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Only 3 bidders for 21 oil, gas blocks

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As many as 21 blocks or areas were offered for exploration and production of oil and gas in the Open Acreage Licensing Policy (OALP) Bid Round-VI, for which bidding closed on 6 October. Besides ONGC and OIL, Sun Petrochemicals was the only other company to have bid, according to 'Summary of Bids Received Against Offered Blocks' posted by the DGH. Of the 21 blocks on offer, 18 got a single bid and the remaining 3 blocks had 2 bidders.

ONGC, India's largest oil producer, bid for 19 out of the 21 blocks on offer while OIL bid for two. ONGC was the sole bidder in 16 blocks and OIL was the only bidder in the two areas it sought for. **PTI**

PFC can invest up to ₹5,000 crore, or 15% of its net worth, in a single project now. REUTERS

PFC is 11th firm to join Maharatna CPSE club

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NEW DELHI

Power Finance Corp. Ltd (PFC) was accorded the status of Maharatna central public sector enterprise (CPSE) on Tuesday, giving the state-run firm greater operational and financial autonomy.

Mint earlier reported about India's largest power sector company set to become a Maharatna after a clearance from an inter-ministerial committee. The other 10 Maharatna CPSEs at present are Bharat Heavy Electricals Ltd, Bharat Petroleum Corp. Ltd, Coal India Ltd, GAIL (India) Ltd, Hindustan Petroleum Corp. Ltd, Indian Oil Corp. Ltd, NTPC Ltd, Oil & Natural Gas Corp. Ltd, Power Grid Corp. of India Ltd, and Steel Authority of India Ltd. There are 14 Navratna and 73 Miniratna CPSEs.

PFC can now invest up to ₹5,000 crore, or 15% of its net worth, in a single project after its Maharatna status.

"The grant of 'Maharatna' status to PFC will impart enhanced powers to the PFC board while taking financial decisions," PFC said in a statement on Tuesday. "The board of a 'Maharatna' CPSE can make equity investments to undertake financial joint ventures and wholly owned subsidiaries and undertake mergers and acquisitions in India and abroad, subject to a ceiling of 15% of the net worth of the concerned CPSE, limited to ₹5,000 crore in one project."

The decision comes against the backdrop of the government using power sector lenders such as PFC and REC Ltd to instil financial discipline at state-owned electricity distribution companies (discoms).

The Maharatna dispensation was ushered in by the Union government for mega CPSEs to become global giants. Navratna and Miniratna CPSEs can invest up to ₹1,000 crore and ₹500 crore, respectively.

Only 3 bidders for 21 oil, gas blocks; RIL, Vedanta stay away

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Sun Petrochemicals bid for three blocks, where it is locked in competition with ONGC.

Vedanta Ltd and Reliance-BP combine, which had bid in previous rounds of OALP, did not bid in the current round.

The government has been hoping that opening up of more acreage for exploration will help boost India's oil and gas production, helping cut down the $90 billion oil import bill.

In 2016, it brought in an open acreage policy which moved away from the previous practice of government identifying and bidding out blocks to one where explorers were allowed the freedom to identify any area outside of the ones that are already with some company or other, for prospecting of oil and gas. The areas identified are to be clubbed twice a year and offered for bidding. The firm identifying the area gets a 5 point advantage.

But except for the first-round, private sector participation has been scant. Mining mogul Anil Agarwal's Vedanta Ltd walked away with 41 blocks out of the 55 blocks on offer in the very first round and got another 10 areas in two subsequent rounds. Other rounds have been dominated by state-owned firms. India is 85 per cent dependent on imports to meet its oil needs and finding newer reserves through exploration rounds is key to cutting that reliance.In the previous five OALP bid rounds, 105 blocks for exploration of oil and gas were bid for. Of these, Vedanta Ltd walked away with 51. OIL won 25 and ONGC another 24.

The joint venture of Reliance Industries and BP got one block. Indian Oil Corporation (IOC), GAIL, BRPL and HOEC too got one block each. The 105 blocks spanning an area of around 156,580 square kilometers in over 17 Sedimentary Basins of India attracted a total committed investment of around $2.378 billion in the exploration phase.

The 21 OALP-VI blocks are spread over 11 Sedimentary Basins, 9 states covering 35,346 sq km of area. Of these, 15 blocks are onland, 4 in shallow waters and two in ultra-deepwater.

At the time of the launch of OALP-VI in August, the government had said it is expecting $300-400 million investment commitment in the exploration of oil and gas through the round.

Under OALP, blocks in Category-I basins are awarded to a company offering the highest share of the revenue from oil and gas produced. Those in Category II and III are bid out to those offering maximum exploration or investment commitment. PTI

Only three bidders for 21 oil, gas blocks

NEW DELHI, OCTOBER 12

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VEDANTA, RIL STAY AWAY

- Of the 21 blocks on offer, 18 got a single bid and the remaining three blocks had two bidders
- Besides ONGC and OIL, Sun Petrochemicals was the only other bidder. Vedanta and Reliance stayed away

Rashtriya Sahara
21 tel blocks ke liye aayein sirf 3 bolidata
Oct 13, 2021 | Delhi | Pg No.: 15 | | Sq Cm:158 | AVE: 1030101 | PR Value: 5150503

21 तेल ब्लाकों के लिए आए सिर्फ तीन बोलीदाता

रिलायंस ने किसी भी ब्लाक के लिए नहीं दी बोली ■ बोली में सार्वजनिक क्षेत्र की सिर्फ दो कंपनियां शामिल

नई दिल्ली (भाषा)। भारत के 21 तेल और गैस ब्लाक के लिए बोली के ताजा दौर में केवल तीन बोलीदाता सामने आए है। इनमें से दो सावजनिक क्षेत्र की आयल एंड नैचुरल गैस कारपोरेशन (ओएनजीसी) और आयल इंडिया लि. (ओआईएल) हैं।

मुक्त क्षेत्र लाइसेंस नीति (ओएएलपी) बोली दौर-6 के तहत खोज एवं उत्पादन के लिए कुल 21 ब्लाक या क्षेत्र की पेशकश की गई थी। इसके लिए बोली जमा करने का समय छह अक्टूबर को समाप्त हो गया।

पेश किए गए ब्लाक के लिए प्राप्त बोली के बारे में उपलब्ध जानकारी के अनुसार ओएनजीसी और ओआईएल के अलावा एकमात्र सन पेट्रोकेमिकल्स ने बोली लगाई है। प्राप्त बोली के बारे में सूचना हाइड्रोकार्बन महानिदेशालय ने दी है। कुल 21 ब्लाक में से 18 के लिए एक बोली और शेष तीन के लिए दो बोलीदाताओं ने बोलियां लगाई है।

देश की सबसे बड़ी तेल उत्पादक कंपनी ओएनजीसी ने 21 में से 19 के लिए बोली लगाई जबकि ओआईएल ने दो ब्लाक के लिए बोली लगाई है।

ओएनजीसी 16 ब्लाक के लिए एकमात्र बोलीदाता है जबकि ओआईएल दो क्षेत्रों के लिए एकमात्रा बोलीदाता है। सन पेट्रोकेमिकल्स ने तीन ब्लाक के लिए बोली लगाई है। उन क्षेत्रों के लिए उसकी प्रतिस्पर्धी ओएनजीसी के साथ है। ओएएलपी के पिछले दौर में वेदांता लि. और रिलायंस-बीपी ने संयुक्त रूप से बोली लगाई थी।

Veer Arjun
21 tel, gas blocks ke liye keval 3 ne lagai boliyan
Oct 13, 2021 | Delhi | Pg No.: 11 | | Sq Cm:199 | AVE: 515997 | PR Value: 2579987

21 तेल, गैस ब्लॉकों के लिए केवल तीन ने लगाई बोलियां

नई दिल्ली, (भाषा)। भारत के 21 तेल और गैस ब्लॉक के लिये बोली के ताजा दौर में केवल तीन बोलीदाता सामने आये हैं। इनमें से दो सावजनिक क्षेत्र की ऑयल एंड नैचुरल गैस कॉरपोरेशन (ओएनजीसी) और ऑयल इंडिया लि. (ओआईएल) हैं। मुक्त क्षेत्र लाइसेंस नीति (ओएएलपी) बोली दौर-6 के तहत खोज एवं उत्पादन के लिये कुल 21 ब्लॉक या क्षेत्र की पेशकश की गयी थी। इसके लिये बोली जमा करने का समय छह अक्टूबर को समाप्त हो गया।

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'India can go for 50% ethanol blending in aviation fuel'

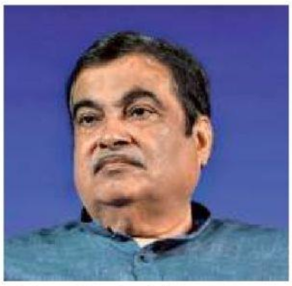
Flex-fuel vehicles will hit the roads once SC gives the nod, says Gadkari

OUR BUREAU

Pune, October 12

India can start using 50 per cent ethanol in aviation fuel, and the Indian government will soon start discussions and trials on this, said Nitin Gadkari, Minister for Road Transport and Highways.

He added that flex-fuel vehicles will be on roads once the Supreme Court gives the permission. He was addressing a question-and-answer session at a webinar on alternative fuel organised by the Indian Sugar Mill Association (ISMA).



Nitin Gadkari, Minister for Road Transport and Highways

He said the government will seek the help of Brazilian authorities to start the programme of blending ethanol in aviation fuel. Gadkari said that Brazil, under its Air Force programme, is adding 50 per cent ethanol in aviation fuel and India will communicate with the authorities of the concerned department.

"I will call the meeting (to discuss this). If it is allowed in Brazil, why not in India? Using 50 per cent ethanol in aviation fuel can also increase the demand for ethanol," he said.

Gadkari asked ISMA to find out the details of Brazil's Air Force programme and said that India could start trials and adopt this policy. He added that he would meet the Air Force Chief to discuss this issue.

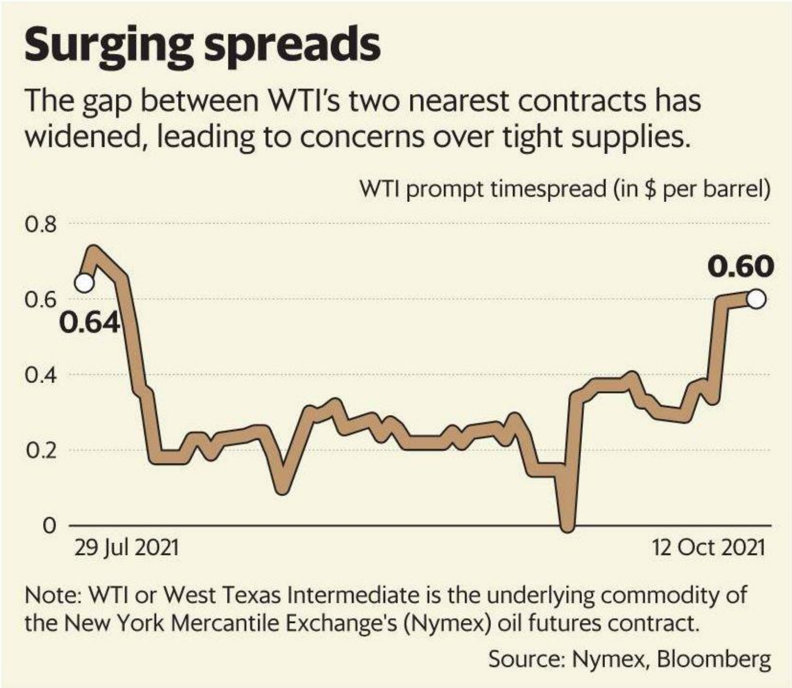
Flex-fuel vehicles

When asked when flex-fuel vehicles would hit the roads, the Minister said: "We can run vehicles, including autos on 100 per cent ethanol and increase the demand. Even for cars BMW, Mercedes, Toyato, Honda, all brands can make flex engine so that in place of 100 per cent per petrol they could use ethanol."

In his inaugural address Gadkari said: " Currently, the ethanol economy is ₹20,000 crore, which I am targeting to raise to ₹2-lakh crore.

As per the study conducted by Indian Oil Corporation, the existing vehicles running on Indian roads currently can take up to 13 per cent ethanol-blended petrol without any modification in the engine and any loss in its efficiency."

The Minister added: "Accordingly, the government has fixed BIS standards for E12 and E15, which will be slowly rolled out over the next couple of years to move from the 10 per cent blending expected to be achieved in 2022 to 20 per cent blending by 2025."



SATISH KUMAR/MINT

Oil holds above $80 a barrel amid global power shortage

Oil held above $80 a barrel on expectations that a power crisis from Asia to Europe will lift demand and tighten global balances. West Texas Intermediate futures were little changed after closing up 1.5% on Monday. Oil markets are tightening rapidly in the run-up to the Northern Hemisphere winter as shortages of natural gas and coal boost demand for alternative power generation fuels such as diesel and fuel oil. The Opec+ alliance's caution in restoring supply is adding to the upward price pressure. The switching is changing the US crude benchmark's market structure, pushing it deeper into backwardation, a bullish pattern that indicates a dearth of supply. It's also prompting an upgrade of price forecasts, with Citigroup Inc. raising its fourth-quarter Brent forecast to $85 a barrel while adding that it may touch $90 at times. The pace of oil's surge along with the surging prices of other energy commodities and metals is threatening to hit economies reviving from the pandemic. **BLOOMBERG**

Business Standard

Oil holds near $84 on energy crunch fears

Oct 13, 2021 | Delhi | Pg No.: 11 | | Sq Cm:82 | AVE: 202691 | PR Value: 1013453

Oil holds near $84 on energy crunch fears

Oil held near $84 a barrel on Tuesday, within sight of a three-year high, supported by a rebound in global demand that is contributing to energy shortages in big economies such as China. With demand growing as economies recover from pandemic lows, the Organization of the Petroleum Exporting Countries and allied producers, collectively known as OPEC+, are sticking to plans to restore output gradually rather than boost supply quickly.

"Opec+ will push ahead with its cautious approach to supply in the year-end period. Set against this backdrop, oil bears will remain in hibernation mode," said Stephen Brennock of oil broker PVM. Brent crude was up 1 cent at $83.66 a barrel by 1325 GMT. On Monday it hit $84.60, its highest since October 2018. US oil fell 50 cents, or 0.6 per cent, to $80.02, having hit its highest since late 2014 on Monday at $82.18.

Jeffrey Halley, analyst at OANDA, said the lack of significant change in prices on Tuesday could be because the market looks overbought based on short-term technical indicators such as the relative strength index. REUTERS

Mint

PMO draws up plan to ensure coal supply to power plants

Oct 13, 2021 | Delhi | Pg No.: 1,2 | | Sq Cm:452 | AVE: 1806890 | PR Value: 9034451

PMO draws up plan to ensure coal supply to power plants

The Prime Minister's Office (PMO) has drawn up plans to ensure uninterrupted fuel supplies to power plants, involving Coal India Ltd delivering an additional 200,000 tonnes of coal daily. According to the plans, total fossil fuel supplies will be ramped up to 2.1 million tonnes (mt) per day. >P2

Mint
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PMO draws up plan to ensure coal supply to power plants

According to the plan, total fossil fuel supply will be ramped up to 2.1 million tonnes per day

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According to the Central Electricity Authority (CEA), India's 119 coal fuelled power projects had four days of stocks as of Monday. BLOOMBERG

The Prime Minister's Office (PMO) has drawn up a plan to ensure uninterrupted fuel supplies to power plants, involving state-run Coal India Ltd (CIL) delivering an additional 200,000 tonnes of coal every day.

According to the plans, total fossil fuel supplies will be ramped up to 2.1 million tonnes (mt) per day, according to two government officials aware of the deliberations, seeking anonymity.

At a meeting called by P.K. Mishra, principal secretary to the Prime Minister on Tuesday afternoon, and attended by coal secretary Anil Kumar Jain, power secretary Alok Kumar and railway board chairman Suneet Sharma, it was also decided to facilitate operationalising imported coal-fuelled power generation capacity of 17.06 gigawatt (GW), which are located along the coastal regions, to help ease the pressure on domestic coal-fuelled power projects. The union power ministry also issued a directive to snap unallocated electricity supply to those states that are not supplying power to their customers and instead selling it on power exchanges at a higher rate. The freed-up power will then be given to other needy states.

The meeting at the PMO followed home minister Amit Shah's meeting with coal minister Pralhad Joshi and power minister Raj Kumar Singh on Monday that was held amid concerns that depleted coal stocks at power plants may lead to blackouts. Indian Railways will provide additional rakes for the transportation of coal.

Mint reported on Tuesday that extra supply will be ensured by CIL. India has the world's fourth largest reserves and is the second-largest producer of coal.

"An additional 60 railway rakes carrying coal will be supplied by CIL that will increase supplies by an additional 2 lakh tonnes of coal. The total coal supply at thermal power plants was 1.9 mt on Monday and, with this additional supply, it will go up to 2.1 mt. This quantum is expected to be reached by 20 October. With the supplies being increased, the coal depletion at the plants has stopped and will help towards building up stocks," said one of the two government officials cited above.

While CIL's annual production target is 670 mt for the current fiscal year, coal off-take is expected to be 740 mt. The miner started the year with a 99 mt fossil fuel stock. The current coal stock available for supply at CIL mines is 40 mt. According to the Central Electricity Authority (CEA), India's 119 coal fuelled power projects had four days of stocks as of Monday. Besides, 16 plants located near coal mines totalling 35.2 GW capacity have five days of fuel stocks. This assumes importance given that coal-fuelled capacity accounts for 52.41% or 202.80 GW of India's installed power generation capacity of 386.88 GW.

As part of the plan to meet electricity demand, imported coal fuelled capacity is being brought online, with the government issuing guidelines on 8 October for "optimum utilization". According to CIL, the primary reason for the sharp depletion of fuel stocks at power plants has been the ramping down of generation by 14 imported coal-fuelled power projects due to the spike in global coal prices.

This resulted in electricity demand to be serviced from domestic coal-fuelled power projects, leading to an unplanned need for 10 mt of coal from CIL. "The imported coal-based plants that have a 17.06 GW capacity will start operating by sourcing coal from overseas. This will help relieve pressure on plants that burn domestic coal to generate electricity. However, there will be a lag depending on the time taken for coal shipments to reach the plants.

COAL CRISIS

IT WAS also decided to operate imported coal-fuelled power generation capacity of 17.06 GW

UNALLOCATED supply to states that are not supplying power to customers will be stopped

THE meeting at the PMO followed Amit Shah's meeting with Pralhad Joshi and R.K. Singh on Monday

Retail inflation dips to 4.35% in Sept

OUR BUREAU

New Delhi, October 12

Retail inflation based on the Consumer Price Index (CPI) slid further to 4.35 per cent in September.

Data released by the Statistics Ministry show that the inflation rate dropped for all vegetables by over 22 per cent while for 'cereals and products', it was still in the negative. As expected, 'oils and fats' inflation surged to over 34 per cent and that for 'fuel and light' category was 13.63 per cent.

The Index on industrial Production grew at 11.9 per cent in August against -7.1 per cent in the same month last year.

The IIP growth was supported by mining, rising 23.6 per cent, capital goods 20 per cent, and manufacturing 9.7 per cent.

Full report p3

Sept retail inflation falls to 4.35% from 5.3% in Aug

Driven mainly by decline in food prices; industrial growth came down to 11.9% in August

OUR BUREAU

New Delhi, October 12

Retail inflation based on Consumer Price Index (CPI) slid further down to 4.35 per cent in September from 5.3 per cent in August, while industrial growth, reflected in the Index of Industrial Production (IIP), came down to 11.9 per cent in August from 12.11 per cent in July.

Experts feel that the inflation rate will continue to go down in October and November and it could fall below a median rate of 4 per cent. It will give some comfort to the Monetary Policy Committee (MPC) in terms of interest rate revision in December. However, there are two concerns — core growth rate (overall inflation minus volatile items such as food and fuel) and increasing prices of fuel and metal in the international market.

Data released by the Statistics Ministry show the inflation rate dropped for all vegetables by over 22 per cent while for cereals and products, it was still in the negative zone. As expected, oils and fats surged to over 34 per cent. Inflation for fuel and light category was at 13.63 per cent, showing some effect of higher prices of petrol and diesel.

Key indicators

- Inflation rate dropped for all vegetables by over 22%
- Oils and fats surged to over 34%
- Inflation for fuel and light category was at 13.63%
- **IIP:** Growth of mining came in at 23.6%, capital goods at 20%, and manufacturing at 9.7%

The main driver

Sreejith Balasubramanian, Economist with IDFC AMC, said with the September number of 4.5 per cent, CPI has averaged 5.1 per cent in July-September period and it is in line with the RBI's latest downward-revised forecast. The main driver of the latest print is softer food and beverage prices at 1.6 per cent year-on-year and 0.1 per cent month-on-month, while core inflation continued to be at 5.8 per cent.

"The food price trajectory will continue to remain important as some vegetable prices have reversed direction and sequentially picked up in October. Commodity price, particularly of crude oil, and its partially offsetting impact on inflation and consumption demand at a time when the economy's aggregate demand is still below the pre-pandemic level, will also be crucial," he said.

Rajani Sinha, Chief Economist with Knight Frank India, said CPI inflation was expected to drop in September, with the base effect kicking in. Nevertheless, it comes as a relief for policymakers, specially at a time when economic growth is just about gathering momentum. However, high core inflation and fuel inflation remain a cause for concern.

"With global economic growth gathering momentum, there could be further upward pressure on commodity prices and the central bank would be wary of that. However, there is unlikely to be any change in policy rates in the current year," she said.

Industrial growth

Meanwhile, another high frequency indicator, industrial growth, is showing some improvement. It recorded a growth rate of 11.9 per cent in August as against (-)7.1 per cent in August 2020 and (-)1.4 per cent in August 2019. The growth of IIP in August is supported by the growth of mining at 23.6 per cent, capital goods at 20 per cent, and manufacturing at 9.7 per cent, besides others.

According to Pradeep Multani, President, PHD Chamber of Commerce and Industry, there is a need to address the high commodity prices and shortages of raw material at this juncture to support consumption and private investments in the country.

"The drivers of household consumption need to be strengthened to support the demand for consumer goods and to enhance the aggregate demand, as it will have an accelerated effect on expansion of capital investments in the country," he said.

Mint
Shale drillers may spend more, but don't expect a bonanza
Oct 13, 2021 | Delhi | Pg No.: 10 | | Sq Cm:335 | AVE: 1339384 | PR Value: 6696921

Shale drillers may spend more, but don't expect a bonanza

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American frackers are expected to lift US oil-field spending 15% to 20% next year, but their investments are still well below pre-pandemic levels.

Shale companies are on track to spend a little more money pumping oil next year, but most aren't opening up the spigots, even as prices top $80 a barrel. Capital investments in US oil patches this year are projected to come in at the lowest levels since 2004, years before the fracking boom made America the world's top oil producer. Next year, oil companies are set to boost domestic spending 15% to 20%, analysts said. But that will still be less than they plowed into drilling before the pandemic, and far less than the last time US crude prices reached their current heights in 2014.

That's because the pressure Wall Street put on American frackers to keep a lid on spending and oil production is still holding, analysts and executives said. Before the pandemic, whenever crude prices climbed to high levels, US producers would flood the market with more barrels, but they ultimately spent more money than they made.

Investors and banks have now pressured oil companies to live within their means, pushing them to pay off debts run up during the shale boom and return extra cash to shareholders. That has removed a reliable stopgap for global energy markets at a time when participants are worried oil supplies will tighten as demand recovers from the pandemic. "Too much investment led to too-poor returns. I don't think there's any scenario where you go back to drunken-sailor spending," said Chris Wright, chief executive of hydraulic fracturing company Liberty Oilfield Services LLC.

Many oil producers will still generate extra cash next year even with the bump in spending, given the higher prices, Mr. Wright said. Oil companies had cut US spending to an estimated $55.8 billion this year, compared with $60.8 billion last year and $108 billion in 2019, according to the investment bank Evercore ISI. US oil-field investments peaked at about $184 billion in 2014.

Next year's spending isn't likely to lead to significant increases in production, in part because inflation and labour shortages are raising drilling costs. This year, shale companies have run through a large chunk of the dormant wells they had drilled but hadn't yet completed and brought into production. Many will have to restart more drilling rigs just to keep output flat, which will require contractors to hire more people and increase costs, analysts said.

Oil-field service costs have risen between 10% and 50%, depending on the type of services. Almost half of the 20% increase in spending next year will have to cover cost inflation, according to the consulting firm Rystad Energy.

Many of the larger companies are likely to increase spending less than 5%, according to IHS Markit. Meanwhile, the companies set to increase spending the most are the smaller, private producers that kept oil production growing in the Permian Basin of West Texas and New Mexico this year. In that region, the most active US oil field, production has almost reached pre-pandemic levels, while the country as a whole is still about 1.5 million barrels shy of that mark, US data show. Output in other regions has stagnated or declined this year. Ken Waits, CEO of Mewbourne Oil Co., one of the largest private oil producers in the Permian Basin, said during the pandemic last year his company idled 10 of the 12 drilling rigs it had running before the virus hit. Now, it is running 19 rigs, and expects to prop up more next year.

Even so, the number of rigs actively drilling in the Permian will probably only keep grinding slowly upward, Waits said. The region's oil-and-gas rig count this year has risen to 266, compared with 418 before the pandemic and its peak of 568 in October 2014. "I don't think the rig count is going to take off from here," he said.

Some private companies don't expect to pour much more money into drilling than they did this year. Linhua Guan, CEO of private Texas oil and gas producer Surge Energy, said his company is currently running three drilling rigs in the Permian Basin, down from its peak of eight in 2017. While higher prices are giving the company more flexibility to speed operations, Surge isn't likely to return to that level of drilling in the foreseeable future, he said.

Tap Rock Resources LLC, a Colorado-based producer that drills in the Permian, almost tripled its annual production this year compared with last year, adding five drilling rigs since last October. But the company isn't planning on duplicating that steep trajectory next year, said Ryan London, Tap Rock's CEO. "We're not going to chase prices," London said. "We know that you can't count on $80 forever, so it'd be pretty short-sighted to go chase $80, and by the time you get [the wells] flowing, it's $60."

THE WALL STR

London said private companies that would otherwise boost production have been hamstrung by shortages of raw materials, manufactured equipment and labour. Some cannot get enough cement casing used in drilling, while others can't get parts for pumps used to stimulate wells, he said.

Many producers won't feel much of the price increase because they used hedging contracts to lock in prices for future production when prices were lower. And to the extent higher prices do help churn out extra cash, companies will return most of that money to investors, said Tim Dunn, CEO of CrownQuest Operating LLC, one of the largest private producers in the Permian. That, Dunn said, "is their only apparent path to overcome being an underperforming sector."

Amid festive demand, rising fuel prices adding to cost of last-mile deliveries

SAMIKSHA GOEL @ New Delhi

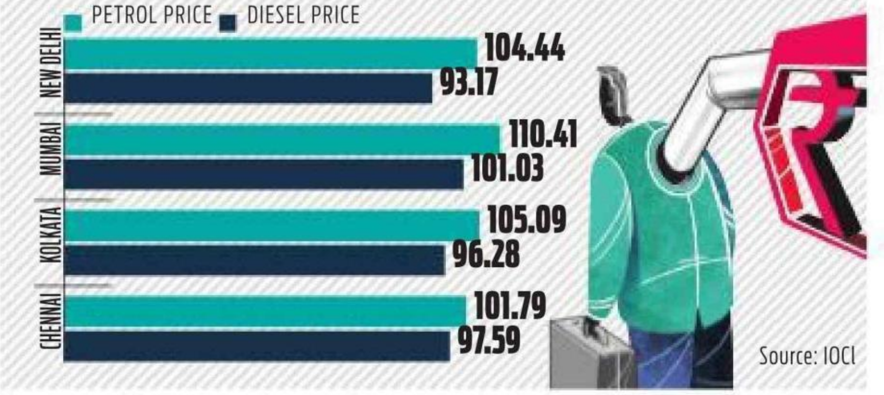
HIGH demand owing to the festive season, workforce shortage and rising fuel prices are some issues that last-mile delivery operators are grappling with even as many of them are forced to go for an increase in the prices of their services.

Last-mile tech-logistics solution provider LetsTransport has seen the overall prices of their services increase by 6-8%. Pushkar Singh, CEO & Co-Founder of the company, tells *TNIE*, fuel prices have increased around 30% compared to last year and it comprises close to 30-40% of overall logistics cost for secondary and tertiary movements.

"With every 10% increase in the fuel price, we have surged the service cost with some escalation," says Prasad Sreeram, CEO & Co-Founder of COGOS. He adds that the fuel prices have increased the cost of services by more than 20%, however, "we are sharing the impact with the customer, rather than pushing all of it to them".

FUEL PRICES AS ON TUESDAY

Petrol and diesel prices were hiked across the country for the seventh consecutive day on Monday. There was no change in the prices on Tuesday.



Fuel prices rose across the country on Monday for 7th day in a row. There was no change in the prices on Tuesday.

Khusnudh Khan- Co Founder and CEO, Arzooo, says the company's newly launched Arzoo Express is dealing with similar issues. To recover the rising cost of shipment due to changes in fuel price, Khan says, "We have transitioned from a free delivery model to charging our B2B customers for shipping separately on top of each product price."

While most logistics companies were ready to subsume the increased cost while the prices went up to 5-10%, with the hike having increased incrementally now, the need for negotiating with courier partners has arisen, according to Harsh Vaidya, Founder and CEO, WareIQ.

Blue Dart Express also announced the average shipment price increase of 9.6% from January 1, 2022.

Energy crisis fuels global winter worry

ENERGY

PARIS: Energy supplies are tight and prices are going through the roof worldwide, raising concerns from Beijing to London as winter approaches.Natural gas prices have soared as the industry has been unable to meet massive demand in many countries. Bitter winters in Asia and North America earlier this year, followed by heatwaves in Asia and drought in Brazil, lifted demand, according to the International Energy Agency.

At the same time, production of liquefied natural gas (LNG) has been hampered by outages and delayed maintenance, the IEA said last month. The energy crisis in Europe has also been exacerbated by a lack of wind for turbine sites, while hydropower has not been enough close the gap in the United States.

The gas shortages have contributed to crude prices surging to their highest levels in years as consumers turn to oil instead.

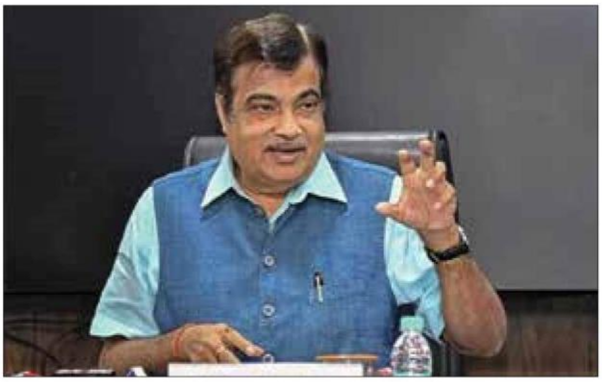
Some countries in Europe, including Britain, have run coal-fired power stations in response to the rising gas prices, despite efforts to reduce the world's reliance on the pollutant blamed for global warming. China has ordered dozens of coal mines to expand production as the world's second-biggest economy faces a nationwide energy crunch.

In India, the world's second-largest coal-consuming country, several states have been hit by supply shortages, with utility providers resorting to unscheduled power cuts.

Monsoon rains have flooded coal mines and disrupted transport networks, leading to a sharp rise in prices for coal buyers, including power stations.

'Govt promoting ethanol production in a big way'

OUR CORRRESPONDENT


Road Transport and Highways Minister Nitin Gadkari

With increased supply of ethanol, Nitin Gadkari said that the government plans to introduce flex fuel engine vehicles in the country

NEW DELHI: Stressing on the need to divert excess sugar stock for ethanol manufacturing as provision of subsidies on exports of sweetener will not be permissible after December 2023 under the WTO regime, Road Transport and Highways Minister Nitin Gadkari on Tuesday said that the government is promoting ethanol manufacturing in a big way and assured that it will procure all ethanol produced in the country.

With increased supply of ethanol, Gadkari said that the government plans to introduce flex fuel engine vehicles in the country. With the rollout of flex-fuel vehicles on 100 per cent bio-ethanol, the demand for ethanol will immediately jump by 4 to 5 times, he added.

The minister also asked sugar mills to set up their own ethanol pumps, which are being permitted by the government. "It is under our purview that we can take the decision for making a mandatory flex engine for the petrol vehicles. So, that can increase the demand of ethanol in the Indian market," Gadkari said.

Stating that the government is giving permission for the ethanol pump, the minister told sugar mills that they can establish their own pumps. "Now there is a policy and my son has taken the permission as he has a sugar factory," he said, adding that the government is providing export subsidies to the tune of Rs 3,000 to Rs 6,000 crore to sugar mills for liquidating surplus sugar stocks.

"Due to our commitments to international organisations such as WTO, these subsidies will not be permissible after December 2023," he pointed out. As a solution to this problem, Gadkari suggested that the excess sugar stocks can be diverted towards producing ethanol by adding 15-20 per cent sugar into B-Heavy Molasses.

"This will have multiple benefits — firstly, it will utilise an excess stock of around 45 to 60 lakh metric tonnes of sugar and will improve the ethanol recovery by 30 per cent due to better quality of raw material," he said.

Stressing on the need to discourage the use of petrol or diesel as a fuel, he said the focus should be on the adoption of alternative fuels which will be an import substitute, cost-effective, pollution-free and indigenous.

SUSTAINABILITY

Green Hydrogen: India's another revolution in the air

PM Modi has rightly identified and spotted the global opportunity in terms of production of green energy. What bears testimony to this is PM Modi's unequivocal announcement at the United Nations General Assembly that India is moving towards a 450 GW renewable energy target.

OPINION

G. V. ANSHUMAN RAO

Undoubtedly, energy is an integral part of our life. It won't be an exaggeration to say that actually energy is our life. Imagine what a world without energy would be like. Devoid of energy, the entire world will come to a standstill. Everything from agriculture, industry, science and technology to transportation depends on energy that has, in other words, become a necessity of our life. The importance of energy could be gauged from the fact that it is the consumption of energy per person that determines how much a country has developed.

However, the world is now debating the sources of energy being used in the new century due obviously to the problem of global warming. The planet earth is facing the crisis resulting from global warming due mainly to the use of traditional energy sources at an extensive scale. With this in view, the entire world is focusing on non-conventional energy sources to deal with the problem of global warming. The focus is on such non-conventional energy sources which cause minimum or negligible pollution. As part of this endeavour, the world is exploring the option of green energy. What is of significance is that India's activeness in this direction augurs well for the future. There is no doubt that Prime Minister Narendra Modi has rightly identified and spotted the global opportunity in terms of production of green energy. What bears testimony to this is PM Modi's unequivocal announcement at the United Nations General Assembly on 25 September that India is moving towards a 450 GW renewable energy target. While addressing at the 76th session of UNGA in New York, PM Modi also said that India will become the world's biggest Green Hydrogen hub.

Earlier, on the occasion of Independence Day this year, PM Modi committed to the National Hydrogen Mission to invigorate India's efforts in climate change mitigation. In fact, PM Modi wants India to become a major global hub for green hydrogen production and export. The PM wants country to be energy independent by 2047. The idea of National Hydrogen Mission (NHM) was first mooted in the Budget 2021 putting an effort to tap green energy sources for manufacturing hydrogen.

After the announcement of NHM, several private companies, and government firms such as Indian Oil and NTPC decided to make big investments in this mission. Significantly, Government of India has planned to spend around Rs 800 crore on Hydrogen research by 2024. Union Minister of State for Environment, Forest and Climate Change, Ashwini Kumar Choubey, said: "We intend to achieve 40% of non-fossil usage by 2030, making a significant stride towards improving the current state of the country and establishing a green hydrogen ecosystem to smoothen the path to responsible living." Definitely, green hydrogen is the best option for this. Green Hydrogen is a ray of hope not only for India but for the whole world facing problems such as global warming and pollution. The minister said that our energy generation from fossil is 150 GW as of now, which is 39 per cent of total production. India has set a target of achieving 175 GW renewable energy by 2022, while by 2030 the ambitious target has been set for achieving 450 GW renewable energy. The biggest part of it will be that of Hydrogen energy. As Ashwini Choubey said, "We want India to be the leader of the world in the area of Hydrogen production. This will be good not only for India from an economic point of view, but also for the world in the green energy areas."

Experts from across the world are of the firm belief that the coming era will be that of Green Hydrogen which will be cheaper than the existing conventional sources such as petrol and diesel. Revolutionary changes on a war-footing in the field of technology are being seen worldwide. Given the efforts being put in, the days are not far off when apart from cars, large vehicles will be running on green hydrogen. Technological research is underway to see how green fuel can be used in planes and trains. With this kind of change around, the country which develops itself into a green energy hub at the right time will be better placed to gain advantage.

There is no denying that green hydrogen is in debate around the world at present. Experts are in unison over green hydrogen being the fuel of the future. After PM Modi's announcement about NHM, several government and non-government firms have started preparation for producing and using green hydrogen.

There is no denying that green hydrogen is in debate around the world at present. Experts are in unison over green hydrogen being the fuel of the future. After PM Modi's announcement about NHM, several government and non-government firms have started preparation for producing and using green hydrogen. As of now, Indian Oil and NTPC are the government companies to have come forward, while the Reliance, Tata and Adani group are the private companies which have started taking solid steps in this direction.

Around 50 DTC buses in Delhi are being operated on CNG mixed with Hydrogen on an experimental basis. Now, what is mandatory at this point of time is to know as to how the hydrogen gas is being produced in the country and how it will be used.

At present, two methods are being used to produce it. In the first method, hydrogen gas is generated through electrolysis of water in which hydrogen is separated from water. In the second method, hydrogen and carbon are separated from natural gas, then hydrogen gas is extracted separately and remaining carbon is used in auto, electronic and aerospace sectors. If the country moves in the right direction in the field of hydrogen production, then the target of making India self-reliant in terms of energy in 100th year of Independence can be easily achieved.

It is quite easy to use this fuel. Fuel cells need to be fixed in the vehicles for using this. The fuel cells have electrodes namely cathode and anode. Chemical reactions take place with the help of these electrodes as a result of which energy is generated. In fact, fuel cells will consume hydrogen gas and produce energy consequently. What is left after the use of gas is water. What is of significance is that it does not give out smoke. Atomic energy, biomass, solar and wind energy will be used to produce hydrogen gas. Apart from vehicles and cars, this energy will be used in domestic power supply.

The world is aware of the massive opportunities that the sector of hydrogen production is going to create. India has taken initiatives in this field quite timely. But there are also challenges in this way. Countries such as Japan, Germany and some EU nations have announced Hydrogen policy in view of massive possibilities in this field. India will have to deal with all the challenges if it wants to establish itself as a leader in this field of energy production. For example, the cost of its production is the biggest challenge. The cost is six to eight US dollars per kg of hydrogen production at present, which is higher than the other energy sources. Second challenge is the transportation system for hydrogen. The cost of its transportation and storage is higher than that of the other fuels. India needs to set up renewable energy capacity of 30-40 GW every year to achieve the final target of 450 GW by 2030. For this to be a reality, the government will have to adopt measures of far-reaching significance. The infrastructure building needs to be started immediately.

Writer is a political analyst and former Chairman, Andhra Pradesh Electronics Development Corporation. Views expressed are writer's personal.