high Greenhouse Gas reduction and do not compete with food crops for land use. Fuels such as Second Generation (2G) Ethanol, biodiesel made from Used Cooking Oil (UCO), non-edible treeborne oils, short gestation non-edible oil-rich crops; green diesel from renewable sources and Industrial waste, biofuels produced from synthesis (syn) gas, drop-in fuels from renewable sources and industrial waste, algae-based 3G biofuels, halophytes based biofuels, bio-CNG, bio-methanol, Di Methyl Ether (DME) derived from bio-methanol, bio-hydrogen, drop-in-fuels from MSW resource / feedstock material will qualify as —Advanced Biofuels!.

(iv) Clause 5.2 Potential domestic raw materials for the production of biofuels in the country are: For Ethanol Production: C & B-Heavy Molasses, sugarcane juice, sugar, sugar syrup, biomass in the form of grasses, agriculture residues (rice straw, cotton stalk, corn cobs, sawdust, bagasse, etc.), sugar-containing materials like sugar beet, sweet sorghum, etc., and starch-containing materials such as corn cassava, rotten potatoes, agro food/pulp industry waste, etc., damaged food grains like broken rice, food grains unfit for human consumption, food grains during surplus phase as declared by the National Biofuel Coordination Committee (NBCC), industrial waste, industrial waste off-gases, etc. Algal feedstock and the cultivation of seaweeds can also be potential feedstock for ethanol production.

For Biodiesel Production: Non-edible Oilseeds, Used Cooking Oil (UCO), Animal tallow, Acid Oil, Short Gestation non-edible oil-rich crops, algal feedstock, etc.

For Advanced Biofuels: Biomass, MSW, Industrial waste, Plastic waste, etc.

(v) Clause 5.3 The scope of raw material for procurement of ethanol under EBP Programme will be increased. For Ethanol Production: C & B-Heavy Molasses, Sugarcane juice, sugar, sugar syrup, biomass in the form of grasses, agriculture residues (Rice straw, cotton stalk, corn cobs, sawdust, bagasse, etc.), sugar-containing materials like sugar beet, sweet sorghum, etc., and starch-containing materials such as corn, cassava, rotten potatoes, agro food / pulp industry waste, etc., damaged food grains like broken rice, food grains unfit for human consumption, food grains during the surplus phase as declared by the National Biofuel Coordination Committee (NBCC), industrial waste, industrial waste off-gases, etc. Algal feedstock and cultivation of seaweeds can also be a potential feedstock for ethanol production.

Opening of this route for ethanol production will not only help in utilizing the installed capacities of grain-based distilleries but also cover all the raw materials from which ethanol can be produced harnessing fully developed 1G technologies with minimum investment.

For Biodiesel Production: Non-edible Oilseeds, Used Cooking Oil (UCO), Animal tallow, Acid Oil, Short Gestation non-edible oil-rich crops, Algal feedstock, etc

(vi) Clause 5.9.1 The total alcohol/ethanol production capacity in the country is estimated to be around 700 crore liters per annum.

(vii) Clause 6.2 The policy encourages augmenting indigenous feedstock supplies for biofuel production utilizing the wastelands for feedstock generation. However, depending upon the availability of domestic feedstock and blending requirement, import of feedstock for the production of biodiesel would be permitted to the extent necessary. Feedstock import requirements will be decided by the National Biofuel Coordination Committee (NBCC) proposed under this Policy.

Further, to promote the production of biofuels in the country by units located in Special Economic Zones (SEZ)/ Export Oriented Units (EoUs), import of feedstock for the production of biofuels meant for export by them will be allowed without any restriction.

(viii) Clause 6.3 As the domestic biofuels' availability is much lower than the country's

requirement, export of biofuels will generally not be permitted. However, export of biofuels may be permitted under the following circumstances, subject to the approval of the National Biofuel Coordination Committee (NBCC):

a) When there is a surplus of biofuels in the country/domestic requirement has been met. b) When the price of biofuels, which have been made from domestic feedstocks for the domestic market, becomes high due to an increase in domestic feedstock prices, thereby resulting in poor domestic sales, export of biofuels would be permitted to support and keep the domestic biofuel industry viable. This, in addition to the 'Make in India' program, would also lead to an increase in foreign exchange earnings for the country. c) In case of exigencies/calamities such as COVID, other medical requirements, etc.

(ix) Clause 7.5: The role of Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution is amended as follows:

Ministry/Department Role Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution (DFPD) DFPD to provide suitable financial incentives for setting up of 1G ethanol distilleries from various feedstocks.

(x) Clause 9.2: In the list of members of NBCC, the following two members have been added:

Secretary, Department of Financial Services Secretary, Department of Drinking Water and Sanitation

SUNIL KUMAR, Jt Secy.

Note: The National Policy on Biofuels – 2018 was published in the Gazette of India, Extraordinary, Part I, Section 1 vide Notification No F. No.P-13032(16)/18/2017-CC dated 04th June 2018 on 08th June 2018.