

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2491

ANSWERED ON:09.05.2016

India's Energy Outlook

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

- (a) whether the Government has taken cognizance of International Energy Agency's (IEA's) report wherein it has stated that the country's petroleum products consumption/demand is likely to double over the next two decades;
- (b) if so, the details thereof along with the action plan formulated/proposed to be formulated by the Government to adopt better conservation techniques and for ensuring proper and better utilisation of domestic resources and for infrastructure development in hydrocarbon sector;
- (c) whether the Government proposes to make available/provide alternate/reliable and affordable sources of energy to the masses in the country;
- (d) if so, the details thereof along with the investment made/likely to be made for the purpose during the last three years and the current year and the other steps taken/being taken by the Government in this regard; and
- (e) whether the fuel consumption in the country is likely to outpace the other countries in the next few years and if so, the steps taken/being taken by the Government to restrict/curtail fuel consumption in the country?
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Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE)

(SHRI DHARMENDRA PRADHAN)

(a) & (b): As per international Energy Agency's (IEA), World Energy Outlook 2015, under the new policies scenario, oil demand in India is forecasted to reach 458 MMT by 2040 from a level of 176 MMT in 2013.

As regards the conservation techniques, Petroleum Conservation Research Association (PCRA), under the Ministry of Petroleum and Natural Gas, promotes conservation of petroleum products in the major sectors of economy like transport, industry,

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households and agriculture. This includes conservation of energy sources, development, evaluation and commercialization of efficient equipment and additives, popularizing production of bio-fuels, environment protection etc.

Further, in order to attract foreign investment in hydrocarbon sector, the Government has liberalized Foreign Direct Investment (FDI) policy. FDI in exploration and refining sector is allowed under the automatic route with 100% equity for private companies, subject to the existing sectoral policy and regulatory framework. Recently, Government has taken several policy decisions and reforms in the hydrocarbon sector including new Hydrocarbon Exploration and Licensing Policy (HELP), Discovered Small Field Policy, Marketing and pricing freedom for new gas production from Deepwater, Ultra Deepwater and High Pressure-High Temperature area, linking the transparent new gas pricing formula to the global market, extension of Production Sharing Contracts of small and medium size fields, early monetization of Hydrocarbon discoveries, policy on testing requirements for discoveries in NELP blocks, etc. in order to encourage investment and boost exploration and production of hydrocarbon in India.

(c) & (d): The Government, through Oil Marketing Companies (OMCs), has been implementing Ethanol Blended Petrol (EBP) Programme. Under this programme, OMCs sell ethanol blended petrol with percentage of ethanol upto 10 per cent as per Bureau of Indian Standards (BIS) specification.

In order to improve the availability of ethanol, the Government on 10.12.2014, inter alia, decided to fix the delivered price of ethanol in the range of Rs.48.50 per litre to 49.50 per litre. Further, ethanol produced from other non-food feedstocks besides molasses, like cellulosic and ligno cellulosic materials including petrochemical route, has also been allowed to be procured subject to meeting the relevant BIS Standards.

The Government has also allowed direct sale of Bio-diesel (B-100) by private manufacturers to bulk consumers. Moreover, retailing of Bio-diesel blended diesel (B5) has also started at OMC retail outlets.

As per information furnished by Ministry of New and Renewable Energy (MNRE), they are supporting Research and Development (R&D) projects in the area of development of various biofuels. The amount of funds allocated for R&D under biofuels during last three years are given below :

Year

Expenditure

2013-14

6.38 crore

2014-15

1.104 crore

2015-16

0.856 crore

Total

8.34 crore

(e) : The demand and supply of crude oil/petroleum products in the country for consumption of petro-products is an interplay of several factors like success in new production of crude oil, blending of bio-fuels, success in conservation efforts, etc. The Government has been taking a number of steps, as mentioned above, to ensure energy security of the country.
