



**STANDING COMMITTEE ON
PETROLEUM & NATURAL GAS
(2020-21)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF PETROLEUM & NATURAL GAS

[Action Taken by the Government on the recommendations contained in the Second Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2019-20) on Demands for Grants (2020-21)]

FOURTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2021/Magha, 1942 (Saka)

FOURTH REPORT

**STANDING COMMITTEE ON
PETROLEUM & NATURAL GAS
(2020-21)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF PETROLEUM & NATURAL GAS

*[Action Taken by the Government on the recommendations contained in the
Second Report (Seventeenth Lok Sabha) of the Standing Committee on
Petroleum and Natural Gas (2019-20) on Demands for Grants (2020-21)]*

Presented to Lok Sabha on 10.02.2021

Laid in Rajya Sabha on 10.02.2021



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2021/Magha, 1942 (Saka)

CONTENTS

Page

COMPOSITION OF THE COMMITTEE (2020-21).....		(iii)
INTRODUCTION		(iv)
CHAPTER I	Report	6
CHAPTER II	Recommendations/Observations which have been accepted by the Government	21
CHAPTER III	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	41
CHAPTER IV	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	43
CHAPTER V	Recommendations/Observations in respect of which final replies of the Government are still awaited	48
ANNEXURES		
I.	Minutes of the Eighth sitting of the Standing Committee on Petroleum and Natural Gas (2020-21) held on 05.02.2021.	49
II.	Analysis of the Action Taken by the Government on the Recommendations contained in the Second Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2019-20) on 'Demands for Grants (2020-21)'. 	51

(iii)
**COMPOSITION OF THE STANDING COMMITTEE ON PETROLEUM & NATURAL
 GAS (2020-21)**

Sl. No. Names of Members

LOK SABHA

Shri Ramesh Bidhuri - Chairperson

2	Shri Dibyendu Adhikari
3	Smt. Chinta Anuradha
4	Dr. Ramesh Chand Bind
5	Shri Pradyut Bordoloi
6	Shri Girish Chandra
7	Shri Topon Kumar Gogoi
8	Shri Naranbhai Kachhadiya
9	Shri Santosh Kumar
10	Shri Rodmal Nagar
11	Shri Unmesh Bhaiyasaheb Patil
12	Dr. Kalanidhi Veeraswamy
13	Shri M.K. Raghavan
14	Shri Chandra Sekhar Sahu
15	Shri Dilip Saikia
16	Dr. Bharatiben Dhirubhai Shyal
17	Shri Janardan Singh Sigriwal
18	Shri Lallu Singh
19	Shri Vinod Kumar Sonkar
20	Shri Ajay Tamta
21	Shri Rajan Baburao Vichare

RAJYA SABHA

22	Shri Ripun Bora
23	Shri Narain Dass Gupta
24	Smt. Kanta Kardam
25	Shri Kanakamedala Ravindra Kumar
26	Shri Om Prakash Mathur
27	Dr. Bhagwat Karad
28	Vacant ¹
29	Shri K.K. Ragesh
30	Shri A. Vijayakumar
31	Ch. Sukhram Singh Yadav

SECRETARIAT

1	Smt. Abha Singh Yaduvanshi	-	Additional Secretary
2	Shri H. Ram Prakash	-	Director

¹ Since Shri Ahmed Patel passed away on 25.11.2020.

INTRODUCTION

I, the Chairperson, Standing Committee on Petroleum & Natural Gas having been authorised by the Committee to submit the Report on their behalf, present this Fourth Report on Action Taken by the Government on the recommendations contained in the Second Report (Seventeenth Lok Sabha) of the Committee on 'Demands for Grants (2020-21)'.

2. The Second Report of the Standing Committee on Petroleum & Natural Gas was presented to Lok Sabha on 06.03.2020. The Action Taken Replies of the Government to all the recommendations contained in the First Report were received on 23.06.2020.

3. The Standing Committee on Petroleum & Natural Gas (2020-21) considered and adopted the Report at their sitting held on 05.02.2021.

4. An analysis of the action taken by the Government on the recommendations contained in the Second Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum & Natural Gas is given in Annexure-II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

6. The Committee place on record their appreciation for the valuable assistance rendered to them by the officers of the Lok Sabha Secretariat attached to the Committee.

New Delhi;
5 February, 2021
16 Magha, 1942 (Saka)

RAMESH BIDHURI,
Chairperson,
Standing Committee on
Petroleum & Natural Gas.

REPORT

CHAPTER I

This Report of the Standing Committee on Petroleum and Natural Gas deals with the action taken by the Government on the recommendations contained in the Second Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2019-20) on "Demands for Grants (2020-21) of the Ministry of Petroleum and Natural Gas", which was presented to Lok Sabha and laid in Rajya Sabha on 06.03.2020.

2. Action Taken Notes were received from the Ministry on 23.06.2020 in respect of all the 20 recommendations/observations contained in the report. These have been categorized as per the following:

(i) Recommendations/Observations that have been accepted by the Government:- Reco. Nos. 1, 2, 3, 4, 5, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19 and 20 (Total -16)

(Chapter- II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:- Reco. No. 6 (Total-1)

(Chapter- III)

(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:- Reco. Nos. 8 and 14 (Total-2)

(Chapter- IV)

(iv) Recommendations/Observations in respect of which final replies of the Government are still awaited:- Reco. No. 7 (Total-1)

(Chapter- V)

3. The Committee desire that the Action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report and Final Replies in respect of the recommendations for which interim replies have been furnished by the Government (included in Chapter-V), should be furnished expeditiously.

4. The Committee will now deal with the action taken by the Government on some of their recommendations.

Recommendation No. 3

Clean Energy Initiatives

5. The Committee had recommended as under:

“The Committee note that keeping in view of the Government's intent, the Ministry of Petroleum & Natural Gas has been focusing on promoting cleaner fuels. The Committee find that a slew of initiatives have been taken by the Ministry of Petroleum and Natural Gas such as introduction of BS-V1 fuel, promoting National Gas Grid and expansion of City Gas Distribution (CGD) network as part of clean energy initiatives in 2020-21. Further, the Committee note that some steps have been taken by the Ministry for promoting the use of CNG, bio-CNG and LNG in transportation sector. Promotion of alternate fuels is yet another step on the part of the Ministry in their overall strategy such as Ethanol Blended Petrol (EBP) Programme, 2G Ethanol, Used Cooking Oil (UCO) and Compressed Biogas- Sustainable Alternative Towards Affordable Transportation (CBG-SATAT). The Committee hope that the Ministry's efforts in setting up of bio-refineries and targeting newer sources of ethanol will enable OMCs to produce blended petrol and bio-diesel in a time bound manner and accordingly, recommend that the Government should make all-out efforts to transform their clean energy initiatives into tangible accomplishments with specific quantifiable targets to be achieved in projected time frame”.

6. In this regard, the Ministry has submitted the following reply:

“Petroleum & Natural Gas Regulatory Board (PNGRB) has conducted 9th and 10th CGD Bidding rounds in April, 2018 and November, 2018 respectively. In 9th CGD bidding round, 86 Geographical Areas (GAs) covering 174 districts (156 complete and 18 parts), spread over 22 States and Union Territories in India were awarded.

Further, in 10th CGD Bidding round, 50 Geographical Areas (GAs) covering 124 districts (112 complete and 12 parts), spread over 14 States and Union Territories in India have been authorized. After 9th and 10th CGD Bidding Round, approx. 4 crore PNG Domestic connection and 8,000 CNG Stations will be commissioned as per the MWP of the authorized CGD entities.

After completion of 10th bidding round, total of 232 GAs in 407 districts (27 States/UTs) covering 53 % of the area and 71 % of population of the country will have access to CGD Network. A total of ~60.68 lakh PNG Domestic connections and 2207 CNG stations have been commissioned as on 01.04.2020.

Ethanol Blended Petrol (EBP) Programme:

Under the EBP Programme, the quantifiable target for ongoing Ethanol Supply Year (ESY) 2019-20 (December, 2019 to November, 2020) is average 7% of the PSU Petrol sale which has to be progressively increased to

10% by ESY 2021-22. Further, the National Policy on Biofuels, 2018 envisages the ethanol blending in petrol to be increased to 20% by the year 2030.

2G Ethanol

Public Sector Oil Companies, are setting up Twelve 2G bio-refineries in 11 states including the States of Punjab (Bathinda), Haryana (Panipat) and U.P. Indian Oil Corporation Limited is setting up a 100 Kilo litre per day 2G ethanol project in Panipat, Haryana which is in NCR. These bio refineries will use agricultural crop residues as feedstock (approx. 2 Lakh tonnes per annum of biomass will be required for a 100 Kilo litre per day Ethanol Bio refinery) and can play a major role for reducing the air pollution caused due to burning of crop residue.

Biodiesel

Under the Biodiesel Blending Programme, the ongoing blending percentage of blending biodiesel with diesel is 0.11% which has to be progressively increased to 5% by 2030 as per the National Policy on Biofuels, 2018.

In this regard meetings are being held with OMCs to enable them to meet the target further, focus is being laid on production of biodiesel from Used Cooking Oil (UCO). OMCs have floated Expression of Interest (Eoi) for procurement of biodiesel produced from UCO at 200 locations across India. A number of road shows are being organized by the OMCs in this regard in order to encourage potential entrepreneurs to set up plants manufacturing biodiesel from UCO. Food Safety and Standards Authority of India (FSSAI) and State Food & Civil Supplies Department are also being invited for these road shows”.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee

7. The Committee note that the Ministry of Petroleum and Natural Gas has been focusing on expansion of City Gas Distribution (CGD) network across the country as part of clean energy initiative. The Committee has been informed that as on 01.04.2020, a total of 60.68 lakh PNG domestic connections and 2207 CNG stations has been commissioned. The Ministry has also informed that the PNGRB has conducted 9th and 10th CGD bidding rounds in April, 2018 and November, 2018 respectively and after the completion of 9th and 10th bidding round, approx. 4 crore PNG domestic connections and 8000 CNG stations will be commissioned. The Committee feel that at the ground level, they find many of the densely populated areas even in metro cities have not

been covered by PNG network. Therefore, looking at the targets achieved in the implementation of the project till now, the Committee are skeptical about the claims made by the Ministry and would like to exhort the Ministry to make concerted efforts to achieve the targets fixed for the 9th and 10th bidding round. The Committee may also be informed about the action taken in this regard.

The Committee further note that setting up of 2G bio-refineries is another step taken by the Public Sector Oil Companies as part of clean energy initiative. The Committee are surprised to note that although the Ministry has informed that the Public Sector Oil Companies are setting up of twelve 2G bio-refineries in 11 states, the reply is conspicuously silent about the date and time of completion of such refineries, thereby replicating a flippant attitude in dealing with an issue of contemporary importance. Therefore, the Committee urge upon the Ministry to deal with this issue with utmost seriousness for expeditious completion of the bio-refineries.

Recommendation No. 4

Budgetary Allocations under Pradhan Mantri Ujjwala Yojana (PMUY)

8. The Committee had recommended as under:

The Committee observe that the budgetary provision for PMUY during the BE 2020-21 is Rs. 1118 crore as against Rs. 2724 crore during the BE 2019-20 and as such there is 58 % reduction in fund allocation for the scheme. In this regard, the Committee have been informed that the Government's target of eight crore LPG connections to rural households was achieved as on 7th September, 2019 and 96.9 % LPG coverage has been achieved till date in the country except Jammu and Kashmir where the scheme is still being implemented for some specific reasons. Further, it has been informed that the PMUY scheme is no longer in existence and the present allocation is to meet the arrears of reimbursement of expenditure incurred by OMCs during the year 2019-20.

The Committee, while appreciating the Ministry for achieving the target of eight crore LPG connections under PMUY, express their dismay at the closure of the scheme. They are of the considered view that this was one of the ambitious and successful schemes of the Government benefitting women belonging to the lower strata of the society. However, there are poor households among the general category in urban and semi-urban localities who also need to be covered under the scheme. The Committee, therefore, recommend that the scheme be extended to cover poor households in urban and semi urban slum areas also and achieve higher LPG coverage of the population by providing connections to those households who do not have LPG access.

The Committee note that that the national refill average of PMUY beneficiaries is 3.21 cylinders per year when compared to 6.3 cylinders under national average of LPG consumers. Further, it has been informed that in order to sustain the Ujjwla Yojana, provision has been made for providing 5 kg refill cylinders to customers who cannot afford or are unwilling to buy 14.2 cylinders. They note that the Ministry/OMCs have taken some measures to reduce the burden of PMUY beneficiaries and also expand the LPG distribution network to improve refill average. The Committee therefore, expect the Ministry to regularly monitor and review the refill average and take corrective measures including additional monetary incentives so that the PMUY beneficiaries are encouraged to use LPG cylinders for their domestic requirements on regular basis. The Committee also urge the Ministry that now the scheme should emphasize upon sustained usage of LPG scheme”.

9. In this regard, the Ministry has submitted the following reply:

“The LPG connections under PMUY were released in favour of the adult women of poor households across the country covering the urban, semi urban and rural areas. The target of 8 crore has already has been achieved on 7 September, 2019, currently the Government has no proposal under consideration to extend the Scheme.

Oil Marketing Companies (OMCs) have informed that they are continuously monitoring the refill pattern of PMUY consumers and have taken various steps such as deferment of loan recovery from subsidy amount, switch over to smaller 5 kg cylinder, conducting Pradhan Mantri LPG Panchayat, refill booking facilities through Common Service Centres etc. OMCs are also reaching out to the customers and undertaking door to door contact programmes to make aware of affordable solutions which have been facilitated by OMCs.

Apart from above, the government has also taken pro-poor initiatives under by providing free of cost LPG cylinders to the PMUY beneficiaries for the 3 months w.e.f. 01.04.2020 under “Pradhan Mantri Garib Kalyan Package” as part of the Economic response to COVID-19”.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee

10. The Committee are happy to note that the Government has taken pro-poor initiative by providing free of cost LPG cylinders to the PMUY beneficiaries w.e.f. 01.04.2020 under “Pradhan Mantri Garib Kalyan Package” as part of the economic response to COVID-19. But they are dismayed to note that the Government is categorical in stating that 8 crore target has been achieved under PMUY Scheme and the Ministry has no proposal to extend the scheme. The Committee feel that PMUY is one of the successful welfare

schemes of the Government benefitting women belonging to lower strata of the society. The Committee also feel that extending the scheme to cover poor households among the general category in urban and semi-urban localities will also benefit poor and needy women belonging to general category. While noting the present allocation for 2020-21 to meet the arrears of re-imburement of expenditure incurred by OMCs during 2019-20, the Committee recommend that the Government may allow OMCs to extend benefits of the PMUY scheme to poor women belonging to general category in semi-urban and urban localities during the year (i.e. 2021-22) and claim re-imburement during the subsequent years as and when the scheme is re-launched.

The Committee feel that this will enhance the coverage of the ambitious and successful scheme of PMUY, and it will go a long way as a genuine welfare measure undertaken by the Government to ameliorate hardships faced by women belonging to poor and rural households.

Recommendation No. 7

Phulpur-Dhamra-Haldia Pipeline Project (PDHP)

11. The Committee had recommended as under:

“The Committee note that a provision of Rs. 728.03 crore has been made in BE 2020-21 for the pipeline project of 2539 km. being executed by GAIL. It has been informed that the PDHPL will connect the states of Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal with the National Gas Grid. The Committee note that Section 1 of Jagdishpur-Haldia Pipeline i.e. Phulpur to Dobhi (Gaya) with spurlines to Varanasi, Gorakhpur, Patna and Barauni have been commissioned, while other sections such as Dhamra-Angul (S. 2A), Bokaro-Angul (S. 3A), Dobhi-Durgapur (S. 213), and Barauni-Gauhati pipeline project are at various stages of completion. The Committee have also been informed that the Durgapur-Haldia Pipeline is delayed due to the right of use (ROU) issue. The Committee are satisfied to note that there is no time and cost over-run in JHBDPL and BGPL projects from the original scheduled plan.

The Committee feel that natural gas being a cleaner form of energy, greater emphasis should be given to laying of pipelines to connect different geographical areas under the National Gas Grid. The Committee, therefore, recommend that Durgapur-Haldia pipeline should also be pursued at the highest level with the State Government of West Bengal and the right of use issue may be settled so that this section can be completed at the earliest”.

12. In this regard, the Ministry has submitted the following reply:

“Secretary, P&NG has taken up with Chief Secretary, Govt. of West Bengal vide letters dated 17.09.2018, 16.12.19 and 05.02.2020 regarding various issues, including RoU acquisition and land compensation rates, encountered by GAIL in execution of Jagdishpur Haldia & Bokaro Dhamra Pipelines (JHBDPL) in West Bengal and requested Chief Secretary, Govt. of West Bengal to personally intervene in resolving the matters”.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee

13. The Committee in its report had noted that the Durgapur - Haldia pipeline which is a part of PHULPUR DHAMRA-HALDIA PIPELINE PROJECT has been delayed due to Right of Use (ROU) issue and the Committee had recommended that it should be pursued at the highest level with the State Government of West Bengal so as to settle the right of use issue and work in this section can be completed at the earliest.

The Ministry in its action taken reply has stated that Secretary, MoPNG has taken up with the Chief Secretary, Govt. of West Bengal regarding various issues including Right of Use (ROU) in land acquisition and land compensation rates encountered by GAIL in execution of JHBDPL and requested Chief Secretary to personally intervene to resolve the matters.

The Committee note that Secretary, MOPMG had addressed three letters to Chief Secretary, Govt. of West Bengal and the last letter was dated 05.02.2020. The action taken reply is silent on the progress achieved, if any, in this matter. The Committee may like to be apprised of the developments that have taken place on the pipeline project and would like to reiterate its recommendation that Secretary, MoPNG may look into the matter regularly and try to resolve the pending issues so that the project is completed as per the schedule.

Recommendation No. 8

Indian Institute of Petroleum Energy (IIPE), Visakhapatnam

14. The Committee had recommended as under:

“The Committee note that a provision of Rs.31.82 crore has been made in BE 2020-21 for establishment of IIPE at Visakhapatnam as per the Andhra

Reorganisation Act, 2014. They have been given to understand that the objective of setting up of such an institute is to meet the quantitative and qualitative gap in supply of skilled manpower for the petroleum sector. Further, IPE, as a domain specific institute, aims to promote research activities in emerging areas like shale gas, coal bed methane, gas hydrates and renewable energy in oil industry.

The Committee express concern that though it has been more than five years since the Act was enacted, the setting up of a permanent campus of IPE has not become a reality till date and the Institute has been functioning in a makeshift arrangement at the campus of Andhra University. They are aware of the fact that the process of land acquisition of construction of the permanent campus at Sabbavaram mandal, Visakhapatnam has been fraught with litigations since the beginning and as a result, infrastructural development at the campus has missed several original timelines and cost estimates.

However, the Committee have been informed that the Government has won the legal battle recently and accordingly, the boundary wall work has begun for construction of a permanent campus at the designated place. The Committee, therefore, recommend the Ministry to expedite the process of construction of the campus at the earliest and funds allocated for the purpose must be fully utilized without any further time and cost overruns”.

15. In this regard, the Ministry has submitted the following reply:

“The recommendations of the Committee have been noted for compliance”.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee

16. The Committee express their displeasure to note that the Ministry, while replying to their recommendation, has simply tendered a one-liner reply by stating that they have noted for compliance. The Committee feel that as per the mandate of a Parliamentary Committee, the administrative Ministry concerned is required not only to comply with its recommendation but need to take corresponding actions in the light of its recommendations. The Committee, therefore, deprecate this lackadaisical approach on the part of the Ministry in treating its recommendation in a very casual manner. The Committee also caution the Ministry to refrain from such casual approach and treat the recommendations of their Department Related Standing Committee with utmost seriousness. The Committee also urge upon the Government to take appropriate action by expediting the process of construction of the IPE Campus, while utilizing the funds allocated for the purpose. The progress

made in the boundary wall of the campus and the overall construction work may also be intimated to the Committee. The Committee is very much concerned about any possible cost and time over-run, as they consider cost-overrun of any kind is a wastage of public money. They also desire that the action taken in this regard may be intimated to the Committee.

Recommendation No. 12

Indian Strategic Petroleum Reserves Limited (ISPRL)

17. The Committee had recommended as under:

“The Committee note that a provision of Rs. 690 crore has been made in the BE 2020-21 to ISPRL for meeting the cost of crude oil filling of the caverns. They have been given to understand that in order to improve oil security of the country, ISPRL has set up underground cavern storage facilities for crude oil at Visakhapatnam, Mangalore and Padur. While appreciating the idea of storage facility for crude oil for obtaining oil security, the Committee express their dissatisfaction that although Rs. 700 crore was allocated in the budget during 2018-19, only about 76% of funds i.e. Rs. 535 crore could be utilised for crude oil procurement to fill in the SPR facility at Mangalore. They have come to understand that ISPRL has signed MoU with Abu Dhabi's ADNOC in November, 2018 to explore possibility of storing crude oil at Padur SPR facility. Further, an MoU has been signed in October, 2019 between ISPRL and Saudi ARAMCO to explore possibility of filling one cavern at Padur, for which a draft agreement has been sent to ARAMCO on 5th December, 2019. The Committee also note that ISPRL will make Rs. 222 crore savings on account of a provision included in the Finance Bill 2020 for exemption of income tax on the profit earned by adding a new clause (48C) in the Section 10 of the IT Act, 1961. The Committee, while appreciating the Ministry of Finance for the exemption granted in this regard, hope that ISPRL will utilize these savings towards purchase of more crude oil for filling up of SPR facility to enhance the oil security of the country. The Committee also recommend that ISPRL should pursue the said MoU for exploring the possibility of filling up of caverns at Padur at the earliest”.

18. In this regard, the Ministry has submitted the following reply:

“With the approval of Cabinet on 8th November, 2018, ISPRL signed MoU on 12th November, 2018, in Abu Dhabi with ADNOC to explore possibility of storing crude oil in two compartments of 0.625 MMT each at Padur SPR.

In addition to above, a MoU was signed between ISPRL and Saudi Aramco, National Oil Company of Saudi Arabia for exploring feasibility of filling of one compartment of 0.625 MMT on 29.10.2019 at Riyadh on the sidelines of Hon'ble Prime Minister Shri Narendra Modi's visit to Saudi Arabia.

Subsequently, with the outbreak of COVID-19 pandemic across the world, and lockdown in India since March 2020 brought the country to stand still with

refineries operating at a bare minimum capacities, due to drastic reduction in the demand for petroleum products. This coupled with high supply of crude, resulted in a significant drop in crude oil prices across the globe. To take advantage of the low crude oil prices, Govt. of India decided to step up its efforts to fill the Strategic Reserves.

In this context, the Government had earlier allocated Rs.690 Crores from the Budgetary allocation for the year 2020-21 for filling one compartment at Padur. To take advantage of the down turn in global crude prices, Government of India further allocated Rs.3184 Crores (Considering crude rate as 28 US \$/bbl and exchange rate of Rs 75.5 per US \$) towards filling the SPRs in Phase I during the year 2020-21.

With the above funds being allocated, MoPNG advised the Oil Marketing Companies (OMCs) viz BPCL, IOCL, HPCL and PSU MRPL to fill the crude in the SPRs. Approximately, 16.37 million bbls for Mangalore and Padur and 0.34 million bbls of crude oil for Vishakhapatnam has been received and the strategic reserves at all the three locations have been filled. The process of filling was started in 2nd week of April'2020 and has been completed on 16th May 2020 ahead of schedule.

It is relevant to note that in order to facilitate payment to the OMCs, MoP&NG released Rs 3000 Crores as advance to ISPRL. Based on provisional Invoices/debit notes raised by various OMCs and MRPL a PSU, ISPRL has already made provisional payments to the tune of Rs 2462.13 Crores till date (27/05/2020). However, full and final settlement with the concerned OMCs and MRPL can be done only when final Invoices towards cost of Crude Oil and other incidental charges like Freight, Insurance, Wharfage ,Demurrage etc are received from them.

Taking advantage of the low crude oil prices, the Padur caverns, which were being offered to ADNOC and SAUDI ARAMCO, have now been filled by additional budgetary allocations made by Ministry of Finance to MoPNG. As a result, all three SPRs stand now filled completely, and thus, there is no need for further pursuing the MoUs signed with ADNOC and SAUDI ARAMCO”.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee

19. The Committee in its report had observed that due to the tax exemption provided in the Finance Bill 2020 vide a new clause (48C) in Section 10 of the Income tax Act 1961, ISPRL will make Rs. 222 crore and desired that ISPRL will utilise these savings towards purchase of more crude oil for filling up of SPR facility to enhance the oil security of the country.

The Ministry in its action taken reply has stated that with the outbreak of COVID 19 pandemic across the world had resulted in significant drop in crude

oil prices across the globe and Govt. of India decided to step up efforts to fill the strategic reserves. The Govt further allocated Rs.3184 crore towards filling the SPR's in addition to earlier allocation of Rs. 690 crores in the budget for 2020-21. As a result, all three SPR's stand now filled completely.

The Committee appreciate the quick and decisive action of the Government to allocate further resources to this activity and fill all the three SPR's to take advantage of the low crude oil prices across the globe due to the COVID 19 Pandemic which will strengthen the energy security situation of the country.

Recommendation No. 14

Need to enhance production of oil and gas by upstream PSUs

20. The Committee had recommended as under:

“The Committee note that there has been a short fall in crude oil and natural gas production by the upstream public sector oil companies during the last three years. With regard to the stand-alone crude oil production from NELP fields, the MoU target of ONGC was 0.143 MMT during the year 2018-19. However, only 0.069 MMT was actually produced thereby fulfilling only 48.3% of the target. Further, in respect of natural gas production of ONGC during the same year, the MoU target was 0.286 BCM, out of which only 0.072 BCM i.e. 25.2% of the target was actually achieved. Similarly, in the case of Oil India Ltd. (OIL), the MoU target for production of crude oil in the year 2018-19 was 3.661 MMT. However, the actual production of crude oil was only 3.323 MMT. Further, w.r.t. natural gas by OIL, the MoU target for production of natural gas in the year 2018-19 was 3020 MMSCM out of which only 2865 MMSCM was actually achieved. The Committee feel that, unless the upstream oil PSUs strive to achieve their targets in an aggressive manner, the objective of the government to reduce the import of crude oil will remain a distant dream. The Committee have been informed that Government has tried to incentivize category II and category III basins by allowing them to produce without even sharing the revenue. The upstream oil companies should capitalize on this dispensation of concession and concentrate on producing more oil and gas from the existing fields. They are of the firm opinion that production of crude oil and natural gas has to be enhanced at all costs in order to reduce import of crude oil. The Committee have been informed that the upstream oil PSUs have undertaken various steps to improve crude oil and natural gas production. They, therefore, recommend that the upstream oil PSUs should make all out efforts to move ahead with

proper planning for early monetization of existing discoveries to achieve the targets for this year”.

21. In this regard, the Ministry has submitted the following reply:

“Increase in water cut is the main reasons for decline in oil production in matured fields. The production from offshore WO-16 cluster fields was affected in the absence of MOPU (Mobile Offshore Production Unit) and less than planned production from B-127 cluster.

All out efforts are being made to monetize existing discoveries. It may be noted that, out of total 142 un-monetized discoveries as on 01.06.2019, ONGC has planned 90 un-monetized discoveries to put on production in next 5 years, i.e. from 2019-20 to 2023-24. Remaining 52 un-monetized discoveries are under various stages of development. The year-wise summary of monetization Plan of discoveries for five Years is given below:

Year	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL
No. of Discoveries	18	15	11	30	16	90
2P-EUR, MMtOE (As on 01.04.2019)	28.0	21.2	65.9	26.0	15.3	156.4

19 discoveries have been monetized as on 01.06.2020. These 19 discoveries include 17 discoveries out of 90 discoveries planned for next 5 years and 2 discoveries out of remaining 52 discoveries. Apart from these, 2 new discoveries have also been monetized during 2019-20 among the total 9 new discoveries made after 01.06.2019. During 2020-21, ONGC has made one new discovery and is under further appraisal. Besides, ONGC has recently been awarded 19 discoveries in DSF-II bid round (Offshore : 17 & Onland : 2) in 5 contract areas. Field Development plans (FDP) of 3 contract areas (Chinnewala, CA & D33) have been approved.

Upstream PSUs are continuously undertaking various steps to increase the production of crude oil & natural gas and has chalked out two pronged strategy i.e. Redevelopment of existing matured fields and development of new fields/marginal fields. Small/marginal fields, which were not viable on standalone basis being developed through cluster development concept.

ONGC is giving major thrust to develop discoveries made in the Krishna Godavari basin in Eastern offshore. Field development project of Cluster-II fields of NELP Block KG-DWN-98/2 is under implementation in Eastern Offshore and Gas production has commenced from its U-field since March 2020. Developments of other discoveries in KG offshore are under various stages of appraisal/ development.

In addition, Coal Bed Methane (CBM) gas was discovered by ONGC in its four active blocks viz., Jharia, Bokaro, North Karanpura blocks in the State of Jharkhand and Raniganj block in the State of West Bengal. Development plan of CBM, Bokaro block is under implementation. ONGC has started

commercial production of CBM gas from well no BK#1 EPS of Bokaro Block w.e.f. 30.08.2019 with commencement of trial gas off-take by the vendor.

In the past years, NELP discoveries, namely, Karannagar, West Patan, Vadatal, Nadiad, Madanam and Nagayalanka in onshore areas of ONGC have been monetized. During 2019-20, NELP discovery i.e. Aliabet (NELP Block CB-OSN-2003/1) & Uber (NELP Block CB-ONN-2004/3) were also monetized. The details of major projects recently completed to increase the crude oil and natural gas production are as under:-

1. **Development of NW B-173A field:** The project envisages production of 0.760 MMT of crude oil & 0.213 BCM of gas by 2031-32. The project has been completed in May 2019.
2. **Daman Development Project (C-24 Additional & B-12 fields):** The project envisages production of 26.93 BCM of gas and 5.15 MMm³ of condensate by the year 2037-38. Executive committee has approved closure of the project in October 2019.
3. **4th Phase Development of NBP field:** The project envisages an incremental production of 2.08 MMT of oil by 2031-32. The project has been completed in October 2019.
4. **Development of BSE-11 Block:** The project envisages production of 0.20 MMT of oil, 0.475 MMm³ of condensate and 0.568 BCM of gas by 2030-31. The project has been completed in October 2019.
5. **Gamij Redevelopment Project:** The project envisages cumulative incremental production of 1.269 MMT of oil and 100.533 MMCM of gas by the year 2036-37 as per revised approved scheme. The project has been completed in February 2019.
6. **Field Development of Nagayalanka NELP Block KG-ONN-2003/1:** The project envisages cumulative production of 0.768 MMT of oil and 0.343 BCM gas by 2031-32. Production commenced from May 2018. The project has been completed in September 2019.
7. **Integrated Development of B-127 Cluster fields (B-127, B-157 & B-55-5):** The project envisages production of 1.219 MMT of crude oil & 0.617 MMm³ of condensate and 2.093 BCM of gas by the year 2027-28 from B-127 cluster. Also production of 0.155 MMT of condensate & 2.583 BCM of gas by the year 2028-29 from B-55 field. The project has been completed in March 2020.
8. **Development of B-147 field:** The project envisages production of 0.489 MMT of oil and 0.708 BCM of gas by 2029-30. The project has been completed in March 2020.
9. **Enhanced recovery from Bassein field through Integrated Development of Mukta, Bassein and Panna Formations:** The project envisages an incremental production of 18.830 BCM of gas, 1.90 MMm³ of condensate and 0.183 MMT of oil by the year 2027-2028 (as per revised approval in Jan'15). The project has been completed in March 2020.

10. **Mumbai High South Redevelopment Project Phase-III:** The project envisages an incremental oil & gas production of 7.547 MMT and 3.864 BCM respectively by the year 2029-30. The project has been completed in March 2020.
11. **Neelam Redevelopment Plan for Exploitation of Bassein & Mukta pay-Neelam field:** The project envisages an incremental oil & gas production of 2.76 MMT and 4.786 BCM respectively by the year 2034-35. The project has been completed in April 2020.

Following Projects are under Implementation

1. **Development of Cluster-8 Marginal Field Project (WO 24-3, D-30 and B-192 fields):** The project envisages production of 4.38MMT crude oil & 0.464 BCM of gas by 2034-35. The project is likely to be completed by May 2021.
2. **Mumbai High South Redevelopment Project Phase-IV:** The project envisages an incremental oil & gas production of 2.408 MMT and 0.571 BCM respectively by the year 2034-35. The project also envisages 0.795 MMT of oil through implementation of EOR method LSWF. The project is expected to be completed by May 2021.
3. **Development of R-Series fields including revival of R-12 (Ratna):** The project envisages an incremental oil and gas production of 7.03 MMT and 0.881 BCM respectively by 2035-36. The project is expected to be completed by December 2021.
4. **Mumbai High North Redevelopment Project Phase-IV:** The project envisages an incremental oil & gas production of 4.249 MMT and 0.49 BCM respectively by the year 2034-35. The project is expected to be completed by March 2022.
5. **Heera Redevelopment Phase-III:** ONGC Board has approved the investment proposal on 31.05.2019. The scheme envisages an incremental oil and gas production of 3.058 MMT and 5.823 BCM respectively by the year 2034-35. The project is expected to be completed by March 2022.
6. **Field Development Plan (FDP) for Development of Cluster-II fields of NELP Block KG-DWN-98/2:** The project envisages production of 25.87 MMT of oil and 45.28 BCM of gas by the year 2035-36. The project is under implementation.
7. **Field Development Plan of Madanam NELP-IV Block-CY-ONN-2002/2:** The project envisages cumulative production of 1.048 MMT of oil by 2027-28 and 2.702 BCM gas by 2032-33. The overall project is expected to be completed by May 2021.
8. **Development plan of CBM-Bokaro Block:** The project envisages 4.098 BCM of Coal Bed Methane gas by the year 2037-38 from two locations (Patch-A & Patch-B). The project is expected to be completed by March 2022.
9. **Redevelopment of Santhal field:** The project envisages cumulative incremental oil gain of 3.44 MMT by the year 2029-30. The project is expected to be completed by March 2026.

During last 5 years (2015-16 to 2019-20) OIL has made 25 discoveries. Two discoveries have been monetized. Efforts are being made to bring them on production during 2021-22. OIL is constructing surface infrastructure to monetize the gas discovery in well Rangamala-1. Solvent treatment and suitable new technology adoption has been planned for monetizing the viscous high pour point oil discovered in well Kharjan-1.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee

22. The Committee in its report had recommended that upstream oil PSU's should make all out efforts to monetise existing discoveries to achieve the targets for this year.

The Ministry in its action taken reply has stated about different projects which are under implementation to monetise the existing discoveries. On perusal of the timeline and expected production from these projects, it is clear that the envisaged production of crude oil and natural gas from these fields/projects are likely to be accrued between 2027-28 and 2035-36. In the CBM Bokaro block, the details given are envisaged CBM by the year 2037-38. While the Committee understand that the exploration projects are long gestation projects, it is interested to know about the expected increase in production of crude oil and natural gas by these upstream oil PSUs in the next three to five years from its existing discoveries. The reply is silent on the planned increase or the contribution of new discoveries to the country's production of crude oil and natural gas. The Committee find that the replies of the Ministry lack an objective response to its recommendation and therefore, the Committee would like to be apprised of the same.

CHAPTER II**RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN
ACCEPTED BY THE GOVERNMENT****Recommendation No. 1****Analysis of Budget Allocations**

The Committee note that the total budgetary allocation for the Ministry of Petroleum and Natural Gas during the financial year 2020-21 stands at Rs.42901.00 crore. Out of this, the revenue component comprises Rs.41944.00 crore, while Rs. 907.00 crore has been kept under the Capital Section. The BE under the head DBT for LPG in 2020-21 is Rs. 35605.00 crore which is 20.69 percent more compared to Rs.29500 crore in BE 2019-20. For the head 'Other Subsidy Payable including NE Region', there has been a reduction in the BE 2020-21 as compared to 2019-20 for both domestic natural gas and Kerosene. For domestic LPG the amount is Rs.457.21 crore, i.e. 32% less than the previous year and for kerosene, it is 21.73% less than the previous year. Moreover, under the head 'Payment of Differential Royalty to State Governments', there has been a drastic cut (i.e. 97.79%) in the amount by keeping just Rs.43.20 cr. in BE 2020-21 as compared to Rs.1954.00 crore in 2019-20. Another important area i.e. for Phulpur-Dhamra-Haldia-Pipeline Project, BE for 2020-21 is just Rs.728 crore, which is 39.67% lower than the previous year. Besides, the BE 2020-21 for PM JI-VAN Yojana is Rs.53 crore, which is 39.95% higher than the previous year and the BE 2020-21 has been kept at Rs.690 crore for ISPRL.

An analysis of the budget allocations shows that there has been an increase in allocation of funds in areas which are important such as ISPRL for guaranteeing oil security and PM JI-VAN Yojana for ensuring alternate fuel security. The Committee expect the Ministry to adequately emphasize their strategic areas related to energy security and also ensure that the funds are utilized and projects implemented.

The Committee note that many of the schemes like PMUY, NSP, PMUG and Differential Royalty to State Governments are coming to an end in 2020-21 and the allocations reflect the expenditure for work already committed under these schemes. They also observe that the Ministry has actually incurred the actual expenditure vis-à-vis the given budgetary allocations as compared to RE 2017-18 and RE 2018-19. The Committee hope and urge that during the year 2019-20 also, the Ministry would be able to fully utilize the funds provided under RE 2019-20.

The Committee, therefore, recommend that the Ministry should utilize the funds allocated to various heads in BE 2020-21 and to see that the projects / programmes / schemes are implemented in a timely manner and without escalation of costs on account of delay. The Ministry, if need be, may seek additional funds under various heads to accomplish their targets both under capital and revenue sections at RE stage.

REPLY OF THE GOVERNMENT

Budget Estimates for 2020-2021 for Ministry of Petroleum & Natural Gas has been kept at Rs.42901.00 crore. Ministry will take suitable steps to utilize the funds allocated to various heads in BE 2020-21. In major schemes like scheme of 'Direct Benefit Transfer-LPG', the allocated funds of Rs.35605 crore will be utilized to clear unpaid arrears. In the scheme of 'LPG connection to poor Households (PMUY)', an amount of Rs.1118 crore will be utilized for **free Ujjwala cylinders**. In the scheme of 'Phulpur-Dhamra-Haldia-Pipeline Project' the estimated project expenditure in various years has been envisaged as 40% of project cost (year wise) and is being given as capital grant by the Government. In view of the estimated project expenditure, the allocated amount will be fully utilized in FY 2020-21. Further, at present, there is no time and cost overrun in Phulpur-Dhamra-Haldia-Pipeline & Barauni-Guwahati Pipeline Project (BGPL) from the scheduled plan. In the scheme of 'Payment to Indian Strategic Petroleum Reserve Limited (ISPRL) for Crude Oil Reserve', a provision of Rs. 690 crore has been kept and will be utilized for oil security.

Efforts will be made for implementations of schemes/projects in time and it will be ensured that there should be no escalation of costs on account of delay. If it is required, Ministry will seek additional funds at RE stage under various schemes to accomplish the targets.

For Phulpur-Dhamra-Haldia-Pipeline Project, BE for 2020-21 is just Rs. 728 crore, which is 39.67 % lower than the previous year. The Committee, therefore, recommend that the Ministry should utilize the funds allocated to various heads in BE 2020-21 and to see that the projects/programmes/schemes are implemented in a timely manner and without escalation of costs on account of delay. The Ministry, if need be, may seek additional funds under various heads to accomplish their targets both under capital and revenue sections at RE stage.

The estimated project expenditure in various years for the Phulpur-Dhamra-Haldia-Pipeline Project has been envisaged as 40% of project cost (year wise) and is being given as capital grant by the Government. Therefore, in view of the estimated project expenditure, the allocated amount will be fully utilized in FY 2020-21. Further, GAIL has informed that at present, there is no time and cost overrun in Phulpur-Dhamra-Haldia-Pipeline & Barauni-Guwahati Pipeline Project (BGPL) from the scheduled plan.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 2

Need for inclusion in GST

The Committee note that although the Goods & Services Tax (GST) has been implemented w.e.f. July, 2017, five petroleum sector products such as crude oil, natural gas, petrol, diesel and aviation turbine fuel (ATF) have been kept outside the scope of levy of GST. They further note that although these products were included under GST Constitutional Amendment Act, the GST council has not yet decided to bring them under the GST ambit to make a requisite notification to this effect. The

Committee have been informed that as a result of this, the petroleum sector faces a hybrid tax regime on account of being subject to levy of existing taxes such as excise duty and state sales tax for non-GST items and GST for the remaining petroleum products. The Committee feel that keeping in view of the Government's commitment towards ease of doing business and one nation-one tax concept, recommend that the Ministry of P&NG may take up with Ministry of Finance for consideration of GST council for inclusion natural gas and aviation turbine fuel under the GST regime to start a gradual process of bringing the petroleum sector products under GST.

REPLY OF THE GOVERNMENT

This Ministry vide D.O. letters dated 23.05.2018 requested all the Members of GST Council and Hon'ble Finance Minister, to consider inclusion of Natural Gas in ambit of GST.

Article 279A (5) provides that Goods and Services Tax Council shall recommend the date on which GST shall be levied on excluded petroleum products i.e petroleum crude, high speed diesel, motor spirit, natural gas and aviation turbine fuel. Thus while, petroleum products are included under GST, the date on which GST shall be levied on such products shall be as per decision of the Goods and Service Tax Council. Any decision regarding levy of GST on petroleum products has to be decided as per recommendation of the GST Council.

The matter for bringing excluded petroleum products including Natural Gas & ATF has been taken up with Ministry of Finance.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 3

Clean Energy Initiatives

The Committee note that keeping in view of the Government's intent, the Ministry of Petroleum & Natural Gas has been focusing on promoting cleaner fuels. The Committee find that a slew of initiatives have been taken by the Ministry of Petroleum and Natural Gas such as introduction of BS-V1 fuel, promoting National Gas Grid and expansion of City Gas Distribution (CGD) network as part of clean energy initiatives in 2020-21. Further, the Committee note that some steps have been taken by the Ministry for promoting the use of CNG, bio-CNG and LNG in transportation sector. Promotion of alternate fuels is yet another step on the part of the Ministry in their overall strategy such as Ethanol Blended Petrol (EBP) Programme, 2G Ethanol, Used Cooking Oil (UCO) and Compressed Biogas-Sustainable Alternative Towards Affordable Transportation (CBG-SATAT). The Committee hope that the Ministry's efforts in setting up of bio-refineries and targeting newer sources of ethanol will enable OMCs to produce blended petrol and bio-diesel in a time bound manner and accordingly, recommend that the Government should make all-out efforts to transform their clean energy initiatives into tangible accomplishments with specific quantifiable targets to be achieved in projected time frame.

REPLY OF THE GOVERNMENT

Petroleum & Natural Gas Regulatory Board (PNGRB) has conducted 9th and 10th CGD Bidding rounds in April, 2018 and November, 2018 respectively. In 9th CGD bidding round, 86 Geographical Areas (GAs) covering 174 districts (156 complete and 18 parts), spread over 22 States and Union Territories in India were awarded.

Further, in 10th CGD Bidding round, 50 Geographical Areas (GAs) covering 124 districts (112 complete and 12 parts), spread over 14 States and Union Territories in India have been authorized. After 9th and 10th CGD Bidding Round, approx. 4 crore PNG Domestic connection and 8,000 CNG Stations will be commissioned as per the MWP of the authorized CGD entities.

After completion of 10th bidding round, total of 232 GAs in 407 districts (27 States/UTs) covering 53 % of the area and 71 % of population of the country will have access to CGD Network. A total of ~60.68 lakh PNG Domestic connections and 2207 CNG stations have been commissioned as on 01.04.2020.

Ethanol Blended Petrol (EBP) Programme:

Under the EBP Programme, the quantifiable target for ongoing Ethanol Supply Year (ESY) 2019-20 (December, 2019 to November, 2020) is average 7% of the PSU Petrol sale which has to be progressively increased to 10% by ESY 2021-22. Further, the National Policy on Biofuels, 2018 envisages the ethanol blending in petrol to be increased to 20% by the year 2030.

2G Ethanol

Public Sector Oil Companies, are setting up Twelve 2G bio-refineries in 11 states including the States of Punjab (Bathinda), Haryana (Panipat) and U.P. Indian Oil Corporation Limited is setting up a 100 Kilo litre per day 2G ethanol project in Panipat, Haryana which is in NCR. These bio refineries will use agricultural crop residues as feedstock (approx. 2 Lakh tonnes per annum of biomass will be required for a 100 Kilo litre per day Ethanol Bio refinery) and can play a major role for reducing the air pollution caused due to burning of crop residue.

Biodiesel

Under the Biodiesel Blending Programme, the ongoing blending percentage of blending biodiesel with diesel is 0.11% which has to be progressively increased to 5% by 2030 as per the National Policy on Biofuels, 2018.

In this regard meetings are being held with OMCs to enable them to meet the target further, focus is being laid on production of biodiesel from Used Cooking Oil (UCO). OMCs have floated Expression of Interest (Eoi) for procurement of biodiesel produced from UCO at 200 locations across India. A number of road shows are being organized by the OMCs in this regard in order to encourage potential entrepreneurs to set up plants manufacturing biodiesel from UCO. Food Safety and Standards Authority of India (FSSAI) and State Food & Civil Supplies Department are also being invited for these road shows.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

**Comments of the Committee
(Please see Para No. 7 of Chapter-I)**

Recommendation No. 4

Budgetary Allocations under Pradhan Mantri Ujjwala Yojana (PMUY)

The Committee observe that the budgetary provision for PMUY during the BE 2020-21 is Rs. 1118 crore as against Rs. 2724 crore during the BE 2019-20 and as such there is 58 % reduction in fund allocation for the scheme. In this regard, the Committee have been informed that the Government's target of eight crore LPG connections to rural households was achieved as on 7th September, 2019 and 96.9 % LPG coverage has been achieved till date in the country except Jammu and Kashmir where the scheme is still being implemented for some specific reasons. Further, it has been informed that the PMUY scheme is no longer in existence and the present allocation is to meet the arrears of reimbursement of expenditure incurred by OMCs during the year 2019-20.

The Committee, while appreciating the Ministry for achieving the target of eight crore LPG connections under PMUY, express their dismay at the closure of the scheme. They are of the considered view that this was one of the ambitious and successful schemes of the Government benefitting women belonging to the lower strata of the society. However, there are poor households among the general category in urban and semi-urban localities who also need to be covered under the scheme. The Committee, therefore, recommend that the scheme be extended to cover poor households in urban and semi urban slum areas also and achieve higher LPG coverage of the population by providing connections to those households who do not have LPG access.

The Committee note that that the national refill average of PMUY beneficiaries is 3.21 cylinders per year when compared to 6.3 cylinders under national average of LPG consumers. Further, it has been informed that in order to sustain the UjjwalaYojana, provision has been made for providing 5 kg refill cylinders to customers who cannot afford or are unwilling to buy 14.2 cylinders. They note that the Ministry/OMCs have taken some measures to reduce the burden of PMUY beneficiaries and also expand the LPG distribution network to improve refill average. The Committee therefore, expect the Ministry to regularly monitor and review the refill average and take corrective measures including additional monetary incentives so that the PMUY beneficiaries are encouraged to use LPG cylinders for their domestic requirements on regular basis. The Committee also urge the Ministry that now the scheme should emphasize upon sustained usage of LPG scheme.

REPLY OF THE GOVERNMENT

The LPG connections under PMUY were released in favour of the adult women of poor households across the country covering the urban, semi urban and rural areas. The target of 8 crore has already has been achieved on 7 September, 2019, currently the Government has no proposal under consideration to extend the Scheme.

Oil Marketing Companies (OMCs) have informed that they are continuously monitoring the refill pattern of PMUY consumers and have taken various steps such as deferment of loan recovery from subsidy amount, switch over to smaller 5 kg cylinder, conducting Pradhan Mantri LPG Panchayat, refill booking facilities through Common Service Centres etc. OMCs are also reaching out to the customers and

undertaking door to door contact programmes to make aware of affordable solutions which have been facilitated by OMCs.

Apart from above, the government has also taken pro-poor initiatives under by providing free of cost LPG cylinders to the PMUY beneficiaries for the 3 months w.e.f. 01.04.2020 under “Pradhan Mantri Garib Kalyan Package” as part of the Economic response to COVID-19.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

**Comments of the Committee
(Please see Para No. 10 of Chapter-I)**

Recommendation No. 5

DBT for LPG

The Committee note that a major chunk of the Budget i.e. Rs.35,606 crore was allocated to DBT for LPG which has seen an increased allocation of Rs. 6,105 crore as compared to previous year in order to meet payment to OMCs to reimburse the expenditure incurred towards the subsidy on domestic LPG cylinder connections. Out of the BE for 2020-21, an amount of Rs. 16,960 crore is estimated to be arrears for FY 2019-20 and thus it leaves Rs.18,960 crore only for the year 2020-21.

The committee further note that the budgetary requirement for DBT for LPG for the year 2020-21 is Rs.22,429 crore assuming the average subsidy rate of Rs. 156 per cylinder. The average subsidy in the country for the period of April 2019 to February 2020 is about Rs.155 per cylinder. The Committee note that the LPG prices in the international market vary from month to month and the subsidy rate of LPG cylinder has been increased to Rs. 291 per cylinder from the month of February, 2020. This shall require extra budgetary allocation unless the LPG prices come down in the international market. The Committee, therefore, desire that the subsidy to LPG consumers should not be delayed or denied particularly when about 8 crore PMUY beneficiaries are among the consumers and accordingly, recommend that the Ministry may assess the requirement for additional funds, in view of the increased prices and therefore subsidy quotient, and accordingly, take up the matter with the Ministry of Finance for extra allocation of funds at RE stage.

REPLY OF THE GOVERNMENT

As rightly noted by the committee, monthly LPG prices in the international market vary from month to month. The actual requirement of budget would be dependent upon several variables, mainly the movement of product prices in the international market and changes in the USD/ Rupee exchange rate. Due to present pandemic situation of Covide-19, the international prices of LPG has reduced drastically from April, 2020 which is a temporary phenomenon. The actual requirement of budget for 2020-21 will be re- assessed at the time of RE.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 9

Rajiv Gandhi Institute of Petroleum and Technology (RGIPT) Centre, Sivasagar, Assam

The Committee note that for setting up of RGIPT at Sivasagar, Assam, a budgetary provision of Rs.1 cr. has been made in BE 2020-21. However, in BE 2019-20, a similar allocation was made but the allocated fund for the same has not been utilized as the actual utilization for 2019-20 has been shown as nil. The Committee also note that the objective of setting up of RGIPT at Sivasagar is to offer programmes of education and training of domain skills at various levels to students and working professionals of oil and gas, petrochemical and allied companies and to serve as a skill development centre for north eastern region. The Committee, further, note that the Assam Government has already allotted 100 acre land to RGIPT at Sivasagar and an educational campus has been constructed by CPWD, Assam since then. The construction of an engineering workshop at the cost of Rs.2.90 crore is currently going on and construction of hostels, laboratories, library and boundary wall works are also being planned at the allotted land at a cost of Rs.50 crore. The cadre structure and sanction of posts and non-teaching cadre staff positions are to be presented before the Board of Governors.

The Committee would like to emphasise the importance of RGIPT, Assam centre as an important educational and training institute which is offering skilled manpower in various areas of petroleum, petrochemical and allied sectors and also serves as a skill development centre for the North Eastern region. The Committee, therefore, recommend that the Ministry should regularly monitor the progress of various activities connected with the Institute including the construction works, establishment of allied sections and sanctioning of teaching and non-teaching cadre staff at the earliest and accordingly, allocate more funds for the development of this Institute.

REPLY OF THE GOVERNMENT

The recommendations of the Committee have been noted for compliance. Accordingly, requests have been made for allocation of more funds for the Centre. With regard to filling of posts (teaching and non-teaching) advertisement has already been released and further action to be taken accordingly.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 10

Establishment of Centre of Excellence for Energy, Bengaluru

The Committee note that a budgetary provision of Rs.1 crore has been made in BE 2020-21 under the head, Centre of Excellence for Energy, Bengaluru and similar allocation was made in BE 2017-18 and BE 2018-19. However, the said allocation for the same has not been utilized during the two financial years. The Committee also note that though the Government of Karnataka had already allotted 150 acres of land in 2015 for the construction of permanent campus near Hoskote

taluk, Bengaluru but no full-fledged campus has come up at the designated land till date and the Centre for Energy is still functioning with makeshift arrangements.

The Committee note that a make-shift campus of 3500 sq. meter area with an academic-cum-admin block and 2 blocks of Hostels for girls and boys are being put up on the land at the cost of Rs.13.3 crore and CPWD has tendered for the work and the campus is expected to be completed by July, 2020. The Committee, therefore, recommend that the work on this centre should be closely monitored by the Ministry to ensure that the campus will be ready by July, 2020 without any further delay. The Committee may be kept abreast of the progress.

REPLY OF THE GOVERNMENT

The recommendations of the Committee have been noted for compliance. Requests have been made for allocation of more funds for the Institute and the matter is under consideration.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 11

PM JI-VAN Yojana

The Committee note that the Ministry has notified 'Pradhan Mantri JI-VAN (Jaiv Indhan-Vatavaran Anukul Fasal Awashesh Nibaran) Yojana' on 7th March, 2019 for providing financial support for setting up of integrated bio-ethanol projects using lignocellulosic biomass and other renewable feedstock.

The Committee note that a budgetary provision of Rs. 53 crore has been made under PM JI-VAN Yojana during the BE 2020-21 to set up commercially viable 2G ethanol projects to provide remunerative income to farmers for their waste agricultural residues thereby addressing environmental pollution emanating from burning of biomass. The Committee are dismayed to note that though the budgetary allocation of Rs. 37.87 crore was made for the scheme during the previous financial year BE 2019-20, has not been utilized for the intended purpose. In this regard, the Committee have been informed that the scheme intends to support 12 commercial scale and 10 demonstration scale Second Generation (2G) Ethanol projects with a VGF support in two phases i.e. 6 commercial projects and 5 demonstration projects to be supported in first phase for 2018-19 to 2020-21 and remaining 6 commercial and 5 demonstration projects to be supported in the second phase for 2022-23 to 2023-24. The Committee, while appreciating the well-intended objective of PM JI-VAN Yojana, observe that apart from supplementing the targets envisaged by the Government under the EBP programme, the scheme will help in meeting Government of India's vision of reducing import dependence by way of substituting fossil fuels with bio-fuels. They are also of the considered view that such an attempt will go a long way in addressing environmental concerns caused due to burning of bio-mass/crop

residues and improve health of citizens. While appreciating the scheme, they would like to recommend that the Government should make all-out efforts to establish such 2G ethanol projects in the vicinity of the National Capital Region so that farmers can provide their crop residue to these plants instead of burning the same in the fields and desist from unbearable pollution levels in Northern India especially in view of the timing of burning the crop and temperature in the region. This will also help in providing remunerative income to farmers for their otherwise wasted agricultural biomass. The Committee, therefore, recommend that PSUs should tie up with agricultural research institutes/universities to overcome challenges in the field as this is part of a strategy to reduce import dependence and also to promote clean energy initiatives.

REPLY OF THE GOVERNMENT

Public Sector Oil Companies, are setting up Twelve 2G bio-refineries in 11 states including the States of Punjab (Bathinda), Haryana (Panipat) and U.P. Indian Oil Corporation Limited is setting up a 100 Kilo litre per day 2G ethanol project in Panipat, Haryana which is in NCR. These bio refineries will use agricultural crop residues as feedstock (approx. 2 Lakh tonnes per annum of biomass will be required for a 100 Kilo litre per day Ethanol Bio refinery) and can play a major role for reducing the air pollution caused due to burning of crop residue.

In March, 2019, Government has notified the “Pradhan Mantri JI-VAN (Jaiv Indhan-Vatavaran Anukool fasal awashesh Nivaran) Yojana” for providing financial support to integrated bioethanol projects for setting up second generation ethanol projects in the country using lignocellulosic biomass and other renewable feedstock. The total financial outlay for the scheme is Rs. 1969.50 crore for the period 2018-19 to 2023-24.

Centre for High Technology (CHT), a body under the aegis of MoPNG, is the nodal Agency for implementation of the scheme. CHT had floated Request for Selection (RFS) to apply under this scheme. Five Commercial proposals each from IOCL (Panipat), HPCL (Bathinda), BPCL (Bargarh, NRL (Numaligarh), MRPL (Davangere) and one proposal for demonstration plant from IOCL (Panipat) have been received to avail financial assistance under this scheme. Evaluation of these proposals is under process.

For biomass procurement, Oil PSUs have carried out biomass assessment studies, supply chain management studies. Further, meetings with state government agencies, Farmer Producer Organizations along with other stakeholders are being held in this regard.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 12

Indian Strategic Petroleum Reserves Limited (ISPRL)

The Committee note that a provision of Rs. 690 crore has been made in the BE 2020-21 to ISPRL for meeting the cost of crude oil filling of the caverns. They have been given to understand that in order to improve oil security of the country, ISPRL

has set up underground cavern storage facilities for crude oil at Visakhapatnam, Mangalore and Padur. While appreciating the idea of storage facility for crude oil for obtaining oil security, the Committee express their dissatisfaction that although Rs. 700 crore was allocated in the budget during 2018-19, only about 76% of funds i.e. Rs. 535 crore could be utilised for crude oil procurement to fill in the SPR facility at Mangalore. They have come to understand that ISPRL has signed MoU with Abu Dhabi's ADNOC in November, 2018 to explore possibility of storing crude oil at Padur SPR facility. Further, an MoU has been signed in October, 2019 between ISPRL and Saudi ARAMCO to explore possibility of filling one cavern at Padur, for which a draft agreement has been sent to ARAMCO on 5th December, 2019. The Committee also note that ISPRL will make Rs. 222 crore savings on account of a provision included in the Finance Bill 2020 for exemption of income tax on the profit earned by adding a new clause (48C) in the Section 10 of the IT Act, 1961. The Committee, while appreciating the Ministry of Finance for the exemption granted in this regard, hope that ISPRL will utilize these savings towards purchase of more crude oil for filling up of SPR facility to enhance the oil security of the country. The Committee also recommend that ISPRL should pursue the said MoU for exploring the possibility of filling up of caverns at Padur at the earliest.

REPLY OF THE GOVERNMENT

With the approval of Cabinet on 8th November, 2018, ISPRL signed MoU on 12th November, 2018, in Abu Dhabi with ADNOC to explore possibility of storing crude oil in two compartments of 0.625 MMT each at Padur SPR.

In addition to above, a MoU was signed between ISPRL and Saudi Aramco, National Oil Company of Saudi Arabia for exploring feasibility of filling of one compartment of 0.625 MMT on 29.10.2019 at Riyadh on the sidelines of Hon'ble Prime Minister Shri Narendra Modi's visit to Saudi Arabia.

Subsequently, with the outbreak of COVID-19 pandemic across the world, and lockdown in India since March 2020 brought the country to stand still with refineries operating at a bare minimum capacities, due to drastic reduction in the demand for petroleum products. This coupled with high supply of crude, resulted in a significant drop in crude oil prices across the globe. To take advantage of the low crude oil prices, Govt. of India decided to step up its efforts to fill the Strategic Reserves.

In this context, the Government had earlier allocated Rs.690 Crores from the Budgetary allocation for the year 2020-21 for filling one compartment at Padur. To take advantage of the down turn in global crude prices, Government of India further allocated Rs.3184 Crores (Considering crude rate as 28 US \$/bbl and exchange rate of Rs 75.5 per US \$) towards filling the SPRs in Phase I during the year 2020-21.

With the above funds being allocated, MoPNG advised the Oil Marketing Companies (OMCs) viz BPCL, IOCL, HPCL and PSU MRPL to fill the crude in the SPRs. Approximately, 16.37 million bbls for Mangalore and Padur and 0.34 million bbls of crude oil for Vishakhapatnam has been received and the strategic reserves at all the three locations have been filled. The process of filling was started in 2nd week of April'2020 and has been completed on 16th May 2020 ahead of schedule.

It is relevant to note that in order to facilitate payment to the OMCs, MoP&NG released Rs 3000 Crores as advance to ISPRL. Based on provisional Invoices/debit notes raised by various OMCs and MRPL a PSU, ISPRL has already made provisional payments to the tune of Rs 2462.13 Crores till date (27/05/2020). However, full and final settlement with the concerned OMCs and MRPL can be done only when final Invoices towards cost of Crude Oil and other incidental charges like Freight, Insurance, Wharfage, Demurrage etc are received from them.

Taking advantage of the low crude oil prices, the Padur caverns, which were being offered to ADNOC and SAUDI ARAMCO, have now been filled by additional budgetary allocations made by Ministry of Finance to MoPNG. As a result, all three SPRs stand now filled completely, and thus, there is no need for further pursuing the MoUs signed with ADNOC and SAUDI ARAMCO.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee
(Please see Para No. 19 of Chapter-I)

Recommendation No. 13

Promotion of Compressed Bio Gas (CBG) SATAT

The Committee note that the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative of the Government is aimed at providing developmental efforts that would benefit both vehicle users as well as farmers and entrepreneurs by establishing an ecosystem for production of CBG from various waste/biomass sources in the country. The Committee have been informed that the Government envisages to set up 5000 CBG plants with an estimated cost of Rs. 1.70 lakh crore. Being a labor intensive proposition, it has employment generation potential of 75000 persons and an estimated production of 15MMT CBG per annum by year 2023. The use of CBG will be a step towards realising the Prime Minister's vision of enhancing farming income, rural employment and entrepreneurship and reduce dependency on import of crude oil, besides effective waste management.

The Committee note that till October 2019, oil PSUs have received 488 Letters of Intent (Lois) for establishment of CBG plants and further note that CBG sale from retail outlets in Pune and Kolhapur has already begun. The Committee, therefore, recommend that the oil PSUs should expedite the LOIs and accordingly, fast-track the setting up of the CBG plants in the country so that the benefits can reach the rural poor at an early date besides enhancing usage of eco-friendly fuel and import reduction. The Committee also desire that the Ministry should take concerted efforts to create awareness and popularize the scheme so as to achieve the target of 5000 CBG plants by 2023. The Committee may also be apprised of the state-wise details of the proposed CBG plants in the country.

REPLY OF THE GOVERNMENT

Ministry of Petroleum and Natural Gas (MoPNG) has advised Oil and Gas Marketing Companies to provide necessary hand holding to entrepreneurs in setting up of CBG plants. Oil PSUs have fixed procurement price of CBG from initial 3 years

to next 10 years. They have fixed CBG procurement price as Rs. 46/- per kg plus applicable taxes from 1.10.2018 to 31.3.2024 and there will be periodical revision of procurement price from 1.4.2024. However, the procurement price of CBG will not be lower than Rs. 46/- per kg plus applicable taxes from 1.4.2024 to 31.3.2029.

MoPNG is pursuing with Ministry of Finance and Reserve Bank of India to include CBG under Priority Sector Lending. MoPNG is taking up the matter of inclusion of Bio manure produced from CBG plants under Fertiliser Control Order 1985 with Ministry of Agriculture Cooperation and Farmers Welfare. MoPNG has requested Ministry of Environment, Forest and Climate Change and State Governments to include CBG projects under White category for obtaining clearance from State Pollution Control Boards. These steps will facilitate in establishment of CBG plants and attract entrepreneurs for setting up of CBG plants.

MoPNG and Oil PSUs is organising Road shows and meetings across the country to popularise the SATAT scheme wherein the concerned State and Central Government officers, representative of agencies engaged in development of biofuels, Biomass aggregators, Municipal Corporation, Sugar Industry, Federation of Chamber of Commerce & Industries, CBG Technology providers, CGD companies, CBG Equipment manufacturers, Financial Institutions, prospective entrepreneurs etc. are being invited to resolve their issues and to encourage them for setting up of CBG plants.

Till April 2020 Oil PSU have issued 494 Letter of Intents to set up CBG plants in various States as per following details:

Sr.	State	No. of Lol issued	Sr.	State	No. of Lol issued
1	Andaman and Nicobar Island	1	12	Karnataka	25
2	Andhra Pradesh	34	13	Madhya Pradesh	22
3	Assam	2	14	Maharashtra	71
4	Bihar	10	15	Odisha	9
5	Chhattisgarh	22	16	Punjab	22
6	Delhi	7	17	Rajasthan	5
7	Goa	2	18	Tamil Nadu	13
8	Gujarat	30	19	Telangana	6
9	Haryana	57	20	Uttar Pradesh	125
10	Jammu and Kashmir	2	21	Uttarakhand	9
11	Jharkhand	7	22	West Bengal	13

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 15

Need for Reduction in Dependence of Crude Import

The Committee note that the Government has set out a roadmap for reducing India's crude oil imports and has been working towards several new strategies and initiatives to achieve this objective. The

strategy has been focusing on energy efficiency and productivity, demand substitution, improving refinery processes and promotion of bio and alternate fuels. The Committee also find that with successful roll out of HELP/OALP regime based on National Data Repository (NDR), the Government has achieved massive enhancement of exploration acreage in India. Major milestones have also been achieved in City Gas Distribution (CGD) and Regasified Liquefied Natural Gas (R-LNG) Terminals as well as development of gas market by providing open access to gas infrastructure. The Committee have been given to understand that Ministry of Petroleum and Natural Gas is working in collaboration with various Central Ministries/stakeholders to make efforts to achieve reduction in import dependency on oil to conserve precious foreign exchange reserves. Moreover, Ethanol Blended Petrol (EBP) programme & PM JI-VAN Yojana is yet another thrust area of the Ministry in this effort. The Committee were apprised that PM-JI- VAN Yojana aims to provide financial support to Integrated Bio-Ethanol Projects using biomass and other renewable feedstock with total financial outlay of Rs. 1969.56 crore from 2019-20 to 2023-24. They find that six EOIs have been received by Centre for High Technology (CHT) against the EOI floated by them. While being satisfied with the efforts made by the Ministry in this regard, the Committee hope that they will try to implement the policies and programme undertaken by them in a timely manner in order to achieve the target of reducing India's dependence on crude import.

REPLY OF THE GOVERNMENT

Ministry of Petroleum and Natural Gas is working in collaboration with various Central Government Ministries/stakeholders to make efforts to achieve reduction in import dependency on oil. The import reduction strategy broadly includes increasing domestic production of oil and gas, improving energy efficiency and productivity, giving thrust on demand substitution, promoting biofuels and alternate fuels/renewable. Central public sector enterprises have invested/proposed for various projects in the State of Andhra Pradesh which are monitored continuously.

The Government in February, 2019 approved major reforms in exploration and licensing policy to enhance exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins and accelerate domestic production of oil and gas from existing fields. The policy reforms inter-alia aims to boost exploration activities with greater weightage to work programme, simplified fiscal and contractual terms, bidding of exploration blocks under Category II and III sedimentary basins without any production or revenue sharing to Government, early monetization of discoveries by extending fiscal incentives, incentivizing gas production including marketing and pricing freedom, induction of latest technology and capital, more functional freedom to National Oil Companies for collaboration and private sector participation for production enhancement methods in nomination fields, streamlining approval processes and promoting ease of doing business including electronic single window mechanism.

As per the schedule stipulated in Hydrocarbon Exploration and Licensing Policy (HELP)/Open Acreage Licensing Policy (OALP), four bidding rounds have so far been finalized in which 94 exploration blocks have been awarded covering an area of approximately 1,36,790 sq. km. OALP Bid Round-V offering 11 blocks covering an area of approximately 19,800 sq. km. has also been launched on 14th January, 2020.

Government is taking all efforts for development of Gas Based Economy in the country which includes plans for expansion in natural gas supply with the help of additional Domestic Gas production, Expansion of Re-gasified Liquefied Natural Gas (RLNG) terminals in East and West coast of the country, nationwide natural gas grid including North Eastern States and policy initiatives for the promotion of use of Natural gas.

The Government, through Oil Marketing Companies (OMCs), is implementing Ethanol Blended Petrol (EBP) Programme and Biodiesel blending programme for blending of ethanol and biodiesel with Petrol and High Speed Diesel respectively. Further, in order to improve the availability of ethanol for blending with petrol, the Government has opened the Second Generation (2G) route and allowed use of other feedstocks like grains, sugarcane juice, fruit and vegetable wastes etc. for production of ethanol. Government is also promoting production of Compressed Bio Gas from various wastes / biomass sources. In this direction, Oil PSUs have launched 'Sustainable Alternative Towards Affordable Transportation (SATAT) initiative. Government has notified the National Policy on Biofuels – 2018 which envisages an indicative target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel by 2030.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No.16

Open Acreage Licensing Policy (OALP)

The Committee note that as part of the initiatives to increase crude oil production in the country, a new licensing policy namely Open Acreage Licensing Policy was launched during 2018. They further note that till date four OALP Bid Rounds have been conducted, with total of 94 blocks being awarded covering an area of 1,36,790 sq. km with leading E&P companies. The operators of these blocks have since then initiated petroleum exploration activities or are in process of obtaining Petroleum Exploration Licenses (PELs) and biddings have been invited for another 19,800 sq. km. in eleven blocks under OALP Bid Round V.

The Committee further note that with the successful roll out of the OALP regime, based on the world-class National Data Repository (NDR), there has been a substantial increase in exploration acreage in India which stood at approximately 80,000 sq. km. in 2019 from earlier regimes has now been enhanced to approx. 2,20,000 sq. km. after four rounds of OALP. The cumulative exploratory work commitment after the four rounds of OALP comprise 29,270 LKM of 2D seismic survey, 43,272

sq. km of 3D seismic survey, 369 exploratory wells and 290 core analysis to establish shale resources. The Committee have been informed that this will generate an investment of approx. US\$ 2.35 billion over next 3 to 4 years in exploratory work alone.

The Committee while taking note of the steps taken so far to increase the exploration acreage in the country recommend the Ministry and DGH to closely monitor the work commitment by the operators under OALP and ensure that the domestic production of crude oil and natural gas increases in near future. They also urge the Ministry that the exploration acreage under Bid V of eleven blocks should also be expedited and monitored effectively.

REPLY OF THE GOVERNMENT

Ministry is monitoring exploration work programme in the blocks and taking steps towards expediting the same. However, it is expected that COVID -19 Lockdown situations and its spillover effects will affect Petroleum Operations in the Block and projects may get delayed to some extent. Despite the situation of COVID -19 National Lockdown and its spill over affects, Operators would be encouraged to restart the exploration activities in the blocks and all necessary assistance to operators in this regard will be extended. Bid submission closing date for OALP Bid Round- V has since been extended upto 30 July, 2020 due to lockdown following COVID -19 pandemic. It is expected that the blocks offered under OALP-V will be awarded in the next 2-3 months.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 17

Petroleum Conservation Research Association (PCRA)

The Committee note that the Petroleum Conservation Research Association (PCRA) is engaged in promoting conservation of petroleum products and energy efficiency in various sectors of the economy. They have also been informed that PCRA undertakes various people-centric activities to create awareness about the need and ways of fuel conservation and environment protection. The people centric activities include agriculture workshops for villages/farmers, domestic workshops for housewives/youth, transport workshops for drivers, exhibitions, seminars and consumer meets.

The Committee note that improving energy efficiency and productivity is an important component in the strategy to reduce import dependence which can be achieved by proper energy conservation methods. At present PCRA sources its funds from grant from oil companies and OIDB and internal revenue generation. Out of the total expenditure of Rs. 10,493 lakh proposed in BE 2020-21, Rs. 5733 lakh would be spent on administration and establishment expenses which is more than 50 % and only Rs. 1550 lakh and Rs. 2600 lakh is planned to be spent on field activities and education campaign respectively.

The Committee further note that as Against the BE 2019-20 of Rs. 2600 lakh for education campaign, the actual expenditure till 31.01.2020 has been Rs. 1501 lakh only. The Committee desire that conservation activities should get more focus and fillip from the Ministry by including fishermen in the existing target group and hence would recommend that a separate scheme on energy conservation with budgetary allocation may be launched as part of the strategy to reduce import dependence on crude oil and more organisations/agencies/PSUs may be involved in taking the campaign further on petroleum conservation.

REPLY OF THE GOVERNMENT

Petroleum Conservation Research Association (PCRA) has reported that it has already initiated a plan of action by including fishermen in its target group and a separate scheme would be drawn with budgetary allocation for conducting targeted conservation activities for the segment. The ground level activation shall take place after normalisation takes place due to Covid-19 lockdown. Meanwhile a social media campaign has been planned for the fishermen segment along with other targeted groups. Further, as suggested by the Standing Committee, PCRA has planned to collaborate with different Ministries to boost fuel and energy conservation campaign.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 18

Oil Industry Development (OID) Cess

The Committee note that OID cess is levied on crude oil produced from nominated fields. The cess on crude oil was fixed at Rs. 4500 per MT w.e.f. 17.03.2012 when international price of crude oil was around US\$ 110 per barrel. After the sharp fall in the international price of crude oil since beginning of 2016, the OID cess has been made ad-valorem at 20% of the crude oil price w.e.f. 01.03.2016. The Committee further note that the decision to make cess ad- valorem was intended to provide financial relief to domestic crude oil producers towards sharp fall in crude price but at the current level of crude oil price of around US\$ 60 per barrel, no real benefit is accrued to domestic oil producers.

The Committee note that the OID cess has been revised by the Ministry of Finance, whenever the international crude oil price has gone up to very high level or when it has fallen sharply to low level in order to benefit both the Government by way of revenue and also to enable the domestic oil producers to get relief from the volatile crude oil price in the international market. However, the Committee note that the current rate of OID cess of 20% ad-valorem need relook as the crude oil rates have doubled from 2016 level to current rate of US\$ 60 per barrel. Further, the Committee constituted to monitor 'Reduction in Import by 10% in Energy Sector by 2022' has also recommended for requisite policy changes on OID cess. Therefore, the Committee recommend that the MoP&NG should take up the matter with the Ministry of Finance to reduce the ad-valorem rate from the current level to a more reasonable level to provide

relief to the domestic oil producers to enable oil PSUs like ONGC and OIL to generate more internal resources for the expenditure on more vital areas.

REPLY OF THE GOVERNMENT

The Hon'ble Minister of Petroleum and Natural Gas, vide his DO letter dated 5th May, 2020, addressed to the Finance Minister, has proposed a graded system linked to crude oil prices to help companies to adjust volatility in crude oil prices as under:

Sl.no.	Crude prices (\$/bbl)	Cess (advalorem)
1	Upto 25	NIL
2	From 25 upto 50	5%
3	From 50 upto 70	10%
4	70 and above	20%

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 19

IEBR of Oil PSUs

The Committee, therefore, desire that the oil PSUs must increase their internal and extra budgetary resources as there is a decline in actual and revised estimates of 2019-20 when compared to the actual of 2018-19. Further, they would also like to impress upon the CPSEs under the Ministry of Petroleum and Natural Gas to utilize every opportunity to work towards ensuring energy security in the country. The Committee accordingly, recommended that the budget of the CPSEs may be prepared in a more realistic manner to avoid gap between the budgetary estimates and expenditure.

REPLY OF THE GOVERNMENT

For 2019-20, against Budget Estimates (BE) of Rs. 93639.30 crores, an amount of Rs. 99,700 crores i.e. (approx. 106% of the target) has been spent by CPSEs as on 31.03.2020.

Further for IOCL, BPCL, HPCL, NRL & MRPL though there BE/RE of IEBR for 2019-20 was less than actual of 2018-19, actual IEBR of these CPSEs for 2019-20 is higher than 2018-19.

Reasons for low achievement of actual IEBR of 2019-20 over actual IEBR of 2018-19 for CPSEs are:

OVL:

The approved capex for BE & RE 2019-20 was Rs 5,161 crore and Rs 6,590 crore respectively compared to approved capex for BE & RE 2018-19 amounting to Rs

5,886 crore and Rs 6,111 crore respectively reflecting the Projects/ Capital work plan for the years.

- The main reason for higher actual IEBR in FY 2018-19 was one time 'final settlement of financial lease' payments in BC-10, Brazil project of around USD 250 million (approx. Rs 1,750 crore).
- The increase in capital outlays in RE 2019-20 against BE 2019-20 is mainly due to the approval of Final Investment Decision (FID) in Mozambique project and accordingly post FID activities were expected to commence immediately resulting in higher capex. However the post FID activities for the project are still at initial stage and thus actual capex is lower than planned.
- Actual FY 2019-20 IEBR is lower than RE 2019-20 mainly due to drilling deferment in Myanmar project and lower post FID capex in Mozambique.

GAIL

Actual IEBR for GAIL for 2019-20 was Rs 4381.08 crores, whereas in 2018-19 actual IEBR was Rs 7142.65 crores. Major reasons for lower IEBR actuals in 2019-20 over 2018-19:

- Capex Planning is done based on the projects phase like engineering & survey phase / procurement phase/ construction phase/ closure phase. In line with the capex phasing of the under-construction pipeline projects, higher capex was planned in FY 2018-19 as compared to FY 2019-20.
- Majority of high value items for project execution like Line pipe was procured in FY 2018-19, hence higher actual was there in 2018-19.
- Further, there is decrease in actual Capex in 2019-20 as against Budgeted estimates due to following reasons:
 - i. Delay in RoU acquisition issue in West Bengal and pending forest permission in Odisha state for JHBDPL project, resulted in lower capex achievement in FY 2019-20.
 - ii. Due to impact of COVID19/ Lockdown in the month of March'20, there was impact on the construction progress in the JHBDPL, Sultanpur-Jhajjar-Hissar Pipeline, Haridwar-Rishikesh-Dehradun Pipeline and other projects.
 - iii. Due to restriction of inter-state transportation in the wake of COVID-19/ Lockdown, no Line pipe was delivered in FY 2019-20 for Srikakulam-Angul Pipeline Project.
 - iv. Other RoU acquisition issues like security issues in some areas of Jharkhand & Bihar, local farmers resistance etc. in JHBDPL project affected construction progress.

CPCL

Actual IEBR for CPCL for 2019-20 was Rs 968.95 crores, whereas in 2018-19 actual IEBR was Rs 1313.60 crores. Major reasons for variation in actuals for 2019-20 (Rs 968.95 crore) over 2018-19 (Rs 1313.60 crore) are owing to a larger number of five projects under implementation of which two major projects (viz., Crude Oil pipeline and Resid Project) were at peak stages of construction in 2018-19 which were also commissioned. Against this during 2019-20, only three projects were under implementation.

BL

In a one time activity, Balmer Lawrie has purchased office complex at NBCC Okhla in 2018-19 hence actual IEBR of 2018-19 was higher than BE/RE and actual of 2019-20.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Recommendation No. 20**National Seismic Programme**

The Committee note that the National Seismic Programme (NSP) was launched on 12 October, 2016 for conducting 2D seismic survey for data Acquisition, Processing and Interpretation (API) of 48243 Line Kilometer (LKM) for appraisal of areas in all sedimentary basins of India. The estimated cost of the project is Rs. 2932.99 crore and the project is being implemented through National Oil Companies (NOC) and is to be completed by 2020-21. Funds for this programme shall be made available by DGH to ONGC and OIL which shall incur expenditure upfront and seek reimbursement.

The Committee note that the budget sanctioned for the year 2019-20 for NSP is Rs. 1623.27 crore out of which Rs. 284.96 crore has been reimbursed and funds likely to be utilized in fourth quarter of the year is Rs. 248.68 crore. The interpretation data submitted to National Data Repository (NDR) is 21995.33 LKM as against the process of data of 36853.94 LKM wherein the interpretation of data submitted by ONGC is 66 % and for OIL, it is nil.

The Committee would like to observe that the timeline for projects for acquisition activity is by March, 2020 and processing & interpretation is by June, 2020. They would point out that the fund utilization is not satisfactory as only around Rs. 284.96 crore has been spent over the first three quarters of the year as against the sanctioned amount of Rs. 1623.27 crore. The Committee therefore, would like to recommend that the Ministry should review the progress on different aspects of the project like API activities and also fund utilization for completion of the projects as per the prescribed timelines for the NSP programme.

REPLY OF THE GOVERNMENT

The project was commenced in October 2016 and till 31.03.2020, cumulative data acquisition by ONGC and OIL are 40137.40 LKM and 4637.28 LKM respectively. Processing of 35431.50 LKM data and interpretation of 22003.97 LKM data is completed by ONGC whereas 3559.68 LKM data is processed by OIL and interpretation thereof is in progress.

Reasons for non-completion of project and low utilization of budget:

1. OIL could not undertake seismic data acquisition work in two sectors namely Manipur and North Cachar Hills due to hostile environment and severe agitation by local public. However, OIL has re-tendered the work to complete the remaining work pertaining to this sector.
2. OIL has carried out data interpretation of 2416 LKM and deliverables couldn't be submitted to DGH as the consignment is stuck up in transit. Once the consignment is released, the same shall be submitted to NDR and corresponding to this quantum OIL will raise invoice for reimbursement.
3. In areas of ONGC, approximately 95% of target has been completed whereas some of the areas like Saurashtra, Kutch, Vindhyan and Himalayan Foreland, progress of work remained slow due to stiff resistance by local farmers, tough logistics as well as delay in getting forest permission from Madhya Pradesh Government. Additionally, during last quarter of FY 2019-20, which is best suitable time period for acquiring data, the survey work couldn't be carried in view of nationwide lockdown due to Covid19.
4. The payment made by ONGC and OIL to their service providing companies is for the accepted quantum of work only and there is no payment made for the rejected work.
5. In light of these facts, DGH has proposed for surrendering the remaining budget of FY 2019-20 and also requested to allocate budgets for FY 2020-21 for undertaking remaining work.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

CHAPTER III**RECOMMENDATIONS/OBSERVATIONS WHICH THE GOVERNMENT DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES****Recommendation No. 6****DBT for Kerosene and Cash incentives to State Governments/UTs for Kerosene Distribution Reforms**

The Committee observed that the budgetary allocation of Rs. 41 crore under the head of DBT for Kerosene during the BE 2020-21 as against Rs. 168 crore during the BE 2019-20. They are concerned to note that only Rs. 116.68 crore was utilized as on 31st January, 2020 as compared to the allocated budgetary provision of Rs. 168 crore. Further, with regard to cash incentives under Kerosene Distribution Reforms, it has been observed that an amount of Rs. 442 crore was allocated during the BE 2020-21 in comparison to Rs. 257 crore during the BE 2019-20 and as such there is an increase of 71.98 percentage allocation under this head.

In this regard, the Committee have been informed by the Ministry that more than 96.9% LPG coverage has been achieved in the country after the implementation of PMUY and accordingly, the budgetary allocation for DBT (Kerosene) has been reduced during the BE 2020-21. Further, it has been informed that as a policy, the Government has been rationalising the use of kerosene for cooking and household lighting purposes and exempting the same for industrial purposes.

The Committee while noting the significance of the rationalization of usage of kerosene, observe that only three states i.e. Punjab, Haryana and Andhra Pradesh have become kerosene free till date and large segments of populations in various states in the country are still dependent upon kerosene for cooking and household lighting purposes. The Committee while emphasizing the need for increasing the universal coverage of LPG as a cleaner fuel, urge the Government to ensure the optimum availability of non-subsidized kerosene in open market for consumers.

The Committee, therefore, recommend that the Government must make sincere efforts in tandem with State Governments to expand LPG coverage in rural areas so that the budgetary component of the cash incentives to States/UTs under Kerosene Distribution Reforms can be reduced in the long run. Furthermore, the States should be encouraged to move towards direct cash transfers of kerosene subsidy to address inefficiencies in the delivery system.

REPLY OF THE GOVERNMENT

Ministry of Petroleum & Natural Gas launched DBT in PDS Kerosene (DBTK) Scheme with effect from 01.04.2016. Under the DBTK, PDS Kerosene is sold to the identified beneficiaries at non-subsidized rates and the applicable subsidy is directly transferred into the bank account of the beneficiaries. The consent of States/UTs is critical in implementation of DBTK Scheme. Jharkhand is the only State who has implemented DBTK in all districts w.e.f. 1st July, 2017.

The DBTK Scheme was applicable for 4 years only i.e. till F.Y 2019-20. Therefore, no new state can join the scheme now.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation No. 8

Indian Institute of Petroleum Energy (IIPE), Visakhapatnam

The Committee note that a provision of Rs.31.82 crore has been made in BE 2020-21 for establishment of IIPE at Visakhapatnam as per the Andhra Reorganisation Act, 2014. They have been given to understand that the objective of setting up of such an institute is to meet the quantitative and qualitative gap in supply of skilled manpower for the petroleum sector. Further, IIPE, as a domain specific institute, aims to promote research activities in emerging areas like shale gas, coal bed methane, gas hydrates and renewable energy in oil industry.

The Committee express concern that though it has been more than five years since the Act was enacted, the setting up of a permanent campus of IIPE has not become a reality till date and the Institute has been functioning in a makeshift arrangement at the campus of Andhra University. They are aware of the fact that the process of land acquisition of construction of the permanent campus at Sabbavaram mandal, Visakhapatnam has been fraught with litigations since the beginning and as a result, infrastructural development at the campus has missed several original timelines and cost estimates.

However, the Committee have been informed that the Government has won the legal battle recently and accordingly, the boundary wall work has begun for construction of a permanent campus at the designated place. The Committee, therefore, recommend the Ministry to expedite the process of construction of the campus at the earliest and funds allocated for the purpose must be fully utilized without any further time and cost overruns.

REPLY OF THE GOVERNMENT

The recommendations of the Committee have been noted for compliance.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee
(Please see Para No. 16 of Chapter-I)

Recommendation No. 14

Need to enhance production of oil and gas by upstream PSUs

The Committee note that there has been a short fall in crude oil and natural gas production by the upstream public sector oil companies during the last three years. With regard to the stand-alone crude oil production from NELP fields, the MoU target of ONGC was 0.143 MMT during the year 2018-19. However, only 0.069 MMT was actually produced thereby fulfilling only 48.3% of the target. Further, in respect of natural gas production of ONGC during the same year, the MoU target was 0.286

BCM, out of which only 0.072 BCM i.e. 25.2% of the target was actually achieved. Similarly, in the case of Oil India Ltd. (OIL), the MoU target for production of crude oil in the year 2018-19 was 3.661 MMT. However, the actual production of crude oil was only 3.323 MMT. Further, w.r.t. natural gas by OIL, the MoU target for production of natural gas in the year 2018-19 was 3020 MMSCM out of which only 2865 MMSCM was actually achieved. The Committee feel that, unless the upstream oil PSUs strive to achieve their targets in an aggressive manner, the objective of the government to reduce the import of crude oil will remain a distant dream. The Committee have been informed that Government has tried to incentivize category II and category III basins by allowing them to produce without even sharing the revenue. The upstream oil companies should capitalize on this dispensation of concession and concentrate on producing more oil and gas from the existing fields. They are of the firm opinion that production of crude oil and natural gas has to be enhanced at all costs in order to reduce import of crude oil. The Committee have been informed that the upstream oil PSUs have undertaken various steps to improve crude oil and natural gas production. They, therefore, recommend that the upstream oil PSUs should make all out efforts to move ahead with proper planning for early monetization of existing discoveries to achieve the targets for this year.

REPLY OF THE GOVERNMENT

Increase in water cut is the main reasons for decline in oil production in matured fields. The production from offshore WO-16 cluster fields was affected in the absence of MOPU (Mobile Offshore Production Unit) and less than planned production from B-127 cluster.

All out efforts are being made to monetize existing discoveries. It may be noted that, out of total 142 un-monetized discoveries as on 01.06.2019, ONGC has planned 90 un-monetized discoveries to put on production in next 5 years, i.e. from 2019-20 to 2023-24. Remaining 52 un-monetized discoveries are under various stages of development. The year-wise summary of monetization Plan of discoveries for five Years is given below:

Year	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL
No, of Discoveries	18	15	11	30	16	90
2P-EUR, MMtOE (As on 01.04.2019)	28.0	21.2	65.9	26.0	15.3	156.4

19 discoveries have been monetized as on 01.06.2020. These 19 discoveries include 17 discoveries out of 90 discoveries planned for next 5 years and 2 discoveries out of remaining 52 discoveries. Apart from these, 2 new discoveries have also been monetized during 2019-20 among the total 9 new discoveries made after 01.06.2019. During 2020-21, ONGC has made one new discovery and is under further appraisal. Besides, ONGC has recently been awarded 19 discoveries in DSF-

II bid round (Offshore: 17 & Onland: 2) in 5 contract areas. Field Development plans (FDP) of 3 contract areas (Chinnewala, CA & D33) have been approved.

Upstream PSUs are continuously undertaking various steps to increase the production of crude oil & natural gas and has chalked out two pronged strategy i.e. Redevelopment of existing matured fields and development of new fields/marginal fields. Small/marginal fields, which were not viable on standalone basis being developed through cluster development concept.

ONGC is giving major thrust to develop discoveries made in the Krishna Godavari basin in Eastern offshore. Field development project of Cluster-II fields of NELP Block KG-DWN-98/2 is under implementation in Eastern Offshore and Gas production has commenced from its U-field since March 2020. Developments of other discoveries in KG offshore are under various stages of appraisal/ development.

In addition, Coal Bed Methane (CBM) gas was discovered by ONGC in its four active blocks viz., Jharia, Bokaro, North Karanpura blocks in the State of Jharkhand and Raniganj block in the State of West Bengal. Development plan of CBM, Bokaro block is under implementation. ONGC has started commercial production of CBM gas from well no BK#1 EPS of Bokaro Block w.e.f. 30.08.2019 with commencement of trial gas off-take by the vendor.

In the past years, NELP discoveries, namely, Karannagar, West Patan, Vadatal, Nadiad, Madanam and Nagayalanka in onshore areas of ONGC have been monetized. During 2019-20, NELP discovery i.e. Aliabet (NELP Block CB-OSN-2003/1) & Uber (NELP Block CB-ONN-2004/3) were also monetized. The details of major projects recently completed to increase the crude oil and natural gas production are as under:-

12. **Development of NW B-173A field:** The project envisages production of 0.760 MMT of crude oil & 0.213 BCM of gas by 2031-32. The project has been completed in May 2019.
13. **Daman Development Project (C-24 Additional & B-12 fields):** The project envisages production of 26.93 BCM of gas and 5.15 MMm³ of condensate by the year 2037-38. Executive committee has approved closure of the project in October 2019.
14. **4th Phase Development of NBP field:** The project envisages an incremental production of 2.08 MMT of oil by 2031-32. The project has been completed in October 2019.
15. **Development of BSE-11 Block:** The project envisages production of 0.20 MMT of oil, 0.475 MMm³ of condensate and 0.568 BCM of gas by 2030-31. The project has been completed in October 2019.
16. **Gamij Redevelopment Project:** The project envisages cumulative incremental production of 1.269 MMT of oil and 100.533 MMCM of gas by the year 2036-37 as per revised approved scheme. The project has been completed in February 2019.
17. **Field Development of Nagayalanka NELP Block KG-ONN-2003/1:** The project envisages cumulative production of 0.768 MMT of oil and 0.343 BCM

gas by 2031-32. Production commenced from May 2018. The project has been completed in September 2019.

18. **Integrated Development of B-127 Cluster fields (B-127, B-157 & B-55-5):** The project envisages production of 1.219 MMT of crude oil & 0.617 MMm³ of condensate and 2.093 BCM of gas by the year 2027-28 from B-127 cluster. Also production of 0.155 MMT of condensate & 2.583 BCM of gas by the year 2028-29 from B-55 field. The project has been completed in March 2020.
19. **Development of B-147 field:** The project envisages production of 0.489 MMT of oil and 0.708 BCM of gas by 2029-30. The project has been completed in March 2020.
20. **Enhanced recovery from Bassein field through Integrated Development of Mukta, Bassein and Panna Formations:** The project envisages an incremental production of 18.830 BCM of gas, 1.90 MMm³ of condensate and 0.183 MMT of oil by the year 2027-2028 (as per revised approval in Jan'15). The project has been completed in March 2020.
21. **Mumbai High South Redevelopment Project Phase-III:** The project envisages an incremental oil & gas production of 7.547 MMT and 3.864 BCM respectively by the year 2029-30. The project has been completed in March 2020.
22. **Neelam Redevelopment Plan for Exploitation of Bassein & Mukta pay-Neelam field:** The project envisages an incremental oil & gas production of 2.76 MMT and 4.786 BCM respectively by the year 2034-35. The project has been completed in April 2020.

Following Projects are under Implementation

10. **Development of Cluster-8 Marginal Field Project (WO 24-3, D-30 and B-192 fields):** The project envisages production of 4.38MMT crude oil & 0.464 BCM of gas by 2034-35. The project is likely to be completed by May 2021.
11. **Mumbai High South Redevelopment Project Phase-IV:** The project envisages an incremental oil & gas production of 2.408 MMT and 0.571 BCM respectively by the year 2034-35. The project also envisages 0.795 MMT of oil through implementation of EOR method LSWF. The project is expected to be completed by May 2021.
12. **Development of R-Series fields including revival of R-12 (Ratna):** The project envisages an incremental oil and gas production of 7.03 MMT and 0.881 BCM respectively by 2035-36. The project is expected to be completed by December 2021.
13. **Mumbai High North Redevelopment Project Phase-IV:** The project envisages an incremental oil & gas production of 4.249 MMT and 0.49 BCM respectively by the year 2034-35. The project is expected to be completed by March 2022.
14. **Heera Redevelopment Phase-III:** ONGC Board has approved the investment proposal on 31.05.2019. The scheme envisages an incremental oil and gas

production of 3.058 MMT and 5.823 BCM respectively by the year 2034-35. The project is expected to be completed by March 2022.

15. **Field Development Plan (FDP) for Development of Cluster-II fields of NELP Block KG-DWN-98/2:** The project envisages production of 25.87 MMT of oil and 45.28 BCM of gas by the year 2035-36. The project is under implementation.
16. **Field Development Plan of Madanam NELP-IV Block-CY-ONN-2002/2:** The project envisages cumulative production of 1.048 MMT of oil by 2027-28 and 2.702 BCM gas by 2032-33. The overall project is expected to be completed by May 2021.
17. **Development plan of CBM-Bokaro Block:** The project envisages 4.098 BCM of Coal Bed Methane gas by the year 2037-38 from two locations (Patch-A & Patch-B). The project is expected to be completed by March 2022.
18. **Redevelopment of Santhal field:** The project envisages cumulative incremental oil gain of 3.44 MMT by the year 2029-30. The project is expected to be completed by March 2026.

During last 5 years (2015-16 to 2019-20) OIL has made 25 discoveries. Two discoveries have been monetized. Efforts are being made to bring them on production during 2021-22. OIL is constructing surface infrastructure to monetize the gas discovery in well Rangamala-1. Solvent treatment and suitable new technology adoption has been planned for monetizing the viscous high pour point oil discovered in well Kharjan-1.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

**Comments of the Committee
(Please see Para No. 22 of Chapter-I)**

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation No. 7

Phulpur-Dhamra-Haldia Pipeline Project (PDHP)

The Committee note that a provision of Rs. 728.03 crore has been made in BE 2020-21 for the pipeline project of 2539 km. being executed by GAIL. It has been informed that the PDHPL will connect the states of Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal with the National Gas Grid. The Committee note that Section 1 of Jagdishpur-Haldia Pipeline i.e. Phulpur to Dobhi (Gaya) with spurlines to Varanasi, Gorakhpur, Patna and Barauni have been commissioned, while other sections such as Dhamra-Angul (S. 2A), Bokaro-Angul (S. 3A), Dobhi-Durgapur (S. 213), and Barauni-Gauhati pipeline project are at various stages of completion. The Committee have also been informed that the Durgapur-Haldia Pipeline is delayed due to the right of use (ROU) issue. The Committee are satisfied to note that there is no time and cost over-run in JHBDPL and BGPL projects from the original scheduled plan.

The Committee feel that natural gas being a cleaner form of energy, greater emphasis should be given to laying of pipelines to connect different geographical areas under the National Gas Grid. The Committee, therefore, recommend that Durgapur-Haldia pipeline should also be pursued at the highest level with the State Government of West Bengal and the right of use issue may be settled so that this section can be completed at the earliest.

REPLY OF THE GOVERNMENT

Secretary, P&NG has taken up with Chief Secretary, Govt. of West Bengal vide letters dated 17.09.2018, 16.12.19 and 05.02.2020 regarding various issues, including RoU acquisition and land compensation rates, encountered by GAIL in execution of Jagdishpur Haldia & Bokaro Dhamra Pipelines (JHBDPL) in West Bengal and requested Chief Secretary, Govt. of West Bengal to personally intervene in resolving the matters.

Ministry of Petroleum & Natural Gas
O.M.No.G-38011/10/2020-Fin.I dated 23rd June, 2020

Comments of the Committee
(Please see Para No. 13 of Chapter-I)

New Delhi;
5 February, 2021
16 Magha, 1942 (Saka)

RAMESH BIDHURI,
Chairperson,
Standing Committee on
Petroleum & Natural Gas.

MINUTES
STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2020-21)

EIGHTH SITTING
(05.02.2021)

The Committee sat on Friday, the 5 February, 2021 from 1400 hrs. to 1430 hrs. in Committee Room No. '3', PHA Extn. Building, Block-A, New Delhi.

PRESENT

Shri Ramesh Bidhuri - Chairperson

MEMBERS

LOK SABHA

2. Smt. Chinta Anuradha
3. Shri Girish Chandra
4. Shri Rodmal Nagar
5. Shri Unmesh Bhaiyyasaheb Patil
6. Shri Chandra Sekhar Sahu
7. Shri Janardan Singh Sigriwal
8. Shri Lallu Singh
9. Shri Vinod Kumar Sonkar
10. Shri Ajay Tamta
11. Shri Rajan Baburao Vichare

RAJYA SABHA

12. Shri Narain Dass Gupta
13. Smt. Kanta Kardam
14. Shri Kanakamedala Ravindra Kumar
15. Dr. Bhagwat Karad

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Additional Secretary
2. Shri H. Ram Prakash - Director
3. Shri Vinay Pradeep Barwa - Deputy Secretary
4. Shri Mohan Arumala - Under Secretary

2. xxx xxx xxx xxx xxx xxx xxx xxx xxx xxx.

3. Thereafter, the Committee took up for consideration draft Action Taken Report on the recommendations contained in the Second Report (17th Lok Sabha) on 'Demands for Grants (2020-21) of MoP&NG' and adopted the same without any modifications.

4. The Committee then authorised the Chairperson to present/lay the Reports in both the Houses of Parliament.

The Committee then adjourned.

xxx: Matter not related to the subject.

Annexure II

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SECOND REPORT (SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS (2019-20) ON 'DEMAND FOR GRANTS (2020-21)'

I	<u>Total No. of Recommendations</u>	20
II	Recommendations/Observations which have been accepted by the Government (Vide Recommendations Nos. 1, 2, 3, 4, 5, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19 and 20)	16
	Percentage to Total	80%
III	Recommendations/Observations which the Committee do not desire to pursue in view of Government's (Vide Recommendations No. 6)	1
	Percentage of Total	5%
IV	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations Nos. 8 and 14)	2
	Percentage of Total	10%
V	Recommendations/Observations in respect of which final replies of the Government are still awaited (Vide Recommendations No. 7)	1
	Percentage of Total	5%