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NATIONAL

City gas distribution to see big investments

City gas distribution (CGD) network is turning out to be the next big downstream expansion in India, after fuel retailing, with investments of as much as Rs.1.1 trillion expected over the next decade, said company executives. "CGD is the next big expansion in the downstream segment with nearly 40 companies operating in the segment. This, against fuel retailing, which is dominated by a few players, including state-run oil marketing companies," said Rajendra P. Natekar, director, Bharat Gas Resources Ltd (BGRL). "Though in terms of pure numbers, fuel retail stations gain, in terms of coverage of distribution and customers, the impact of CGD will be felt more. Besides, CGD will gain more traction over time." BGRL will invest Rs.4,000 crore to build a CGD network in Ahmednagar, Aurangabad, Sangli and Satara districts in Maharashtra. At present, 31 companies are developing CGD networks across 81 geographical locations in 21 states and Union territories, supplying clean cooking fuel in the form of piped natural gas (PNG) to about four million households. The government, which plans to provide 10 million PNG connections, has introduced stringent emission levels for vehicles and plans to develop green corridors to reduce India's carbon footprint. There are about 60,000 fuel retail stations and around 1,500 CNG stations across India, but it is the sheer reach and loyalty of customers that the CGD companies are banking on. What is also helping the expansion of CGD network across India are various policy initiatives for its expeditious development. CGD has been accorded the highest priority in gas allocation while allocating 100% domestic gas for the domestic PNG and CNG segments. On the regulatory front, recently, the Petroleum and Natural Gas Regulatory Board (PNGRB) has reformed to a large extent the CGD authorization regulations to address the impediments faced in previous bid rounds. Also, some state governments have introduced sector-specific policies/guidelines enabling overall growth of CGD network in India. The only challenge, however, could be the availability of skilled manpower to undertake expansion at this large scale.

https://www.livemint.com/Industry/Amwfjm4m0s4EhycLgWt9CO/City-gas-distribution-to-see-big-investments.html

IGL, MGL shares are low on fuel

Indraprastha Gas and Mahanagar Gas currently trade at about 20.6 times and 16 times their estimated earnings for FY1. Shares of city gas distribution (CGD) companies, Indraprastha Gas Ltd (IGL) and Mahanagar Gas Ltd (MGL), have underperformed the markets so far this fiscal year. The recovery of the rupee from its lows in October and the softening of spot LNG (liquefied natural gas) prices, both of which result in lower input costs, have helped these stocks a bit, but not enough to wipe out the earlier underperformance. The two companies had hiked prices in October to offset higher input costs, and with input costs having eased since, there should be a positive influence on their profit margins. Analysts say the reason markets aren't enthused is that valuations of these stocks were not cheap to begin with. The broader correction in mid-cap stocks also cast its shadow on them. Further, the ninth round of CGD auctions proved to be a damp squib for the companies, with some other firms bidding aggressively. There are reasons why Indraprastha Gas, which operates primarily in Delhi, fetches relatively higher valuations. With high pollution levels in the city, policy support on reducing pollution in the region, such as mandatory conversion of commercial diesel-run cabs to CNG (compressed natural gas), and a ban on petcoke usage have had a favourable impact on the company. Moreover, volume outlook for Indraprastha Gas is expected to be relatively better. Analysts at Jefferies India Pvt. Ltd expect the company to benefit from the 13.5% compound annual growth rate (CAGR) in volumes over 2018-2023, supported by policy tailwinds due to higher pollution levels. Jefferies India expects Mumbai-based Mahanagar Gas's volume CAGR to fall back to 7% over FY18-23, after a solid first half in FY19, constrained by the limited additions of CNG stations and softening policy tailwinds. For the half-year ended September, the company's volumes had increased by about 11% on a year-on-year basis.

Better valuations at Indraprastha Gas suggest investors are taking cognizance of these factors.

https://www.livemint.com/Money/SCz3ne5s1hay7zah4hhWbJ/IGL-MGL-shares-are-low-on-fuel.html

GAIL piped gas: Network in place, but reaching homes still an issue in Bengaluru

Although insignificant in comparison to the population, as many as 10,000 kitchens in Bengaluru are already using piped natural gas (PNG). And if the numbers are to be believed, another 15,000 households have already paid a security deposit of Rs 5,000 to GAIL Gas Ltd (GGL), a subsidiary of Gas Authority of India Limited. In Bangalore, GGL is implementing the city gas distribution project. Vivek Wathodkar, chief general manager, GGL says that the infrastructure is already in place to provide PNG to 87,000 households in Bengaluru and 77,000 smart meters have already been fitted. Areas where piped gas is already being supplied include BEL Colony, Jindal Colony, HSR Layout, Manganampalya, Singasandra and Bellandur among others. As many as 77 commercial establishments have already switched to PNG. 61 industrial consumers including BHEL, Biocon, Intel, Bosch, Toyota and the Rail Wheel Factory in Yelahanka too have switched over to the cleaner fuel. "Almost all the reputed real estate companies in the city have approached us to build the infrastructure required to supply PNG to their upcoming projects. Nearly 80% of the demand for PNG is from gated apartment complexes and only about 20% of the consumers have individual houses. We have already commissioned six Compressed Natural Gas (CNG) re-fuel/pumping stations in the city and have plans to open 21 more by March 2019," he said. Officials in GGL said that auto-rickshaws and cars are the only consumers of CNG in Bengaluru but the share of automobile consumers still remains low. However, the company claimed to encourage Uber cabbies to use CNG and some of them are refilling at the pumping station near KIA. Again, encouraging automobile companies and users to use CNG instead of fossil fuels is a challenge, until it provides at least 50 pumping stations across the city, say sources from the company.

http://bengaluru.citizenmatters.in/png-gail-natural-gas-cng-supply-bengaluru-29800

Entry-level cars opt for mild hybrids like CNG

Motown's electric drive is prompting the entry-level mass sub-Rs 6 lakh vehicles opting for mild hybrid options like the CNG. Currently CNG vehicles comprise 5% of the total passenger vehicle market but it has been clocking 55% growth year-on-year. Total sales of CNG cars and SUVs were 75,000 units last year and will hit 1,10,000 vehicles this fiscal, said Askshay Kashyap, MD, Greenfuels Energy Solutions, a company which supplies CNG kits for factory-fitted CNG vehicles. "The cost of electrification is much higher than mild hybridization (CNG) in mass market cars," said Kashyap. "CNG is a proven technology and the refueling infrastructure is all set to grow four-fold from 1,400 stations right now to 5,200 stations in 8 years. So CNG's share will grow from 5% now to around 20% by 2022," he added. "Right now around 25% of the market comprises diesel cars and this segment will be cannibalized by CNG as some OEMs may stop producing diesel cars altogether," said Kashyap. "Electrification of the sub-6 lakh category doesn't make sense at the moment till lithium ion battery costs come down and e-vehicles become more viable," he said. "So there will be higher level of hybridization in mass small cars whereas the more premium segments will see more electric technology," said Kashyap. Currently India's CNG passenger vehicle pool is 1.7 million units with the after-market largely unorganised. Shekhar Viswanathan, VC at Toyota Kirloskar said that despite the e-drive the most optimistic view is the "87% of vehicles sold by 2030" will still be non-EVs. "If the challenges associated with electric cars such as affordability, infrastructure creation and battery production are not quickly resolved, the number of non-EVs could be even higher." As for commercial vehicles, auto experts say CNG and LNG will also be strong options in that segment.

https://timesofindia.indiatimes.com/business/india-business/entry-level-cars-opt-for-mild-hybrids-like-cng/articleshow/66888214.cms

Confidence commissions eight more auto LPG stations

Confidence Petroleum in progression of achieving its target has commissioned Eight more auto LPG dispensing stations[-Gas Stations)in the month of November , one in Karnataka, one in Telangana and the other six in Tamilnadu state as under: i) Bhadravathi- Karnataka. II) Nizamabad-Telangana. III) Sivabhootam- Tamilnadu. IV) Urapakkam- Tamilnadu. V) Kondratur-Tamilnadu. VI) Theerthahalli- Tamilnadu. VII) Thirumullaiyoyal— Tamilnadu. VIII) Ernavur- Tamilnadu.

Source: Indian Oil & Gas

Mumbai: Too many autos, but too few CNG stations, say Unions

Mumbai: Too many autos, but too few CNG stations, say Unions for 2,300 autorickshaws, there is just one CNG pump in the suburbs. Unions are demanding that Mahanagar Gas Limited expedite the process to set up more outlets. "It's a serious issue," said union leader Thamby Kurien who has petitioned the government to let drivers change fuel to petrol in case there aren't enough CNG outlets. Kurien said that of 131CNG pumps in the city, 79 are in the suburbs which cater mainly to rickshaws. "Around 5 to 6 lakh vehicles come to fill up CNG daily. Of these, nearly 2 lakh are autos," he said. Sources in MGL said they had introduced an online booking system for autos and taxis, unions had protested. The sources said plans are afoot to introduce 20 to 30 outlets in the metro region.

https://timesofindia.indiatimes.com/city/mumbai/mumbai-too-many-autos-but-too-few-cng-stations-say-unions/articleshow/67100927.cms

Piped natural gas project, Ernakulam: Show cause notice issued to Adani for delay

The ongoing piped natural gas project at Kalamassery Municipality is in the eye of a storm with the civic body deciding to issue a show cause notice to the Indian Oil-Adani Gas Pvt Ltd (IOAGPL) for the delay in the project. The decision came after both the ruling and Opposition parties raised objections against the company's failure to complete the project in the five divisions. According to the Kalamassery Municipality authorities, the IOAGPL had only secured permission to dig up the roads in wards 10, 12, 13, 14 and 20. According to T S Aboobakar, vice president and acting chairperson of Kalamassery Municipality, the project was inaugurated nearly three years ago and the company failed to complete the project on time as promised. The project, which was inaugurated by the then Chief Minister Oommen Chandy in February 2016, envisages gas supply to domestic, commercial, industrial and transportation sectors in the Ernakulam geographical area covering 3,504 sq km. IOAGPL will be investing about `435 crore in the project over a period of five years to set up the pipeline network across the district. The company has already provided piped gas connection to 1,000 homes in Kalamassery.

http://www.newindianexpress.com/cities/kochi/2018/dec/05/show-cause-notice-issued-to-adani-for-delay-1907299.html

MNGL comes under pressure to get land for CNG pumps

With nearly 3,000 new compressed natural gas-run vehicles added on city roads every month, authorities at Maharashtra Natural Gas Limited are concerned about meeting the growing demand. The state-owned gas company currently has 55 CNG stations in Pune. Speaking about the number of compressed natural gas (CNG) vehicles in the city, director-commercial for Maharashtra Natural Gas Ltd Santosh Sontakke said, "Currently, there are over 1.5 lakh CNG-run four-wheelers in the city. The number of CNG autorickshaws stands at approximately 50,000, while there are 200 CNG-powered two-wheelers. With 55 CNG stations, we are running at optimum capacity and just about meeting the demand for gas albeit with long waiting periods." According to Sontakke, at least 25 new CNG stations are required in the city to keep up with the rising demand. "We need at least 80 CNG stations in the city to keep up with the demand in future," he explained. While the Pune Municipal Corporation (PMC) offered nine parcels of land to develop CNG stations, Sontakke said that most plots are not feasible. The official further stated that MNGL has also approached the cantonment boards in the city but it is still awaiting a response. "For land in the cantonment area, we have also taken up the matter with the defence minister through the city MP," he added. "People do not want to wait in line to re-fuel and seeing the long lines at CNG stations, they are discouraged from switching to CNG. We urgently need to expand our network so that people do not have to waste hours in line for re-fuelling," he added.

https://timesofindia.indiatimes.com/city/pune/mngl-comes-under-pressure-to-get-land-for-cng-pumps/articleshow/67016738.cms

Piped cooking gas supply in Patna city likely from January

The much-awaited supply of piped cooking gas to households in the city is likely to begin from January next year as the ambitious Jagdishpur-Haldia gas pipeline project, being executed by the GAIL Gas, has been delayed by a month due to hurdles in pipeline laying work in some districts. The project, being executed in the city with an expenditure of Rs 500 crore, is aimed at providing piped cooking gas to 50,000 households. Officials said of the 490km-long Allahabad (Prayagraj)-Barauni-Patna pipeline network, the pipeline laying work at a 250-metre stretch in Barachatti, Gaya and at 500-metre stretch at Poiwan village in Aurangabad has been hampered due to protests by villagers, who are demanding higher compensation for their land. K B Singh, executive director of GAIL (eastern region), said, “The pipeline laying work is currently stalled in Aurangabad and Gaya districts due to villagers’ protest.” The user charges for piped cooking gas will be Rs 30 per kg for households. The charges for commercial entities, such as hotels and restaurants, will be decided through an agreement depending upon the scale of gas consumption by commercial establishments. The consumers will have to pay Rs 5,000 as installation charge, including meter cost. The installation charges can be paid in monthly instalments. “The service will be launched with an initial base of 5,000 consumers in Patna and it will gradually cover all households in the city. Apart from Patna, households in Bihta, Barh, Paliganj, Mokama and Bakhtiyarpur sub-divisions will also be covered,” Singh added.

https://timesofindia.indiatimes.com/city/patna/piped-cooking-gas-supply-in-city-likely-from-january/articleshowprint/66993368.cms

Maruti Suzuki achieves green milestone with half million CNG vehicle sales

Maruti Suzuki has achieved the milestone of five lakh* CNG vehicles sales in India, cumulatively. The Company presently offers CNG option in seven of its models, which include Alto 800, Alto K10, WagonR, Celerio, Dzire, Eeco and Super Carry. WagonR is the highest selling CNG model in the Maruti Suzuki CNG portfolio. CNG vehicle sales constituted around 15% of the total sales of the CNG range between Apr-Nov 2018. Maruti Suzuki introduced its first fleet of factory-fitted CNG vehicles with i-GPI technology in 2010. Mr. Kenichi Ayukawa, Managing Director & CEO, Maruti Suzuki, said, “We are happy that over 5 lakh customers have selected factory-fitted CNG vehicles that are cleaner, reliable, safer and environment friendly. The benefit of low cost of ownership comes along with environment friendly fuel option of CNG. The government’s resolve to rapidly expand countrywide CNG will enable many more customers to own an environment friendly transport.”

Maruti Suzuki’s range of factory-fitted CNG vehicles are popular in Delhi NCR and across select cities in states of Gujarat, Maharashtra, Andhra Pradesh, Telangana, Orissa, UP and Punjab. In 2018-19, Maruti Suzuki expanded its CNG vehicle availability to 26 new cities to reach over 150 cities across the country.

Factory-fitted CNG vehicles are safer and come with Maruti Suzuki standard warranty benefits and convenience of Maruti Suzuki service network across India.

Source: NGV Global

NATIONAL: NATURAL GAS/PIPELINES/ COMPANY NEWS

Government forms 6-member panel to look at selling 149 fields of ONGC, OIL to pvt firms

The government has constituted a six-member committee to look at selling as many as 149 small and marginal oil and gas fields of state-owned ONGC and OIL to private and foreign companies to boost domestic output, sources said. The panel is headed by NITI Aayog Vice Chairman Rajiv Kumar and includes Cabinet Secretary P K Sinha, Economic Affairs Secretary Subhash Chandra Garg, Oil Secretary M M Kutty, NITI Aayog CEO Amitabh Kant and ONGC Chairman and Managing Director, Shashi Shanker. Sources said the ministry was of the view that ONGC should concentrate on the large fields as they contribute to 95% of its production and leave out the rest for private firms. On the anvil is some kind of extended version of the Discovered Small Field (DSF) bid round where discovered and producing fields of ONGC are auctioned to firms offering the maximum share of output to the government, sources said. In October last year, the Directorate General of Hydrocarbons (DGH) had identified 15 producing fields with collective reserve of 791.2 MMT of crude oil and 333.46 BCM of gas of national oil companies for handing over to private firms in the hope they would improve upon the baseline estimate and their extraction. The plan, however, could not go through as ONGC strongly countered the DGH proposal with its own proposal that it be allowed to outsource operations on the same terms as the government plan. Sources said ONGC is of the view that it should be allowed the same terms that the government extends to private and foreign firms in DSF. The government gave out 34 fields to private firms by offering them pricing and marketing freedom for oil and gas they produced from the fields in the first round of DSF. The second round of DSF with 25 fields on offer is currently under bidding. It has been tasked by the Prime Minister to cut dependence on oil imports by 10% by 2022 from the over 77% dependence in 2014-15. But the dependence has only increased and is now over 83%.

Source: ETEnergyworld

Great Eastern Energy to invest $ 2 billion in Raniganj CBM block

India-based coal bed methane (CBM) production firm Great Eastern Energy (GEECL) has announced plans to invest $2bn in its Raniganj (South) block in the state of West Bengal over the next ten years for exploitation of shale reserves. Press Trust of India (PTI) cited GEECL chief executive Prashant Modi as saying that the CBM block is estimated to contain as much as 6.63 TCF of shale resources, of which about 1.7 TCF can be recovered.

In addition, the block holds 2.62tcf of coal seam gas or CBM resources, which are claimed to have an undiscounted value of $13.78bn and a discounted value of $4.31bn. GEECL is planning to commence initial shale gas exploration work of drilling core wells at the block in the first half of next year, before undertaking drilling of pilot production wells. The investment plan comes after the company upgraded resources at the Raniganj (South) block earlier this month. At that time, GEECL said it found prospective shale resources with potential future net revenues of $2.78bn. According to Modi, the company decided to embark on the exploration of shale reserves in its blocks after the Indian government recently allowed exploration and exploitation of all types of hydrocarbons including shale resources under the existing CBM contracts.

He added that GEECL has reached an initial understanding with state-owned oil and gas firm GAIL (India) for signing either a gas offtake deal or a transmission agreement through GAIL's Jagdishpur-Haldia & Bokaro-Dhamra pipeline.

Source: Indian Oil & Gas/Hydrocarbons- Technology

GAIL (India) rated buy; Impending tariff hike will aid earnings

A hike of 40-50% in HVJ tariff looks likely; it will provide an upside of 7-11% to FY20F EPS and fair value. The final tariff determination process for GAIL's HVJ (Hazira-Vijaipur-Jagdishpur) – GREP-DVPL and DVPL/GREP networks (HVJ upgrade) is now in the final stages. These networks account for 72-73% of GAIL's transmission volume, and thus are key to GAIL's transmission earnings. We expect the regulator to decide one integrated tariff. Based on recent final tariff orders for seven pipelines, we think that a tariff hike of 40-50% looks likely. Our current FY20F estimates assume an overall transmission tariff increase of 25%. GAIL (Buy, TP Rs 460) is our top pick in India oil & gas. Final tariff seems likely in December or early 2019. On 27 Sep-2018, regulator PNGRB had decided a final tariff for seven pipeline networks. For HVJ/HVJ upgrade networks, and also for the Jagdishpur – Haldia – Bokaro – Dhamra pipeline network, the regulator had web-hosted public consultation documents on 18 Oct-2018. On the key issue of an integrated tariff (or separate tariff, as earlier), PNGRB had asked for GAIL's input by 27 Nov-2018. GAIL's input has also been web-hosted, and GAIL has strongly advocated for an integrated tariff. The regulator has now asked for stakeholders' comments on an integrated network within the next 10 days. The regulator has also asked for GAIL's response on extending the life of the HVJ network by 10 years, and also its views on considering the economic life of the pipeline as 30 years (current practice of 25 years). In our view, the above timeline indicates that the final tariff determination process has now been fast-tracked and is likely to be decided forall pipeline tariffs by end-December.

https://www.financialexpress.com/market/gail-india-rated-buy-impending-tariff-hike-will-aid-earnings/1408512/

Amendment to Gas Pipeline Act renews hope for gas network to Kashmir

There is renewed hope for the Bhatinda-Srinagar Gas Pipeline after State Administrative Council (SAC) approved an amendment to the Jammu & Kashmir Underground Public Utilities (Acquisition of Rights of User in Land) Act 2014. According to a senior official involved in the project, which is executed by GSPL India Gasnet Limited (GIGL) Gujarat, amendment of the act also known as J&K Gas Pipeline Act, 2014 approved on November 28 will provide an extension for the "vital" project that was conceptualised in 2011. Presently, Jammu and Kashmir is one of the few states which does not have a gas pipeline entering the state. One of the impediments to the expansion of the National Gas Grid to J&K were certain provisions in the Jammu & Kashmir Underground Public Utilities (Acquisition of Rights of User in Land) Act 2014, because of which projects could not be implemented. However, the official said amendment to the act will also help overcome "bureaucratic wrangles" in this vital project. He said by extending time period of the execution of the project, the state government has increased the project time limit from existing 2 years to 5 years now. "This will press the GSPL and Government of India to expedite laying of gas pipeline in J&K," he said. The official said several bottlenecks in the project which originally pans from Mehsana in Gujarat to Rajasthan, Haryana, Punjab and J&K have overcome. The gas pipeline project was cleared by the National Conference-led government in 2011 after the GSPL-led consortium bagged the order for it after bidding. In view of the special position of J&K under Article 370, the ordinance was mandatory to facilitate the acquisition of land by the Gujarat-based Corporation for the pipeline. The ordinance has been modelled on Gujarat Water and Gas Pipeline Act, 2000. The High Court in March 2017 ordered the state government as well as Indian Oil Corporation (IOC) to inform it about the status of gas pipeline project from Mehsana-Bhatinda to Srinagar.

https://greaterkashmir.com/news/business/amendment-to-gas-pipeline-act-renews-hope-for-lpg-network-to-kashmir/305763.html

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Natural gas costs will shut us down: NCR industries to EPCA

Industries in NCR have made a strong pitch for using coal as they find natural gas, a cleaner fuel, more expensive. "While coal is Rs 7/kg, piped natural gas comes to Rs 42/kg. We won't be able to survive if we pay so much more for fuel. We have to compete with people all over the country and abroad who are using cheaper fuel and, thereby, can supply similar products at lower prices," a representative of a Faridabad industries association said at a recent meeting called by SC-appointed Environment Pollution (Prevention and Control) Authority). EPCA members, however, reminded them of the "environment cost" and said they would write to gas providers asking for a breakup of the prices and explore possibilities of getting them down. "Let's write a letter to Adani Gas, Haryana Gas, IGL and GAIL, asking for the breakup on pricing...What are the terms? We can then have a separate meeting on whether we need a more forensic audit," EPCA member Sunita Narain said. According to her, there is no regulation for gas prices in this country and anyone can charge anything. "But we have no choice... There is a cost of clean air. Combustion fuel will be critical in getting us clean air... We will have to find a way in which government can, maybe, subsidise the cost of clean fuel for industry. We have no choice on this. Unless the industries move to gas or electricity or better pollution-control mechanism, there is no way out," she said. Industrial emission is one of the top sources of pollution in the city. According to a source-apportionment study by IIT-Kanpur in 2015, the top four contributors to PM2.5 emissions in Delhi are road dust (38 %), vehicles (20 %), domestic fuel burning (12 %) and industrial point sources (11%). The top four contributors to PM10 emissions are road dust (56%), concrete batching (10%), industrial point sources (10%) and vehicles (9%). A cleaner fuel can reduce emission levels of industries, say experts.

https://timesofindia.indiatimes.com/city/delhi/natural-gas-costs-will-shut-us-down-industry-to-epca/articleshow/67067231.cms

India's energy sector to attract $300 bn investment in coming decade: Pradhan

Oil Minister Dharmendra Pradhan today said that the global investor industry has its eyes on India's growing energy sector and investments in the tune of $300 billion is expected in the sector in the coming decade. "The global investor industry is today keenly looking at Indian energy sector as an attractive investment destination. About 300 billion dollars would be invested in coming decade," Pradhan said, speaking at KPMG's annual energy conclave - ENRich 2018. He added that Asia's biggest greenfield oil refinery-cum-petrochemical complex is being set up collectively by Oil Marketing Companies (OMCs) along with Saudi Aramco and ADNOC in the state of Maharashtra at a cost of about $40 billion. Speaking on city gas distribution network, Pradhan said that work on 174 districts has begun which will further expand to cover over 400 districts in next 2-3 years covering 70 per cent of the population and 52 per cent of India's geography. Talking about boosting India's natural gas infrastructure and connecting the northeast part of the country with natural gas Pradhan said, "work is underway on 2600 km long Jagdishpur-Haldia and Bokaro-Dhamra pipeline project also known as Pradhan Mantri Urja Ganga project. This project is being further extended from Barauni to Guwahati for connecting the other areas of the Northeast with the gas grid. Approximately Rs.13,000 crores will be spent on these projects." He added that in order to connect north eastern states with gas grid, Indradhanush Gas Grid Ltd has been formed to lay 1500 km pipeline with an investment of Rs 6000 cr. Pradhan said that the government will soon be setting up a gas trading hub that will allow easy and ready access to gas suppliers and buyers to freely trade natural gas and in turn help India to develop its own hub based pricing. He added that the proposal to set-up the hub will be sent to the cabinet soon Petroleum and Natural Gas Regulatory Board (PNGRB), India's downstream oil and gas regulator, has appointed ratings agency CRISIL as consultant to prepare regulations for the planned Natural Gas Trading Exchange. PNGRB will be working with Oil Industry Development Board (OIDB) to work out the complete regulation, operations and location of the upcoming gas exchange platform.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-energy-sector-to-attract-300-bn-investment-in-coming-decade-pradhan/67041287

India notifies dual-fuel usage for agricultural and construction equipment vehicles

The Ministry Road Transport & Highways in India has notified dual-fuel usage for agricultural and construction equipment vehicles in a bid to expand the use of natural and renewable gas. These include tractors, power tillers, construction equipment vehicles and combine harvesters which have originally been manufactured as dual-fuel with diesel as primary fuel and CNG or Bio-CNG (renewable natural gas) as secondary, or have been converted as such from in-use diesel vehicles. Rules 115A and 115 B of the Central Motor Vehicles Rules, 1989 have been amended to incorporate new rules 115 AA and 115 BB for the purpose. This move will give a boost to vehicles run on bio-fuel, and help in reducing both cost and pollution. According to the notification, emission norms for smoke and vapour from these dual-fuel vehicles will be same as the prevailing mass emission norms for the diesel mode. The mass emission standards for these CNG/ Bio CNG/ LNG dual-fuel engines of the agriculture tractors, power tillers, construction equipment vehicles and combine harvesters will be the same as the emission standards for the diesel engines of these vehicles with the exception that the HC (Hydrocarbon) shall be replaced by NMHC (Non-Methane Hydrocarbon) on measurement basis as detailed in rule 115 A. The tests for particulate matter and emission of visible pollutants (smoke) stipulated in the rule 115A will continue to be applicable for dual-fuel CNG or Bio-CNG or LNG engine or vehicle. The type approval certificate of CNG or Bio-CNG or LNG dual-fuel kit for retro fitment will be valid for three years from the date of issue and will be renewable for three years at a time. Also, the Original Equipment manufacturer or retrofitter will be responsible for meeting the safety requirements and code of practice for vehicle or engine and its kit components. The notification to amend the Central Motor Vehicles Rules, 1989 to this effect was issued after due consideration of objections and suggestions received from the public in this regard. Ministry of Road Transport and Highways had in May this year invited objections and suggestions from those likely to be affected from the amendment.

http://www.ngvglobal.com/blog/india-notifies-dual-fuel-usage-for-agricultural-and-construction-equipment-vehicles-1206

Replacing imported LNG with domestic gas can save Rs.23,000 cr in fertiliser subsidy: FAI

Reassigning priority to the fertiliser industry in domestic gas allocation may help the government save up to Rs.23,000 crore in fertiliser subsidy, the Fertiliser Association of India (FAI) has said. Replacing every MMSCMD of imported LNG with domestic gas can cut down the urea subsidy bill by Rs.870 crore, said FAI Director-General Satish Chander here. "If the entire requirement of the urea industry is met through domestic gas, the urea subsidy will go down by more than Rs.23,000 crore per annum," he added. While the government has made a budgetary allocation of Rs.70,000 crore towards fertiliser subsidy, the industry claimed that the actual subsidy requirement has overshot by an additional Rs.14,000 crore on account of the 34% increase in gas cost for urea and the increase in subsidy rate for phosphatic and potassic fertilisers. According to the industry, gas used as feed accounts for more than 90 per cent of the variable cost of production. The share of domestic gas available to manufacturers of urea and complex fertilisers came down drastically from 76% in 2012-13 to around 36% currently. As the imported LNG is costlier by $10 per MMBtu, the industry has no choice but shell out more, FAI said. If the industry was getting 29.6 MMSCMD domestic gas in 2012-13, it came down to 14.3 MMSCMD in October this year. The share of imported LNG, on the other hand, went up from 9.35 MMSCMD to 25.3 MMSCMD, it said. Chander, however, felt that the fertiliser sector should get priority in the allocation of domestic gas immediately after the rollout of the city gas distribution network.

https://www.thehindubusinessline.com/economy/replacing-imported-lng-with-domestic-gas-can-save-23000-cr-in-fertiliser-subsidy-fai/article25664574.ece

NATIONAL: LNG DEVELOPMENT AND SHIPPING

Bharat Petroleum seeks three LNG cargoes for next year via tender

India's Bharat Petroleum is looking for three liquefied natural gas (LNG) cargoes for next year via tender, trade sources said. The cargoes are for delivery in April, July and Sept. 2019 and the tender closes on Dec. 5, with offers valid until Dec. 10, one source said.

Source: Indian Oil & Gas/Reuters

Foresight Group plans to buy VLCCs, LNG carriers

Ravi K Mehrotra's shipping-to-retail Foresight Group plans on shipping LNG to the Indian subcontinent in the long term, while acquiring about seven-eight very large crude carriers (VLCCs) over the next year to transport fossil fuel. The $2 billion company, which has invested $500 million in LNG carriers Floating Storage Regasification Units (FSUs or FSRUs) over next few years, and possibly LNG terminals as well, intends to have a fleet of 10 VLCCs and about a couple of LNG carriers in 2019. On why he is investing in India now after having businesses in other countries in last 34 years, Mehrotra told BusinessLine that he was waiting for the country to reach "critical mass" stage. "India has been at a stage when making available roti, kapda, makaan (bread, cloth and housing) was a priority of the ruling class than making available fuel. However, India has now reached a stage when its per capita income (PCI) is set to match the PCI level of China in 2003. We should reach that level over the next three-five years, if the economy grows at seven per cent," said Mehrotra, Executive Chairman, Foresight Group. As India reaches that point over the next few years, Foresight Group wants to be present in India even though it may not have made profits by then, said Mehrotra. Mehrotra said that the Foresight Group is betting on LNG as the long-term solution of India, while investments in shipping crude will help the Group sail through the short-to-medium term. The company has one VLCC currently, and also has two Aframax ships, which are the largest ships that can go to African continent, he added.

https://www.thehindubusinessline.com/companies/foresight-group-plans-to-buyvlccs-lng-carriers/article25673090.ece

India's Petronet looking for long-term deal to buy US LNG

Top Indian gas importer Petronet LNG is looking to sign a deal in a year's time to buy at least 1 MMT of US natural gas annually for a period of up to 10 years, as it pushes to diversify its supply sources beyond the Middle East. As part of any deal, the firm could potentially take a stake in a US LNG project, said Petronet's managing director, Prabhat Singh. "The US market is open compared to other markets where the state is (often) the controller of minerals," Singh told Reuters late last week. "The US offers lots of opportunities and we would like to explore that properly and make a venture (there)," he said. Singh said Petronet was in talks with various companies including Tellurian Inc about a potential US deal. Singh had said in November that Petronet and ONGC Videsh were jointly in talks to buy a stake in Tellurian's proposed Driftwood project in Louisiana. "If the pricing is right then India has appetite for huge volumes," he said last week. "The US market is so developed that niche service providers are available on a shoestring budget, which means less overheads," Singh said. A glut of natural gas in the United States in the wake of the rapid development of shale fields there has kept benchmark US prices for LNG at almost half Asian levels. Meanwhile, Singh said Petronet was also in talks to invest in exploration and LNG projects in Qatar, as well as continuing to scout for opportunities in Bangladesh and Sri Lanka.

Source: ET Energyworld

Compressed bio gas plants to come up in Odisha

In order to turn waste into energy, plants will be set up in the state to produce compressed bio gas (CBG) for commercial and household use. The plants will come under sustainable alternative towards affordable transportation (SATAT) initiative of the Union ministry of petroleum and natural gas. The ministry expects that around 500 CBG plants will come up in the state by 2023. “It is envisioned that 5000 such plants will be established across the country with an estimated annual CBG production of 15 million tonnes by 2023,” said Pritish Bharat, state level coordinator to the ministry for Odisha. A CBG plant can be established with an investment of Rs 20 crore. Agricultural residue, cattle dung and municipal solid waste can be used as raw material for the plant and it will produce around seven tonne of gas per day. An acre of land is needed to set up the plant, but around six acres of land was needed for storage of the raw material. One plant could generate at least 20 direct employment, said the official sources. This gas will be marketed through petrol pumps run by oil marketing companies (OMCs) like compressed natural gas (CNG). “OMCs are inviting expression of interest (EOI) from potential entrepreneurs to procure CBG and make it available in the market for use as fuel. We will buy the gas from the plants,” said Bharat. The oil marketing companies like Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL) and Gas Authority of India Limited (GAIL) will organise a roadshow on December 16 at Bhubaneswar to attract investment from different companies to set up the plants in the state as well as country.

https://timesofindia.indiatimes.com/city/bhubaneswar/compressed-bio-gas-plants-to-come-up-in-odisha/articleshow/67096754.cms

Indian Oil set to give big push for renewable green CNG in Tamil Nadu

With India planning to reduce crude oil imports by 10% by 2022, there is increased emphasis on alternate and sustainable source of fuels. TN, a non-starter so far, is going to foray into green CNG in a big way. The petroleum major IOC is likely to put-up several CNG stations in Namakkal and Coimbatore regions as the mega 400 MT biogas waste plant in Namakkal will be producing compressed bio-gas, which is otherwise known as green CNG and can be used in vehicles. Namakkal plant, commissioned in 2012, jointly by IOC Sister company IOT Infrastructure and Energy Services Limited (IOT), and German-based Mabagas GmbH & Co. KG (Mabagas), enjoying equal share, was generating electricity from biogas. But now, it has been decided to purify the bio-gas from generating green CNG using indigenous technology developed by IOC R&D Centre in Faridabad. SSV Ramakumar, director, IOC R&D, said the Namakkal plant was one of the best in the world that digests waste/bio-mass sources like agriculture residue, cattle dung, sugarcane press mud, municipal solid waste, sewage treatment plant waste, etc to produce bio-gas through a process of anaerobic decomposition. “After purification, it is compressed and called CBG, which has pure methane content of over 95%. CBG is exactly similar to the commercially available natural gas in its composition and energy potential,” he said. He said the key is that the Namakkal plant uses IOC developed microbes, instead of German microbes for processing. What is observed was IOC microbes generates 85% methane out of one tonne of biomass, when compared to 55% using other lands. Also, under Sustainable Alternative Towards Affordable Transportation (SATAT), the Union Petroleum Ministry is encouraging entrepreneurs to set-up 5,000 CBG production plants in India and make available CBG in the market for use in automotive fuels. Three State-owned PSU Oil Marketing Companies (i.e. IOC, BPCL and HPCL), assure off-take guarantee in geographical areas of production with a minimum assured price of 46 per kg, which is very attractive.

http://www.newindianexpress.com/states/tamil-nadu/2018/dec/04/iocl-set-to-give-big-push-for-green-cng-in-tamil-nadu-1906977.html

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