

National Policy on Biofuels-2018

June 24, 2019

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.

Farmers are at a risk of not getting appropriate price for their produce during the surplus production phase. Taking this into account, 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.