

Workshop on
Environmentally Sound Technologies
for
Used Oil Re-refining / Recycling Industry

March 17, 2004
at New Delhi

Organized by



Confederation of Indian Industry

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Central Pollution Control Board
(Ministry of Environment & Forests)

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H'ble Joint Secretary MoEF, Chairman CPCB, Director IIP, Head of Environment Management Division CII and dear Colleagues and Friends, ladies and gentleman.

As president of PRAI, I am presenting some facts for sympathetic consideration of Govt. and some thoughts for decision making for all of you.

First of all we are extremely obliged and thankful to the organizer of the present seminar which is an urgent need of today in view of enforcement of Clause 21 (1) Technology and Standards for Re-refining or Re-cycling used oil or waste oil vide Notif. S.O. 593(E) Dated 20.05.03 on HW (M & H) Amendment Rules 2003. We whole heartedly support the notification and wish to adopt suitable and commercially viable, clean and eco friendly technology commensurate with Indian circumstances for which we are always with the Govt. I want to bring some of the practical problems to be resolved today by all who are present here.

Secondly the notification although dated 25.05.03 has been known to our re-refiner only during July 2003 and is an excellent step taken by MoEF in the interest of Environment Protection. It may be noted that most of our members engaged in re-refining used lube oil having MoEF registration are feeling inability to implement the decision in accordance to Para 21 (1) for various reasons which I am narrating for your perusal please.

1. You may recall the conclusion drawn by Dr. Himmat Singh during brain storming session held on 24-25 Nov. 2003 at seminar sponsored by Govt. on cleaner technology held at Delhi which says that

“State of used/waste oil re-refining in our country is yet to catch up with the world developments. Although there are two acid free processes available but quality for reprocessed base oils needs to be lot more improved. We need to undertake serious R&D work on this subject to deliver high quality base stock at low cost based on environmentally benign approach”.

2. The technology described as per clause 21 (1) (a), (b) & (c) are indicative only without exhibiting their detailed technical description. We are yet to see the operating unit with proven data on operating parameters, quality and commercial viability for these processes. It is a matter of great concern that none of the premier institutions of our country such as IIP, IITs, IOC F.Bad, NIERI etc. have given us practical & viable clean technology suitable to our circumstances for rerefining used lube oil and treat the sludge generated which is bound to come irrespective of the process. Thus proven and cleaner new technology is not available in India as per 21 (a),(b)&(c) or (d) and whatever technologies are available from USA, Germany, North America, Canada and Italy, etc. are too costly to be commercially viable in Indian circumstances. Further, technology selection depends upon the cost effectiveness for an intended capacity and availability of raw materials, infrastructure and statutory regulations at the particular location. I WOULD LIKE TO STRESS UPON THAT ENVIRONMENTAL PROBLEMS WHATSOEVER ASSOCIATED WITH RE-REFINING SYSTEMS HAVE SOLUTIONS.

3. You may be aware that in the past the thin film technology developed by Balmer Lawrie Calcutta is no-where operative on commercial scale. Similarly Speciality Lube Limited promoted by Mr.Bakshi installed a medium scale rerefining plant at Baroda using thin film technology during about 1990-92 has failed to provide successful rerefining of used oil and finally closed. We should find out the reasons behind it.

4. The Notification On HW(M&H) Amendment Rules 2003 para 21 does not unambiguously speak concretely about the use of proper technology whose Operational parameters are yet to be known. The technical details of the technologies are confusing wherein the proven data and actual plant or prototype model are yet to be known. Our members have been in the total confusing stage for the last two years with regard to the technology to invest in towards modification of their existing plant. It is a matter of great concern to all of us that Government is taking very long time for renewal of registration which is pending for almost all the units in the country, with the result that the units are closed for rerefining causing severe problems to the industry in respect of labour and cash -flow problem and fighting for their survival. We feel that the govt. as well as the entrepreneurs of the industries are yet to decide to arrive at final conclusion about the investment in appropriate technology viz a viz its commercial viability.

5. The generators of the used lubricating oil are also suffering and are in a fix to dispose/sell the used lubricating oils within ninety days storage permitted by the act. Mere approval of 4 to 5 re-refining units are not going to cater the needs of the entire country geographically widely spread.

6. Adequate laboratory testing facilities are not available in India for testing total Halogens, PCBs and PAH as per Schedule-5 [See Rule 3(34)] of HW (M&H) Rule 2003 at reasonable price. Please note that the price quoted by one or two such laboratories to carry out above tests are too high to bear by small re-refiners.

7. On many occasions we heard theoretically about several rerefining technologies but yet to see them practically operating at commercial scale in our country. Even if such technology is available(WHEN?) it requires more than 6-8 months to get the loan sanctioned from any financial institution and another 12 to 18 months to implement the installation and commissioning of the plant. **Thus the total period of six months was too short a period to enforce the clause 21(1) of the said notification.** However we are making our efforts to find out the commercially viable technology suiting to Indian conditions and also looking forward to CPCB for clarifications and guidelines

and identification of the technology (a) and or (b) and or (c) and or (d) as per rule 21(1) aforesaid.

8. With reference to the above matter we draw your attention to the following para's vide order dated 14.10.2003 passed by hon'ble Supreme Court in the matter of WRIT PETITION No.657 of 1995,Research Foundation from Science and Technology National Resource Policy V/s GOI.

Sr. No. 1, Page 27, MoEF needs to renew the Rule 1989 as Amended in 2003.

Sr. No. 5, Page 28, MoEF/CPCB for directions to be issued regarding collection and transportation of used oil from different sources to be sold and recycled by registered re-refiners with requisite undertakings from rerefiners.

Sr. No. 7 , Page 28 , CPCB for directions to SPCBs/PCCs bringing to their notice the latest cleaner technology and requiring the said boards/committees to ensure compliance thereof by concerned units within the fixed time frame.

Sr. No. 9 , Page 28 , Transportation of HWs (preparation of guidelines): action by CPCB.

Sr. No.11,Page 28, Upgradation of laboratories at Ports/Docks/ICDs(Gateways): action by MoEF/NODAL MINISTRIES.

Sr. No. 12, Page 28, Uniform testing procedure to be followed by
the Labs.: action by CPCB, etc.

We understand that above decisions are partially implemented and may take substantial more time to fully enforce the same.

Further Para 39 of the above Supreme Court order on page 15 is reproduced below:

“On aforesaid aspect, one of the directions sought for by the petitioner is also that the authorization for any unit should not be issued or renewed until the occupier undertakes that they have a program in place to reduce the volume or quantity and toxicity of hazardous waste to be degree determined by them to economically practicable method currently available to them which minimizes the present and future threat to human health and environment. By the Hazardous Wastes (Management and Handling) Amendment Rules, 2003 Rule 21 in respect of Environmentally Sound Technologies and Standards for re-refining or recycling has been incorporated. Instead of issuing the direction as suggested in our view, the purpose would be better served, if the CPCB from time to time, issued directions to SPCBs and all PCCs bringing to their notice the latest technologies and requiring the said Boards/Committees to ensure compliance thereof by the concerned units within the fixed time frame. CPCB is directed to comply.”

9. You will kindly appreciate that in view of what I narrated shows that there are many uncertainties prevailing causing difficulties in implementation of rule 21(1) of the said rule and it may be observed that the clarification/ resolution of such uncertainties not only shall take long time but also shall require additional time for their implementation. Therefore keeping the existing units closed or non-operative during such transit period will do more harm not only to the re-refiners but also the generators in many ways. May be a few of the units may die for good.

10. We once again repeat that we all are prepared to implement clean technology which must be clearly known to us for which sufficient gestation period be permitted

to us. You will appreciate that the changes do not occur overnight. We have taken years to change our transport system from diesel to CNG that too only in few of the cities of our country. Similarly the lead free petrol is provided to passenger cars very recently so to say that changes do take time, so we should also be now allowed some time to switch over.

In view of what I said, we propose to the Govt. to defer the decision for at least by two years to switch over to cleaner technology for re-refining used or waste oil. Accordingly MoEF and or CPCB may renew on merit the registration already granted to the re-refining units who are applying for the same. The necessary and appropriate amendments in Rule 21(1) may kindly also be issued/notified at earliest possible as the registration of most of the units have already expired or shall expire shortly. In the meantime our members should be provided with concrete details of the technology to be adopted and those already operating their units on acid free technology be approved on case to case and merit basis.

WE ONCE AGAIN REPEAT REPEATEDLY THAT WE ARE WITH THE GOVT. DECISION TO CHANGE THE TECHNOLOGY BUT THE DIEING UNITS BE GIVEN AT LEAST ONE MORE OPPORTUINITY TO DEVELOP AND TO ARRANGE FUNDS FOR SWITCHING OVER TO SUITABLE ACID FREE TECHNOLOGY DURING ANOTHER GRACE PERIOD OF TWO YEARS NOW TO BE GRNATED BEFORE THEY FINALLY DIE FOR GOOD HENCE MERCY REQUESTED. WE ARE STRONGLY CONFIDENT OF GOVT. APPROVAL IN THIS MATTER.

Thank you for patient hearing .