



ONGC News as on 11 December 2023 (Print)



Publication : Business Standard	Editions : New Delhi
Date :11 December 2023	Page : 1, 4

ECONOMY & PUBLIC AFFAIRS P4

India may buy more oil from UAE after COP talks

India is expected to ramp up its purchase of crude oil from the United Arab Emirates (UAE) in the coming months following discussions between the two countries on the sidelines of the ongoing COP28 summit in Dubai, multiple sources in the know said.

Publication : Business Standard	Editions : New Delhi
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India may buy more oil from UAE after COP talks

Discussions were on the sidelines; India re-establishing traditional supplies

SUBHAYAN CHAKRABORTY
New Delhi, 10 December

India is expected to ramp up its purchase of crude oil from the United Arab Emirates (UAE) in the coming months following discussions between the two countries on the sidelines of the ongoing COP28 summit in Dubai, multiple sources in the know said. The UAE has historically been India's third-largest source of crude.

It has suffered the largest drop in shipments since Indian refiners began to binge on Russian crude in 2022.

In the first six months of the current financial year (FY24), India has imported \$3.2 billion worth of crude from the UAE, down from \$9.35 billion in the same period of the preceding year, Commerce Department data showed.

The resultant 65 per cent fall is the highest for India's top 10 sources of crude oil. Both countries have signed a free trade agreement, which went into effect in May 2022 and aims to raise non-oil trade to \$100 billion by 2030.

Trade in hydrocarbons, however, will remain a major component given it makes up nearly 50 per cent of bilateral shipments, officials said.

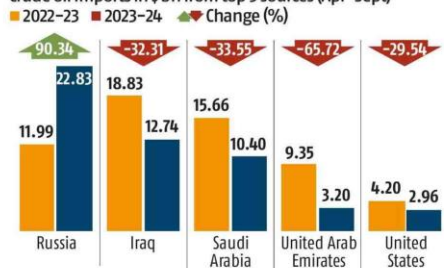
"We expect more crude from UAE to arrive in the next few months. Discussions are currently underway at Dubai," an official at a major refinery said.

He pointed out that the



OIL BASKET

Crude oil imports in \$ bn from top 5 sources (Apr-Sept)



Source: Commerce department

UAE is also set to ramp up exports of its flagship Murban grade of crude from as early as January 2024.

In August this year, the Abu Dhabi National Oil Company (ADNOC) and the Indian Oil Corporation Limited (IOCL) executed their first crude oil transaction using the Local Currency Settlement (LCS) mechanism.

This is expected to reduce transaction costs, cut down delays in settlements, and improve predictability in

trade, officials said.

Discussions in Dubai

The annual meeting of the United Nations Conference of the Parties of the United Nations Framework Convention on Climate Change, more commonly referred to as COP, is set to end on October 12.

The meeting is taking place at a time when nations are increasingly divided over how to achieve a substantial decline in global demand for oil and gas to

limit global warming to 1.5 degrees Celsius by 2050.

After more than a year of securing major shipments of Russian crude, India is increasingly looking to re-establish supplies from its traditional partners in West Asia.

Top officials from state-owned oil marketing companies have travelled to the summit and meetings have taken place with other major global oil companies, multiple people in the know have confirmed. In October, the share of Russian crude in India's imports slipped to 33 per cent, down from September's 35 per cent, and much lower than its historic high of 42 per cent, Reuters reported. This has happened even as the share of Saudi Arabia and Iraq has crept up in recent months.

Estimates made by London-based commodity data analytics provider Vortexa, which tracks ship movements to estimate imports, showed imports from Saudi Arabia rose to 924,000 barrels per day (bpd) in October, up from 523,000 bpd the previous month. Meanwhile, Russian shipments to India slipped 8 per cent to 1.55 million barrels per day (bpd) in October, down from 1.62 million bpd in September.

Since April, the majority of Russian oil sold to India has been on the Dubai benchmark, with an average discount level of \$8-10 per barrel.

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● **MINISTRY HAS PROPOSED EXEMPTION ON DUTIES TILL 2035**

MNRE plans long-term exemption for green hydrogen projects for solar PV

AGGAM WALIA
New Delhi, December 10

THE MINISTRY OF New and Renewable Energy (MNRE), a key player in the Indian government's decarbonisation goals, has proposed an exemption for green hydrogen developers from adhering to its list of authorised manufacturers to enable them to import solar photovoltaic (PV) modules and wind turbine models from China.

Additionally, in a meeting with green hydrogen developers, MNRE also proposed an exemption on duties and taxes up till 2035 on equipment imports for setting up export-oriented green hydrogen projects, according to the minutes of the meeting on October 19 accessed by *The Indian Express* through the RTI. As per the minutes, MNRE noted that a separate meeting shall be convened with the Department of Revenue to discuss the same. During the meeting, developers also sought an exemption from a Ministry of Finance order dated February 8, 2021 that had barred public procurement of equipment from countries sharing land border with India, a move aimed at China.

The MNRE, according to the minutes, has proposed examining the possibility of exempting green hydrogen developers from its list of authorised manufacturers, which will allow them



to import solar PV modules and wind turbine models from China in order to make exports of green hydrogen competitive. Currently, MNRE's Approved List of Models and Manufacturers (ALMM) and Revised List of Models and Manufacturers (RLMM) do not include Chinese manufacturers as a consequence of the ministry's policy to boost domestic manufacturing of renewable energy equipment.

Importantly, the ALMM adherence requirement has been temporarily kept in abeyance for the current fiscal year in an effort to increase solar capacity as domestic manufacturing of solar PV modules has not kept up with the demand. In other words, solar energy projects commissioned by

March 31, 2024 are exempt from the requirement of procuring solar PV modules from approved manufacturers. Green hydrogen developers have sought for a long-term exemption as opposed to the year-long exemption currently in place.

The exemptions will allow companies to import renewable energy equipment at competitive prices and enable central PSUs like Indian Oil Corporation Ltd and NTPC Ltd, which have announced green hydrogen projects, to procure equipment manufactured in China. Together with proposed exemption from duties and taxes on equipment imports for setting up export-oriented green hydrogen projects, which includes renewable energy

plants for supplying power, developers could get an edge over exporters in other countries by offering competitive prices for green hydrogen.

"We will do everything in our power to make India be competitive in producing green hydrogen and to achieve the targets set out in the National Green Hydrogen Mission," said RK Singh, Union power minister, in a press release published a day after the meeting. The MNRE did not respond to a detailed questionnaire enquiring about the status of exempting green hydrogen developers from ALMM and RLMM. The Department of Revenue also did not respond to an email enquiry regarding the status of exempting equipment imports for green hydrogen projects from duties and taxes.

As per meeting minutes, MNRE told the developers to put forth their request to the Finance Ministry regarding its order, which was issued by the Department of Expenditure (DoE). So far no such request has been received, an official with the department's Procurement Policy Division told *The Indian Express*.

The government's sidelining of Chinese manufacturers comes at a time when energy companies are doubling down on mass producing green hydrogen, for which renewable energy equipment and electrolyzers are key.

Even as imports of Chinese solar PV modules to India fell by 76 per cent during the first half of 2023 compared to the first half of 2022, they continue to be cheaper than those made in India. Besides, to meet its green hydrogen targets by 2030, India needs to add an additional renewable energy capacity of 125 gigawatt, nearly three-fourth of its current total capacity of 179 gigawatt.

As per industry sources, importing solar PV modules from China will help with supply and in making Indian exports of green hydrogen competitive at the global level. Moreover, China is a global hub for manufacturing electrolyzers. Paris-based International Energy Agency notes that China leads with 40 per cent of global manufacturing capacity for electrolyzers. While India plans to install 60 gigawatt of electrolysis capacity to meet its 2030 target of producing 5 million tonne of green hydrogen, the domestic industry is still in nascent stages. A total of ₹4,400 crore earmarked for the PLI scheme for boosting domestic manufacturing of electrolyzers under MNRE's flagship Strategic Interventions for Green Hydrogen (SIGHT) programme is set to change that. However, it could be years before India reaches some degree of self-sufficiency in electrolyser manufacturing capacity.

● **PORT OF CALL.**

Mangaluru's ₹8,347-crore maritime boost



BUSINESS MAGNET. New Mangalore Port HS MANJUNATH

AJ Vinayak

The recently concluded Global Maritime India Summit (GMIS) is expected to bring in investments worth around ₹8,347 crore to the Mangaluru region. The New Mangalore Port Authority (NMPA), the only major port in Karnataka, exchanged seven memorandums of understanding with various stakeholders.

A majority of the investment proposals are focused on port-led industrialisation, with Mangalore Refinery and Petrochemicals Ltd (MRPL) at the top of the heap.

MRPL has proposed ₹5,000 crore investment in port infrastructure for business development and ₹1,500 crore in its own desalination plant (augmentation of capacity).

NMPA also exchanged MoUs with Hindustan Petroleum Corporation Ltd (₹800 crore) and Indian Oil Corporation Ltd (₹500 crore) towards port-led industrialisation.

Sealord Containers Ltd's MoU focuses on setting up an integrated LPG and bulk liquid POL (petroleum, oil and lubricants) storage facility in Mangaluru. This is expected to attract investments worth ₹500 crore.

NMPA's MoU with PHPC Associates for installation of tank farms and/or storage infrastructure at New Mangalore Port is expected to attract around ₹47 crore investment.

Ananthesh V Prabhu, President of Kanara Chamber of Commerce and Industry, told *businessline* that the investments will enhance the region's trade and commerce. Welcoming MRPL's proposal to augment capacity at the desalination plant, he said the chamber had earlier taken up the matter with the authorities concerned.

He stressed the need to make available industrial land in the vicinity of the port to support the industrial activities generated by the investments.

Calling for improved connectivity between the port and the hinterland, he said a significant chunk of cargo business was lost to other ports due to poor connectivity between Mangaluru and Bengaluru. This needs to be addressed to effectively reap the benefits of the investment, he said.

Stating that NMPA is committed to extending its contribution to the maritime sector, AV Ramana, Chairman of the port authority, said the MoUs were a step in the right direction.

Publication : Business Standard	Editions : Mumbai
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US to support India's 50,000 e-buses plan

India is aiming to get 50,000 electric buses on its streets by 2027 with help from a joint finance mechanism with the United States (US). The \$390 million fund will act as a guarantee for manufacturers seeking loans to expand production, Indian and US officials said at a side event at COP28. As of now, India has 12,000 e-buses in operation.

The payment security mechanism, established with \$150 million from the US government and philanthropic groups, and \$240 million from the Indian government, "is the bedrock of risk management for building out the financial system for electric mobility at scale in India,"

said Mahua Acharya, a government official who spearheaded the deployment of the first e-buses in the country. India has been working to drive down the price of electric buses.

The government previously introduced the concept of "transportation as service," whereby manufacturers rent buses to public entities and collect monthly payments for 12 years. While this allowed local authorities to spread out costs and to afford more buses, it ultimately led to a production lull as vehicle makers faced uncertain returns while carrying the associated long-term debt.

BLOOMBERG



Publication : Financial Express	Editions : New Delhi
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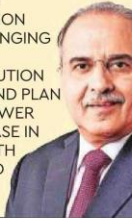
Adani Energy & Tata Power bet on smart meters

HIGH TECH

- Adani Energy Solutions is working on delivering over **20 million smart meters**
- These come with a contract value of about **₹23,000 crore** of capex
- Tata Power has installed **five lakh metres** across Mumbai, Delhi and Odisha
- It plans to provide smart meters for its **750,000** customers in Mumbai by FY25

ANIL SARDANA, MD, Adani Energy Solutions

DATA ANALYTICS IS HELPING US IN THEFT DETECTION AND BRINGING DOWN DISTRIBUTION LOSS, AND PLAN OUR POWER PURCHASE IN LINE WITH DEMAND



RAGHAVENDRA KAMATH
Mumbai, December 10

POWER DISTRIBUTION COMPANIES like Adani Energy and Tata Power will expedite deployment of smart meters to bring greater operational efficiency by aligning power purchase with real-time demand.

Adani Energy Solutions, for instance, is currently working on delivering over 20 million smart meters in eight distribution licensee areas, Anil Sardana, managing director of Adani Energy Solutions, told *FE*. These will come at a contract value of about ₹23,000 crore and revenue recovery will be spread over a 10-year period, Sardana said.

"We are investing big time in technology and digitisation to improve our overall operational efficiency and customer value proposition and engagement," Sardana said.

Through smart meters, the company can monitor and predict power consumption pattern over micro geographies and hence manage retail distribution better. It is adopting IoT (Internet of Things) across its assets for getting their real-time health diagnosis and undertaking predictive maintenance wherever needed, he said.

"Use of data analytics is helping us in theft detection and bringing down distribution loss, and plan our power purchase in line with demand," he said.

Similarly, Tata Power has installed over 1.25 lakh smart meters for its customers in Mumbai and would provide the same for all its 750,000 customers in Mumbai by FY25, said a company spokesperson. As on March 2023, the company had installed 500,000 meters across Mumbai, Delhi and Odisha.

In July, Tata Power received a letter of award to implement smart metering project in Chhattisgarh State Power Distribution Company (CSPDCL).

Smart meters provide real-time power consumption and analytics to the customers through a web portal and mobile application. They also enable remote meter reconnection and disconnection, quick outage detection and accurate load forecasting, the spokesperson said.

"The consumer response has been positive, as they can optimise their consumption and save on their energy bills," he said.

Smart meters are beneficial for the company as they help in reducing AT&C losses, improving service quality, enhancing customer satisfaction, and optimising network planning and capex. They also support the company's vision of providing smart and sustainable energy solutions for a greener tomorrow, he said.

These meters work by using an in-built modem that connects the meter to the central grid. They transmit data on an hourly basis to the Tata Power portal, where the customers can access it.

They also send SMS alerts to the customers about their consumption and billing. The meters are also capable of receiving commands from the central grid, such as firmware updates or reconnection/disconnection requests.

Power consumption grows 9% in April-November

Power consumption has increased by nearly 9% to 1,099.90 billion units (BU) in the country during April-November this fiscal compared to the same period a year ago, showing a surge in economic activities, reports PTL.

The power consumption in the country was 1,010.20 BU in April-November 2022-23, higher than 916.52 BU recorded in the same period of 2021-22.

Power consumption in the entire fiscal 2022-23 was 1,504.26 BU, higher than 1,374.02 BU witnessed in 2021-22 financial year.

Industry experts said that around 9% growth in power consumption in the first eight months of this fiscal year shows buoyancy in the economy.

The power ministry had estimated the country's electricity demand to touch 229 GW during summer. The demand did not reach the projected level in April-July due to unseasonal rain.

'NO NEED FOR FIRM-SPECIFIC SOPS'

Govt need to follow consistent EV policy: FICCI EV Committee Chair

Sulajja Firodia Motwani also batted for the continuation of incentives for buying EVs to sustain the demand for the next few years

OUR CORRESPONDENT

NEW DELHI: The government should not dilute Make in India initiative and follow a consistent policy, Ficci EV Committee Chairperson Sulajja Firodia Motwani said amid a push from American electric carmaker Tesla for special sops to set up its factory in the country.

Motwani, the founder and CEO of Kinetic Green which sells battery-operated three-wheelers, scooters, e-cycles, and buggies, also emphasised creating a holistic ecosystem for the growth of the electric vehicle segment. She also batted for the continuation of incentives for buying EVs to sustain the demand for the next few years.

Motwani also noted that the industry body is also pushing for the inclusion of electric cars priced up to Rs 20 lakh to get incentives under the third iteration of the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) India scheme.

"I strongly feel that the



Motwani also noted that the industry body is also pushing for the inclusion of electric cars priced up to Rs 20 lakh to get incentives under the third iteration of the FAME India scheme

Make in India policies that the government has put in place, there should not be any reversal because now people have started investing in local manufacturing," Motwani said.

If not followed diligently, the manufacturers would again shift to importing components from other countries including

China, she added.

When asked if US carmaker Tesla should get policy support to enter the Indian market, Motwani said: "As far as the entry of some of the premium car makers like Tesla goes I don't know the details about the proposal but I believe it's linked to a large investment..But I still feel per-

sonally there should not be confusion and the policy should be consistent.

People should know that there is a policy in place and it needs to be followed, she noted.

"It shouldn't be that one day you say that Make in India is important..and then you say that now duties are reduced. Policy should be long-term and consistent," Motwani said.

India should definitely focus on Make in India because that will only create long-term competitiveness, she noted.

"Otherwise, we'll end up becoming a country where there are EV users but materials for their production are coming from other countries," she added. Motwani said FICCI has also proposed to the government to cover small electric cars for incentives under the FAME scheme.

"FICCI has already given its recommendations to the Heavy Industries ministry for the FAME 3 scheme and said that now we should also consider private cars because there is genuine interest in the public.

We are proposing an incentive for cars up to Rs 20 lakh only," she noted.

The FAME India scheme, originally introduced on April 1, 2019, currently caters to public and commercial transport in the segments of electric three-wheelers, electric four-wheelers and electric buses.

The benefit of the incentive is also available to privately owned registered electric two-wheelers (e-2W).

Motwani stated that till the time battery prices come down considerably there is a need to continue with demand incentives for the next 3-5 years.

She noted that the time is now ripe to have deeper inter-ministerial dialogue regarding the EV segment.

"I think the time has come that we set up task forces in order to look at the next five years of ecosystem creation.. assuming demand momentum is continued with demand incentives, then we need to also create an ecosystem with all the stakeholders involved," Motwani said.

Towards net zero via the reduction of methane emissions

Remediation of landfills and scientific waste management could make a considerable difference in India

Preeti Mehra

President Joe Biden's pledge at COP28 to drastically reduce methane emissions from the oil and gas industry in the US should serve as a wakeup call for India too. According to environmentalists, India needs to urgently address the issue of methane emissions from the waste sector, especially from landfills and open dumpsites. This will help it move closer to net zero targets.

In 2016 alone, India's methane emissions were 409 million tonnes CO₂e, of which 14.46 per cent came

from the waste sector. This included gigantic landfills and garbage dumps outside most towns and cities. Population growth and industrial activities led to an exponential hike of a whopping 224 per cent in greenhouse emissions by the waste sector between 1994 and 2016.

This is a matter of grave concern as the global warming potential of methane is 25 times higher than carbon dioxide. While India is not yet a signatory to the Global Methane Pledge, which aims to reduce the world's methane emissions 30 per cent from 2020 levels by 2030, it needs strategies to reduce its methane emissions.



DUMPSITES. A hotspot for Methane emissions

Methane is a potent greenhouse gas whose atmospheric concentration has more than doubled over the last two centuries due to human activity. According to a recent report by Centre for Science and Environ-

ment (CSE), "Methane emissions from open dumpsites in India: Estimation and Mitigation strategies", landfills are the third biggest source of methane emissions after agriculture and oil and gas systems. Open dumpsites and landfills are significant contributors of anthropogenic (man-made) methane gas. Since a considerable portion of waste in India is biodegradable, municipal solid waste when disposed of in dumpsites or landfills emits methane for years even if the landfill is scientifically closed.

Wastewater treatment and discharge, both industrial and domestic, also contributes highly to

methane emissions from the waste sector. While emissions from the oil and gas sector receive attention, the waste sector also needs similar focus. The CSE report suggests mitigation strategies that include source segregation and scientific treatment of fresh waste. It says that biodegradables should not be dumped in landfills.

Remediation of dumpsites, says the report, plays a critical role in reducing emissions by removing a methane source—legacy waste lying in the dumpsites. It recommends the promotion of carbon credits for biomining projects and afforestation on reclaimed bioremediated land.