ONGC News as on 25 July 2023(Print)

Publication : Business Standard | Editions : New Delhi
Date : 25 July 2023 | Page : 6

CPCL net plummets 76% to ₹548 crore

Indian Oil subsidiary Chennai Petroleum Corporation Limited (CPCL) saw net profit shrink 76 per cent year-on-year (YoY) to ₹548.32 crore in the first quarter (April-June) of financial year 2023-24 (FY24). Sequentially, net profit fell 45.4 per cent from the ₹1,004 crore earned in the fourth quarter of FY23. Revenue from operations fell 35 per cent to ₹17,985 crore. **BS REPORTER**

Publication : Mint	Editions : New Delhi
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‘Gradual mandates on green hydrogen may not be enough’

India’s ambition to accelerate its green hydrogen mission faces challenges as the targets have not translated into demand, and the adoption of a gradual mandate for the use of green hydrogen may not help, said Sumant Sinha, CEO, ReNew. >P6

Publication : Mint | Editions : New Delhi
Date : 25 July 2023 | Page : 1, 6

'Gradual mandates on green hydrogen may not be enough'

The govt approach may not lead to 5 mt of green hydrogen capacity by 2030: ReNew CEO

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NEW DELHI

India's ambition to accelerate its green hydrogen mission faces challenges as the targets have not translated into actual demand, and the adoption of a gradual mandate for the use of green hydrogen may not help the country achieve the goal of 5 million tonnes (mt) capacity by 2030, said Sumant Sinha, the founder, chairman, and chief executive officer (CEO) of ReNew.

"The size of the opportunity in green hydrogen is almost limitless in a way based on just what governments have stated as being their plans. But a lot of that has to translate from government targets to actual demand, and that has not happened so far," Sinha said in an interview at the Energy Transition Working Group Meeting and the Clean Energy Ministerial under India's G20 presidency in Goa.

ReNew is one of India's largest renewable energy companies, with an operational capacity of 8 gigawatts (GW) and commissioned capacity of 6GW in wind and solar energy.

"It will happen slowly. For demand to manifest, we'll need to have mandates by governments on the use of green hydrogen because, without that, it's always going to be more expensive. No one will voluntarily shift. So, either there'll have to be subsidies or mandates, or both. In the European Union (EU), it is partly subsidies and partly mandates; in the US, it is subsidies. In India, we still don't know what it's going to be," he added.

Sumant Sinha, chairman and chief executive officer, ReNew.

8 GW
Operational capacity of ReNew in wind, solar

However, the Indian government is likely to take the route of gradual mandates to drive the shift from fossil fuels to green hydrogen, he said.

"The government doesn't have the money to subsidize, certainly not in India. So, demand will have to be created via mandates, but because it puts a burden on the buyer, it'll have to be done gradually. And that gradual mandate may not equal 5mt of green hydrogen capacity by 2030, which is the government's current target. Now, of course, part of that is meant to be exported, and that depends on how competitive India is in the export markets and what's happening in other parts of the world in terms of demand creation," Sinha said.

Last year, ReNew signed memorandums of understanding (MoUs) with Indian Oil Corp. Ltd (IOCL) and Larsen & Toubro (L&T) Ltd to form a joint venture to develop industrial-scale green hydrogen projects in India. It has outlined a capital expenditure of ₹35,000 crore over the next 12 months, which will primarily be met via debt funding.

₹35K cr
ReNew's capex over the next 12 months

"A lot of it (funding) we have already sitting on our balance sheets, and the rest will come from internal accruals. Our projects are funded 75% by debt and 25% through equity, and that's the ratio that'll remain," Sinha said.

The independent power producer signed MoUs at the Clean Energy Ministerial last week in Goa worth ₹64,000 crore or $7.9 billion, with central power financiers REC and PFC to fund its long-term renewable energy projects.

Sinha said demand from power distribution companies (discoms) is still not robust and is delaying India's transition to renewable energy.

"The kinds of issues that cause delays are things around demand coming from utilities or discoms is still not robust. It needs to be strengthened. If the government has taken a position to auction 50GW of renewable energy every year, someone has to buy that power. So, the utilities have to buy that power, or otherwise, we will have an issue with the government holding auctions and the states not buying. It's been a problem with two parts for some time now—through the LPS system, the payments issue has been resolved, and we can now use capital to fund capital projects instead of funding discoms, but the other issue on demand needs to be solved, he said.

"So far, the central government's stand is it wants new power generation to come from renewables, but states have to buy into the same promise with the same conviction and voluntarily move forward. The Centre found a way to solve the payments problem, and now it might have to make sure that states have a central RPS, RPO trajectory imposed on them, which they then have to adhere to, to solve demand as well," Sinha added.

Publication : BizzBuzz | Editions : Hyderabad
Date : 25 July 2023 | Page : 1

GMR Power bags Rs7,593-cr project

The contract entails installation of 75.69 lakh prepaid smart meters for 2 discoms

NEW DELHI

GMR Power and Urban Infra Ltd (GPUIL) on Monday said its arm GMR Smart Electricity Distribution Company has bagged a Rs7,593-crore smart metering project in Uttar Pradesh.

The project has been secured under the Revamped Distribution Sector Scheme (RDSS) programme of the government of India.

"Subsidiary GMR Smart Electricity Distribution Pvt. Ltd has been awarded a prestigious order worth Rs7,593 crore. The order, received under the DBFOOT (Design, Build, Finance, Own, Operate, and Transfer) model, entails 75.69 lakh prepaid smart meters across two discoms, Dakshinanchal Vidyut Vitran Nigam Ltd (DVVNL) and Purvanchal Vidyut Vitaran Nigam Ltd (PuVVNL), making it the largest combined package order of its kind," it said.

The project will span 22 districts covering prominent areas such as Varanasi, Prayag Raj, Agra, Mathura, and Aligarh, among others.

With this mandate, GMR group makes its entry into the B2C business in the power sector at a substantial scale and will create value for GPUIL shareholders, said Srinivas Bommidala, chairman (energy), GMR Group

Srinivas Bommidala, Chairman – Energy, GMR Group, said: "These wins underscore GMR's commitment to pivot into green and technology-based energy business with customer-centric growth strategy. With this mandate, GMR group makes its entry into the B2C business in the power sector at a substantial scale and will create value for GPUIL shareholders. We consider this as a good beginning for our Energy 2.0 strategy of new growth business areas in the power sector and have plans in the offing for further initiatives in this space."

The scope of the project encompasses the design, supply, installation, commissioning, operation, and maintenance of prepaid smart meters infrastructure covering consumer premises, as well as at the network level, including distribution transformers and feeders for a period of 10 years. GMR Power and Urban Infra Limited (GPUIL) is part of GMR Group. It holds expertise in the sectors of energy, urban infrastructure, and transportation.

Publication : Financial Express | Editions : New Delhi
Date : 25 July 2023 | Page : 3

UNCERTAIN CROP PROSPECTS LEAD TO CAUTION

Govt to curb supply of FCI rice for ethanol production

Against 3 MT target, only 1.3 MT supplied so far

SANDIP DAS
New Delhi, July 24

CLOSE ON THE heels of the ban on exports of non-basmati white rice imposed last week to contain cereal inflation, the government is likely to put restrictions on supply of surplus rice from the Food Corporation of India's (FCI) stocks for manufacture of ethanol.

The proposal is 'under active consideration' of the government, an official source said. Though monsoon rains in the last two weeks have given a boost to sowing of kharif crops including paddy and surpassed last year's level, the government was still cautious about the crop prospects.

For ethanol, the government has fixed the price of rice at ₹2,000/quintal, much below the ₹3,100/quintal offered under the Open Market Sale Scheme (OMSS) for the bulk buyers. In the current ethanol supply year (December-November), the government has allocated 3 million tonne (MT) of rice for ethanol production, but only 1.3 MT has been released so far.

In 2021-22, the FCI sold 1.02 MT of rice for the production of ethanol at a price of ₹2,000/quintal ex-FCI godown. In 2020-21, the government had allocated 81,044 tonnes of FCI rice to distilleries for ethanol production at ₹2,000/quintal ex-FCI godown.

Oil marketing companies say that currently ethanol blending of 11% in the petrol has been achieved. To achieve a 20% blending target in the next couple of years, ethanol from foodgrains such as maize, damaged food grains and rice available with FCI has been allowed.

Officials said that distilleries usually produce ethanol from molasses, a by-product of sugar. However only the sugarcane route for manufacturing ethanol is not sufficient to achieve the 20% blending with petrol target by 2025.

Last week, the government imposed a ban on export of non-basmati white rice with immediate effect. The move would hit global grain supplies, even as it may help contain cereal inflation which has remained in double digits since October last year. Industry sources said with the abrupt ban on the white rice exports is expected to hit around 7 MT of shipment of rice variety out of the total non-basmati rice shipment of 17.78 MT in 2022-23.

Retail rice prices rose by 11.78% in June and had been rising in double digit since the beginning of the year. Sources said that the retail rice prices have increased by 3% over the past month.

Meanwhile, FCI continue to receive lukewarm response in the third e-auction for sale of 0.37 MT of rice with bidders offered to purchase only 10 tonne of grain. Since the beginning of the month, the corporation has sold only 470 tonne of rice under OMSS for bulk buyers. The corporation currently has 25.23 MT of rice, which excludes 14.7 MT of rice yet to be receivable from millers.

TAKING PRECAUTIONS

Around **11%** of ethanol blending with petrol achieved, target is to **achieve 20% blending by 2025**

FCI supplied 1.3 MT of rice for ethanol in the current year so far against the target of **3.3 MT**

- Rice supplied at **₹20/kg** for ethanol production
- Molasses, maize and rice are used for manufacturing of ethanol

Publication : Financial Express | Editions : Bangalore
Date : 25 July 2023 | Page : 19

Oil prices rise as tight supply counters expected rate hikes

REUTERS
London, July 24

OIL PRICES ROSE on Monday as tightening supply and hopes for Chinese stimulus underpinned Brent at well above $80 a barrel, even as traders expected more rate hikes from U.S. and European central banks.

Brent crude futures were up 45 cents, or 0.6%, at $81.52 a barrel by 1228 GMT. U.S. West Texas Intermediate (WTI) crude was at $77.55 a barrel, also up 48 cents, or 0.6%.

The benchmarks rose 1.5% and 2.2% respectively last week, their fourth straight of week of gains, as supply is expected to tighten following OPEC+ cuts.

Fighting also escalated last week in Ukraine after Russia withdrew from a UN-brokered safe sea corridor agreement for grain exports.

Oil's rise has reflected "tightening conditions as Saudi oil output cuts impact the market...even as summer demand has been somewhat stronger for gasoline and jet fuel", Citi Research said in a note.

The bank said it sees some upside for oil over the summer and forecast an average price in the third quarter of $83 a barrel.

"While another Fed rate hike this week may drive some short-term price volatility, we expect tightening market conditions on OPEC's supply cuts and increasing market speculation of further stimulus in China to continue to push prices higher through 3Q23," analysts from National Australian Bank said in a note.

Investors have priced in quarter-point hikes from the Federal Reserve and European Central Bank this week, so the focus will be on what Fed Chair Jerome Powell and ECB President Christine Lagarde say about future rate increases.

Rising interest rates have dampened investments and strengthened the greenback, making dollar-denominated commodities more expensive for holders of other currencies.

In China, the state planner on Monday unveiled measures to spur private investment in some infrastructure sectors, and said it will also strengthen financing support for private projects.

Market participants expect Beijing to implement targeted stimulus measures to support its flagging economy, likely boosting oil demand in the world's No. 2 consumer.

Publication : Deccan Chronicle | Editions : Chennai
Date : 25 July 2023 | Page : 10

Torrent Power launches EV charging stations

Torrent Power on Monday announced its foray into the electric mobility infrastructure sector, unveiling its four EV charging stations in Ahmedabad. The initial set of 4 EV charging stations has been set up in Ahmedabad and 2 more are likely to be launched in Surat soon. The company has collaborated with SIEMENS for developing the EV charging network. Torrent Power is the power utility of Torrent Group.

ओएनजीसी ONGC
Publication : Millennium Post | Editions : Kolkata
Date : 25 July 2023 | Page : 10

Govt rejects Chinese BYD-MEIL's $1 bn proposal to set up EV plant

NEW DELHI: The government has rejected a $1 billion investment proposal of Chinese electric car maker BYD and its Hyderabad-based partner Megha Engineering and Infrastructures Ltd (MEIL) to set up an electric vehicle manufacturing plant, sources said.

Domestic infra major MEIL and BYD's joint venture proposed to set up an electric vehicle (EV) manufacturing plant in Telangana with a joint investment outlay of $1 billion (around Rs 8,200 crore).

Sources said that the proposal was submitted to the commerce and industry ministry which was circulated for necessary scrutiny and approval from the ministry of heavy industries, the ministry of external affairs and the home ministry.

BYD is currently a technology partner to MEIL's Olektra

It was discussed and decided not to approve the proposal, they said. Comments from BYD could not be obtained as an email query remained unanswered. MEIL also did not respond to an e-mail seeking its comments on the development.

The proposal was under scrutiny because as per FDI rules, any proposal having investments from countries, which are sharing land border with India, mandatorily requires government permission.

Under Press Note 3, the government has made its prior approval mandatory for foreign investments from countries that share land border with India. These countries are China, Bangladesh, Pakistan, Bhutan, Nepal, Myanmar and Afghanistan.

BYD is currently a technology partner to MEIL's Olektra.

As per industry sources, MG Motor, a British brand owned by China's largest automaker SAIC Motor Corp, has been awaiting government approval to raise funds from its parent.

The automaker has been looking to raise capital for some time now to fund its expansion. With little success so far, it has now started looking for other options to raise the required capital.

India received $2.5 billion FDI equity from China from April 2000 to March 2023. PTI

Publication : Millennium Post | Editions : New Delhi
Date : 25 July 2023 | Page : 6

SJVN gets five hydel projects in Arunachal

MPOST BUREAU

SHIMLA: Sutlej Jal Vidyut Nigam (SJVN) — a profit making leading PSU — has been allotted five new hydro power projects by Arunachal Pradesh.

The total capacity of the projects will be 5097 MW.

All the allocated projects are situated in tributaries of Dibang river. The allocated projects are 3097 MW Etalin, 680 MW Attunli, 500MW Emini, 420 Amulin and 400 MW Mihumdon. SJVN chairman-cum-managing director Nand Lal Sharma informed that the government of Arunachal Pradesh has terminated memorandums of agreement with various private power developers as they 'showed less interest' in executing projects allotted to them. The projects which have been withdrawn from private developers are now being handed over to central public sector understandings.

Sharma said that 3097 MW Etalin and 680 MW Attunli were earlier allocated to private players as there was no physical progress in both the projects; the projects are now allotted to SJVN. In addition to SJVN projects have also been allocated to other central public sector understandings namely NEEPCO, NHPC and THDC.

Sharma said the Arunachal Pradesh government has considered his proposition of 'One Basin One Developer.'

Publication : Telangana Today | Editions : Hyderabad
Date : 25 July 2023 | Page : 5

NTPC's 800MW unit reaches full capacity

STATE BUREAU
Karimnagar

The first ultra-supercritical unit of the 2×800 MW Telangana Super Thermal Power Project of NTPC-Ramagundam reached its full capacity performance by producing 801.6 MW on Sunday night.

The first ultra-supercritical unit of the 2×800 MW Telangana Super Thermal Power Project of NTPC-Ramagundam reached its full capacity performance by producing 801.6 MW on Sunday night.

Chief General Manager of NTPC (Ramagundam & Telangana) Kedar Ranjan Pandu along with other staff celebrated the event by distributing sweets.

It may be recalled that the first of the two 800 MW units of the TSTPP was synchronized to the grid on March 24. Though the unit was prepared for full production, it failed to achieve the target due to technical problems. On July 18, the unit was resumed again and achieved the target by gradually increasing the production. At 7.40 pm, 801.6 MW was produced. A commercial operation declaration will be made after 72 hours of testing. Established as per the provisions of the Andhra Pradesh Reorganisation Act, 2014, the 5×800 MW (4,000 MW) supercritical thermal power plant is mandated to supply 85% of the energy generated there to Telangana.

The State has made a formal request to the NTPC and Ministry of Power to allocate 100% of the power generated there to meet the increasing demand for energy in the State, but a decision is yet to be taken on it. This plant has several environment-friendly fuel-efficient features with an improved cycle efficiency of 42 per cent, a unified control system and control room, gas insulated sub-station, installation of roof-top solar panels on all plant buildings, among others.

Publication : The Free Press Journal | Editions : Mumbai
Date : 25 July 2023 | Page : 6

Juniper Green Energy signs MoU with PFC

Juniper Green Energy has signed an MoU with state-owned Power Finance Corporation for Rs 5,000 crore to fund its renewable energy projects. The MoU is for funding projects of 1200 MW capacities. "The collaboration will support us in pursuing exciting opportunities as we play a critical role in meeting the exponential growth of sustainable energy for India," company's CFO Parag Agrawal said in a statement.

Publication : The Pioneer | Editions : Hyderabad
Date : 25 July 2023 | Page : 8

Avaada Energy bags solar project from SECI

PNS ■ NEW DELHI

Avaada Energy on Monday said it has bagged a 280 megawatt renewable energy project from Solar Energy Corporation of India (SECI).

SECI is the nodal agency of the central government for auctioning renewable energy projects.

"Avaada Energy has won the 280 MWp project under tariff-based competitive bidding carried out by SECI as a part of SECI's 2 GW ISTS (inter-state transmission system) connected solar projects (Tranche XI)," the company said in a statement.

The bidding allows flexibility to Avaada Energy to set up the solar power project anywhere in India and supply green electricity on long term at a tariff of Rs 2.61/kWh (kilowatt hour).

The project will become operational within 18 months from the signing of power purchase agreement (PPA), it said.

The company did not disclose any financial details related to the project. As per industry standards, Rs 6-7 crore is required to set up 1 MW of green energy capacity.