

LOK SABHA
UNSTARRED QUESTION NO. 1813
TO BE ANSWERED ON 1st August 2024

Initiatives to Energy Security

1813. Dr. Pradeep Kumar Panigrahy:

पेट्रोलियम और प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of the comprehensive strategies and initiatives implemented by the Government to ensure energy security, sustainability and affordability while addressing challenges in exploration, production, distribution, pricing and environmental concerns; and

(b) the manner in which the Government is promoting innovation, technology adoption, investments and international collaborations to enhance the contribution of petroleum and natural gas sector to India's energy independence and economic growth?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री (श्री सुरेश गोपी)

**MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)**

(a) and (b): Government has adopted a multi-pronged strategy to improve energy security which comprises increasing domestic production of oil and gas, promoting energy efficiency and conservation measures, giving thrust on demand substitution, promoting biofuels and other alternate fuels/ renewables, EV charging facilities and refinery process improvements. In addition, Government has launched National Biofuel Policy, 2018, to boost availability of biofuels in country and use of alternative clean fuels like ethanol, Bio-diesel and bio-CNG through schemes for Ethanol Blending, Bio-diesel blending and Sustainable Alternative Towards Affordable Transportation (SATAT).

Government has taken several steps to insulate common citizens from high international prices, which included diversifying the crude import basket, windfall taxes on export of petroleum products, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.

Central Government reduced Central Excise duty by a total of ₹ 13/litre and ₹ 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by ₹ 2 per litre each and current RSP of petrol and diesel at Delhi is ₹ 94.72 and ₹ 87.62 per litre respectively.

Prices of LPG in the country are based on Saudi Contract Price (CP), the benchmark for international prices of LPG. India imports more than 60% of its domestic LPG consumption. Government continues to modulate the effective price to consumer for domestic LPG. During the period 2020-21 to 2022-23, the average Saudi CP (international benchmark for LPG pricing) went up from \$415 per MT to \$712 per MT. However, the increase in the international prices was not fully passed on to the customers.

Under PAHAL Scheme, the domestic LPG cylinders are sold at non-subsidised price and the applicable subsidy to the consumers is transferred directly into their bank accounts. Apart from the direct subsidy to consumers, the OMCs have also been compensated Rs 22,000 crore in FY 2022-23 by Government of India to cover the under-recoveries suffered by them in not passing on the high international LPG prices to the domestic LPG consumers.

W.e.f. 21st May, 2022, Government has been providing a targeted subsidy of Rs. 200 per 14.2 Kg LPG cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year. Government reduced the retail-selling price of domestic LPG by Rs. 200 per 14.2 Kg LPG cylinder with effect from 30th August, 2023. Moreover, w.e.f. 5th October, 2023, Government increased the targeted subsidy to Rs. 300 per 14.2 Kg LPG cylinder for all Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries. Government further reduced the RSP of domestic LPG by Rs. 100 per 14.2 Kg cylinder w.e.f. 9th March, 2024. Prices of cooking gas in India, after the latest round of reduction, are one of the lowest globally, and even lower than in most LPG producing nations.

Further, Compressed Bio-Gas (CBG) Blending Obligation (CBO), Scheme for Financial Assistance for procurement of Biomass Aggregation Machinery sets and Scheme for Direct pipeline infrastructure for CBG plants is launched by government to promote CBG utilization. In order to encourage the establishment of 2G bio-ethanol plant using cellulosic and lignocellulosic biomass including petrochemical route and other feedstocks, Government has notified the “Pradhan Mantri JI-VAN (Jaiv IndhanVatavaran Anukool fasal awashesh Nivaran) Yojana” for providing financial support for setting up Second Generation (2G) bioethanol projects in the country. Government has also supported projects involving Research, Development & Technology Demonstration. Some of these projects are demonstration projects on advanced bio fuels, Hydrogen fuel based two wheelers, Hydrogen Spiked Compressed Natural Gas (H-CNG) technology based public transport buses etc. Further, Government has also promoted setting up of LNG stations on National Highways, golden quadrilaterals, etc. for promotion of LNG in long distance transportation.

To strengthen global cooperation for rapid adoption and deployment of biofuels, the Global Biofuels Alliance (GBA) was launched on 9th September, 2023, on the sidelines of the G20 Summit in New Delhi with the support of 19 countries and 12 international organizations. The initiative aims to position biofuels as a key to energy transition. GBA is expected to provide additional opportunities to Indian industries in the form of exporting technology and equipment, generating employment and skill development.
