

Niti Aayog's new methanol push could be bad news for Modi's electric vehicles mission

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[Niti Aayog](#), the government's premier policy making body, has firmed up a hybrid vehicle policy that challenges the electric vehicle mission that's being pursued aggressively, pitching methanol as a better alternative for [India](#).

The Aayog has reasoned that [electric vehicles](#) are neither cost-effective nor sustainable. Methanol-based hybrid vehicles, it proposes, would run on electricity that would be generated on board from the chemical, a senior government official aware of the matter told ET. This would not put additional pressure on electricity demand in the country.

The crux of the reasoning is that methanol can replace gasoline as it is easily available, does not cause pollution and has higher electrical mobility and efficiency, besides being highly cost-effective vis-a-vis electric vehicles, which would run on lithium-ion batteries. It would reduce pollution and India's dependence on fossil fuels.

"Lithium is not an easily available resource and the world will run out of the basic resource if all switch over to lithium-ion batteries for electric vehicles. Hence, it is not a sustainable solution," the official said.

Methanol Vs Battery

Niti Aayog pitches for hybrid vehicles on methanol instead of batteries

The Argument

METHANOL:

- It can be obtained from renewable sources
- Off grid solar, wind power can be used to produce synthetic methanol
- Buge bio-resources to produce methanol
- Less polluting fuel



BATTERIES:

- They would require extensive charging infrastructure
- Lithium batteries eventually become expensive
- Increased imports from China of battery aggregates



Besides, India does not have the expertise to make lithium-ion batteries.

It will depend on China for such batteries and will only be able to assemble them in India with barely 15% of value addition, thus further widening the trade deficit in favour of China.

"Moving to electric vehicles would require setting up of large infrastructure, mainly charging stations across the country, and it would put additional burden on already growing demand for electricity," the official said.

Niti Aayog member VK Saraswat is aggressively pushing methanol and has suggested a roadmap to reduce the annual oil import bill by \$100 billion by 2030 through extensive use of methanol in cooking gas and transportation fuel.

The BJP-led National Democratic Alliance government wants only cleaner vehicles to ply on India's roads by 2030 as part of its commitment to reduce greenhouse gas emissions under the global agreement on climate change and to reduce spending on oil imports, which, according to one estimate, could double to an annual \$300 billion by that year.

The cabinet secretariat had in June 2017 shifted the FAME India (Faster Adoption and Manufacturing of Hybrid and Electric vehicles in India) programme, which is part of the National Electric Mobility Mission Plan, to Niti Aayog from the Department of Heavy Industries after most stakeholder ministries wanted to have a say in the highprofile mission.

The idea was that such a move would help synchronise efforts of various departments of the government to move towards an all-electric fleet by 2030.

The Indian Railways is also exploring the use of methanol for its locomotives.

Methanol, a clear, colourless liquid, is easier to store than hydrogen and

burns cleaner than fossil fuels, yielding water and carbon dioxide.

Methanol can be obtained from sustainable bio sources and it is now also possible to manufacture synthetic, lowcarbon methanol.