

State-run oil marketing companies to buy biodiesel made from used cooking oil

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The scheme is being launched in 100 cities across the country.

Government pushes for green fuel as FSSAI order cracks down on re-using oil.

In a bid to encourage the biofuel sector, Petroleum and Natural Gas Minister Dharmendra Pradhan on Saturday announced that the state-run oil marketing companies would procure the entire supply of biodiesel produced from used cooking oil for a three-year period.

The move, announced on World Biofuel Day, means that biodiesel plants using used cooking oil as their raw material will be assured that their entire production will be procured by the oil marketing companies to be blended with normal diesel. The scheme is being launched in 100 cities across the country.

To pay producers

Under the scheme, the OMCs — Indian Oil, Bharat Petroleum and Hindustan Petroleum — will pay biodiesel producers ₹51 per litre in the first year, ₹52.7 per litre in the second, and ₹54.5 per litre in the third year. The oil companies will also bear the cost of transportation and GST for the first year.

The Minister's announcement comes just a day after the Food Safety and Standards Authority of India's (FSSAI) has directed Food Safety Commissioners to ensure that

Food Business Operators (FBOs), whose consumption of edible oils for frying is more than 50 litres per day, stop reusing the oil more than three times.

Mr. Pradhan also launched a 'Repurpose Used Cooking Oil (RUCO)' sticker and a phone app to enable the collection of used cooking oil. Restaurants and hotels interested in supplying used cooking oil can affix the sticker to show availability.

"Prime Minister has given a target to the Ministry of Petroleum and Natural Gas to bring down import dependency of oil products by 2022, and this can be achieved by enhancing production, improving energy efficiency, promoting conservation and encouraging alternate fuels," Mr. Pradhan said speaking at an event to launch World Biofuel Day 2019.

"The government is promoting the alternate sources of energy in a big way."

He added that his Ministry was working on a four-pronged strategy by promoting ethanol, second-generation ethanol, compressed biogas and biodiesel.

"Ethanol blending in petrol has gone up from 1.5% to about 8% and is likely to touch 10% soon," Mr Pradhan said. "The government is planning to allow production of ethanol from surplus foodgrains which now sometimes go waste and also entail expenditure on storage."

"Biodiesel is low hanging fruit in the scheme of alternate source of energies, and abundant raw material is available for the purpose," the Minister added. "It is a good waste-to-wealth concept."

The National Policy on Biofuels 2018, released by the Ministry of New and **Renewable Energy** has set a blending target of 20% for ethanol in petrol and of 5% for biodiesel blending in diesel by 2030.

After extending the deadline twice for FBOs consuming more than 50 litres of oil a day for frying to strictly maintain the usage records and stop reusing the oil more than three times, an August 9 order from the FSSAI has directed Food Safety Commissioners to conduct inspections and ensure that the oil does not enter the food chain again. The order was issued by FSSAI Joint Director (Regulatory Compliance) Pushp Vanam.

The order says all FBOs should compulsorily dispose off their used cooking oil to authorised collection agencies or aggregators and lists eight biodiesel manufacturers enrolled with agency so far.

FSSAI Chief Executive Officer Pawan Kumar Agarwal told *The Hindu* on Saturday that the agency will soon come out with a mobile application for tracking and tracing used cooking oil.

“All FBOs whose consumption of edible oil for frying is more than 50 litres per day will now have to maintain records including date, name of the oil, quantity of oil taken for frying, quantity discarded at the end of the day, date and mode of disposal of the used oil and discarded oil collected by agency. This will be enabled through an app,” he said.

“When used multiple times, cooking oil becomes acidic and darkens in colour. This may alter the fatty acid composition of the oil. FSSAI will also ask cooking oil manufacturers to come out with colour charts (either on the product or in a booklet along with the product) that will help people to identify if the oil is fresh or re-used. A prominent oil manufacturer is already doing this and we plan to ask others also to follow the same concept,” Mr Agarwal added.

He said the directive was aimed at ensuring that reused cooking oil is neither directly used in food preparation nor re-enters the food chain. “We have done this to set in safety standards in the food industry. The August 9 Order is to make sure this rule is strictly enforced henceforth,” he said.

The order on prohibiting reuse of edible oil was initially issued on January 30, 2019, and was directed to be effective from March 1, 2019. Subsequently, another Order was issued on February 28 extending the deadline by three months.

Following the initial Order, food safety officials voiced the several challenges in enforcing it, especially in the absence of a strong ecosystem that can facilitate the registration of biodiesel manufacturers and collection aggregators.

Although Karnataka is the first State to have a Bio Energy Development Board and used cooking oil is being collected from big chain of restaurants by biodiesel manufacturing units, the main issue is regarding the registration of such units and empanellment of re-purposed used cooking oil (RUCO) collecting aggregators. Without empanellment, many aggregators are finding it difficult to collect used cooking oil from hotel chains. These challenges were discussed at a meeting of top officials from FSSAI in Bengaluru on March 1. Similar concerns were raised by other States.

Following this, FSSAI issued an Order on May 6 requiring bio diesel manufacturers to enrol with FSSAI for collection of used cooking oil from FBO.