

# National Biofuels Policy 2022

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**Why is in news?** U.S.-India Trade Policy Forum set for Nov. 8, modest outcomes likely

The National Policy on Biofuels-2018 was amended in 2022.

**Biofuels:** A hydrocarbon fuel that is produced directly or indirectly from an organic matter is known as Biofuel.

Biofuels are usually produced through a contemporary process (rather than from a slow geological process) from biomass. They are substitutes for the conventional forms of fuels – fossil fuels.

The word biofuel is usually reserved for liquid or gaseous fuels, used for transportation.

**National Policy on Biofuels-2018:** The National Policy on Biofuels-2018 approved by the Government envisages an indicative **target of 20% blending of ethanol in petrol and 5% blending of bio-diesel in diesel by 2030.**

The policy was notified in supersession of the National Policy on Biofuels, promulgated through the **Ministry of New & Renewable Energy, in 2009.**

**Categorisation:** The Policy categorises biofuels as

**Basic Biofuels** - First Generation (1G) bioethanol & biodiesel and "Advanced Biofuels".

**Advance Biofuels** - Second Generation (2G) ethanol, Municipal Solid Waste (MSW) to drop-in fuels.

**Third Generation (3G) biofuels**, bio-CNG etc - to enable extension of appropriate financial and fiscal incentives under each category.

The policy intends to ensure the adequate and sustained availability of domestic feedstock for biofuel production, increasing farmers' income, import reduction, employment generation and waste to wealth creation.

## **Key Amendments:**

The government will allow **more feedstocks** for the production of biofuels.

Instead of 2030, the Centre plans to move ahead with its **ethanol blending target of 20% of petrol containing ethanol by 2025-26.**

**It will promote the production of biofuels** in the country, under the Make in India program, by units located in Special Economic Zones (SEZ)/ Export Oriented Units (EoUs).

The government has **allowed the addition of new members to the National Biofuel Coordination Committee (NBCC).**

NBCC was constituted under the Chairmanship of Minister, Petroleum & Natural Gas (P&NG) to provide overall coordination, effective end-to-end implementation and monitoring of biofuel programme.

NBCC has members from **14 other ministries**.

Export of Biofuels: **Permission will be granted** for the export of biofuels in specific cases.

**Related Initiatives:** Ethanol Blended Petrol (EBP) programme, Pradhan Mantri JI-VAN Yojana, 2019, GOBAR (Galvanizing Organic Bio-Agro Resources) DHAN scheme, Repurpose Used Cooking Oil (RUCO)