

BIODIESEL *Journal*

NOVEMBER 2021 – FEBRUARY 2022



Key Highlights

India's Biodiesel Future.

Excerpts on BMAI's White Paper detailing the action plans required for India's Biodiesel Industry for the next 15 years



What's Inside

- Director General's Message
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AN INDUSTRY WELFARE INITIATIVE BY:

BMAI **BIODIESEL**
MANUFACTURERS
ASSOCIATION

Director General's Message



I take this opportunity to wish our Esteemed Members and Readers a Very Happy and Prosperous 2022!

BMAI's mission is "To ensure sustainable growth of the Biodiesel Industry in India by involving stakeholders for a common objective."

Keeping this mission in mind, we are pleased to inform you that **Mr. Y. B. Ramakrishna** (*Member - Working Group on Biofuels in Ministry of Petroleum & Natural Gas*) and **Mr. Subodh Kumar** (*former Executive Director - Head of Alternate Energy & Sustainable Development Department from Indian Oil Corporation Limited*) have joined BMAI as its Advisors. With their vast experience, BMAI shall be able to meet its objectives in a short span of time.

The past few months have been eventful for BMAI. We are making great strides and taking various proactive measures to ensure that the Biodiesel Industry in India grows sustainably.

BMAI, with the guidance of its Advisors, has submitted its White Paper titled "Achieving Goals of the National Policy on Biofuels by Sustainable Growth of Biodiesel Industry in India" which details the action plan for the Biodiesel Industry in India for about the next 15 years.

BMAI believes in holistic development. We have partnered with the Indian Construction Equipment Manufacturers Association to create an alternate market for our members. BMAI collaborated with ICEMA in conducting a summit which was graced by **Hon'ble Minister of Road Transport and Highways - Shri Nitin Gadkari**. BMAI office bearers actively participated as members of various Working Groups and Panelists/Speakers during the Summit. BMAI and ICEMA have pledged to work jointly for the benefit of Biodiesel and CE manufacturers.

BMAI has partnered as an *Affiliate* at "The 2022 EU-India-BCE Conference: Progress in Advanced Biofuels" and also as an *Associate* at "World Future Fuel Summit & Expo"

With the above and various other initiatives, BMAI is committed to be a key contributor for India to become energy independent by empowering stakeholders of the Biodiesel industry and to contribute significantly to assist India in achieving its Climate Goals.

Finally, even though the number of cases in India due to the Covid-19 pandemic are declining, I urge you to stay healthy, safe and follow all Covid Protocols. We are hopeful and pray that the pandemic soon comes to an end.

Regards & stay healthy,

Ajit Kumar Srivastava
Director General - BMAI



Industry Developments



FEEDSTOCK

SUSPENSION OF FUTURES TRADING

The Securities and Exchange Board of India has directed local stock exchanges to suspend trading of seven agricultural commodities, including crude palm oil and soybean oil, with immediate effect for one year, according to a release on the markets regulator's website on Dec. 20.

The decision to ban trading in these futures contracts were done to expect to help cool prices, especially of edible oils and the oil complex, which today are major raw materials of Biodiesel manufacturers in India.

"Ban of Futures Trading were done to expect to cool prices"

"Import of Palm not permitted through any port in Kerala"

FREE IMPORT OF RBD PALMOLEIN EXTENDED UPTO 31.12.2022 VIDE NOTIFICATION NO.: 46 DATED 20.12.2021

The Government extended by one year the free import policy for refined bleached deodorised palm oil, and refined bleached deodorised palmolein to December 31, 2022 but retained a clause that the import is not permitted through any port in Kerala.

REDUCTION OF IMPORT DUTIES

The Government cut the basic customs duty on refined palm oil to 12.5 per cent from 17.5 per cent as part of efforts to increase domestic supplies and bring down the retail prices of the cooking oil. The revised Basic Customs Duty (BCD) will be effective till the end of March 2022.

With reduction in the duty, the effective levy on both refined palm oil and palmolein will come down to 13.75 per cent, including social welfare cess, from 19.25 per cent.

"Import duties reduced to increase domestic supplies & reduce cooking oil prices"

Industry Developments



REMOVAL OF PROVISION OF NOT ALLOWING TOP UP OF FRESH OIL & PERMISSION FOR OTHER INDUSTRIES TO COLLECT USED COOKING OILS

Food Safety and Standards Authority of India (FSSAI) vide its Order No. RCD-18/1/2021-Regulatory-FSSAI-Part(2) dated 20.1.2022 has removed the provision of not allowing the topping up of fresh oil in UCO having developed TPC of more than 25% vide FSSAI's.

The above notifications of FSSAI formed the backbone of the Repurpose Used Cooking Oil (RUCO) ecosystem which enabled setting up of many Biodiesel Plants based on UCO as raw Material in MSME & SME Biodiesel Sector. And based on these notifications and other steps taken by FSSAI, the MoP&NG floated EOIs for supply of Biodiesel based only on Used Cooking Oils.

Furthermore, FSSAI has now granted permissions for UCO collection to Soaps, Lubricants etc. industries.

Industry was already facing the problem of availability and high prices of UCO for manufacture of the Biodiesel, the challenges faced by Biodiesel manufacturers were also on logistics, unscrupulous players, diversion of UCO into food chain. And now due to the new FSSAI Orders, FBO's will ensure that TPC of UCO never exceeds 25% with the fresh topping up on perpetual basis and there will be a huge UCO supply gap for Biodiesel units in India.

This effectively would result in total failure of RUCO System and closure of many Biodiesel Plants, loss of jobs, loss of investments made by MSME units that are depending wholly on UCO as Raw Material.

"Removal of provision of not allowing the Topping Up of Fresh Oil in UCO & allowing other industries to collect UCO will create availability, pricing and traceability issues"

Industry Developments



PRICING

APPOINTMENT OF EXTERNAL CONSULTANT FOR PRICING

The Oil Marketing Companies' led by Indian Oil Corporation Limited have appointed KPMG India to undertake a study on the current pricing of Biodiesel based on various feedstock.

BMAI has been invited to be a part of the study and have reached out to ensure fair pricing for Biodiesel manufacturers.

Preliminary rounds of discussion have taken place with BMAI core group members and relevant exchange of data is underway.

BMAI has provided inputs on current feedstock market prices, conversion costs, material mass balance and cost of by-products.

Current Pricing offered by OMCs for NUCO based Biodiesel is Rs. 77 per litre, which is not viable for most manufacturers due to the current feedstock pricing.

BMAI lauds the efforts taken by the OMCs to ensure fair pricing and is certain that realistic prices for NUCO based Biodiesel shall be published in upcoming tenders.

"BMAI lauds the efforts taken by the OMCs to ensure fair pricing and is certain that realistic prices for NUCO based Biodiesel shall be published in upcoming tenders."

"UCO prices have breached the Rs. 90 per kg mark in some places"

INCREASE IN USED COOKING OIL PRICES

Recently, the prices of Used Cooking Oils have breached the Rs. 90 per kilogram mark. This is primarily due to the orders allowing topping up of fresh oil and permission for other industries apart from Biodiesel Industry to collect Used Cooking Oils.

Industry Developments



REGULATORY

WORKING GROUP MEETING WITH MINISTRY OF PETROLEUM & NATURAL GAS

The Ministry of Petroleum and Natural Gas, Government of India conducted a working group meeting on 20.01.2022, to discuss various matters related to Biofuels in the country.

BMAI was represented by its Director General and Office Bearers who informed that BMAI has prepared a White Paper titled "Achieving Goals of the National Policy on Biofuels by Sustainable Growth of Biodiesel Industry in India" which details the suggested action plan for the Biodiesel Industry in India for about the next 15 years. BMAI requested that an appointment may be granted for deliberations on the same.

The Working Group also focussed on creating various sub committees for feedstock, plantations, pricing, marketing etc. and BMAI assured its active role in these sub committees to ensure that the Biodiesel Industry grows sustainably.

"With an additional excise of Rs. 2/- per litre, Biodiesel will contribute to savings for OMCs & private players"

"BMAI has submitted a White Paper for the Growth of the Biodiesel Industry with an action plan for about the next 15 years"

ADDITIONAL EXCISE DUTY ON UNBLENDED FUELS

The Hon'ble Finance Minister Smt. Nirmala Sitharaman, in her budget 2022 speech announced that "Blending of fuel is a priority of this Government. To encourage the efforts for blending of fuel, unblended fuel shall attract an additional differential excise duty of Rs. 2/- litre from the 1st day of October 2022"

This announcement will prove to be a big push for Biofuels in India and more particularly Biodiesel. Blending of Biodiesel will now contribute to direct savings for OMCs and similar private players

BMAI Initiatives & Updates



COMMUNICATIONS & MEETINGS

Communication to Hon'ble Minister MoP&NG & Meetings with MoP&NG Officials regarding

- a) Biodiesel as a potent weapon to flight the climate crisis
- b) Biodiesel Prices, Import Duties on Raw Materials
- c) Sourcing, pricing and availability of Used Cooking Oil amongst others

The Concerned Officials agreed with BMAI representation that there is a need to address various matters related to the Biodiesel Industry and appreciated that Governments support as well as subsidies are needed for the survival of the Biodiesel Industry. On BMAI's suggestion, it was agreed that BMAI will submit a detailed Road Map of the Biodiesel Industry for next about 15 years.

Various matters pertaining to the Biodiesel Industry were discussed with PS to Hon'ble Minister, MoP&NG. Being aware of most of the issues concerning the Industry, it was agreed in principle regarding support sought by BMAI. A detailed representation has been submitted for consideration and BMAI is actively following up for the same.

BMAI Initiatives & Updates



COMMUNICATIONS & MEETINGS

Communication with FSSAI for requesting Withdrawal of Recent Notifications/ Circulars pertaining to UCO

FSSAI vide FSSAI's Order No. RCD-18/1/2021-Regulatory-FSSAI-Part(2) dated 20.1.2022 has removed the provision of not allowing the topping up of fresh oil in UCO having developed TPC of more than 25%. Also vide their circular dated 27.1.2022 FSSAI has granted permissions for UCO collection to Soaps, Lubricants etc. industries vide FSSAI's.

Biodiesel Industry was already facing the problem of availability and high prices of UCO for manufacture of the Biodiesel. Due to this there was already a limitation on quantities available, now will stop now flowing as FBO's will ensure that TPC of UCO never exceeds 25% with the fresh topping up on perpetual basis. Furthermore, the UCO will now also be collected by other industries without any traceability. This effectively would result in total failure of RUCO System and closure of many Biodiesel Plants, loss of jobs, loss of investments made by MSME units that are depending wholly on UCO as Raw Material. BMAI has requested FSSAI to review & reconsider the orders and take necessary actions for withdrawal of the same. It has been conveyed that the matter is under consideration and the further direction in this regard will be conveyed shortly.

Meeting of MoP&NG's Working Group on Biofuels

BMAI represented by its Director General and Office Bearers, informed that it has prepared a White Paper which details the suggested action plan for the Biodiesel Industry in India for about the next 15 years. The Working Group also focussed on creating various sub committees for feedstock, plantations, pricing, marketing etc. and BMAI assured its active role in these sub committees to ensure that the Biodiesel Industry grows sustainably.

BMAI Initiatives & Updates



COMMUNICATIONS & MEETINGS

Meeting with Indian Oil Corporation Limited

A special meeting was arranged with IOCL senior officials on the issue of pricing of Biodiesel. BMAI requested that they should be involved with the external agency for providing realistic inputs so that the pricing arrived is acceptable to the Biodiesel Manufacturers.

Meeting with Director (BR&OR)

Following points were discussed during a meeting with the Director BR&OR:

- Way Forward on White Paper
- Rs. 2/- per litre additional excise duty on unblended fuel
- Action on withdrawal of FSSAI Circular
- Agenda on Biodiesel in Working Group on Biofuels
- MoP&NG letter to Ministry of Rural Development
- Ongoing Tender for Non-UCO Biodiesel

Meeting with Advisor, MoRT&H

During detailed discussions with Advisor, MoRT&H, he was apprised about the various issues concerning Biodiesel Industry. He was already aware about most of these issues and agreed that Government support is needed for the survival of the Industry. BMAI has requested a meeting with the Hon'ble Minister at the earliest instance.

Meeting with Chairman, Energy Transition Advisory Committee

BMAI offered a detailed presentation on White Paper and it was agreed to have a detailed meeting for a presentation for implementation of various initiatives.

BMAI Affiliations



Collaboration with Indian Construction Equipment Manufacturers' Association (ICEMA)

During the collaborative meetings it was ascertained that there are approx. 1 million construction equipment, supplied by ICEMA members alone, which are already in operation in India for which their equipment are already designed for use of Biodiesel. There is a potential of about 1.2 million litres per day i.e. about 40 crore litres per annum.

An effort is now also been taking by BMAI to work jointly with ICEMA members to suggest equipments suitable for 20% Biodiesel blending.

BMAI and ICEMA have also formed internal working groups for nurturing demand, technology & regulatory landscape and supply chain and have pledged to work jointly for the benefit of Biodiesel an CE manufacturers. Based on the discussions during the working group meetings, a document for appropriate representation has been prepared.

As a first step to ensure sustainable growth, BMAI collaborated with ICEMA in conducting a summit on "Building India's Tomorrow: Indian CE Industry's Roadmap for Biodiesel Adoption", which was participated by industry stalwarts and graced by Hon'ble Minister of Road Transport and Highways - Shri Nitin Gadkari. BMAI office bearers actively participated as members of various Working Groups and Panelists/Speakers during the Summit. BMAI and ICEMA have pledged to work jointly for the benefit of Biodiesel and CE manufacturers.

We are certain that this collaboration will go a long way for the benefit of BMAI members to create an alternate market for Biodiesel and also allow CE manufacturers to adopt to Biodiesel technologies.

BMAI Affiliations



WORLD FUTURE FUEL
SUMMIT & EXPO
International Conference & Exhibition on Future Fuel

The annual World Future Fuel Summit is the leading global industry event and exhibition for future fuel, clean energy, environment and sustainability. Bringing together global business leaders, future leader (students), the governments,

specialist exhibitors from globally, it showcases state-to-art technologies in clean future energy for globally. As a global hub for business, innovation and knowledge exchange at the heart of Delhi, India, the World Future Fuel Summit inspires the advancement and transfer of ideas, technology and investment across public and private sectors worldwide, helping to stimulate sustainable growth for all stakeholders.

BMAI is an Associate at the World Future Fuel Summit & Expo 2022. BMAI is actively associated in the organisation of World Future Fuel Summit 2022 organised by Energy & Environment Foundation on 16-17.1.2022.

Mr. Subodh Kumar, Member Advisory Board of BMAI chaired the Technical Session on “Biodiesel, Biomethane, BioLPG, Synthetic Fuels Towards Carbon Neutral Path”.



EU-INDIA-BCE
CONFERENCE

The “EU-India-BCE: *Progress in Advanced Biofuels*” aims to facilitate the deployment of advanced biofuels in the EU and India. The conference targets primarily the technology developers, industrial players and investors of all value chains producing advanced biofuels for the decarbonisation

of transport. BMAI is an Affiliate at the EU-INDIA-BCE Conference: Progress in Advanced Biofuels and Mr. Y.B. Ramakrishna, Member Advisory Board of BMAI is India Chair of the Conference.

BMAI Affiliations



INDUCTION OF ADVISORS

Keeping the BMAI mission in mind, we are pleased to inform you that Mr. Y. B. Ramakrishna and Mr. Subodh Kumar have agreed to join BMAI as its Advisors.

With their vast experience, BMAI shall be able to meet its objectives in a short span of time.

Mr. Y. B. Ramakrishna



Mr. Y. B. Ramakrishna is an expert in Biofuels and has been instrumental in formulating policies on Biofuels in India. As Chairman of Working Group on Biofuels in Ministry of Petroleum & Natural Gas from Jan 2017 to Jan 2018, he has been instrumental in formulating the Biofuels Policies in India. Presently he is Member - Working Group on Biofuels in Ministry of Petroleum & Natural Gas, Member - Apex Committee on Methanol Economy in Niti Aayog and Chairman - Task Force on production of Methanol using Biomass/MSW/sources other than coal in Niti Aayog.

Mr. Subodh Kumar



Mr. Subodh Kumar is former Executive Director (Head of Alternate Energy & Sustainable Development Department) from Indian Oil Corporation Limited. He is having more than 12 years experience in Alternate Energy & Sustainable Development, Biofuels, Biogas, Plastic Neutrality & Waste Management.

BMAI White Paper



BMAI believes that Biodiesel is a potent weapon to fight the climate crisis and to assist India in meeting its Climate Goals as envisaged in the recently concluded COP26 summit as well as in the National Policy on Biofuels AND there is a need to take urgent measures for survival, sustainability, and growth of the Biodiesel Industry in India. However, to achieve this proper policy support, feedstock availability & security, market seeding operations, correct pricing and other such proactive measures are required.

Pursuant to discussions with senior officials of MoP&NG, BMAI prepared a White Paper encompassing a path to achieve the Goals of the National Policy on Biofuels as well as to ensure a sustainable growth of the Biodiesel Industry in India.

The White Paper titled “Achieving Goals of the National Policy on Biofuels by Sustainable Growth of Biodiesel Industry in India” was submitted to MoP&NG and a detailed presentation on the White Paper was given to MoP&NG in a meeting chaired by JS(R).

Salient features of the White Paper that give a detailed action plan for the following:

- Market Seeding for Sale of Biodiesel
- Government Support
- Sustainable Availability & Growth of all Raw Materials
- Manufacture & Sale of Biodiesel
- Classification & GST
- Procurement & Pricing Policies
- Incentives

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