

India, US may ink pact for clean fuel to remote areas

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NEW DELHI: President Donald Trump's visit will see the signing of an agreement between India Oil Corporation (IOC) and US energy firms ExxonMobil and Chart Industries to facilitate the Narendra Modi government's ambitious plan to supply clean fuel to remote areas without pipelines, people familiar with the plan said on Friday.

The two sides are expected to sign at least five agreements in areas ranging from nuclear power to homeland security during Trump's two-day visit beginning on February 24. They are also expected to ink some defence deals, including a \$2.6-billion contract for 24 MH-60R Seahawk helicopters for the Indian Navy.

The agreement between the energy companies is aimed at improving the supply of gas to the doorstep in areas where the pipeline infrastructure is currently not developed, the people cited above said on condition of anonymity.

"Till the time that the gas pipeline network is developed, transportation of gas in containers is an efficient alternative. US companies like ExxonMobil and Chart have expertise in transporting gas in containers," said one of the people.

"This agreement will allow us to tap into the American expertise and facilitate clean and efficient access to gas in areas not yet connected to the pipeline network," the person added.

A second person said IOC is expected to operationalise two separate memorandums of understanding (MoUs) with ExxonMobil and Chart and gain from their technical expertise in transporting liquefied natural gas (LNG) by road to implement the government's "LNG at Doorstep" scheme. LNG is short for liquified natural gas.

The "LNG at Doorstep" initiative involves making LNG availa-

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ble to customers in areas not connected to gas pipeline infrastructure, an IOC executive said.

The scheme is based on highly specialised technology to transport gas through a cryogenic system, store the gas in a cryogenic holding tank at the target location, and then regasify it on-site using vaporisers so that it can be used as fuel.

"The entire operation, being concealed, eliminates the possibility of adulteration and pilferage," the executive said, asking not to be named.

IOC signed an MoU with the global energy giant's affiliate, ExxonMobil India LNG Limited, last October to explore opportunities for cost-effective transportation of gas to remote areas not connected to pipeline networks.

In March 2019, IOC also signed an MoU with Chart Industries, a diversified global manufacturer of highly engineered equipment for industrial gas and energy, to promote development of the LNG market in India.

India is also looking to collaborate with the US in the energy sector and increased oil and gas purchases as a means to reduce the trade deficit and ensure balanced trade. These moves are also in line with New Delhi's plans to diversify sources of energy and reduce over-dependence on the volatile West Asian region.

Over the past few years, the US has become India's sixth largest source of crude oil and India is also the fourth largest customer for US hydrocarbons. In February 2019, IOC finalised term con-

tracts for US crude oil imports - the first such deals by any Indian public sector unit. The total value of crude and LNG imports from the US is currently estimated at \$6.7 billion.

"The US has emerged as a key partner for India in energy. India is an important market for US exports, and American energy resources are helping to provide the energy security and diversity required for India's economic growth and ever-increasing energy demand," said the first person cited above.

At the National Conclave on Emerging Opportunities in Natural Gas Sector, held in New Delhi on January 23, oil minister Dharmendra Pradhan said India would discuss long-term LNG deals with the US during Trump's visit. This, he said, was part of India's strategy to promote a gas-based economy that can attract investments of about Rs 4 lakh crore in the next five years.

India's primary energy mix includes a 6.2% share of gas, while the global average is 24%. India plans to increase the share of gas to 15% by 2030. An India-US natural gas task force was created in 2018 to increase the share of gas in India's energy mix.

In 2018, the two sides finalised the Partnership to Advance Clean Energy-Deployment (PACE-D) programme to accelerate the use of renewable energy (RE) technologies in India through technical assistance. The "Flexible Resources Initiative" under the US-India Clean Energy Finance Task Force was also launched last October to advance high-impact areas of collaboration to improve India's energy security and air quality.

Former GAIL India chairman UD Chobey said: "There is no doubt India is a gas-deficient market and there is huge demand for clean fuel. But success of any scheme [such as LNG at Doorstep] will depend on the affordability for the consumer, that is, the price of domestic gas at the burner tip."

CRUDE WATCH

OIL FALLS 1% ON CORONAVIRUS FEARS

Bengaluru: Oil prices fell about 1 per cent on Friday on renewed concerns about crude demand being pinched by the economic impact of the coronavirus outbreak, while OPEC and allied producers appeared to be in no rush to curb output. **REUTERS**


T.N. cancels notification on petrochem investment region

Decision to scrap project follows delta getting special status

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The Tamil Nadu government has cancelled its notification on constituting a Petroleum, Chemical and Petrochemical Investment Region (PCPIR), encompassing 45 villages in Cuddalore and Nagapattinam districts. This follows the Assembly adopting a Bill declaring the Cauvery delta a protected agricultural zone. On Friday, Governor Banwarilal Purohit gave his assent to the Bill.

By its latest action, the government has withdrawn its move to turn 45 villages in the two districts into a local planning area for the PCPIR, according to an official in the Housing and Urban Development (HUD) Department,

 **As the region is regarded as ecologically sensitive, any further exploration might be detrimental**

DTCP COMMUNIQUE

which issued an order to this effect on Friday. Through two orders issued by the HUD Department in December 2015 and June 2017, the villages were delineated for the PCPIR. Spread over 256.83 sq. km, the proposed project had envisaged an investment of ₹8,100 crore and the generation of 13,950 jobs.

The latest order was, in turn, based on a communi-

cation from the office of Director of Town and Country Planning (DTCP), sent to the government on February 10, that “a lot of objections” had been received from the public, “vehemently opposing” the exploration and extraction of hydrocarbons. As the delta region was regarded as the rice bowl of the State and was an “ecologically sensitive agricultural zone,” any further exploration and exploitation, “apart from such activity which already exist[s]”, might be “detrimental” to the environment of the zone, it said. The DTCP’s office requested the government to recall the earlier orders.

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PMK hails govt. decision on petrochem region

STAFF REPORTER

CHENNAI

PMK founder S. Ramadoss on Saturday welcomed the State government's decision to scrap the 57,345-acre Petroleum Investment Zone project in Cuddalore.

In a statement, Dr. Ramadoss said 45 villages in Chidambaram, Bhuvanagiri, Sirkazhi and Tharangambadi were designated as petro-chemical zones in 2008-09.

“In 2008, then Chief Minister M. Karunanidhi laid the foundation for the Nagarjuna petroleum refinery in Cuddalore, and the current government had issued a Government Order, stating that the project will be implemented at a cost of ₹92,000 crore. The PMK had opposed it, stating that Cuddalore and Nagapattinam districts will become deserts if the project is implemented,” Dr. Ramadoss said.

TN cancels GO on petrochem region in Cuddalore, Nagai

D. SEKAR | DC
CHENNAI, FEB. 22

On a day the 'Tamil Nadu Protected Agricultural Zone Development Act, 2020' took effect on Friday with the Act published in the state gazette after the Governor's assent to the Assembly-passed bill, the government, in another major logical corollary to the Act, has cancelled a GO on constituting the 'Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR)' in Cuddalore and Nagapattinam districts.

The new 2020 Act that has come into force bans eight types of industrial activities including hydrocarbon explorations in Cauvery

delta region including Thanjavur, Tiruvarur and Nagapattinam districts and several taluks of Cuddalore and Pudukkottai districts. Close on its heels comes this G.O. on cancelling PCPIR lands.

The GO's of the State Housing and Urban Development department passed in 2015 and 2017, for notifying 45 villages in the Cuddalore and Nagapattinam districts to be included under the proposed PCPIR as 'local planning area' under the Tamil Nadu Town and Country Planning Act, stands revoked by this latest G.O. dated February 21 issued by the department's principal secretary, Rajesh Lakhoni. ■ P4

Lands for petroleum zone annulled by TN

From P1

The Government's action cancelling the constitution of the PCPIR comes in the wake of lot of objections from the public, political parties and farmers bodies, against the exploration, "vehemently opposing" the exploration and extraction of hydrocarbons and further demanding to declare the Cauvery delta region as "Ecologically Sensitive Agriculture Zone", the G.O. issued by Lakhoni said. The districts not only comprise the 'rice bowl and granary of Tamil Nadu' but is also an environmentally fragile sensitive wetland, it says adverting to people's demands.

As any further exploration of hydrocarbons could be detrimental to the environment of the ecologically sensitive agricultural zone, the

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Government has now cancelled the earlier notifications "declaring local planning area for constitution of PCPIR" issued under the Town and Country Planning Act.

The collectors of Cuddalore and Nagapattinam districts have been also directed to republish this latest notification cancelling PCPIR lands in their district gazette.

TN cancels notification on petrochemicals investment

'Objections Received From Public'

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Chennai: A day after the assembly passed TN Protected Agricultural Zone Development bill, the state government cancelled its notification issued in 2017 declaring 45 villages of Nagapattinam and Cuddalore districts as local planning area for constitution of "Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR)." The state had notified 22,939 hectares for the development of the region.

An order issued by housing and urban development department on Friday cited a letter from the director of town and country planning in December 2019, for the cancellation order. The director had stated that a lot of objections had been received from the public, vehemently opposing exploration and extraction of hydrocarbon and further demanding to declare the delta region as an Ecologically Sensitive Agricultural Zone. Cauvery basin, comprising Thanjavur, Tiruvarur and Nagapattinam districts and blocks of Pudukkottai, Cuddalore, Trichy, Karur and Ariyalur, is the rice bowl of Tamil Nadu.

"Any further exploration and exploitation, apart from such activity which already ex-

ist, may be detrimental to the environment of the sensitive zone," the director said, seeking the government to cancel the previous notification. The bill, passed this week, declared the entire Nagapattinam district and blocks of Cuddalore as protected zone. But the government has decided to cancel the PCPIR order for all 45 villages even as less than five villages of the protected zone in Cuddalore fall in the PCPIR region, sources said. The villages came under five taluks of Cuddalore, Bhuvanagiri, Chidambaram, Sirkali and Tarangampadi. The Centre approved the proposal of the TN government to establish PCPIR in Cuddalore and Nagapattinam districts in 2012. It was conceptualised in a cluster approach to promote the sector in an inte-

grated and environment-friendly manner on a large scale. In a reply to Lok Sabha in December 2018, the ministry of chemicals and fertilisers stated that PCPIR, when established, was expected to attract investment of ₹92,500 crore. The state had reported that an investment of ₹8,100 crore was made on manufacturing and infrastructure development.

"There is no bar for Indian Oil Company's group firm, Chennai Petroleum Corporation Limited (CPCL)'s ₹27,460 crore greenfield refinery in Nagapattinam and Haldia Petrochemicals Limited's Cuddalore complex, where investment of ₹50,000 crore is expected, as they do not fall under protected zone. These firms will depend on imported crude," an official said.