ONGC News as on 30 October 2023 (Print)

Publication : Echo of India	Editions : Kolkata
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Dhamra LNG terminal built entirely on promoter finance; no fin commitment from IOC, GAIL: Sources

NEW DELHI, OCT 29 /--/ Adani Group built an LNG import facility at Dhamra in Odisha entirely based on financial backing of promoters, with no financial undertaking or guarantees of public sector giants IOC and GAIL, who merely were tenants, sources said.

Clarifying the group's position, they said Indian Oil Corporation (IOC) and GAIL (India) Ltd have hired capacity on the newly built terminal at rates lower than a similar but older and depreciated facility at Dahej in Gujarat. This came in response to reported comments by Trinamool Congress MP Mahua Moitra, who is facing a Lok Sabha Ethics Committee examination over cash for query in Parliament, on Dhamra being built on financial backing and commitments to buy gas at a fixed price. The project cost of Dhamra LNG terminal is Rs 6,450 crore, the sources said responding to Moitra's assertion that the terminal to import natural gas in its liquid form, called LNG, was built at a much higher cost than Rs 5,000 crore that IOC incurred in construction of a similar sized facility at Ennore in Tamil Nadu. Sources said no amount upfront or during the project either as cash or bank guarantee has been given by IOC and GAIL.

The project Is fully financed by equity and debt by shareholders of Dhamra LNG terminal, they said, rejecting the assertion that IOC and GAIL paid Rs 46,500 crore. IOC had in 2015 signed to use up to 60 per cent of the terminal's 5 million tonnes a year capacity for importing gas for its refineries at Haldia in West Bengal and Paradip in Odisha.

GAIL too had signed up for 1.5 million tonnes of the terminal's regasification capacity. Sources asserted that its tariff and commercial terms of Dhamra LNG terminal (inclusive of port charges) was arrived at through competitive benchmarking. Petronet LNG (which is owned by IOC, GAIL, BPCL and ONGC) operates India's largest LNG terminal at Dahej was used as benchmarking the tariff and commercial terms, they said. Dhamra tariff is 1.5 per cent lower (Rs 46.49 per ton or Rs 21 crore annually over 4.5 million tonnes of LNG capacity use) than Dahej LNG terminal charges and has better commercial terms as well.

Moitra had, however, compared the tariff of Dhamra with Ennore, which was commissioned not so long back. The then Oil Minister Dharmendra Pradhan had in November 2019 told the Lok Sabha in a written reply to a question that "GAIL and IOC have agreed to pay the tolling charge of Rs 60.18 per million British thermal unit for the regasification facility at Dhamra LNG terminal with annual escalations in line with their respective contractual provisions." This charge compares to Rs 57.38 per mmBtu regasification charges for Ennore LNG terminal, he had said. Originally, IOC and GAIL had on September 21, 2016, signed a 'non-binding' agreement to buy a 50 per cent stake in Adani Group's Rs 5,500-crore Dhamra LNG project in Odisha. But that agreement expired on September 20, 2018, without being translated into a firm pact apparently because of differences over valuation.

Sources said IOC and GAIL import LNG on their own and only pay tolling charges. Dhamra LNG will not buy and sell LNG during the operations of the facility. It only provides the service of LNG handling and dispatch, they said, rejecting the claim of a 20-year fixed payment by IOC and GAIL to Adani for gas. On a charge that businessman Darshan Hiranandani posed questions on Adani Group using Moitra's parliamentary logins as his business was impacted because of IOC and GAIL committing to Dhamra, sources said Hiranandani's H-Energy had obtained a NOC from the Kolkata Port Trust to set up a LNG terminal in Kukrahati in February 2020. Though this NOC is still valid, they have been unsuccessful in progressing the same. This terminal of H-Energy would cater to the same catchment area being serviced by Dhamra LNG, they said.

H-Energy was also looking at IOC and GAIL to book capacity for their terminal.

However, they were unable to justify a value proposition to IOC and GAIL that was better than what was being offered at Dhamra LNG terminal. This stymied their efforts to develop this facility, sources claimed. On IOC and GAIL not taking equity in Dhamra, they said the LNG terminal was able to offer commercially competitive terms to the users and given the pipeline tariff competitiveness of supplying nearby consumption centres, IOC and GAIL were confident of bringing LNG at the cheapest terms via Dhamra to their consumption centres. Hence, their strategic objective was met without injecting equity and they decided to progress on a capacity booking basis only. The strong credentials of the project developrs and the significant amount of pre-investment undertaken by Adani gave further confidence to IOC and GAIL on project completion, they added. (PTI)

Publication : Millennium Post	Editions : New Delhi
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'Dhamra LNG terminal built on promoter finance, no commitment from IOC & GAIL'

Sources said no amount upfront or during the project either as cash or bank guarantee has been given by Indian Oil Corporation & GAIL

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On a charge that businessman Darshan Hiranandani posed questions on Adani Group using Moitra's parliamentary logins as his business was impacted because of IOC and GAIL committing to Dhamra, sources said Hiranandani's H-Energy had obtained a NOC from the Kolkata Port Trust to set up a LNG terminal in Kukrahati in February 2020. Though this NOC is still valid, they have been unsuccessful in progressing the same.

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Publication : Mint	Editions : New Delhi
Date :30 October 2023	Page : 1, 3

Amplus founder, I Squared set up Hexa Climate Solutions

Amplus founder Sanjeev Aggarwal and I Squared Capital have come together again to set up a climate solutions platform—Hexa Climate Solutions—which will focus on renewable energy, water and carbon oxides. >P3

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Amplus, PE fund set up Hexa Climate Solutions

PE fund I Squared Capital to invest $500 mn in climate solutions platform

Utpal Bhaskar
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NEW DELHI

Hexa Climate Solutions will cater to the C&I sector and will offer services such as round-the-clock renewable generation, storage, and investments in carbon offset projects. MINT

Amplus founder Sanjeev Aggarwal and I Squared Capital have come together again to set up a climate solutions platform—Hexa Climate Solutions—which will focus on renewable energy, water and carbon oxides; wherein the New York-based private equity fund will invest around $500 million, said two people aware of the development.

New York-based I Squared Capital is no stranger to India's green economy and invested $150 million in Amplus Energy Solutions Pvt. Ltd in April 2015.

Hexa Climate Solutions will be its second innings together after Amplus Energy Solutions, one of India's largest rooftop solar power producers was sold to Malaysia's state-run oil and gas company, Petroliam Nasional Bhd or Petronas in April 2019 for ₹2,700 crore.

It also marked Petronas' foray in the global clean energy space. While I Squared Capital held an over 90% stake in Amplus, the balance was held by the management led by Amplus founder and chief executive Aggarwal.

Hexa Climate Solutions will cater to the commercial and industrial (C&I) sector and offer services such as round-the-clock renewable generation, storage, and investments in carbon offset projects.

$150 mn was invested by I Squared Capital in Amplus earlier

I Squared Capital was also earlier looking to buy Continuum Green Energy (India) Pvt. Ltd for an enterprise value of around $1.5 billion. It had emerged as the front-runner to acquire TPG Capital's 52% stake in Hyderabad-based Fourth Partner Energy at an estimated equity value of around $350 million.

"It is a great opportunity to work in climate solutions space at this time and I am really happy to be backed by I Squared Capital again," Hexa Climate Solutions chairman Aggarwal said in response to *Mint's* queries.

Queries emailed to an I Squared Capital spokesperson on Thursday evening did not elicit a response till press time.

Attracted by India's green energy transition trajectory, there are several deals in play as reported by *Mint*, including Shell Plc looking to sell a stake in the operational assets of Sprng Energy, a company it acquired in 2022 from Actis Llp at an enterprise value of $1.55 billion.

Also, Gentari Sdn Bhd, Edelweiss Infrastructure Yield Plus Fund's Sekura Energy Ltd and Actis are in the fray to acquire 350 megawatt (MW) of solar projects from European alternative asset manager EQT and Temasek-promoted O2 Power.

State-run Oil and Natural Gas Corp. Ltd, Gentari, Edelweiss and Actis are in the race to buy 185MW solar projects from Finnish state-run power utility Fortum Oyj. India's National Investment and Infrastructure Fund Ltd and Actis are among the four contenders vying for Macquarie Asset Management's Green Investment Group platform, Vibrant Energy.

India Invest, the national investment promotion and facilitation agency, in an outlook in July had described India as an "ideal location" for renewable energy investments and said more than $78 billion have been invested in the Indian renewable energy sector since 2014, renewable energy projects worth $197 billion of investments are underway in India.

India is running a massive green energy programme, with the country's plan to meet 50% of its energy requirements from renewable assets by 2030 and increase non-fossil fuel power generation capacity to 500GW by the end of this decade. Currently, India has an installed renewable capacity of 172 GW and 128 GW is under implementation or has been bid out.

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INVESTMENT SEEN AS LARGEST FDI IN SEGMENT

Petronas, Greenko Founders, GIC Set to Put $2b in AM Green

New platform to have 5 mtpa green ammonia facilities; aims to be among low-cost green molecules' producers

Arijit Barman & Kalpana Pathak

Mumbai: Petroliam Nasional Bhd, Singapore sovereign wealth fund GIC and the founders of Greenko Energy Holdings are investing $2 billion in AM Green, a platform that's being established for green molecules, including green hydrogen, green ammonia and other chemicals.

Of this, $1.5-1.7 billion is likely to come from Malaysia's state-owned energy company, said people aware of the development. AM Green is being set up by Greenko founders Anil Chalamalasetty and Mahesh Kolli. Once concluded, this will be the largest foreign direct investment till date in the rapidly growing sector as corporates and governments seek ways to decarbonise their energy and consumption footprint.

Greener Pastures

GREEN AMMONIA USE CASES

Hydrogen used as clean fuel to meet industrial net-zero targets

India H2 consumption: 6 mmtpa, 50% used by oil refineries*

Fertilisers are made from nitrogen

2.5 mmtpa+ used in ammonia production for urea & fertilisers*

*Source: Emkay Research

AM Green will act as a holding company for these green initiatives. It will be kept separate from Greenko Energy, which is one of India's leading renewable power producers. Petronas and GIC will be minority shareholders in the green ammonia unit of AM Green, said the people cited above.

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Announcement Likely This Week

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GIC is also the single-largest shareholder of Greenko Energy Holdings, with 52% equity ownership. Other investors are Orix Corp of Japan (22%) and Abu Dhabi Investment Authority (14%). Chalamalasetty and Kolli own 12%. Petronas will be a new strategic partner in the AM Green's ammonia vertical while the Singapore fund is doubling down.

The investments will go into the production of 5 million tonnes per annum (mtpa) of green ammonia (NH3) by 2028-2030 across four-five locations such as Kakinada, Tuticorin, Mangaluru and Kandla. This will make it among the world's largest green ammonia production network with an estimated capital expenditure of $6-6.5 billion.

In comparison, the $8 billion Neom green hydrogen and ammonia complex in Saudi Arabia is expected to produce 1.2 mtpa of NH3 by the end of 2026. Ammonia is a high-value molecule. Countries such as Japan and South Korea — with limited renewable energy sources — break it down and use the hydrogen for their industrial net-zero targets.

INTEREST AREAS

Europe, struggling with food inflation since the Ukraine war, wants it to make fertiliser, a legacy use case. Today, farmers use the lion's share of the 175 million tonnes of ammonia produced annually but it comes at a high environmental cost due to carbon dioxide emissions. So for players like AM Green, the interest lies in ammonia as a carrier of three hydrogen atoms, but cleanly produced. Both as feedstock and fuel, hydrogen (H2) is the next big frontier.

ET was the first to report on BP and Petronas being in the race to invest up to $2 billion in AM Green platform on May 26.

A formal announcement is expected this week.

Greenko's founders and Petronas spokespersons were not immediately available for comment.

Such scaled ammonia facilities will also lead to 1 MTPA of green hydrogen produced through 7 GW of electrolysers that will split water into hydrogen and oxygen. A similar 7 GW of renewable energy along with 42 gigawatt hours of pumped storage facility will power those electrolysers round-the-clock to ensure firm, dependable and schedulable supply of green electricity.

The renewable energy for AM Green's ammonia sites will come from at least four upcoming mega projects, including the Pinnapuram Integrated Renewable Energy Storage plant in Kurnool district of Andhra Pradesh. Similar projects are lined up in Madhya Pradesh, Rajasthan and Maharashtra. One mtpa of green H2 is about a fifth of the country's 2030 target under the National Green Hydrogen Mission.

"Greenko is looking to industrialise proven technologies like storage, electrolysers to build unsubsidised, low-cost green hydrogen at $3 per kg produced with round-the-clock renewable power," said a Hong Kong-based energy consultant. "In the US, the IRA Bill gives $3 per kg subsidy. And as electrolyser, solar panel prices drop further, the hydrogen price will drop further."

Reliance Industries chairman Mukesh Ambani wants to sell green H2 at $1 within a decade.

DECARBONISATION EXERCISES

The clean energy will be supplied and the electrolysers will be manufactured by other arms of AM Green, which will act as an umbrella platform for all such large-scale decarbonisation exercises.

For example, in March 2022 a partnership had been set up with Belgium-based John Cockerill to build a giga factory to make electrolysers. That partnership will be housed in AM Green and get scaled up to supply 6.5-7 GW electrolysers to the ammonia vertical.

The green ammonia will be exported abroad and also supplied to local customers. AM Green already has offtake agreements with Uniper SE of Germany, Posco of South Korea and state-owned ONGC for green molecules from 2025. It has also signed an agreement with Keppel Infrastructure Holdings Pte of Singapore to explore building a factory together.

From lubricants to renewables to rooftop solar and import of LPG, Petronas' India footprint is wide and growing. It acquired Amplus Energy Solutions, one of India's largest rooftop solar power producers, in 2019 for Rs 2,700 crore. With an eye on net-zero carbon emissions by 2050, this July, its wholly owned subsidiary Gentari, tied up with ReNew Energy for a 50:50 joint venture for 5 GW of renewable capacity in India. The collaboration follows Gentari's initial investment for a 49% equity stake in ReNew's 403 MW Peak Power project in May.

Publication : The Economic Times	Editions : Ahmedabad
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'Odisha's Dhamra LNG Terminal Built Entirely on Promoter Finance'

No financial undertaking by Indian Oil and GAIL, say sources

PTI

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The project is fully financed by equity and debt by shareholders of Dhamra LNG terminal, they said, rejecting the assertion that IOC and GAIL paid Rs 46,500 crore.

IOC had in 2015 signed to use up to 60 per cent of the terminal's 5 million tonnes a year capacity for importing gas for its refineries at Haldia in West Bengal and Paradip in Odisha. GAIL too had signed up for 1.5 million tonnes of the terminal's regasification capacity.

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On IOC and GAIL not taking equity in Dhamra, they said the LNG terminal was able to offer commercially competitive terms to the users and given the pipeline tariff competitiveness of supplying nearby consumption centres, IOC and GAIL were confident of bringing LNG at the cheapest terms via Dhamra to their consumption centres.

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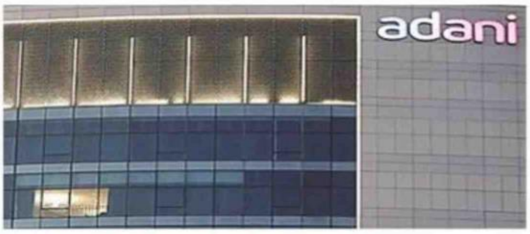
'Dhamra LNG terminal built on promoter finance'

PTI @ New Delhi



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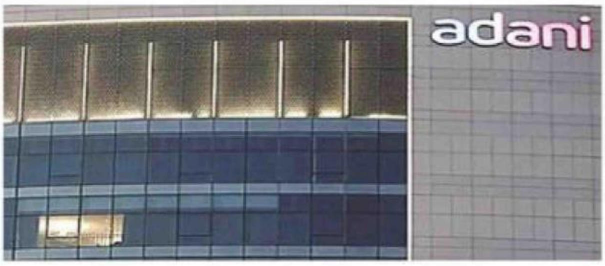
PTI @ New Delhi



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Publication : The Pioneer	Editions : New Delhi
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Adani Group wins a Rubicon

Dhamra Port in Odisha to save ₹5000 cr per annum for users

PNS ■ NEW DELHI

Adani Ports and SEZ's Dhamra LNG terminal will save over ₹5,000 crores annually for users.

It will act as a primary source of gas for more than 35 per cent of India's population and serve more than 8 eastern States by substituting expensive and polluting fuels like Naphtha and HSD. Dhamra is one of the deep draft ports of India which can accommodate super cape-size vessels.

The project cost of Dhamra LNG Terminal is estimated to be ₹6,450 crores. It is fully financed by equity and debt by the shareholders of Dhamra LNG Terminal.

There has been no amount upfront or during the project either as cash or Bank Guarantee has been given by Indian Oil Corporation Limited or GAIL.

Dhamra LNG Terminal is owned 50/ 50 by Adani and TotalEnergies. Total equity of Adani and TotalEnergies (of France) shareholders is ₹1,900 crores. The entire investment has been made without any financial undertaking by IOCL or GAIL. Adani had started committing capital expenditure to the project from 2016 onwards and commercial operations commenced on 21st May 2023.

All risks related to the completion and performance of Dhamra LNG have been solely borne by the Adani-TotalEnergies JV.

The tariff and commercial terms of Dhamra LNG Terminal (inclusive of port charges) was arrived at through competitive benchmark-

ing. Petronet LNG (which is owned by IOCL, GAIL, BPCL and ONGC) operates India's largest LNG terminal at Dahej and was used as benchmarking the tariff and commercial terms. Dhamra's tariff is 1.5 per cent lower (₹46.49 per tonne or ₹21 crores annually over 4.5 million tonnes of LNG capacity use) than Dahej LNG terminal charges and has better commercial terms.

In addition to the tariff of Dhamra LNG Terminal being 1.5 per cent lower than Dahej, supply from Dhamra (instead of Dahej) to the nearby markets of IOCL and GAIL (e.g., refineries and fertiliser plants in UP, West Bengal, Bihar) helps these users save at least ₹800 crores annually on pipeline tariff. Dhamra LNG is located within the limits of Dhamra Port. It is a multi-user, multi-cargo, all weather, deep draft port. As such, the port continuously looks to grow its business and Dhamra LNG development was ably served by the Indian infrastructure capabilities of the Adani Group and the strong international LNG credentials of TotalEnergies.

This grouping saw tremendous value in creating a new LNG market in the eastern part of India via the development of the terminal within Dhamra Port. IOCL and GAIL are owners of gas molecules at all times during the process of using Dhamra LNG Terminal. IOCL and GAIL contract for LNG volumes internationally from global suppliers. Dhamra LNG will not buy and sell LNG during the operations of the facility. It only provides the service of LNG handling and dispatch. While the offer remained for IOCL and GAIL to take equity in Dhamra, the companies did not take that option as their strategic objective was to supply gas competitively to their consumers in the eastern part of the country.

At the same time, Dhamra was able to offer commercially competitive terms to its users. Hence, their strategic objective was met without injecting equity and they decided to progress on a capacity booking basis only.

The Dhamra Port Company Limited (DPCL) is a 100 per cent subsidiary of Adani Ports and SEZ.

DPCL has been awarded a concession by Government of Odisha to build and operate a port north of the mouth of river Dhamra in Bhadrak district on BOOST (Build, Own, Operate, Share and Transfer) basis for a total period of 34 years including a period of 4 years for construction.

Situated between Haldia and Paradeep, Dhamra Port is in close proximity to the mineral belt of Orissa, Jharkhand and West Bengal offers deepened hinterland connectivity and operational efficiency.

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SECL achieves record 100 MT of coal dispatch with 17.5 per cent growth in FY 23

KOLKATA, OCT 29 /--/ South Eastern Coalfields Limited (SECL) announced on Sunday that it had surpassed 100 million tonnes of coal dispatched for the current fiscal year, achieving a growth of 17.65 per cent over the previous year when the Coal India subsidiary dispatched 85 million tonnes of dry fuel.

Of the total dispatch, more than 80 per cent went to the power sector, with the company sending around 81 million tonnes of coal to thermal power plants across the country, according to company officials. "This is the fastest 100 MT coal dispatch achieved by the company since its inception. The company's mega projects Gevra, Dipka, and Kusmunda, located in Korba district (of Chhattisgarh), have made significant contributions to the total dispatch of 100 million tonnes of coal," said SECL Chairman and Managing Director Prem Sagar Mishra. SECL's Gevra mine, currently the largest coal mine in the country, contributed 30.3 million tonnes, while Dipka and Kusmunda contributed 19.1 MT and 25.1 MT of coal, respectively. The total share of all three mega projects in the total dispatch has been more than 74 per cent, he said.

In addition to this, SECL's Korea Rewa coalfield, where most of the old and underground mines are located, also made a notable contribution of 11.75 MT, an increase of about 20 per cent compared to last year when the figure was 9.75 MT. As many as 71 thermal power plants in the country dependent on domestic coal have reported critical stock levels (less than 25 per cent of the normative level) for the dry fuel, according to the latest Central Electricity Authority (CEA) data. There has been some improvement in supply to power plants in the last two weeks, CEA data showed.

SECL is one of the largest coal-producing subsidiaries of Coal India. The company produced 167 MT of coal and accounted for about one-fourth of CIL's total coal production in FY'23. This year, the company has set a target of 197 MT of coal production. (PTI)

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Gentari, GIC set to invest $1.75 billion in AM Green unit

Utpal Bhaskar & Rituraj Baruah

NEW DELHI

Gentari Sdn Bhd and GIC Holdings Pte Ltd will invest $1.75 billion in AM Green Ammonia Holdings, a company owned by Greenko Group founders Mahesh Kolli and Anil Kumar Chalamalasetty, in what may rank among the world's largest energy-transition deals, two people aware of the development said.

Mahesh Kolli and Anil Kumar Chalamalasetty, founders, Greenko Group. MINT

A unit of Malaysia's Petronas, Gentari, will invest $1.5 billion for 30% in AM Green Ammonia Holdings, valuing the company at $5 billion. The founders will hold the balance 70% along with Singaporean wealth fund GIC, which will invest $250 million. Citigroup is the financial adviser to AM Green for this transaction.

These entities are likely to announce the deal shortly, along with an overall investment plan of $5.5 billion (including equity and debt funding by all stakeholders, including promoters) for producing 5 million tonnes of green ammonia annually in Tamil Nadu, Karnataka, Andhra Pradesh, Himachal Pradesh and Gujarat.

The plan also involves exporting green ammonia, produced at among the lowest costs globally, to South Korea, Japan, Singapore and Germany.

Bloomberg had earlier reported about Petronas nearing a deal to acquire a minority stake in the ammonia unit of India's AM Green for about $1.6 billion.

Global oil companies such as energy giant Shell Plc, TotalEnergies and Thailand's PTT Group have already established a significant presence in India's green energy sector as the conventional hydrocarbon space undergoes disruptions. Gentari has also been actively eyeing opportunities presented by India's green energy

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Green ammonia is the most economical and safe way to transport green hydrogen. BLOOMBERG

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transition. GIC is already a shareholder in the Greenko Group, along with other big investors such as Abu Dhabi Investment Authority and Japan's ORIX Corp.

The AM Green Ammonia Holdings deal comes against the backdrop of India announcing its target to achieve net zero carbon emission by 2070 at the 26th session of the United Nations Framework Convention on Climate Change (COP26). With the exports to Organisation for Economic Co-operation and Development countries, the green ammonia play will also help reduce their net-zero targets.

Green hydrogen is generated by breaking down water in an electrolyzer. The hydrogen produced can then be combined with nitrogen to make ammonia, avoiding hydrocarbons in the production process. Green ammonia is the most economical and safe way to transport green hydrogen. It is also used in fertilizer manufacturing. India aims to produce 5 million tonnes of green hydrogen by 2030. AM Green Ammonia Holdings' output alone will account for the usage of 1 million tonnes of green hydrogen.

AM Green's playbook involves being present across the green hydrogen value chain, including supplying round-the-clock green energy and manufacturing electrolyzers through another unit—AM Green Technology & Solutions—that will also house the group's joint venture (JV) with Belgium's John Cockerill. The JV is building one of the world's largest electrolyzer factories in India to supply 6.5 gigawatts (GW) electrolyzers to AM Green Ammonia. AM Green also has plans to set up a global renewables and storage business and make green chlorine, green methanol, and green caustic soda through another subsidiary, AM Green Molecules.

Petronas set up Gentari to accelerate the adoption of clean energy and build 40GW of clean energy capacity

Queries emailed to the spokespeople for Greenko Group, Gentari, GIC and Citigroup on Sunday afternoon remained unanswered.

In June last year, Petronas set up Gentari to accelerate the adoption of clean energy and build a renewable energy capacity of 40GW. The unit has plans to produce 1.2 mtpa of green hydrogen and set up electric vehicle charging points across the Asia Pacific with a focus on Malaysia and India.

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GAZA WAR FALLOUT

Oil and Gas Markets Eye Risk of War Escalation

Bloomberg

London: Oil and gas markets are set for another volatile week of trading after Israel began its long-anticipated ground invasion of Gaza.

The biggest risk to crude prices after the invasion remains any escalation to other regional powers. The Middle East supplies about a third of the world's oil and Iran, which backs Hamas and other regional militant groups, said over the weekend that the incursion "may force everyone to take action."

Crude was trading on Friday when Israel stepped up ground operations, and West Texas Intermediate surged as much as 3.2% to trade above $85 a barrel. However, that remains below its highest point since the conflict broke out — just above $90 — as so far there's been no real impact on global supplies.

"Concerns that the war may spill over into a broader regional conflict — with the potential to disrupt oil supplies — do raise the upside risks to oil prices," said Giovanni Staunovo a commodity analyst at UBS


FILE PHOTO

Group AG. "Prices are likely to be supported at the start of the week, although so far there has been no reported disruption in oil supplies."

The outbreak of the conflict has already led to several weeks of sharp swings in intraday trading. One gauge of oil-market volatility, which measures the pace of price moves, climbed to its highest level since June on Friday.

Increased fighting with Iran-backed Hezbollah in Lebanon over the weekend may add to traders' unease, while a worst-case scenario for oil markets is any disruption to the Strait of Hormuz, a vital waterway for crude.

Unlike oil supplies, gas markets have already seen production affected.

The Tamar gas field was shut by Israel after the Hamas attacks earlier this month, and though that has been partly offset by an increase in production at the nearby Leviathan field, it continues to underscore some of the risks to regional supply in both markets.

The threat of further escalation remains too. Iran followed up a previous call for an oil embargo on Israel by threatening further action at the weekend, without elaborating.

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Developed countries to overshoot carbon emissions goal: study

Missing targets

Developed countries are projected to emit 38% more carbon in 2030 than they have committed to

Party	2030 NDC target	Projected 2030 reduction
U.S.	50%	22%
Russia	70%	48%
Japan	46%	45%
U.K. and Northern Ireland	68%	56%
Canada	40%	30%
EU	55%	44%
Norway	55%	57%
Kazakhstan	15%	14%

- Japan and Kazakhstan are set to miss their target by one percentage point

Jacob Koshy
NEW DELHI

Developed countries – responsible for three-fourths of existing carbon emissions – will end up emitting 38% more carbon in 2030 than they have committed to, going by current trajectories, shows a study published last week by the Delhi-based think tank Council for Energy Environment and Water (CEEW).

The study, which comes ahead of the 28th Conference of Parties (COP-28) of the UN Framework Convention on Climate Change to be held in Dubai in November and December, shows that 83% of this overshoot will be caused by the U.S., Russia, and the European Union.

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Developed countries to overshoot emissions goal

At COP-28, countries are expected to give an account of their Nationally Determined Contributions (NDCs), which are their commitments to the UN on emission cuts.

The CEEW study noted that the NDCs of developed countries already fall short of the global average reduction of emissions to 43% below 2019 levels that is needed to keep temperatures from rising above 1.5 degrees Celsius. Instead, developed countries' collective NDCs only amount to a 36% cut.

For a fighting chance at keeping warming below critical tipping points, decades of negotiations have obliged developed countries to lead global efforts to reduce greenhouse gas emissions with legally binding targets. Collectively, developed countries were to reduce emissions by 5% from their 1990 levels between 2008 and 2012, and by 18% during 2013 to 2020.

While these countries ostensibly kept their promise and cut emissions by 20%, it was not the result of any "planned exercise"; in fact, a significant chunk of the cuts were the result of the COVID-19 pandemic that caused a global economic slowdown, the CEEW researchers said.

Most developed countries appear to be planning to achieve their 2050 net zero targets by taking on deep emission cuts only after 2030; which, going by their own track record, seems over-ambitious. For instance, were all developed countries to reach net zero by 2050, they would require more than four times the average annual reductions they achieved between 1990 and 2020.