

National Policy on Biofuels, 2018

May 19, 2022

In news- The Union Cabinet has recently approved the Amendments to the National Policy on Biofuels -2018.

Key amendments-

- The proposed **amendments are intended to allow more feedstocks for the production of biofuels, advance the ethanol blending target of 20 percent blending of ethanol in petrol** and promote the production of biofuels in the country.
- Besides, the amendments are also to **add new members to the National Biofuel Coordination Committee (NBCC)**.
- The amendment allows **granting of permission for export of biofuels in specific cases**.
- Have advanced the **target of blending 20% ethanol-blended petrol by five years, from 2030 to 2025-26**.

About National Policy on Biofuels -2018-

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

- 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.
- The Policy encourages setting up of supply chain mechanisms for biodiesel production from non-edible oilseeds, Used Cooking Oil, short gestation crops.
- Roles and responsibilities of all the concerned Ministries/Departments with respect to biofuels has been captured in the Policy document to synergise efforts.