

'Consumers Lack Awareness of E20's Impact on Vehicles'

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Mumbai: As India begins its pilot of retailing E20 blended petrol—that is, 20% ethanol and 80% petrol—in 32 select cities on Saturday, industry experts have raised concerns over a lack of awareness among consumers about its likely impact on vehicles.

Ethanol-blended petrol impacts fuel efficiency by 6-7% and will increase vehicle maintenance cost for users, and most vehicle owners are not aware of this, they said. This aspect has not got much attention as the focus has been on the fiscal and environmental advantages of ethanol blending. E20 will help reduce the country's oil import cost, boost energy security and self-reliance, lower carbon emission, improve air quality, increase farmers income by use of damaged food grains, and create employment and greater investment opportunities.

I V Rao, distinguished fellow at The Energy Resources Institute (TERI), said vehicles' E20 fuel consumption could be higher than that of unblended petrol due to lower calorific value. "The actual value will depend on the engine and how the engineers have tuned it for the blended fuel," he said.

"In addition, all fuel system parts coming in contact with the fuel may need change for making them compatible with E20 fuel," Rao said.

He explained that the calorific value of ethanol is lesser than petrol.

India achieved 10% ethanol blending in 2022, and the government has advanced its target for E20 implementation to 2025 from 2030. In August last year, Prime Minister Narendra Modi had said India has saved Rs 50,000 crore through ethanol (10%) blending.

Experts said operating E10-compliant vehicles with E20 fuel would result in corrosion of certain engine components, and owners may need to replace the corroded parts during the vehicle lifecycle.

"Loss of fuel efficiency is expected as vehicles transition from the E10 to E20-compliant design, and this would increase the total cost of ownership (TCO)," said Shamsher Dewan, senior vice president and group head at rating agency ICRA Ltd.

Original equipment manufactu-

New Fuel, New Problems

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ers (OEMs), however, are looking at technological improvements like light-weighting to offset the impact, he had said in note in February.

State-owned oil marketing companies Indian Oil Corporation (IOCL), Hindustan Petroleum Corporation (HPCL) and Bharat Petroleum Corporation (BPCL) did not reply to email queries sent on Friday till press time.

"We know awareness about ethanol-blended fuel is negligible among consumers," a senior official from an oil marketing company said on condition of anonymity. "So, the oil marketing companies would shortly take up an awareness campaign to educate users about ethanol-blended fuel."

Indian Oil, in its fiscal year 2022 annual report, had said though the company is geared up to meeting the 20% ethanol blending program (EBP) by 2025, meeting the target entails heavy capital expenditure for making the infrastructure ready for supply and storage of higher blended levels of petrol.

"There are also apprehensions regarding readiness of the auto sector for making available E20-compliant engines by 2025," it had said. "The auto industry has, in addition, been pressing for supply of E10 and E20 separately to ensure fuel compatibility with both older as well as new engine types," IOCL said, adding that this could have a huge cost implication for the OMCs as they will need to create two separate supply chains for catering to this differentiated supply.

Auto companies ET spoke to said there are efficiency concerns but they are trying to address the same.