

Rise in consumption of crude oil and petroleum products

1660. DR. B. L. SHAIKESH : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether Government have taken note of the rising consumption of crude oil and petroleum products in 1986-87;

(b) if so, whether it is likely to push up oil import bill;

(c) whether in view of the foreign exchange reserves fast declining, Government contemplate to take certain positive measures to check the rising consumption and keep the oil import bill within certain specified limits; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHMA-DUTT) : (a) and (b) The demand for petroleum products is growing faster than indigenous production of crude oil and increased imports are necessary to meet the growing needs of the economy.

(c) and (d) The important steps, among others, taken to reduce dependence on imports are to intensify exploration efforts, curb consumption of POL and promote conservation through various measures.

Energy audit in cement and paper

1661. DR. B. L. SHAIKESH : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Bureau of Industrial Costs and Prices (BICP) had made detailed studies of energy audits in cement and paper industries in view of the massive energy consumption by the country's heavy industry sector far exceeding international standards;

(b) if so, their findings regarding the potential for energy conservation in the paper and pulp and cement industries;

(c) the broad outlines of the various recommendations made by BICP in this behalf and the steps Government propose to take to conserve energy in these industries;

(d) whether Government are also holding any talks with the commission for European Communities and cooperation in the energy conservation field; and

(e) if so, the stage at which the matter stands at present ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : (a) Yes, Sir.

(b) The BICP study for the paper industry, has placed the potential for energy conservation at Rs. 42 crores per annum, provided the industry takes up co-generation of power and increase the energy efficiency of large boilers by over 10% amongst other measures.

For the cement industry, the potential scope for savings of electricity compared to international standards, has been placed at 27 Kwh per tonne in the case of wet process plants and 44 Kwh per tonne in the case of dry process plants. The scope for reduction of coal has been given as 0.414 K. Cal/Kg. per tonne of Clinker in using wet process and 2 208 K. Cal./Kg of the same using dry process.

(c) The broad recommendations made by the BICP for the paper industry are as follows:—

(i) To remove infrastructural constraints faced by the paper industry;

(ii) To ensure continuous supply of power, in terms of both quality and quantity;

(iii) To ensure supply of consistent quality of coal;

(iv) To provide soft loans to units implementing energy conservation projects;

(v) To give preference to expansion or modernisation schemes if linked with integrated energy conservation systems;

(vi) To allow import on liberal terms for those instruments, equipments and machinery not available in the country for energy conservation schemes.

For the cement industry, the important recommendations made by the BICP/NCBM study are as follows :—

- (i) Wherever there is unsteady power supply from the grid, captive power generation of capacity of 30% of the total power load of the plant should be allowed to be installed to guarantee uninterrupted power supply to kiln and coal mill. This will improve capacity utilisation and, hence, specific power consumption.
- (ii) At least 50% of the coal supply to cement industry should be of C and D grade of noncoking coal with maximum ash content not exceeding 28%. This is feasible to be executed by the coal industry through the present Coal Linkage Committee.
- (iii) Adequate fiscal incentives be provided to the cement manufacturers, details of which could be worked out separately after detailed in-plant investigations on energy optimisation possibilities. To test out the feasibility of such energy saving projects, a few pilot projects would need to be set up.

As a follow-up of BICP/NCBM study of cement industry, it has been proposed that all cement plants should be covered by a detailed energy audit. Further, the National Award for Energy Efficiency in cement industry has been instituted. The recommendations regarding power supply, coal supply and fiscal incentives are under constant review by the Government and Development Commissioner, Cement Industry.

(d) and (e) The talks with the EEC are still active.

Shortage of power in Southern States

1662. SHRI V. SREENIVASA PRASAD :

SHRI N. V. CHANDRASHEKARA MURTHY :

Will the Minister of ENERGY be pleased to state :

(a) whether the Southern States are likely to face power shortage in the near future;

(b) if so, the likely extent thereof; and

(c) the reasons thereof and steps taken to meet this power shortage ?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRIMATI SUSHILA ROHTAGI) : (a) to (c) The power shortage faced by the States in the Southern region during April to October, 1987 is indicated below :

Name of the State	% shortage (April-October, 1987)
Andhra Pradesh	9.0
Karnataka	26.7
Kerala	13.9
Tamil Nadu	11.2

In view of the low reservoir levels in most of the reservoirs in the Southern Region, the States in the Southern Region are expected to face power shortage of varying degrees in the coming months. All efforts are being made to provide power to the States in the Southern Region from the Central Sector stations as per their share. Assistance would also be provided to the States from the neighbouring systems to the extent possible. In order to further improve the availability of power in the Southern Region, various