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# Bulk demand tender for green hydrogen soon

## Demand for aggregation to help volume for its commercial supply

SHREYA JAI  
New Delhi, 5 July

The Centre will issue tenders based on the 'demand aggregator' model for green hydrogen. The Ministry of New and Renewable Energy (MNRE) in its latest Cabinet note has proposed that demand for green hydrogen from key sectors, such as fertiliser, steel, and refinery, will be aggregated and offered as a mega tender.

The Cabinet note has been sent to the ministries of petroleum and natural gas, law, Department of Fertilizers, among others, for their remarks. The demand aggregation will help in creating substantial volume to facilitate commercial supply of green hydrogen.

MNRE has proposed that Solar Energy Corporation of India (SECI) can host the bidding process, unless

any other agency is not suggested by the other ministries. SECI is the nodal agency under MNRE for tendering solar and wind power projects. Senior officials said the new National Hydrogen Mission — which is in the works — will outline the purchase obligation of green hydrogen for several industries. "This will, in turn, help in designing the tender as the demand calculations will be available," said an official.

Union Minister for Power, New and Renewable Energy R K Singh last month had said green hydrogen would be included in the renewable purchase obligation (RPO) regime. RPO entails states/ power distribution companies to purchase a certain portion of their energy demand from green energy sources.

MNRE is hoping that with the mega tender, the cost of green hydrogen will also come down. A similar

bidding model was followed for light-emitting diode distribution, where the cost came down to ₹60 per bulb, from over ₹300 in two years. "Several players are interested in green hydrogen, including oil firms. This will give them an incentive to produce more," said the official.

State-owned thermal power giant NTPC, Adani Enterprises, new entrant Reliance Industries, ACME Solar, and state-owned oil-marketing company Indian Oil have announced their foray into green hydrogen production.

Green hydrogen is produced using renewable energy and electrolysis to split water. This is from grey hydrogen, which is produced from methane and releases greenhouse gases into the atmosphere, and blue hydrogen, which captures those emissions and stores them underground.

## **In a first, CIL sends fuel to Bangladesh power plant**

Coal India (CIL) on Monday said a rake consisting of around 4,000 tonnes of coal left for Bangladesh last week, the first after the state-owned company allowed exports of its dry fuel procured by domestic buyers under e-auction windows last month. One rake of coal comprises around 4,000 tonnes. This is for the first time coal was exported after the policy amendment.

**PTI**

# Indian Natural Gas Uptake to Rise 4.5%: IEA Forecast

Global gas demand is forecast to be up 7% by 2024 from pre-Covid levels

## Our Bureau

**New Delhi:** India's natural gas consumption will rise 4.5% while global demand will rebound by 3.6% in 2021, the International Energy Agency (IEA) has forecast.

By 2024, the global gas demand is forecast to be up 7% from 2019's pre-Covid levels, according to the IEA's latest report. Global demand dropped by 1.9% in 2020 due to an exceptionally mild winter in the northern hemisphere and the impact of the Covid-19 pandemic.

“The rebound in gas demand shows that the global economy is recovering from the shock of the pandemic and that gas is continuing to replace more emission-intensive fuels,” said Keisuke Sadamori, the IEA's director of energy markets and security. Almost half of the increase in gas demand between 2020 and 2024 comes from the Asia Pacific region.

India's gas demand is expected to expand by 4.5% in 2021 despite a 5% year-on-year contraction in the first quarter. “The economic fallout from

the ongoing second wave and high LNG prices present downside risks to our forecast,” the IEA said.

Consumption contracted in the first quarter “as high spot liquefied natural gas (LNG) prices in the aftermath of the northeast Asian winter energy crisis tempered demand, especially in the refining and petrochemical sectors, where some operators reportedly switched from imported LNG to liquid fuels,” according to the IEA.

Covid-linked lockdowns and high LNG prices hurt demand also in the second quarter.

## Non-oil businesses in UAE see sluggish improvement in June

Business conditions in the United Arab Emirates (UAE) improved at a slightly weaker rate last month as coronavirus-linked measures and flight cancellations slowed gains in West Asia's business and travel hub. Non-oil business activity in the Persian Gulf nation inched down to the lowest in four months, IHS Markit's Purchasing Managers' Index showed on Monday. There was a sharp drop in foreign sales as businesses reported a time lag in supplies of raw materials. However, employment rose for the first time since January and at the quickest pace in more than two years. "Business conditions continued to improve at only a gradual pace in June, adding evidence to a mixed initial recovery from covid-19 in the UAE non-oil sector," said David Owen, economist at IHS Markit. **BLOOMBERG**

# OPEC+ shows no signs of healing rift as talks set to resume

Bloomberg

feedback@livemint.com

Just hours before the resumption of talks, OPEC+ (Organization of the Petroleum Exporting Countries+) still hadn't resolved the increasingly bitter split between Saudi Arabia and the United Arab Emirates that's blocking an oil-output deal.

The dispute leaves the global economy stranded in uncertainty— with little indication of whether the cartel will pump more crude to ease an inflationary price surge, or allow crude to extend its rally above \$75 a barrel.

In dueling TV interviews, energy ministers from the two Middle Eastern countries escalated an increasingly personal and unusually public fight. Behind the scenes, mediation attempts by other cartel members made little progress, delegates said, and rift was evident in wider diplomatic tensions beyond oil.

Riyadh painted its opponent as the sole obstacle to an output boost that had support from every other OPEC+ member. Abu Dhabi continued to demand better terms for itself, arguing that the pro-

posed agreement to extend quota limits to the end of 2022 was unfair.

The bitter clash has forced OPEC+ to halt talks twice already, with the next meeting scheduled to start at Vienna time on Monday. Failure to reach a deal could leave existing OPEC+ output limits in place, squeezing an already tight market and potentially sending crude prices sharply higher.

But a more dramatic scenario is also in play—a full breakdown of OPEC+ unity that risks a production free-for-all and could crash the market in a repeat of last year's Saudi-Russia price war.

In an indication of the seriousness of the diplomatic dispute, Saudi energy minister Prince Abdulaziz

bin Salman signaled the UAE was isolated within the OPEC+ alliance.

"It's the whole group versus one country, which is sad to me but this is the reality," he said in an interview with Bloomberg TV on Sunday. He reiterated that the proposal backed by the rest of the group had to be passed, allowing for gradual production increases in the coming months plus the extension of the OPEC+ accord from April to December 2022.

**Failure to reach a deal could leave existing OPEC+ output limits in place, squeezing an already tight market**

## Petrol nears ₹100/l in Delhi after fresh hike

PTI

feedback@livemint.com

NEW DELHI

**P**etrol price on Monday neared ₹100-a-litre mark in the national capital after the rate was hiked yet again.

Petrol price was increased by 35 paise per litre while there was no change in diesel rates, according to a price notification from state-owned fuel retailers.

In Delhi, the petrol price soared to ₹99.86 per litre. Diesel rates were unchanged at ₹89.36. Petrol price rose to ₹99.84 a litre in Kolkata. Rates are already above ₹100 mark in other metros. In Mumbai, petrol is priced at ₹105.92 a litre and it costs ₹100.75 in Chennai.

Fuel prices differ from state to state depending on the incidence of local taxes such as value-added tax (VAT) and freight charges. As much as 55% of the retail selling price of petrol in Delhi is made up of taxes (₹32.90 a litre excise duty collected by the central government and ₹22.80 VAT levied by the state government). Half of the diesel price is made up of taxes (₹31.80 central excise and ₹13.04 state VAT). Petrol has crossed the ₹100-a-litre mark in Rajasthan, Madhya Pradesh, Maharashtra, Andhra Pradesh, Telangana, Karnataka, Jammu and Kashmir, Odisha, Tamil Nadu, Kerala, Bihar, Punjab, Ladakh and Sikkim.

# Petrol Price Nears ₹100/litre in Delhi



**NEW DELHI** Petrol price reached ₹99.86 per litre in Delhi on Monday after

state oil companies raised rates by 35 paise a litre. Diesel prices were unchanged on Monday. In Mumbai, petrol sold for ₹105.92 per litre. Diesel costs ₹89.36 in Delhi and ₹96.91 per litre in Mumbai. — **Our Bureau**



# With no subsidy, cooking fuel burns hole in consumers' pocket

TWESH MISHRA  
New Delhi, 5 July

Praveen was in for a surprise when he checked his bank statement in July after six months.

The lockdowns and fear of the pandemic had prevented a visit to his bank branch in rural Uttar Pradesh. He was hoping for ₹500-700 to be credited as subsidy for the cooking gas (liquefied petroleum gas, or LPG) he had bought over the years.

"I though some ₹150 or so was being reimbursed for every cylinder I buy. But this time the money has not been credited to my account. I wonder where it has gone," he said. Officially there is no way for Praveen and the thousands of LPG connection holders to know how much subsidy they can expect for a cylinder they purchase.

The amount of money transferred would have been around 900 for six cylinders, assuming it is about ₹150 per purchase since January.

"Targeted subsidies for cooking gas, if continued, can act as direct income

**THE SUBSIDY ON LPG WAS DONE AWAY WITH AND WHAT REMAINED WAS SOME FREIGHT SUBSIDY, WHICH COMES TO ₹20-30 A CYLINDER**

transfer to the people at the bottom of the pyramid," Devendra Kumar Pant, chief economist, India Ratings, told *Business Standard*.

"These people consume a large portion of additional income, whereas people from middle and upper income groups consume a smaller portion. This is especially important at a time when demand growth has plateaued," he added.

With cooking gas prices firming up in 2021, Praveen is one of the many consumers feeling the pinch. In Delhi, the domestic LPG cylinder price has been hiked by

₹140 to ₹834 apiece on July 1 from ₹694 on January 1.

It was a different situation last year. Cooking gas prices in Delhi were ₹594 for a non-subsidised cylinder on July 1, 2020, after a price cut of ₹120 from the ₹714 on January 1, 2020.

The price of a subsidised domestic LPG cylinder was ₹560 apiece in January 2020. This was increased to ₹594 on July 1, 2020. Consumers, however, did not feel the pinch of



Left Front activists during a protest rally against hike in fuel prices, in Birbhum district of West Bengal on Monday

## DOMESTIC LPG CYLINDER PRICES AT TWO-YEAR HIGH (in ₹)



Source: IndianOil

higher prices since the price was not very high.

A global demand slump due to lockdowns had led to a crash in both prices of crude oil and petroleum

products. Seizing the opportunity, the Central government phased out the LPG subsidy that successive governments had maintained.

A questionnaire sent to the Ministry

of Petroleum and Natural Gas remained unanswered.

When international LPG prices began to rise in 2021, the oil-marketing companies also hiked the subsidised

prices in tandem, shifting much pressure on to the consumers who had to bear a ₹140 increase in the price of a cylinder, irrespective of their income slab.

This LPG subsidy disbursement was fine-tuned with the introduction of the direct benefit transfer programme. It was further enhanced to a voluntary removal of beneficiaries through the Give It Up programme and finally the exclusion of those with a taxable income above ₹10 lakh in 2016.

The subsidy on LPG was done away with and what remained was some freight subsidy, which comes to ₹20-30 a cylinder. This move of this government came after subsidies on diesel were phased out.

According to Pant, a more prudent approach would be to continue the focused subsidy instead of doing away altogether.

This leaves more money in the hands of the government, which is tightening its purse but adds to the woes of nearly 290 million households that have LPG connections but are battling high inflation, salary cuts, and job losses.

# Coal India export

*New Delhi:* Coal India Ltd said a rake with about 4,000 tonnes of coal left for Bangladesh last week, the first after the company allowed exports of its dry fuel procured by domestic buyers under e-auction windows. **PTI**

## Oil prices rise as OPEC+ calls off output talks

*London:* Oil prices rose on Monday, driven higher after OPEC+ nations called off talks on output levels, meaning no deal to boost production has been agreed. Brent was up 94 cents, or 1.2 per cent, at \$77.11 a barrel by 1652 GMT, trading around 2-1/2 year highs. US oil gained \$1.11, or 1.5 per cent, to \$76.27 a barrel. OPEC+ ministers abandoned the talks and set no new date to resume them, after clashing last week when the UAE rebuffed a proposed 8-month extension to output curbs. **REUTERS**

SECTOR WATCH  
GLOBAL CRUDE

# OPEC's output pact proposal: How will decision affect India

KARUNJITSINGH  
NEW DELHI, JULY 5

THE LATEST round of meetings among the OPEC+ group of oil-exporting countries has stalled as the UAE has pushed back proposals making an increase in crude oil supply conditional on an extension to an output agreement. Another round of discussions between OPEC+ countries scheduled for Monday was reportedly called off as key players failed to make any progress in resolving key issues.

### What is the background?

The OPEC+ group of countries had, in April 2020, entered into a two-year agreement, which entailed steep cuts in crude production to deal with a sharp fall in the price of oil as a result of the Covid-19 pandemic. The price of Brent crude hit an 18-year low of under \$20 per barrel in April 2020 as economic activity around the world crashed as countries dealt with the pandemic. The initial production cut by OPEC+ was about 10 million barrels per day or about 22 per cent of the reference production of OPEC+ nations.

In November 2020, however, the price of Brent crude started climbing consistently and has, now, risen to \$76.5 per barrel – up from about \$40 per barrel at the end of October – buoyed by the steady rollout of vaccination programmes around the world. OPEC+, however, maintained lower levels of production despite crude oil prices reaching pre-Covid levels, with Saudi Arabia, notably, announcing a further cut in production of 1 million barrels per day for the February-to-April period, which helped boost rising prices even further.

The OPEC+ group ran into sharp criticism from developing economies, including India, for deliberately maintaining low supply levels to raise prices. Petroleum Minister Dharmendra Pradhan had even said the high price of crude oil was slowing down the economic recovery of developing economies post the pandemic. In April, OPEC+ agreed to gradually increase crude production as prices reached \$64.5 per barrel including a phased end to Saudi Arabia's 1 million barrel per day cut in production by July.

### What is the issue?

According to the UAE's official news agency, Emirates News Agency, the UAE agreed that there was a need to increase crude oil production from August, but did not agree to a condition by the OPEC Joint Ministerial Monitoring Committee (JMMC) that the two-year

production agreement be extended by six months. The UAE government said that it made "no sense to attach conditions to increase in August," noting that the only option offered by the JMMC included an extension to the current agreement.

The UAE's key objection to the existing agreement is the reference output used to calculate the total production apportioned to each oil-exporting country. The UAE noted that the baseline production level reference used in the current agreement was not reflective of the UAE's production capacity and, therefore, led to the UAE being apportioned a lower share of total production of crude oil. The UAE noted that the baseline reference production levels were unfair and that it would be open to extending the agreement if baseline production levels were reviews to be fair to all parties.

### How will this impact India?

If the UAE and other OPEC+ nations do not reach an agreement to increase production in August, expected relief in the form of lower crude oil prices could be delayed. India is currently facing record-high prices of petrol and diesel, with pump prices of the former exceeding Rs 100 per litre in 13 states and Union Territories. High crude prices have led to Indian oil marketing companies hiking the price of petrol by about 19.3 per cent and that of diesel by about 21 per cent since the beginning of 2021.

Pradhan noted last week that he had recently had productive conversations with OPEC member nations and was hopeful that crude oil price would "sober" after the current set of meetings.



# Petrol around ₹100: Govt hopeful of price fall post OPEC+ meeting

**KARUNJIT SINGH**

NEW DELHI, JULY 5

THE PRICE of petrol is nearing Rs 100 per litre in the national capital, having already crossed the Rs 100-a-litre mark in 13 states and union territories. Oil marketing companies (OMCs) hiked the price of petrol by 35 paise a litre on Monday, in the 35th hike in petrol prices since the beginning of May.

The prices of both petrol and diesel have risen by over 10.5 per cent since the start of May when OMCs resumed price hikes after halting price hikes for 65 days as a number of states went to polls.

## Impact of rising crude

Crude oil price has risen sharply this year, on the back of a recovery in global demand as the world economy recovers from Covid-19. The price of Brent crude



**The prices of both petrol and diesel have risen by over 10.5 per cent since May. File**

has risen by 47.1 per cent to about \$76.2 per barrel from nearly \$51.8 per barrel at the start of 2021. The price of petrol and diesel are pegged to a 15-day rolling average of the global prices of these fuels.

## Higher taxes

High central and state taxes on petrol and diesel are a key reason behind their record high prices. Though the price of crude oil is only 11.1 per cent higher than at the beginning of 2020, the price of petrol has risen 32.9 per cent and that of diesel has risen 31.5 per cent during the same period.

## Road ahead

Oil Minister Dharmendra Pradhan is hopeful of a fall in the prices of crude post the July meeting of OPEC. However, there have been disagreements between UAE and other members of the OPEC+ group whether oil producers will extend a pact to cut supply output through December 2022 which have led to no conclusive agreements to boost supply.

Full report on  
[www.indianexpress.com](http://www.indianexpress.com)

## PETROL NEARS ₹100/L IN DELHI AFTER ANOTHER PRICE HIKE

Press Trust of India

feedback@livemint.com

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In Delhi, the petrol price soared to ₹99.86 per litre. Diesel rates were unchanged at ₹89.36.

Petrol price rose to Rs 99.84 a litre in Kolkata. Rates are already above ₹100 mark in other metros.

Fuel prices differ from state to state depending on the incidence of local taxes such as value-added tax (VAT) and freight charges.

In Mumbai, petrol is priced at ₹105.92 a litre and it costs ₹100.75 in Chennai.

As much as 55% of the retail selling price of petrol in Delhi is made up of taxes (₹32.90 a litre excise duty collected by the central government and ₹22.80 VAT levied by the state government). Half of the diesel price is made up of taxes (₹31.80 central excise and ₹13.04 state VAT). Petrol has crossed the ₹100-a-litre mark in Rajasthan, Madhya Pradesh, Maharashtra, Andhra Pradesh, Telangana, Karnataka, Jammu and Kashmir, Odisha, Tamil Nadu, Kerala, Bihar, Punjab, Ladakh and Sikkim.

Diesel, the most used fuel in the country, is above that level in some places in Rajasthan, Odisha and Madhya Pradesh.

The hike is the 35th increase in the price of petrol since May 4, when state-owned oil firms ended an 18-day hiatus in rate revision they observed during assembly elections in states like West Bengal.

# India buys 1 mn barrels of crude oil from Guyana

**NEW DELHI:** India has procured the first shipment of one million barrels of 'Liza light sweet' crude oil from Guyana, in a significant move marking diversification of its sourcing of petroleum products.

The Indian High Commission in the South American nation said the consignment was lifted for the Indian Oil Corp Ltd from Liza Destiny FPSO and that the purchase reflected the enhancement of bilateral ties.

"Concrete step in Indo-Guyana economic relations, 1st 1 million barrels of Guyana Liza crude for @IndianOilcl loaded from FPSO Liza Destiny," it tweeted, describing the move as an important step in the diversification of crude sourcing by India as well as a reflection of "future roadmap". India has been majorly sourcing crude oil from the Gulf countries.

It is learnt that the consignment from Guyana may reach India's Paradip port on August 6. It was the first purchase of Guyanese crude oil from the government of Guyana's share of oil by an Indian PSU refiner.

The High Commission said the procurement is a reflection of enhanced bilateral cooperation between India and Guyana.

It is learnt that the collaboration could potentially expand and could include India acquiring oil blocks, long-term agreement for sourcing crude from Guyana.

AGENCIES

# Petrol nears ₹100 in Delhi after yet another price hike

PTI ■ NEW DELHI

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## औसतन हर दूसरे दिन बढ़े पेट्रोल और डीजल के दाम

जनसत्ता ब्यूरो  
नई दिल्ली, 5 जुलाई।

दिल्ली और कोलकाता में पेट्रोल 100 रुपए प्रति लीटर के पास पहुंच गया है। सोमवार को पेट्रोल कीमतों में एक और वृद्धि के बाद राजधानी में भी यह शतक लगाने के करीब है। सार्वजनिक क्षेत्र की पेट्रोलियम कंपनियों की मूल्य अधिसूचना के अनुसार पेट्रोल के दाम 35 पैसे प्रति लीटर और बढ़ाए गए हैं। हालांकि, डीजल की कीमतों में कोई बढ़ोतरी नहीं हुई है। दो महीने में औसतन हर दूसरे दिन पेट्रोल और डीजल की कीमतों में बढ़ोतरी की गई है। चार मई से पेट्रोल के दाम 35 बार और डीजल के 33 बार बढ़ाए गए हैं। इस दौरान पेट्रोल 9.46 रुपए प्रति लीटर और डीजल 8.63 रुपए प्रति लीटर महंगा हुआ है। सरकारी तेल कंपनियों ने एक बार फिर इस वृद्धि के लिए

दिल्ली में पेट्रोल के खुदरा दाम में 55 फीसद कर (केंद्र द्वारा लिया जाने वाला 32.90 रुपए प्रति लीटर का उत्पाद शुल्क और राज्य सरकार द्वारा लगाया गया 22.80 रुपए का वैट) का हिस्सा है। डीजल की कीमतों में करीब 50 फीसद हिस्सा करों (31.80 रुपए उत्पाद शुल्क और 13.04 रुपए वैट) का है।



ताना मूल्यवृद्धि के बाद दिल्ली में पेट्रोल अपने सर्वकालिक उच्चतर 99.86 रुपए प्रति लीटर पर पहुंच गया है। वहीं डीजल 89.36 रुपए प्रति लीटर पर है। मूल्य वर्धित कर (वैट) और ड्यूटी भाड़े की वजह से विभिन्न राज्यों में ईंधन के दाम भिन्न-भिन्न होते हैं। कोलकाता में भी पेट्रोल का दाम बढ़कर 99.84 रुपए प्रति लीटर पर पहुंच गया है। कई अन्य महानगरों में पेट्रोल पहले 100 रुपए प्रति लीटर के पार निकल चुका है। मुंबई में पेट्रोल 105.92 रुपए प्रति लीटर और चेन्नई में 100.75 रुपए प्रति लीटर बिक रहा है।

दिल्ली में पेट्रोल के खुदरा दाम में 55 फीसद कर (केंद्र द्वारा लिया जाने वाला 32.90 रुपए प्रति लीटर का उत्पाद शुल्क और राज्य सरकार द्वारा लगाया गया 22.80 रुपए का वैट) का हिस्सा है। वहीं डीजल की कीमतों में करीब 50 फीसद हिस्सा करों (31.80 रुपए उत्पाद शुल्क और 13.04 रुपए वैट) का है।

अंतरराष्ट्रीय बाजार में कच्चे तेल की कीमतों को वजह बताया है, लेकिन सरकार की तरफ से दिए गए आंकड़े ही इस बात की गवाही दे रहे हैं कि अंतरराष्ट्रीय बाजार में कीमतों का घरेलू बाजार में पेट्रोल और डीजल की कीमतों से कोई लेना देना नहीं है। अगर ऐसा होता तो वर्ष 2020-21 में देश में पेट्रोल और डीजल की कीमतें पिछले 17 साल के निचले स्तर पर होतीं।

पिछले वर्ष औसतन 44.82 डालर प्रति बैरल की दर से कच्चा तेल खरीदा गया था, जो वर्ष 2004-05 के औसत खरीद मूल्य (39.21 डालर प्रति बैरल) के बाद सबसे सस्ती दर है। इसके बावजूद पिछले एक वर्ष के दौरान पेट्रोल करीब 21 रुपए प्रति लीटर और डीजल की कीमत में लगभग 29 रुपए प्रति लीटर महंगा किया।