

**GOVERNMENT OF INDIA  
NEW AND RENEWABLE ENERGY  
LOK SABHA**

STARRED QUESTION NO:127

ANSWERED ON:27.11.2009

USE OF ALTERNATIVE FUELS

Hamsrajbhai Shri Radadiya Vitthalbhai ;Yadav Shri M. Anjan Kumar

**Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:**

(a) whether the Government has taken any initiative to explore the possibility of utilizing alternative fuels for supplementing petrol and diesel, including promotion of bio-fuels on a large scale;

(b) if so, the details thereof;

(c) whether the Government has finalized the bio-fuel policy;

(d) if so, the salient features thereof; and

(e) if not, the reasons for the delay in the finalization of the policy?

**Answer**

THE MINISTER OF NEW AND RENEWABLE ENERGY (DR. FAROOQ ABDULLAH)

(a), (b), (c), (d) & (e): A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN THE REPLY TO THE STARRED LOK SABHA QUESTION NO. 127 FOR 27.11.2009 ON "USE OF ALTERNATIVE FUELS".

(a) & (b): Yes, Sir. A number of initiatives have been taken by the Government in the promotion and use of alternative fuels such as bio-fuels and hydrogen energy for supplementing petrol and diesel. The initiatives include R&D and demonstration activities on development of superior genotypes of Jatropha / Pongamia for production of bio-diesel and production of ethanol from lignocellulosic materials. Jatropha / Pongamia have been cultivated in about 9 lakh hectares of wastelands by nine States for production of bio-diesel. Blending of ethanol with petrol has been made mandatory in 20 States and 4 Union Territories. Procurement price of Rs. 26.50 per liter for bio-diesel and a uniform purchase price of Rs. 21.50 per liter of ethanol have been fixed. A National Policy on Biofuels has been prepared. In the area of hydrogen energy, R&D activities have been carried out for development of fuel cells for hydrogen based motorcycles, three wheelers, hybrid vans, small capacity engine gensets and power packs. A National Hydrogen Energy Roadmap has been prepared.

(c),(d) & (e): Yes, Sir. The Salient features of the National Policy on Bio-fuels are:

# Bio-diesel production will be taken up from non-edible oil seeds in waste /degraded / marginal lands.

# An indicative target of 20% blending of bio-fuels, both for bio-diesel and bio-ethanol, by 2017 has been proposed.

# Minimum Support Price (MSP) for non-edible oil seeds would be announced with periodic revision to provide fair price to the growers.

# Minimum Purchase Price (MPP) for purchase of bio-ethanol and bio-diesel would be announced with periodic revision.

# Major thrust will be given to research, development and demonstration with focus on plantations, processing and production of bio-fuels, including Second Generation Bio-fuels.

# Financial incentives, including subsidies and grants, may be considered for second generation bio-fuels. If it becomes necessary, a National Bio-fuel Fund could be considered.

# A National Biofuel Coordination Committee, headed by the Prime Minister, will be set up to provide policy guidance and coordination.

# A Biofuel Steering Committee, chaired by Cabinet Secretary, will be set up to oversee implementation of the Policy.