National Biofuel Policy is neither forward-looking nor does it show clear thinking.

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Highlights

- The country is reeling from fuel price shock, in states like Odisha, the fuel blending rate is zero per cent.
- In 2003, the Ethanol Blended Petrol Programme (EBP) focused on 5 per cent blending of molasses-based ethanol with petrol.
- By 2008, it pushed for the blending target of 10 per cent. These targets were not met.
- Yet in 2009, the National Biofuel Policy (NBP) proposed a target of 20 per cent blending for ethanol and biodiesel by 2017.
- Fuel blending with ethanol varies from 85 per cent (E85) in Australia to vehicles run on 100 per cent (E100) ethanol in Brazil, where the ethanol blending mandate is 27 per cent (E27). India has an abysmal 2-4 per cent blending rate.
- The priorities of the government in implementing the NBP(National Bio-fuel Policy) were finding a solution to air pollution, maintaining affordable fuel prices, cleaner fuel options, energy self-sufficiency, and reduced crude oil imports.
- It is surprising that the National Bio-fuel Policy, 2018 is silent about octane, which has direct consequences of air quality and pollution — octane assists in proper combustion of fuels and thereby impacts vehicular emissions.
- Petrol is blended with cancer-causing imported aromatics to boost octane rating, with negative consequences on health and emissions.
- Under the NBP, "a viability gap funding (VGF) scheme for 2G (second generation) ethanol bio refineries of Rs 5,000 crore in six years in addition to additional tax incentives, higher purchase price as compared to 1G (first generation) biofuels," will be provided.

The NBP 2018 asks for excessive expenditure from the exchequer for a technology (production of second-generation biofuels) that is untested and has not taken off commercially internationally.

Ethanol, a cost-effective and less harmful oxygenate, can be a substitute for expensive and harmful imported aromatics like BTX. This will additionally contribute to foreign exchange savings worth Rs 1,500 crore. Interim import of ethanol should be considered while the domestic production of 1G is being increased and technology to produce 2G ethanol is still developing and proving its commercial viability. These corrections in the policy will lead to lower fuel prices, cleaner air, foreign currency savings and efficiency in the oil economy.

Source: The Indian Express