

Gas-based economy fuels cleaner growth

PM To Lay Foundation Today For City Gas Distribution Projects Across 124 Districts

By Dharmendra Pradhan

In a momentous day in India's energy history, Prime Minister Narendra Modi will lay the foundation stone of City Gas Distribution (CGD) projects in more than 60 geographical areas (GAs) spread across 124 districts on Thursday.

The Prime Minister will also launch Petroleum and Natural Gas Regulatory Board's (PNGRB's) 10th CGD bidding round. The development signifies the government's resolve and the political will to develop a gas-based economy and increase the share of natural gas in the primary energy mix of the country.

I am often asked why the government is duplicating efforts by pursuing higher adoption of PNG when it has invested heavily in expanding LPG coverage through the PM Ujjwala Yojana. My answer is that LPG and PNG can happily co-exist. PNG is an affordable, safe and clean fuel for household kitchens, which also provides the convenience of uninterrupted supply. Besides, the government is utilising LPG saved through the PNG adoption in providing LPG coverage to disadvantaged households and in remote regions. Doubts have been raised in certain quarters about the wisdom in promoting CNG when BS-VI auto fuels will be introduced nationwide in April 2020 since the latter is considered as clean as CNG. Again, we are giving people a choice of clean fuels without favouring any one fuel or technology over another. Generally, CNG is cheaper than petrol or diesel. Also, there are mostly BS-IV or earlier vehicles on our roads which can't really reap the full benefits of the cleaner BS-VI fuels.

Since April 2014, the number of CNG stations in the country has gone up by 79% to reach 1,450 as of September-end 2018. The growth in the number of domestic PNG connections has been even more impressive at 90% — from 24.72 lakhs to 47.09 lakhs — in the same period. In the Delhi-NCR region, IGL added over 1 lakh new PNG connections in a re-

cord seven months in 2018-19.

The 9th CGD bidding round was undertaken after extensive consultations with stakeholders, including state governments and CGD companies, and has proved to be a runaway success. After this round, CGD networks will cover 35% of the country's area and 46.24% of its population. This round will attract about Rs 70,000 crore in investment.

Similarly, the 10th bidding round is expected to attract an investment of about Rs 50,000 crore. Cumulatively, after the implementation of the 10th bidding round, India will have CGD infrastructure operational in 228 GAs across 402 districts, serving over 70% of the population. India is looking at a robust infrastructure of abo-

ling centres. Very soon, we will come across LNG refuelling stations on major industrial corridors in the country.

The government has been engaging stakeholders to address both supply and demand issues. Considerable progress has been made in extending natural gas access to eastern and north-eastern India through the Pradhan Mantri Urja Ganga pipeline and Indradhanush Gas Grid projects. LNG import infrastructure in the country will expand significantly in the near term with commercial operations of two new re-gas terminals at Mundra and Ennore slated to commence this fiscal. We expect gas supply in India to come not only from domestic fields and imported LNG but also from newer sources such as Bio-methane and Compressed Bio Gas (CBG). Oil marketing companies recently



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Covered Under CGD	Districts	GAs	Population (%)
Till May 2014	66	34	9.0
May 2014 To July 2018	70	58	10.8
9th Bidding Round	174	86	26.4
10th Bidding Round	124	50	24.2
Total (After 10th Bidding Round)	402*	228	70.5

CGD: City Gas Distribution; GAs: Geographical Areas *Completed

ut 10,000 CNG stations in 10 years from now. This will generate a new economy centred around CGD, and sets of employment opportunities will be created in about 400 districts in the country.

Expectedly, these developments in India's CGD space have received a positive response from the industry. Several new companies, including from abroad, have entered the sector in recent years. The government has driven a firm message that CNG is a permanent auto-fuel. The response from leading auto-manufacturers has been encouraging and they are coming out with factory-fitted CNG vehicles.

While CNG can be a competitive fuel option for intra-city travel, we also see a bright future for LNG as a transportation fuel, especially for long-haul heavy commercial vehicles. Several companies are working on LNG trucking and LNG refuel-

ing centres. Very soon, we will come across LNG refuelling stations on major industrial corridors in the country.

It is well known that the demand for natural gas in India is price-sensitive. The government is trying to increase gas consumption across diverse industries, especially MSMEs such as glass and ceramic units. Representatives of the steel industry have told us that gas-fired steel units are able to produce superior quality of steel. We are working on setting up India's first-ever Gas Trading Exchange.

All of this, of course, will also promote employment for our youth. All stakeholders, but most importantly the companies, need to come forward to meet this challenge.

(The writer is minister of petroleum and natural gas)