



**STANDING COMMITTEE ON
PETROLEUM & NATURAL GAS
(2021-22)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF PETROLEUM & NATURAL GAS

[Action Taken by the Government on the recommendations contained in the Tenth Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2021-22) on Demands for Grants (2022-23)]

FOURTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2022/Shravana, 1944 (Saka)

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(2021-22)****(SEVENTEENTH LOK SABHA)****MINISTRY OF PETROLEUM & NATURAL GAS**

[Action Taken by the Government on the recommendations contained in the Tenth Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2021-22) on Demands for Grants (2022-23)]

Presented to Lok Sabha on 08.08.2022

Laid in Rajya Sabha on 08.08.2022



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2022/Shravana, 1944 (Saka)

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INTRODUCTION

I, the Chairperson, Standing Committee on Petroleum & Natural Gas having been authorised by the Committee to submit the Report on their behalf, present this Fourteenth Report on Action Taken by the Government on the recommendations contained in the Tenth Report (Seventeenth Lok Sabha) of the Committee on 'Demands for Grants (2022-23)'.

2. The Tenth Report of the Standing Committee on Petroleum & Natural Gas was presented to Lok Sabha/ laid on the table of Rajya Sabha on 22.03.2022. The Action Taken Replies of the Government to all the recommendations contained in the Tenth Report were received on 19.07.2022.

3. The Standing Committee on Petroleum & Natural Gas (2021-22) considered and adopted the Report at their sitting held on 04.08.2022.

4. An analysis of the action taken by the Government on the recommendations contained in the Tenth Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum & Natural Gas is given in Annexure-II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

6. The Committee place on record their appreciation for the valuable assistance rendered to them by the officers of the Lok Sabha Secretariat attached to the Committee.

New Delhi;
04 August, 2022
13 Shrawana, 1944 (Saka)

RAMESH BIDHURI,
Chairperson,
Standing Committee on
Petroleum & Natural Gas.

REPORT

CHAPTER I

This Report of the Standing Committee on Petroleum and Natural Gas deals with the action taken by the Government on the recommendations contained in the Tenth Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2021-22) on "Demands for Grants (2022-23) of the Ministry of Petroleum and Natural Gas", which was presented to Lok Sabha and laid in Rajya Sabha on 22.03.2022.

2. Action Taken Notes have been received from the Ministry on 19.07.2022 in respect of all the 14 recommendations/observations contained in the report. These have been categorized as per the following:

(i) Recommendations/Observations that have been accepted by the Government:-
Reco. Nos. 1, 2, 4, 5, 6, 7, 9, 12, 13 and 14 (Total - 10)

(Chapter- II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:- Nil

(Chapter- III)

(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:- Reco. Nos. 3 and 10 (Total - 2)

(Chapter- IV)

(iv) Recommendations/Observations in respect of which final replies of the Government are still awaited:- Recos. No. 8 and 11 (Total - 2)

(Chapter- V)

3. The Committee desire that the Action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report and Final Replies in respect of the recommendations for which interim replies have been furnished by the Government (included in Chapter-V), should be furnished expeditiously.

4. The Committee will now deal with the action taken by the Government on some of their recommendations.

Recommendation No. 3

LPG Connections to Poor Households (PMUY)

5. The Committee had recommended as under:

"The Committee note that an allocation Rs. 800 cr has been made in BE 2022-23 in respect of PMUY scheme providing LPG connections to poor households. The Committee also observe that the Government extended the scheme in January, 2022 to release an additional 60 lakh LPG connections under Ujjwala 2.0 with existing modalities. The proposed allocation has been made to meet the expenditure towards release of these additional LPG connections. The Committee, however, have been assured that if the number of connections exceed the target, then the Ministry might seek additional allocation of funds at RE stage. The Committee are satisfied to note that out of the targeted 1 cr LPG connections under the scheme during the FY 2021-22, around 98.48 lakh connections have already been released as on 25.01.2022. In this regard, the Committee while being satisfied with the achievement of the scheme, sincerely appreciate the efforts of the Ministry and OMCs for the successful implementation of the scheme. The Committee, recommend the Ministry/OMCs to strive for the achievement of 60 lakh target under PMUY in the next financial year and in the event of more applicants expressing willingness to avail the benefits of the scheme, the Ministry may seek additional funds for the same at the RE stage".

6. In this regard, the Ministry has submitted the following reply:

"Observations of the Committee have been noted. If additional funds for the scheme are required, the same will be sought at RE stage in Financial Year 2022-23.".

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Comments of the Committee

7. **The Committee in their report had recommended the Ministry/OMCs to strive for the issue of 60 lakh new LPG connections under PMUY scheme or even more in case of the increase demand and make appropriate budgetary provision for the same. The Committee are, however, dissatisfied to note that the Ministry while replying to their recommendation has simply tendered a one line answer by mentioning that observation of the Committee have been noted. The Ministry has not furnished any roadmap or plan as to how the target of issue of new connections shall be achieved. The aspect related to identification of new beneficiaries of PMUY scheme has also been left untouched. The Committee deprecate the casual approach of the Ministry towards the recommendations of the Committee and reiterate their earlier recommendation for issue of 60 lakh new LPG connections or**

more. The Committee further recommend the Ministry to prepare a detailed plan along with required budgetary provision for achieving the above target within three months of presentation of this report and also share the same with them.

Recommendation No. 7

PM JI-VAN Yojana

8. The Committee had recommended as under:

"The Committee note that in order to promote setting up of second generation bio-refineries, the Cabinet Committee on Economic Affairs on 28.02.2019 approved the Pradhan Mantri JI-VAN Yojana. The primary objective of the Yojana has been to provide financial support to integrated bio-ethanol projects with an outlay of Rs. 1969.50 cr for the period from 2018-19 to 2023-24. The Committee also note that the current scheme envisages setting up of twelve commercial scale second generation (2G) bio-ethanol projects and ten demonstration scale 2G bio-ethanol projects with non-food biomass and other renewables as feedstocks. As part of the scheme, financial assistance of Rs.150 cr each to four commercial projects at Panipat (Haryana, IOCL), Bhatinda (Punjab, HPCL), Bargarh (Odisha, BPCL), Numaligarh (Assam, NRL) along with Rs.15 cr to one demonstration project of Indian Oil at Panipat, Haryana have been approved under the said scheme and these projects are in an advanced stage of construction.

In this regard, the Committee learn that unlike the public sector, more 2G commercial projects are likely to come up in private sector. The Committee also take cognisance of the existing practical constraints in the production of 2G ethanol such as ensuring an assured supply of feedstock from farmers, aggregation of agricultural residue like paddy/straw and seasonal storage of the same, commercially viable pricing for manufacturers and decent remuneration for farmers etc. The Committee are encouraged to learn that the Government of Haryana has recently announced a subsidy of Rs.1000 per ton of paddy/straw to incentivise farming community in the state for channelising the same for 2G production plants.

In view of the above, the Committee expect the Ministry/OMCs to set up a coordinating mechanism to deal with various state Governments and other stakeholders to iron out above mentioned issues so that establishing 2G ethanol plants/bio-refineries will become a commercially viable proposition for private sector manufacturers. The Committee recommend the Ministry to expedite the setting up of the proposed 2G commercial and demonstration projects on priority basis and encourage private players also to participate actively in the production of 2G ethanol".

9. In this regard, the Ministry has submitted the following reply:

"As the country is going first time for the 2G ethanol bio-refineries, technologies of which are in nascent stage, various issues emerge. Efforts are underway to resolve the issues by creating community based sustainable supply chain for Biomass aggregation by coordinating with Agriculture Department of State Governments,

Farmer Producer Organizations (FPOs), Village Level Entrepreneurs and other stakeholders.

The active participation by State Governments and other Ministries of the Union Government is crucial for the success of 2G Ethanol programme. In line with observation of the Committee, this Ministry is coordinating with various Ministries/agencies in following areas to expedite establishment of bio-refineries /ethanol plants:

- i) Generation of feedstock for 2G Ethanol Bio-refineries in sustainable manner on wastelands.
- ii) Establishment of sustainable supply chain for feedstock and creation of necessary infrastructure to promote feedstock collection mechanisms.
- iii) State Governments are being pursued for granting single window clearances for setting up plants based on 2G Ethanol Technologies and support for few initial Bio-refineries with fiscal incentives, tax rebates, incentives for power supplied to the plant, facilitating allotment of land, demarcation of biomass clusters etc.
- iv) Concerned Ministries such as Ministry of Agriculture; Ministry of Rural Development; Ministry of Environment, Forest and Climate Change; Ministry of Science & Technology; Ministry of New & Renewable Energy etc. are being requested to initiate programmes/ schemes with regard to generation of feedstock, R&D in Technology development, incentives for renewable power to be used for these green projects.
- v) Financial institutions are being approached to provide loans at concessional rates for these projects.

Regarding progress of the projects being set up by Oil PSUs, it may be mentioned that the same is being closely monitored by this Ministry. Four projects are in advanced stage of construction where expected commissioning will start from August, 2022 and end by June 2023.

With respect to participation by private players, it is to inform that Centre for High Technology (CHT), MoP&NG which is the implementing agency for PM JI-VAN Yojana regularly floats Request For Selection (RFS) to seek proposals from aspirant entrepreneurs/private players and informs the various institutes / companies about the RFS. In a recent RFS, proposals from Public Sector Undertakings (PSUs) as well as private companies have been received for commercial as well as demonstration projects. The aforementioned proposals are under examination".

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Comments of the Committee

10. The Committee in their original report had recommended the Ministry to expedite the setting up of the proposed 2G commercial and demonstration projects on priority basis and encourage private players also to participate actively in the production of 2G ethanol.

The Ministry in its action taken reply has submitted that the progress of the projects being set up by Oil PSUs, is being closely monitored by this Ministry. Four projects are in advanced stages of construction and their commissioning is expected to start from August, 2022 and completed by June 2023.

Further, with regard to involvement of private sector in production of 2G Ethanol, the Ministry has informed that the Centre for High Technology (CHT), MoP&NG, which is, the implementing agency for PM JI-VAN Yojana, regularly floats Request For Selection (RFS) to seek proposals from aspirant entrepreneurs/private players and informs the various institutes/companies about the RFS. In a recent RFS, proposals from Public Sector Undertakings (PSUs) as well as private companies have been received for commercial as well as demonstration projects. The said proposals are under examination.

The Committee while expressing their satisfaction at the progress made in setting up of 2G projects by PSUs, expect the Ministry to closely monitor the projects and ensure that the same are commissioned as per planned timelines. Also, the Committee would like the Ministry to instruct CHT to process the proposals expeditiously and closely monitor the progress of the projects. The Ministry may also apprise the Committee about the action taken in the matter within six months of presentation of this report.

Recommendation No. 10

National Seismic Programme

11. The Committee had recommended as under:

“The Committee note that India has 26 sedimentary basins spreading across onland, shallow water and deep water. Out of this total area of 3.36 million sq. km, an area of about 1.502 million sq. km i.e. 48 percent of this area does not have adequate geo-scientific data. Appraisal of the un-appraised area was undertaken as part of National Seismic Programme in 2016. The Committee also note that with the help of state of the art technology, data acquisition of these areas will be undertaken to assess potential hydrocarbon resources in these areas. Out of the total targeted area of 48,243 LKM, cumulative 46,960 LKM (97.34%) data has already been acquired as part of National Data Repository under this programme. Further, it has been learnt that given the practical constraints in the execution of seismic surveys in inaccessible and hostile geographical areas, airborne geophysical seismic surveys have been planned to assess the hydrocarbon potential of these areas. These airborne surveys being implemented by Oil India Ltd have been under progress with the commencement of tendering process. The Committee also learn that given the non allocation of any budgetary provision for NSP for the FY 2022-23, the

implementing agency Oil India Ltd will be seeking funds on the basis of actual invoices for the completed works for settlement of advance taken on the basis of proforma invoice for these surveys.

In view of the above, the Committee desire the Ministry/DGH to expedite the completion of the data of remaining areas. Further, the airborne geophysical seismic surveys in inaccessible areas may also be completed on priority basis. The Committee have been informed that Ministry has planned to generate data under Mission Anveshan on Indian offshore basins, Andaman Basin and appraisal of Exclusive Economic Zone. For this purpose, the cabinet note is under preparation. The Committee also while taking cognisance of the significance of NDR for better assessment of India's hydrocarbon potential and enhance energy security, recommend the Ministry to complete the remaining works under NSP and also to finalise the cabinet note for approval so that sufficient funds be made available for this programme during the current year at RE stage”.

12. In this regard the Ministry, have submitted the following reply:

“The following seismic survey programme are under implementation:

1. **DEEP ANDAMAN OFFSHORE SURVEY:**

Andaman Basin has been appraised to the extent of 36% mainly in the Eastern part of the Basin. The Western part of the area is yet to be appraised. Considering the above, MoPNG initiated exploration activities in the offshore areas of Andaman basin and acquisition of 22,555 LKM, covering 2.8 Lakh Sq. Km of 2-D broad band data. Processing and interpretation is in progress and is expected to be completed by September 2022. The remaining unappraised areas up to EEZ is planned to be taken up subsequently.

2. **EXCLUSIVE ECONOMIC ZONE (EEZ) SURVEY:**

Approximately 1.13 Million Sq. Km. unappraised area in the offshore basinal part of Indian sedimentary basins up to EEZ is to be covered under this project. A large portion of the area could not be taken up earlier due to NO-GO Zone. 2D broadband seismic API of approx. 70,000 ± 20% LKM is planned with total estimated cost of Rs. 640 crore and additional Rs. 128 crores for additional work (20%, if required). The work is proposed to be completed in two financial years 2021-22 and 2022-23. The tentative date to start the seismic data acquisition in all the blocks is from 15.10.2022.

3. **MISSION ANVESHAN:**

Comprehensive appraisal of the Indian sedimentary basins with close grid 2D seismic survey required to build a reliable and robust geo-scientific database covering all sedimentary basins of India. This will help effective planning and execution of exploration and production (E&P) activities in the basins. The project has been planned to acquire close grid 2D seismic API of 20,775 LKM in 09 onland sedimentary basins is planned”.

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Comments of the Committee

13. The Committee in its original report had recommended that the Ministry should complete the remaining works under National Seismic Programme and to finalise the Cabinet Note for approval of programme to generate data under Mission Anveshan on Indian offshore Basins, Andaman Basins and appraisal of Exclusive Economic Zone without which it would not be able to seek funds under this programme during the current year at RE stage. In this regard, the Committee are disappointed to observe that the reply of the Ministry is silent on the status of cabinet note. The Committee deprecate this lackadaisical attitude of the Ministry and reiterate that the Cabinet Note pertaining to Mission Anveshan should be finalized and presented to the Union Cabinet for approval at the earliest. They would also like to be apprised of the action taken in this regard within three months of presentation of this report to Parliament.

Recommendation No. 11

Reduction in Import Dependence on Crude Oil

14. The Committee had recommended as under:

"The Committee note that the Government has laid down a road map for reducing India's crude import dependency and has been working towards new strategies and initiatives to achieve this target across different sectors. The Committee have been apprised about the initiatives undertaken by the Government to increase exploration and production in the country by various policy measures like National Policy on Bio fuels, Development of Gas Infrastructure and SATAT, etc. The Committee acknowledge that the Ministry has been taking several policy measures and initiatives to streamline procedural aspects and also attract investments to increase exploration and production of hydrocarbons in the country.

The Committee also note that as petroleum products are used in diverse sectors of the economy, there has to be a multi-sectoral approach to address the issue of managing demand of petroleum products to help in reducing dependency on crude oil imports. Also, these efforts may require study of sectoral policies, launching awareness programmes and R&D initiatives etc. However, the Committee are dismayed to note that there has not been any Inter-Ministerial Coordination Mechanism to discuss the steps to be taken to achieve the larger objective. The Committee would also expect MoPNG to involve various stakeholders and hold brainstorming sessions and accordingly, firm up the plans to achieve this national objective.

Further, the Committee note that there has been no study to assess the actual impact of these measures in the light of stagnant production of crude oil and natural gas in the last several years and increasing imports of crude oil. Also, the

Committee would like the Ministry to develop a mechanism to correlate statistics by which it can show that the reduction of dependency of India on crude oil imports has been achieved as per the steps taken till date in this regard. Otherwise, it will be difficult to assess the impact of various policies measures taken in the efforts towards reduction of crude oil imports. The Committee therefore, recommend that the Ministry should devise a suitable mechanism and set measurable targets and assess the success of its measures in achieving the objectives".

15. In this regard, the Ministry has submitted the following reply:

"Government has set out a roadmap for reducing India's crude oil imports and has been aggressively working towards several new strategies and initiatives to achieve this target across the different sectors with a thrust on improving energy efficiency and productivity, demand substitution, improving refinery processes and promotion of bio and alternate fuels.

During, the second meeting of the Integrated Monitoring and Advisory Council (IMAC) chaired by Minister P&NG, Working Groups for monitoring the progress on various initiatives, schemes, projects, and strategies taken under their respective domains were set up with a view to augment supply of energy, savings in energy to achieving oil import reduction by the year 2024-25.

Consequently, Working Groups were formed for monitoring the progress on various initiatives, schemes, projects, and strategies under their respective domains taken with a view to augment supply of energy, savings in energy as a means to achieving oil import reduction were formed during 2021-22 to take this forward.

These working groups had members from different stake holding ministries, Oil and Gas companies, think tanks and other stake holders. The working groups have studied, analyzed and quantified the impact of various initiatives taken by the concerned Ministries/Departments from FY 2016 to FY 2020 towards achievement of the roadmap of reducing import dependency of oil/gas/coal and in the overall energy sector.

These reports have been aggregated and compiled and being presented in a unified view on India's strategy for import reduction of Oil & Gas, for providing external support for the preparation of the comprehensive report including holistic reassessment of policies/steps as envisaged in the import reduction roadmap and mapping all actionable points because of these strategies / initiatives in terms of their impact on energy demand and savings with timelines to roll out the reassessed roadmap in reducing import dependence by the year 2024-25, Ministry has also extended roadmaps for each strategy for period upto 2030 and the same has also been updated under each working group section. The report is under finalization".

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Comments of the Committee

16. The Committee in their original report while observing that there was need to assess the impact of various measures undertaken by the Ministry to reduce

dependence on import of crude oil, had recommended that the Ministry should devise a suitable mechanism and set measurable targets and assess the success of its measures in achieving the objectives of reducing India's crude oil import dependency.

The Ministry in its action taken reply have stated that during the second meeting of the Integrated Monitoring and Advisory Council (IMAC) Chaired by Minister P&NG, Working Groups, consisting of Members from different stake holding ministries, Oil and Gas companies, think tanks and other stake holders, for monitoring the progress on various initiatives, schemes, projects, and strategies taken under their respective domains were set up with a view to augment supply of energy, savings in energy to achieving oil import reduction by the year 2024-25. The Ministry has further informed that these Working Groups have studied, analyzed and quantified the impact of various initiatives taken by the concerned Ministries / Departments from FY 2016 to FY 2020 towards achievement of the roadmap of reducing import dependency of oil/gas/coal and in the overall energy sector. The Reports of the Working Groups have been aggregated and compiled by the Ministry and the same is under finalization. The Ministry has also informed that it had extended roadmaps for each strategy for period upto 2030 and the same has also been updated under each working group section.

The Committee while accepting the reply of the Ministry appreciates the action taken by it in the matter. The Committee would also like to recommend the Ministry to ensure that regular meetings of Integrated Monitoring and Advisory Council (IMAC) and working groups functioning under the council take place and closely monitor the progress on each strategy of the roadmaps so that the objective of substantial reduction in import of oil and gas be achieved by the target date. The Committee also recommend the Ministry to finalise the said report and get it approved at the earliest and inform the Committee of its status within six months of presentation of this report.

Recommendation No. 13

Coal Bed Methane (CBM)

17. The Committee had recommended as under:

“The Committee note that Coal Bed Methane (CBM) being the fifth largest coal reserve in the world has been one of the important non conventional sources of natural gas to augment India’s energy security. The Committee learn that CBM has significant prospects for its exploration and production in the country. The Committee have been informed that to promote non conventional hydro carbons, the Government has launched a special CBM Bid Round-2021 under the Hydrocarbon Exploration and Licensing Policy through international competitive bidding, offering 15 blocks (HELP) across six Indian states and covering an area of around 8500 sq. km.

The Committee, however, note that the bidding for the blocks has not been started and till now no blocks have been awarded. The Committee also note that two investors meetings have been organized with the participation of 50 organizations. The Committee also note that even after awarding the blocks, production may start after a minimum of seven years only which is a long period. The Committee therefore, desire that the Ministry/DGH may take necessary steps to reduce the expected time line for commencement of production at the earliest. The Committee also desire that CBM, being a non conventional source of hydro carbons should also contribute in meeting future energy requirements of the country. In this regard, the Committee expect that the Ministry/DGH will utilize the huge reserves of coal resources in the country and explore the production of CBM in on a much larger scale. The Committee, therefore, recommend that the Ministry shall make all efforts to expedite the international competitive bidding for awarding of CBM blocks in a time bound manner and accordingly, take steps to increase the production of CBM in the country”.

18. In this regard, the Ministry has submitted the following reply:

“Coal Bed Methane (CBM) Resources

- a. To date, four CBM bidding rounds have been implemented by MOP&NG, resulting in the award of 33 CBM blocks [including 2 blocks on Nomination and 1 block through Foreign Investment Promotion Board (FIPB) route] which covers 16,598 Sq. km. At present 08 CBM Blocks are active of which 05 are under production. The cumulative production of CBM up to May-2022 is around ~5.1 BCM.

Special CBM Bid Round 2021 (SCBM-2021)

1. Recognizing the fact that non-conventional hydrocarbons are going to play a pivotal role, the Government in its pursuit of scaling up production of hydrocarbons in the country launched the Special CBM Bid Round-2021 under the Hydrocarbon Exploration Licensing Policy through International Competitive Bidding.
2. The SCBM-2021 is offering 15 Blocks across 06 Indian States and covering an area of around ~8500 Sq. Km. The prognosticated resource of CBM from the proposed Blocks is ~700 BCM.
3. 5 bids for 4CBM blocks were received during SCBM-2021 bidding round and 3 companies have emerged as successful bidder for 4 CBM blocks”.

Comments of the Committee

19. The Committee in its report had recommended the Ministry/DGH to make all out efforts to expedite the international competitive bidding for awarding of CBM blocks in a time bound manner to increase the production of CBM in the country. The Ministry in their action taken reply have stated that the Government launched the Special CBM Bid Round-2021 (SCBM-2021) under the Hydrocarbon Exploration Licensing Policy. The SCBM-2021 offered 15 Blocks across 06 Indian States covering an area of around ~8500 Sq. Km. with the prognosticated resource of 700BCM. The Committee have also been apprised that five bids for four CBM blocks were received during SCBM-2021 bidding round and three companies have emerged as successful bidder for four CBM blocks. The Committee appreciate the measures taken by the Ministry for launching Special bid round 2021 for allocation of CBM blocks keeping in view the need to scale up production of hydrocarbons in the Country. At the same time, the Committee are concerned to note that only four CBM blocks out of fifteen have been allocated so far under SCBM-2021. The Committee, therefore, exhort the Ministry to make all out efforts to re-bid the remaining eleven CBM blocks in a time bound manner and apprise them about the progress of the bidding process within six months of the presentation of this report.

CHAPTER II**RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN
ACCEPTED BY THE GOVERNMENT****Recommendation No. 1****Budgetary Allocations**

The Committee note that the total allocation of the Ministry of Petroleum and Natural Gas for BE 2022-23 has been Rs. 8939.86 cr as against Rs. 8846.13 cr of the RE 2021-22. The Committee also note that around Rs. 4000 cr has been allocated for DBT for LPG scheme and Rs. 1798.27 cr for Indradhanush Gas Grid Limited (IGGL) in BE 2022-23. Further, a provision of Rs. 314.36 cr has been allocated under PM-JI-VAN Yojana in BE 2022-23 as against Rs. 189.38 cr of the RE 2021-22. An allocation of Rs. 800 cr has been made in respect of LPG Connections to Poor Households (PMUY) in BE 2022-23 as against Rs. 1618 cr of the RE 2021-22. Similarly, under the capital heads, the Committee find that Rs. 600 cr has been allocated to ISPRL under Phase-II for construction of strategic crude storage caverns. In respect of IPE, Visakhapatnam, a provision of Rs. 150 cr has been made in BE 2022-23 and Rs. 1 cr has been allocated under National Bio Fuel Fund in BE 2022-23. However, the Committee are dismayed to note that the Centre for Excellence for Energy, Bangalore and National Seismic Programme have not been allocated any funds during the BE 2022-23.

The Committee also observe that the budgetary allocations of the Ministry of Petroleum & Natural Gas during the last three financial years have been Rs. 42901 cr for BE 2020-21, Rs. 15943 cr for BE 2021-22 respectively and Rs. 8939.86 cr for BE 2022-23 thereby consistently witnessing a steep declining trend as against previous financial years.

The Committee also note that the schemes of the Ministry like DBT for LPG, DBT for Kerosene and LPG Connections to Poor Households (PMUY) benefit common man of the country, whereas the PM JI-VAN Yojana, ISPRL Phase-II for construction of caverns and Establishment of Centre of Excellence for Energy, Bangalore propose create the necessary infrastructure and capacity addition for the sector. The Committee, therefore, recommend the Ministry to seek enhanced budgetary allocations for necessary infrastructure creation in the hydrocarbon sector so that the schemes will be utilized for better and efficient implementation and the intended benefits will reach targeted beneficiaries.

REPLY OF THE GOVERNMENT

Infrastructure in the Hydrocarbons Sector is being build up through the Government's resources, as well as those of companies in the Oil & Gas Sector. Enhanced budgetary allocations for projects funded by Government are sought from time to time in line with anticipated expenditure & Budgetary cycles.

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Recommendation No. 2

DBT for LPG

The Committee note that a provision of Rs. 4000 cr have been made in respect of DBT for LPG in the BE 2022-23 as against the previous financial year's allocation of Rs.12480 cr. However, the actual expenditure for the subsidy for LPG is approximately Rs.140 cropto December, 2021. The Committee also learn that the retail selling price of LPG cylinder in Delhi has been Rs.899.50 since 6thOctober, 2021. The Committee observe that DBTL scheme was introduced all over the country from 1stJanuary, 2015 in order to curb malpractices and diversion of subsidised LPG. Under this scheme, LPG cylinders are sold at market price to consumers. Thereafter, subsidy is directly transferred to the bank accounts of consumers by oil companies on purchase of domestic LPG cylinders upto a cap of 12 cylinders per annum. Subsequently, the subsidy component is reimbursed by the Ministry to oil companies on monthly basis.

The Committee note that the national per capita consumption of domestic LPG in the year 2020-21 was 6.2 cylinders of 14.2 kg and average refill consumption of PMUY beneficiaries for the year 2020-21 was 4.39 cylinders of 14.2 kg. The Committee have also learnt that since May, 2020, subsidy has not been provided to consumers on domestic LPG, except some subsidy being extended to far-flung areas and some other markets due to higher inland freight from port to bottling plant.

The Committee desire the Ministry to extend the subsidy on LPG cylinders to PMUY beneficiaries so as to protect them from volatility of price rise and encourage them to continue to use LPG cylinderswho otherwise maydiscontinue the usage of LPG cylinders which will defeat the purpose of this PMUY scheme and also impact energy access.The Committee, therefore, recommend that the Ministry/OMCs should extend the subsidy component to a minimum of 4 LPG cylinders per annum to PMUY beneficiaries so that it does not become a burden to poorer sections of the society.

REPLY OF THE GOVERNMENT

The recommendation of the committee has been noted by this Ministry. In order to give relief to all the PMUY consumers, the Government has announced a subsidy of Rs.200 per 14.2 Kg. cylinder (up to 12 cylinders) in the current financial year.

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Recommendation No. 4

Gas Pipeline Projects

The Committee note that no budgetary allocation has been made for PDHP project in the BE 2022-23. The Committee also note that as part of the Pradhan MantriUrja Ganga Project, Phulpur-Dhamra-Haldia Pipeline Project has been implemented by Gail India Ltd. Out of the 2655 km long stretch of the project, 1200 km of the pipeline sections have already been completed. The Committee also learn that CCEA approved 40% capital grant

(Viability Gap Fund) of Rs. 5176 cr on 21.09.2016 for PDHP pipeline project against the estimated capital cost of Rs. 12,940 cr. Further, the Committee learn that an estimated VGF of Rs. 339.56 cr will be required during the FY 2022-23 and the same has been proposed to be made available from the budget of the Govt of India. The Committee also learn that there are some Right of Way issues in the state of West Bengal, hindering the laying of gas pipelines and the 189 km pipeline section in the state of West Bengal is targeted to be completed within 12 months from the date of availability of hindrance free RoU.

The Committee also learn that a budgetary provision of Rs. 1798.27 cr has been made in the BE 2022-23 in respect of Indradhanush Gas Grid Ltd. (IGGL). The Committee have been informed that a provision of Rs. 850 cr was made during BE 2021-22 and the entire allocation was spent by 31.01.2022 for IGGL.

The Committee note that PDHP project envisages supply of natural gas to different sectors and to city gas distribution of various towns and cities. Further, PDHP project will also be critical for extending natural gas to north eastern states of the country through the implementation of Indradhanush Gas Grid Limited. The Committee also expect the Ministry to resolve the pending issues of Right of Way in the state of West Bengal. The Committee recommend the Ministry to ensure the availability of sufficient budgetary allocation for the important gas grid projects like PDHP and IGGL so that the vision of the Government to develop India into a gas based economy by 2030 become a reality.

REPLY OF THE GOVERNMENT

The relevant recommendation of the committee have been noted for compliance.

GAIL is implementing 2655 Km long Phulpur-Dhamra-Haldia Pipeline Project (PDHPP), popularly known as "Pradhan Mantri Urja Ganga Project". Out of 2655 Km, 1521 Km of pipeline section has been completed.

The project is being executed to connect North East Region (NER) with the National Gas Grid. The approx. length of the pipeline is 729 km having capacity of 2.5 MMSCMD.

The portion of Barauni Guwahati pipeline in the states of Assam (263 Km) & Bihar (278 Km) is expected to be completed by Nov'22. However, due to delay in RoU acquisition in the state of West Bengal, 189 Km section lying in West Bengal state has been delayed & the same targeted to be completed by Jun'23.

CCEA has approved 40% capital grant (Viability Gap Fund) limited to Rs 5176 Crore on 21/09/2016 for Phulpur-Dhamra-Haldia pipeline project against the estimated capital cost of Rs 12,940 Crores.

For the year 2022-23, GAIL has not sought any VGF funding from Government. Accordingly, no budgetary provision has been made in this regard. For IGGL a budgetary provision of Rs. 1798.27 Crs has been made for the year 2022-23 out of which IGGL has so far requested for release Rs 787 cr. which is being processed.

Efforts are being made both by GAIL and MoPNG for early completion of project for the benefit of consumers in the Eastern and North Eastern States on the Country. Various communications have been addressed by both GAIL and MoPNG to the State Govt of West Bengal for facilitating resolution of RoU/ Land acquisition related issues.

In the interest of early completion of the project, matter has been taken up further with the state government from MoPNG.

Further, it is submitted that the project activities of North East Gas Grid (NEGG) project is going on as planned with 49.22 % physical progress achieved against the scheduled 49.31%.

Ministry of Petroleum & Natural Gas
No.G-38011/14/2022-Fin.I dated 19th July, 2022

Recommendation No. 5

Indian Institute of Petroleum Energy (IPE), Visakhapatnam

The Committee observe that out of the alienated land of 201.80 acre for the construction of permanent campus of IPE at Vangali village, Sabbavarammandal, Visakhapatnam, a mutation was carried out for 157.36 acre in the name of IPE in January, 2022. The remaining land of 26.06 acre that has been scattered across the total earmarked land has been under litigation in the Hon'ble High Court of Andhra Pradesh. The Committee also observe that IPE Act was notified on 08.01.2018 and the Institute has been functioning since 2016-17 academic year under the mentorship of IIT, Kharagpur. The Committee have also learnt that a provision of Rs. 150 crhas been made in BE 2022-23 in respect of the Institute. The original timeline for completion of the campus will be upto 2022-23 with the cost estimates of Rs. 655.46 cr. The Committee have also been informed that the tender has been finalised by the CPWD and the construction activities would commence soon on the mutated land.

The Committee, while taking note of the commencement of construction activities on the mutated land, are concerned to note that the issue related to acquisition of disputed land of 26.06 acre has been lingering in the High Court of the state for a long time. The Committee, therefore, recommend the Ministry to take up the issue on priority basis with the Government of the State for expeditious adjudication by the Hon'ble High Court so that the remaining 26 acre spreading across the initially earmarked land of 201.80 acre will be available for better planning and design of the Institute. The Committee also expect the Ministry that the construction activities for the institute must be initiated on war footing level in adherence to the original time line and cost estimate.

REPLY OF THE GOVERNMENT

The Institute is vigorously pursuing with the State Government of Andhra Pradesh for early settlement of court cases and getting the remaining land mutated in the name of IPE. Two letters dated 26.11.2021 and 04.06.2021 had also been sent from Secretary (PNG) to Chief Secretary Government of Andhra Pradesh to settle the issues on priority basis. A letter dated 6.7.2022 has also been sent from Hon'ble Minister of PNG to Hon'ble Chief Minister of Andhra Pradesh to settle the issue immediately. The construction activities for the Institute will commence after the clear land is made available to the Institute.

Ministry of Petroleum & Natural Gas
No.G-38011/14/2022-Fin.I dated 19th July, 2022

Recommendation No. 6

Centre for Excellence of Energy, Bangalore

The Committee, while being surprised to note that no provision has been made for the establishment of Centre for Excellence of Energy, Bangalore in BE 2022-23, express concern that the actual expenditure incurred on this Institute during the financial years 2020-21 and 2021-22 has been nil despite the allocation of Rs. 50 crin BE 2021-22. The Committee have been apprised by the Ministry that the issue related to land acquisition for the Institute has been under dispute. The Government of Karnataka has allotted 150 acreland for the establishment of the Centre and out of which 23.13 acre of the land has been declared as deemed forest by the Department of Forest, Government of Karnataka. Further, the Committee have been informed that farmers have launched agitations to claim rights over the said land and accordingly, a writ petition has been pending in the Hon'ble High Court of the Karnataka on the issue.

The Committee also note that the Centre for Excellence for Energy Bangalore has been operating from the rented campus of NMIT, Bangalore offering M. Tech programmes. The Committee also note that the issue of land acquisition has been plaguing the Institute for a long time and the Committee therefore, advise the Ministry to hold discussions with the Government of Karnataka to resolve the land issue quickly. Further, the Committee also recommend the Ministry to look for alternative sites in the state for setting up of the Institute so that the Centre for Excellence will become a reality and the funds allocated for the project will gainfully be utilized at the earliest.

REPLY OF THE GOVERNMENT

The Committee on Establishment Expenditure (CEE) in its meeting held on 13th August 2021 under the Chairmanship of Finance Secretary & Secretary (Expenditure), Ministry of Finance, Government of India has approved a one- time grant of Rs. 100.00 crore for Centre of Excellence for Energy, Bangalore to set up the campus. In the meeting, it was further decided that no further fund shall be provided to Centre of Excellence for Energy, Bangalore. Since approved fund of Rs. 100.00 crore has been released to Centre of Excellence for Energy, Bangalore during FY 2021-22, therefore, no provision has been made in the Budget Estimates of 2022-23.

Centre of Excellence for Energy, Bangalore is currently operating from the rented campus of NMIT and offering M.Tech/Ph. D Programmes. The Institute is making all efforts and has taken up the matter with Karnataka Government officials and also with local people for settlement of going land dispute issues . The Hon'ble Minister of PNG has also written a letter to Hon'ble Chief Minister of Karnataka on 18.02.2021 pointing out the issues and has requested him to issue directions to the concerned officials to resolve the issues and to provide an unencumbered/contiguous land at present site for the development of the Institute and if it is not possible, to provide an alternative site. The construction work shall be started as soon as the land acquisition is complete and encumbrance free land handed over.

Ministry of Petroleum & Natural Gas
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Recommendation No. 7

PM JI-VAN Yojana

The Committee note that in order to promote setting up of second generation bio-refineries, the Cabinet Committee on Economic Affairs on 28.02.2019 approved the Pradhan Mantri JI-VAN Yojana. The primary objective of the Yojana has been to provide financial support to integrated bio-ethanol projects with an outlay of Rs. 1969.50 cr for the period from 2018-19 to 2023-24. The Committee also note that the current scheme envisages setting up of twelve commercial scale second generation (2G) bio-ethanol projects and ten demonstration scale 2G bio-ethanol projects with non-food biomass and other renewables as feedstocks. As part of the scheme, financial assistance of Rs.150 cr each to four commercial projects at Panipat (Haryana, IOCL), Bhatinda (Punjab, HPCL), Bargarh (Odisha, BPCL), Numaligarh (Assam, NRL) along with Rs.15 cr to one demonstration project of Indian Oil at Panipat, Haryana have been approved under the said scheme and these projects are in an advanced stage of construction.

In this regard, the Committee learn that unlike the public sector, more 2G commercial projects are likely to come up in private sector. The Committee also take cognisance of the existing practical constraints in the production of 2G ethanol such as ensuring an assured supply of feedstock from farmers, aggregation of agricultural residue like paddy/straw and seasonal storage of the same, commercially viable pricing for manufacturers and decent remuneration for farmers etc. The Committee are encouraged to learn that the Government of Haryana has recently announced a subsidy of Rs.1000 per ton of paddy/straw to incentivise farming community in the state for channelising the same for 2G production plants.

In view of the above, the Committee expect the Ministry/OMCs to set up a coordinating mechanism to deal with various state Governments and other stakeholders to iron out above mentioned issues so that establishing 2G ethanol plants/bio-refineries will become a commercially viable proposition for private sector manufacturers. The Committee recommend the Ministry to expedite the setting up of the proposed 2G commercial and demonstration projects on priority basis and encourage private players also to participate actively in the production of 2G ethanol.

REPLY OF THE GOVERNMENT

As the country is going first time for the 2G ethanol bio-refineries, technologies of which are in nascent stage, various issues emerge. Efforts are underway to resolve the issues by creating community based sustainable supply chain for Biomass aggregation by coordinating with Agriculture Department of State Governments, Farmer Producer Organizations (FPOs), Village Level Entrepreneurs and other stakeholders.

The active participation by State Governments and other Ministries of the Union Government is crucial for the success of 2G Ethanol programme. In line with observation of the Committee, this Ministry is coordinating with various Ministries/agencies in following areas to expedite establishment of bio-refineries /ethanol plants:

- vi) Generation of feedstock for 2G Ethanol Bio-refineries in sustainable manner on wastelands.
- vii) Establishment of sustainable supply chain for feedstock and creation of necessary infrastructure to promote feedstock collection mechanisms.
- viii) State Governments are being pursued for granting single window clearances for setting up plants based on 2G Ethanol Technologies and support for few

initial Bio-refineries with fiscal incentives, tax rebates, incentives for power supplied to the plant, facilitating allotment of land, demarcation of biomass clusters etc.

- ix) Concerned Ministries such as Ministry of Agriculture; Ministry of Rural Development; Ministry of Environment, Forest and Climate Change; Ministry of Science & Technology; Ministry of New & Renewable Energy etc. are being requested to initiate programmes/ schemes with regard to generation of feedstock, R&D in Technology development, incentives for renewable power to be used for these green projects.
- x) Financial institutions are being approached to provide loans at concessional rates for these projects.

Regarding progress of the projects being set up by Oil PSUs, it may be mentioned that the same is being closely monitored by this Ministry. Four projects are in advanced stage of construction where expected commissioning will start from August, 2022 and end by June 2023.

With respect to participation by private players, it is to inform that Centre for High Technology (CHT), MoP&NG which is the implementing agency for PM JI-VAN Yojana regularly floats Request For Selection (RFS) to seek proposals from aspirant entrepreneurs/private players and informs the various institutes/companies about the RFS. In a recent RFS, proposals from Public Sector Undertakings (PSUs) as well as private companies have been received for commercial as well as demonstration projects. The aforementioned proposals are under examination.

Ministry of Petroleum & Natural Gas
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**Comments of the Committee
(Please see Para No. 7 of Chapter-I)**

Recommendation No. 9

Construction of ISPRL Phase-II

The Committee note that a budgetary provision of Rs. 600 cr has been incorporated in the BE 2022-23 for the construction of ISPRL phase –II projects at Chandikhol(Orrisa) and Padur (Karnataka). It is also noted that it has been proposed to acquire 400 acreof landfor the construction of caverns at Chandikol and the Government of Orrisa has been examining the same for the Chandikhol project. Further, with regard to the Padurproject in Karnataka, the MoPNG and ISPRL have beentaking up the issue with the state authorities for completing of land acquisition process. The Committee also note that the strategic petroleum reserves are projects of national importance to ensure energy security to the country and therefore, desire the Ministry tolaunch awareness programmes in coordination with the two State Governments and sensitize the local population so that the process of land acquisition will be completed smoothly and construction activities would be taken up.

The Committee, therefore, recommend the Ministry to keep a close watch on the progress of these two projects at regular intervals and also make necessary interventions as per requirement. Further, the Committee expect the Ministry to approach the Government of India for additional allocation of funds at RE stage for future requirements.

REPLY OF THE GOVERNMENT

Observations of the Committee have been noted. Close monitoring of progress of the two projects is underway. Request for additional funds shall be initiated in line with project progress.

Ministry of Petroleum & Natural Gas
No.G-38011/14/2022-Fin.I dated 19th July, 2022

Recommendation No. 12

Exploration and Production Activities of Upstream Oil PSUs

The Committee observe that domestic production of crude oil and natural gas assumes great significance given the excessive reliance of the country on imports. Currently, India meets its energy requirements through 80 percent of its crude oil imports. With regard to the performance of ONGC during the last three financial years, there has been consistent decline in the crude oil and natural gas production both under Nomination and NELP regimes. The Committee have been informed that the shortfall in crude oil and natural gas production has been due to global and local supply chain disruptions during the Covid period, restrictions in the movement of workforce due to Covid induced lockdowns, natural decline in oil production and increase in water cut in matured fields, less production in fields due to geological surprises and less than envisaged production from major oil fields. The Committee also note that upstream Oil India Ltd's performance w.r.t. crude oil production during the last four years has been declining. The Committee have also learnt that major chunk of oil and gas production of Oil India comes from Assam and Arunachal Pradesh and there is scope for enhancement in its production from the matured fields through EOR and IOR technologies. The Committee have been informed that ONGC has initiated steps in E&P Sector like early monetization of discoveries, production enhancement from producing fields using EOR/IOR field specific techniques, redevelopment of existing matured fields and development of new fields/marginal fields.

The Committee are concerned to note that the production from NELP fields has been very minimal in overall production of crude oil in the country. However, the Committee have been assured by the Ministry that from the year 2022-23, there will be a turnaround in the production of crude oil and it will witness an increase in production. The Committee would like the Ministry to seriously review the strategy to increase the domestic production in crude oil and gas in the light of various policy initiatives undertaken during the last several years to assess its effectiveness and fix accountability upon organizations/oil PSUs that have been mandated with the task. The Committee, therefore, recommend the Ministry to take concrete and tangible steps to increase the domestic production of crude oil and natural gas for overall energy security of the country.

REPLY OF THE GOVERNMENT

In view of the increasing energy needs of the country, reduce dependence on import of crude oil and gas and focus on *Atmanirbhar Bharat*, this Ministry had set the target of domestic production of 40 MMT Crude oil and 50 BCM of Natural Gas by 2023-24. For overall energy security of the country, **major increase in crude is expected in 2023-24**, following steps have been taken to increase domestic production of crude oil and natural gas

1. **Enhanced Operational Area under E&P activities:** More than 3.14 Lakh Sq. Km acreage area is currently under exploration and production (E&P) operations for enhanced oil and gas production. There is a renewed focus on enhanced CBM gas production and around 2500 sq. km. area is under CBM operations. Steps taken to enhance acreage are follows:
 - a. **Bidding under Discovered Small Field Policy (DSF) Policy:** The Marginal Field Policy (MFP), later renamed as the Discovered Small Field (DSF) Policy was notified vide Gazette Resolution dated 14.10.2015 with the objective to fast-track monetization of un-monetized small fields/ discoveries of National Oil Companies (NOCs), ONGC and OIL and relinquished discoveries under the Production Sharing Contract (PSC).
 - Under the two bid rounds, DSF Bid Round-I (2016) and DSF Bid Round-II (2018), total 54 Revenue Sharing Contracts (RSC) comprising of 101 fields were awarded to successful bidders.
 - **DSF Bid Round-III:** Launched on 10th June 2021. International Competitive Bidding (ICB) for offered 32 Contract Areas comprising 75 discoveries, spread over approx. 13,204 sq. km acreage with approx. 230 MMTOE of In-Place, was carried out from 20th April 2022 to 31st May 2022. Total 106 Bids received and are under evaluation at DGH.
 - b. **Bidding under Open Acreage Licensing Policy (OALP) (March 2016):** Government notified Hydrocarbon Exploration and Licensing Policy (HELP) on 30th March, 2016 and formally put in operation w.e.f. 1st July, 2017 with notification of Open Acreage Licensing Policy (OALP).

HELP is a paradigm shift from Production Sharing Contract (PSC) regime to Revenue Sharing Contract (RSC) regime which completely overhauls the regulatory regime for the future Exploration and Production (E&P) activities by reducing the regulatory burden based on the principle of 'Ease of doing business'. HELP *inter-alia* provides for Uniform Licensing Policy for exploration and exploitation of all kinds of hydrocarbon resources, option to carve out exploration block by investor under Open Acreage Licensing Policy (OALP), marketing and pricing freedom and lower regulatory burden.

- Seven OALP bid rounds have been concluded with award of 134 exploration blocks covering 2,07,691 sq. km. area for E&P activities.
 - Committed Work Programme under these bid rounds include 30,655 LKM 2D Seismic survey (API), 58,080 SKM 3D Seismic survey (API) and drilling of 487 Exploratory Wells.
 - Around 3.13 billion USD is estimated investment upto OALP Bid Round-VI.
 - **OALP Bid Round-VIII:** To be launched by July 2022 offering 10 blocks covering around 36,316 sq. km acreage area for international competitive bidding.
- c. **Coal Bed Methane (CBM) Acreages Bidding:** In order to harness CBM potential in the country, the Government of India formulated CBM policy in 1997 wherein CBM being Natural Gas is explored and exploited under the provisions of Oil Fields (Regulation & Development) Act 1948 and Petroleum & Natural Gas Rules 1959 administered by Ministry of Petroleum & Natural Gas.

- Four rounds of CBM bidding rounds have been implemented, resulting in award of 33 CBM blocks covering 16,613 sq.km area. Currently, there are 08 operational CBM Blocks, of which 05 are under production. The cumulative CBM production up to May-2022 is around ~5.1 BCM. Current CBM gas production is around 1.9 MMSCMD.
 - **Special CBM Bid Round 2021 under OALP (SCBM-2021):** Government on 22.09.2021 launched the Special CBM Bid Round- 2021 Open Acreage Licensing Policy (OALP) offering 15 CBM Blocks covering 8485 sq. km. having ~700 BCM prognosticated CBM resource. International Competitive Bidding (ICB) for the 15 CBM blocks concluded on 31.05.2022. Total 5 bids were received for 04 blocks and are under evaluation at DGH.
2. **Enhanced Natural Gas Production through path breaking Reforms:** Apart from introducing '*New Domestic Natural Gas Pricing Guidelines*' in October 2014, following additional natural gas reforms have been implemented to boost domestic gas production:
- **Marketing and Pricing Freedom for Gas produced from:** High Pressure-High Temperature (HP-HT) & Deepwater areas with ceiling (21.03.2016), Under HELP Policy (DSF & OALP) (30.03.2016), CBM blocks (11.04.2017), North-Eastern Region (14.08.2018), New Discoveries, E&P Reforms, 28.02.2019.
 - **Natural Gas Reforms, 15.10.2020:** Standard procedure to discover market price of gas through a transparent and competitive process and permitting Affiliates to participate in bidding process. Empanelled agencies for carrying out e-bidding have been notified.
 - **Natural Gas Reforms, 19.08.2021:** Sale of small gas through PNGRB authorized gas exchanges- an additional mechanism has been provided vide OM dated 19.08.2021, to gas producers having pricing and marketing freedom, for selling small quantity of gas, upto 500 MMSCM or 10% of annual production from Contract Area, whichever is higher, per year through gas exchanges authorized by PNGRB.
 - As a further momentum to gas reforms and saving the environment, Government issued detailed guidelines for monetization of Ad-hoc/Test Gas produced during the Testing of oil and gas well vide OM dated 22.11.2021.
 - Sale of gas through competitive e-bidding process by various E&P Operators (RIL, Vedanta, ONGC, HOEC, Antelopus).
 - This has impacted in enhanced Gas production from 77.8 MMSCMD in Mar'20 to 93.3 MMSCMD in Dec'21 and further attracted enhanced investment of around 10 Billion USD in two Major Gas Projects. The gas production is further expected to increase from 2023-24.
3. **Enhanced Prospectivity Perception through Data Generation**
- a. **Establishment of National Data Repository (NDR), 2017:** NDR acts as a repository of geo-scientific database of the country and plays a key role in facilitating prospective bidders to carve out their choice of blocks for bidding under OALP. In order to cope with the ever-increasing demands of E&P data, NDR is being upgraded to cloud-enabled hyper-converged infrastructure to facilitate easy access of data to the industry for meaningful usage. Entire Exploration and Production (E&P) data available for commercial exploration, research and development and academic purposes. Total data uploaded in NDR till 31st December 2021 is 2.920 Million LKM (Line Kilo Metres) of 2D Seismic Data,

0.959 Million SKM (Square Kilo Metres) of 3D Seismic data and 20,240 Wells and Log data and 41,867 Well Reports.

- b. **Re-assessment of Hydrocarbon Resources, 2017:** For updated estimation of hydrocarbon resource potential in the country, re-assessment of hydrocarbon resources for all 26 sedimentary basins in the country was completed in 2017 almost after two decades of earlier estimation. This resulted in prognosticated conventional hydrocarbon resources for all 26 sedimentary basins of the order of 41.87 billion tonnes (oil and oil equivalent of gas), which is about 49% increase as compared to earlier estimate of 28.08 billion tonnes. Next round of Hydrocarbon Resource Assessment Study (HRAS) is planned soon.
 - c. **National Seismic Programme (NSP), 2016:** Recognizing the pivotal role of exploration data in boosting E&P activities, the Ministry of Petroleum & Natural Gas launched the National Seismic Programme (NSP) in 2016 for conducting 2D seismic surveys in unappraised sedimentary basins. NSP envisaged 48,243 Line Kilo Meters (LKM) 2D seismic data for appraisal of onland areas. The programme was funded by Gol with a sanction of Rs 2932.99 Crores and was executed by ONGC and OIL. As on date, 97.34 % data acquisition and 100 % data processing and interpretation of acquired data have been completed.
 - d. **Airborne Geophysical Survey:** To cover up the remaining NSP areas where seismic data couldn't be acquired due to inaccessible terrain and hostile environment, Airborne Geophysical survey have been planned to acquire 40,000 flight LKM Gravity Gradiometry and Gravity-Magnetic data. The Airborne Survey is to be implemented through Oil India Limited. And tendering is under process.
 - e. **Appraisal of Andaman basin:** Seismic 2D data of 22,500 LKM 2D has been acquired in the Andaman Basin. Data Processing and Interpretation to be completed by August 2022. Total Project cost is around 300 Cr.
 - f. **EEZ Survey:** Launched in 2022 for appraisal of unappraised offshore basinal areas of EEZ within two years. The Project covers unappraised areas of western and eastern coast of India including Andaman, Kerala-Konkan basins, Mumbai-High and other offshore basins. A tender has been floated by ONGC to acquire ~ 70,000 LKM 2D broadband seismic data at an estimated cost of ₹ 768 Cr in unappraised offshore basinal areas of EEZ. The project is to be completed in two financial years upto 2023-24). Bid evaluation under progress.
4. **Policy Framework to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas (October, 2018):** An Enhanced Recovery (ER) Committee has been constituted to oversee the implementation and facilitation of the policy.
 5. **Policy Framework for Exploration & Exploitation of Unconventional Hydrocarbons (August 2018):** This has resulted in opening up area of around 77,296 sq. km. for simultaneous exploration and exploitation of conventional or unconventional hydrocarbons.
 6. **Policy Reforms in Exploration and Licensing Policy for enhancing domestic exploration and production of oil and gas (28thFebruary, 2019):** Major achievements:
 - No Revenue Sharing with Government in Category- II & III sedimentary basins.

- Shifting of focus from 'revenue' to 'production' maximisation: 70% weightage to Minimum Work Programme in Cat-I Basin and 100% weightage in Cat-II & III basins.
- Shorter exploration period for early development.
- Fiscal concessions for early monetization and commercial production.
- Marketing and Pricing freedom for natural gas.
- Marketing freedom for crude oil.

7. **Guidelines for Early Monetization of Hydrocarbon Discoveries:**

Ministry, after examination the issue of monetization of hydrocarbon discoveries before completion of other activities such as Appraisal, Declaration of Commerciality (DoC) and submission of Field Development Plan (FDP), etc. in the Block under Production Sharing Contract/Revenue Sharing Contract, issued guidelines on 23.06.2020 for monetization of discovery at an early stage within prescribed contractual timelines, in the public interest as a step towards energy security of the country.

8. **Reforms taken for enhancing Ease of Doing Business (EODB) in E&P**

- **Reducing Compliance Burden- Simplification of Procedures and Processes for submission of Documents on Self Certification basis:** With a view to make the system transparent and faster, under Ease of doing business, guidelines for simplification of procedures and processes for submission of documents on self-certification were issued on 28.02.2020 wherein government rationalized 37 processes in 3 categories under PSC contract.
- **Notification regarding Dispute Resolution Committee (2019):** External Committee of eminent persons/experts has been set up vide Notification dated 16.12.2019 and modalities and structure of Dispute Resolution Mechanism has been finalized.
- **Implementation of Single Window Clearance System (2019):** Directorate General of Hydrocarbons (DGH) of behalf of MOP&NG has launched a portal that connects upstream companies to different arms of the government and allows electronic filing/ online submission of applications to obtain various clearances / approvals / Certificates like PEL / PML, Vessel Clearance, Expat Clearance, PSC Contract Management Processes, Essentiality Certificates etc.
- **Digitalization E&P Roadmap document:** With the intent to identify and facilitate opportunities for digitalization across the entire upstream value chain through collaboration with the entire India E&P ecosystem, the 'Digitization Roadmap for E&P Industry' was released by Secretary, PNG on 10th June, 2021.
- **Performance Monitoring Dash Board:** A comprehensive Digital Monitoring Dashboard was created in 2019 for monitoring various key E&P performance indicators. It has been integrated with the MoPNG portal in 2021.

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Recommendation No. 13

Coal Bed Methane (CBM)

The Committee note that Coal Bed Methane (CBM) being the fifth largest coal reserve in the world has been one of the important non conventional sources of natural gas to augment India's energy security. The Committee learn that CBM has significant prospects for its exploration and production in the country. The Committee have been informed that to promote non conventional hydro carbons, the Government has launched a special CBM Bid Round-2021 under the Hydrocarbon Exploration and Licensing Policy through international competitive bidding, offering 15 blocks (HELP) across six Indian states and covering an area of around 8500 sq. km.

The Committee, however, note that the bidding for the blocks has not been started and till now no blocks have been awarded. The Committee also note that two investors meetings have been organized with the participation of 50 organizations. The Committee also note that even after awarding the blocks, production may start after a minimum of seven years only which is a long period. The Committee therefore, desire that the Ministry/DGH may take necessary steps to reduce the expected time line for commencement of production at the earliest. The Committee also desire that CBM, being a non conventional source of hydro carbons should also contribute in meeting future energy requirements of the country. In this regard, the Committee expect that the Ministry/DGH will utilize the huge reserves of coal resources in the country and explore the production of CBM in on a much larger scale. The Committee, therefore, recommend that the Ministry shall make all efforts to expedite the international competitive bidding for awarding of CBM blocks in a time bound manner and accordingly, take steps to increase the production of CBM in the country.

REPLY OF THE GOVERNMENT

Coal Bed Methane (CBM) Resources

- b. To date, four CBM bidding rounds have been implemented by MOP&NG, resulting in the award of 33 CBM blocks [including 2 blocks on Nomination and 1 block through Foreign Investment Promotion Board (FIPB) route] which covers 16,598 Sq. km. At present 08 CBM Blocks are active of which 05 are under production. The cumulative production of CBM up to May-2022 is around ~5.1 BCM.

Special CBM Bid Round 2021 (SCBM-2021)

4. Recognizing the fact that non-conventional hydrocarbons are going to play a pivotal role, the Government in its pursuit of scaling up production of hydrocarbons in the country launched the Special CBM Bid Round-2021 under the Hydrocarbon Exploration Licensing Policy through International Competitive Bidding.
5. The SCBM-2021 is offering 15 Blocks across 06 Indian States and covering an area of around ~8500 Sq. Km. The prognosticated resource of CBM from the proposed Blocks is ~700 BCM.
6. 5 bids for 4CBM blocks were received during SCBM-2021 bidding round and 3 companies have emerged as successful bidder for 4 CBM blocks.

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**Comments of the Committee
(Please see Para No. 19 of Chapter-I)**

Recommendation No. 14

Internal and Extra Budgetary Resources (IEBR) of oil PSUs

The Committee note that the IEBR of all oil PSUs for the BE 2022-23 has been targeted at Rs.111354 cr as compared to Rs.104620 cr of the BE 2021-22. In the exploration and production sector, the target of allocation for BE 2022-23 has been Rs.50536 cr as against Rs.49186 cr of the BE of 2021-22. However, the actual expenditure for the E&P sector was Rs.29314 cr as on 31stDecember, 2021. Further, in respect of the refinery and marketing sector, a provision of Rs. 53876 cr has been made for the BE 2022-23 as against Rs.49804 cr of the previous year's BE and the actuals in this sector upto 31stDecember, 2021 was shown as Rs.35626 cr. With regard to the petrochemicals sector, an amount of Rs.6742 cr has been provided in BE 2022-23 as against Rs. 5441 cr of the previous financial year. The actuals for the same by the end of the year 2021 was shown as Rs.4986 cr. In addition, the Engineering sector has made an allocation of Rs.200 cr for the BE 2022-23 as against Rs.190 cr of the FY 2021-22 and the actuals for the same was shown as Rs. 67 cr only.

The Committee also observe several variations in BE, RE and actual expenditure of individual oil PSUs of the Ministry. For instance, the actual expenditure of ONGC upto January, 2022 was shown as Rs.19,388cr as against Rs.29,800 cr. In case of OVL also, Rs.4,326cr was shown as actuals when compared to Rs.8,380 cr of the BE 2021-22. In respect of IOCL also, there is a variation against its actual shown as Rs.21,410cr upto January,2022 as against Rs.28,547 cr of the BE 2021-22. The downstream company MRPL has also registered a low actual at Rs.460 cr as against Rs.850 cr of the BE 2021-22. The Balmer Lawrie has also shown less actuals of Rs.15 cr only upto 31stJanuary, 2022 as against Rs.40 cr. Of the BE 2021-22. The engineering & consultancy company EIL has also spent an amount of Rs.59 cr only upto January, 2022 as against Rs.150 cr of BE 2021-22. The CPCL has made an allocation of Rs.384 cr for the BE 2021-22 and the same was overshoot at Rs.528 cr as actuals upto 31st January, 2022. Further, NRL has made an allocation of Rs. 2000 cr for the BE 2021-22 and the same was overspent at Rs. 2,139 cr as shown in the actual upto 31st January, 2022.

The Committee are dismayed to observe that oil PSUs including upstream majors ONGC/OVL and OIL have not fully utilised the allocations of the previous financial year as only two months have been left during the current financial year. Further, OMCs like IOCL and MRPL and PSUs like Balmer Lawrie have also made lesser utilisation of their BE allocations as per their actuals. The Committee would exhort the oil PSUs to fully utilize their planned IEBR during the financial year 2021-22. The Committee further, recommend that the IEBR exercise of oil PSUs must be prepared in a more realistic manner to avoid larger variations between projected estimates and the actual expenditure so that the allocated funds are utilised for the earmarked purposes in the best standards of financial propriety and prudence.

REPLY OF THE GOVERNMENT

Internal and Extra Budgetary Resources (IEBR) of Oil PSUs:

During FY 2021-22, against BE of ₹1,04,620.30 crore and RE of ₹1,03,529.61 crore, ₹ 1,07,967.64 crore was utilised for implementation of ongoing and new projects which is 103.2% of BE (&) 104.3% of RE for the respective year, also BE for 2022-23 has been proposed at ₹1,11,354 crore. The explorations activities generally remain slow during first half of the financial year (FY) mainly due to monsoon and pick up only from November

onwards. Therefore, the actual capex generally remains low during first half of the financial year.

CPSE-wise Internal and Extra Budgetary Resources (I&EBR)-BE, RE & Actual for FY 2021-22 and BE 2022-23 is given below:

(In ₹ crore)

CPSE	2021-22			2022-23
	BE	RE	Actual *	BE
ONGC	29800.00	30500.00	27741.26	29950.00
OVL	8380.00	5620.01	4680.73	8180.00
OIL	4108.00	4277.00	4366.52	4302.00
GAIL	5861.20	6660.74	7148.30	7500.00
IOCL	28547.10	28547.10	30391.06	28549.00
BPCL	10000.00	10500.00	11860.16	10000.00
HPCL	14500.00	13510.00	16770.87	14500.00
MRPL	850.00	965.76	674.25	815.00
CPCL	384.00	559.00	636.33	584.00
NRL	2000.00	2200.00	3605.41	6774.00
Balmer& Lawrie	40.00	40.00	22.49	40.00
EIL	150.00	150.00	70.26	160.00
Total	104620.30	103529.61	107967.64	111354.00

*: Provisional **: Excluding Gross Budgetary Support (GBS) for Jagdishpur-Haldia&Bokaro-Dhamra Pipeline.

2. Sector-wise expenditure incurred by oil and gas CPSEs is as follows: -

(Rs. In Crore)

Sector	2020-21			2021-22
	BE	RE	Actual*	BE
Exploration & Production Sector	49185.69	47956.83	46375.95	50535.97
Refining & Marketing Sector	49803.58	49366.97	54948.23	53876.35
Petro-Chemicals Sector	5441.03	6015.81	6550.71	6741.68

Engineering Sector	190.00	190.00	92.75	200.00
Total	104620.30	103529.61	107967.64	111354.00

*: Provisional

CPSE-wise reasons for less achievement in I&EBR-BE/RE & Actual for FY 2021-22

1 ONGC: Approved BE 2021-22 for ONGC was Rs. 29,800 crore. Actual expenditure up to March 2022 is Rs. 27,741 crore (P) which works out to ~93% of the BE 2021-22. Broad reasons for under-utilization inter-alia include impact of COVID-19 related restrictions and consequent disruption in supply chain management, cyclonic disturbance in western offshore in 2021(Cyclone Tauktae&Yaas), delay in statutory clearance (SPL) for mobilization of marine spread, delay in Ministry of Defence clearance for Survey work in some blocks and delay in award of OALP blocks in OALP bid round- VI. , delay in supply of drilling and work-over rigs by suppliers etc

2. OVL: Reasons for lower expenditure are placed below:

- a) Due to security incidents related to insurgency around the project site of Area-1 Mozambique, Operator evacuated all the project personnel from the site on 2nd April 2021 and all the construction activities at site came to a halt. Subsequently, Area 1 consortium declared Force Majeure under major agreement/contracts including major construction contracts i.e. EPC, EPCI and CPI. Operator has also issued suspension notice under major construction contracts. Due to above, Area-1 Mozambique project capex of Rs. 4600 cr, which is 55% of total BE capex, got under utilized by ~ Rs 3000 crore against BE capex for FY 21-22.
- b) Due to covid impact, deferral of drilling & facility capex in EP-3 Myanmar, Vankor& Imperial, Russia resulting in under utilization in capex.
- c) In CPO-5, Colombia, drilling campaign was delayed due to covid and subsequent delay in LAQ, Socialization activities and retendering of civil work contracts, also impacted capex utilization.

3. MRPL: MRPL had deposited value of land (for Phase-4 expansion) with Karnataka Industrial Area Development Board (KIADB). In addition to this land payment, KIADB had informed that horticulture, structure and malki payment would also be due in the 4th quarter of FY 21-22, towards this, an amount of approx. 200 Cr was budgeted towards this payment. However, subsequently KIADB informed that the payment towards horticulture, structure and malki could not be released, as survey was yet to be completed. On account of above, budgeted amount of 200 Cr was not released to KIADB, thereby leading to shortfall in achieving the target of 850 Cr.

4. EIL: EIL's joint Venture Company, Ramagundam Fertilizers & Chemicals Ltd (RFCL) started its commercial operations in 22nd March, 2021. The Capital Expenditure of RFCL was estimated to be Rs. 101 Crore and proportionate share of EIL was Rs. 26.26 Crore, however, being the first year of operations, the project is currently under stabilization period. Due to which, the targeted Capex could not be achieved by RFCL during the current financial year.

5. Balmer Lawrie Ltd.: A major chunk of Capital expenses for the FY 2021-22 was planned around Infrastructure development, which has suffered delays primarily due to grant in permissions required from various bodies/authorities, follow up is being done with

relevant agencies to expedite it. Balmer Lawrie is in the process of simultaneously coming up with alternate projects/plans in the current fiscal 2022-23.

Ministry of Petroleum & Natural Gas
No.G-38011/14/2022-Fin.I dated 19th July, 2022

CHAPTER III

**RECOMMENDATIONS/OBSERVATIONS WHICH THE GOVERNMENT DO NOT
DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

- Nil -

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation No. 3

LPG Connections to Poor Households (PMUY)

The Committee note that an allocation Rs. 800 cr has been made in BE 2022-23 in respect of PMUY scheme providing LPG connections to poor households. The Committee also observe that the Government extended the scheme in January, 2022 to release an additional 60 lakh LPG connections under Ujjwala 2.0 with existing modalities. The proposed allocation has been made to meet the expenditure towards release of these additional LPG connections. The Committee, however, have been assured that if the number of connections exceed the target, then the Ministry might seek additional allocation of funds at RE stage. The Committee are satisfied to note that out of the targeted 1 cr LPG connections under the scheme during the FY 2021-22, around 98.48 lakh connections have already been released as on 25.01.2022. In this regard, the Committee while being satisfied with the achievement of the scheme, sincerely appreciate the efforts of the Ministry and OMCs for the successful implementation of the scheme. The Committee, recommend the Ministry/OMCs to strive for the achievement of 60 lakh target under PMUY in the next financial year and in the event of more applicants expressing willingness to avail the benefits of the scheme, the Ministry may seek additional funds for the same at the RE stage.

REPLY OF THE GOVERNMENT

Observations of the Committee have been noted. If additional funds for the scheme are required, the same will be sought at RE stage in Financial Year 2022-23.

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Comments of the Committee
(Please see Para No. 7 of Chapter-I)

Recommendation No. 10

National Seismic Programme

The Committee note that India has 26 sedimentary basins spreading across onland, shallow water and deep water. Out of this total area of 3.36 million sq.km, an area of about 1.502 million sq.km i.e. 48 percent of this area does not have adequate geo-scientific data. Appraisal of the un-appraised area was undertaken as part of National Seismic Programme in 2016. The Committee also note that with the help of state of the art technology, data acquisition of these areas will be undertaken to assess potential hydrocarbon resources in these areas. Out of the total targeted area of 48,243 LKM, cumulative 46,960 LKM (97.34%) data has already been acquired as part of National Data Repository under this programme. Further, it has been learnt that given the practical constraints in the execution of seismic surveys in inaccessible and hostile geographical areas, airborne geophysical seismic surveys have been planned to assess the hydrocarbon potential of these areas. These airborne surveys being implemented by Oil

India Ltd have been under progress with the commencement of tendering process. The Committee also learn that given the non allocation of any budgetary provision for NSP for the FY 2022-23, the implementing agency Oil India Ltd will be seeking funds on the basis of actual invoices for the completed works for settlement of advance taken on the basis of proforma invoice for these surveys.

In view of the above, the Committee desire the Ministry/DGH to expedite the completion of the data of remaining areas. Further, the airborne geophysical seismic surveys in inaccessible areas may also be completed on priority basis. The Committee have been informed that Ministry has planned to generate data under Mission Anveshan on Indian offshore basins, Andaman Basin and appraisal of Exclusive Economic Zone. For this purpose, the cabinet note is under preparation. The Committee also while taking cognisance of the significance of NDR for better assessment of India's hydrocarbon potential and enhance energy security, recommend the Ministry to complete the remaining works under NSP and also to finalise the cabinet note for approval so that sufficient funds be made available for this programme during the current year at RE stage.

REPLY OF THE GOVERNMENT

The following seismic survey programme are under implementation:

1. **DEEP ANDAMAN OFFSHORE SURVEY:**

Andaman Basin has been appraised to the extent of 36% mainly in the Eastern part of the Basin. The Western part of the area is yet to be appraised. Considering the above, MoPNG initiated exploration activities in the offshore areas of Andaman basin and acquisition of 22,555 LKM, covering 2.8 Lakh Sq. Km of 2-D broad band data. Processing and interpretation is in progress and is expected to be completed by September 2022. The remaining unapprised areas up to EEZ is planned to be taken up subsequently.

2. **EXCLUSIVE ECONOMIC ZONE (EEZ) SURVEY:**

Approximately 1.13 Million Sq. Km. unapprised area in the offshore basinal part of Indian sedimentary basins up to EEZ is to be covered under this project. A large portion of the area could not be taken up earlier due to NO-GO Zone. 2D broadband seismic API of approx. 70,000 \pm 20% LKM is planned with total estimated cost of Rs. 640 crore and additional Rs. 128 crores for additional work (20%, if required). The work is proposed to be completed in two financial years 2021-22 and 2022-23. The tentative date to start the seismic data acquisition in all the blocks is from 15.10.2022.

3. **MISSION ANVESHAN:**

Comprehensive appraisal of the Indian sedimentary basins with close grid 2D seismic survey required to build a reliable and robust geo-scientific database covering all sedimentary basins of India. This will help effective planning and execution of exploration and production (E&P) activities in the basins. The project has been planned to acquire close grid 2D seismic API of 20,775 LKM in 09 onland sedimentary basins is planned.

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**Comments of the Committee
(Please see Para No. 13 of Chapter-I)**

CHAPTER V**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED****Recommendation No. 8****National Bio-Fuel Fund**

The Committee note that the National Bio-fuel Fund (NBF) has been allocated Rs. 1 cr in BE 2022-23. The Committee, further, note that while Rs. 1 cr allocation was made during RE 2021-22, the actual expenditure up to 31.01.2022 has been shown as 'nil'. The Committee have been informed that the National Bio-fuel Fund has not yet been approved by the Department of Expenditure and the Ministry of Finance has conveyed certain observations like (i) ensuring synergy with existing similar schemes of other Ministries so that duplicatory efforts and thin spreading of resources may be avoided (ii) OADB corpus fund should be used to promote activities under National Bio-fuel Fund and (iii) funds should be used only if there are gaps in the bio fuel sector and the objectives of NBF may be synchronized with PM JI-VAN Yojana, which is an another scheme of the petroleum Ministry having similar objectives. The Committee learn that the Ministry of P&NG has been examining these observations of the Department of Expenditure. The Committee, therefore, would like the Ministry of Petroleum and Natural Gas to examine the said observations given the considerable merits in the views of Department of Expenditure and accordingly, recommend that the Ministry of P&NG may consider merging the objectives of the National Bio-Fuel Fund with that of the PM JI-VAN Yojana to ensure the focused implementation of schemes for bio fuel sector.

REPLY OF THE GOVERNMENT

The recommendation of the Standing Committee to examine the observation of Department of Expenditure and merge the objectives of the National Bio-Fuel Fund with that of the PM-JIVAN is under active consideration by Ministry of Petroleum and Natural Gas.

Ministry of Petroleum & Natural Gas
No.G-38011/14/2022-Fin.I dated 19th July, 2022

Recommendation No. 11

Reduction in Import Dependence on Crude Oil

The Committee note that the Government has laid down a road map for reducing India's crude import dependency and has been working towards new strategies and initiatives to achieve this target across different sectors. The Committee have been apprised about the initiatives undertaken by the Government to increase exploration and production in the country by various policy measures like National Policy on Bio fuels, Development of Gas Infrastructure and SATAT, etc. The Committee acknowledge that the Ministry has been taking several policy measures and initiatives to streamline procedural aspects and also attract investments to increase exploration and production of hydrocarbons in the country.

The Committee also note that as petroleum products are used in diverse sectors of the economy, there has to be a multi-sectoral approach to address the issue of managing demand of petroleum products to help in reducing dependency on crude oil imports. Also, these efforts may require study of sectoral policies, launching awareness programmes and R&D initiatives etc. However, the Committee are dismayed to note that there has not been any Inter-Ministerial Coordination Mechanism to discuss the steps to be taken to achieve the larger objective. The Committee would also expect MoPNG to involve various stakeholders and hold brainstorming sessions and accordingly, firm up the plans to achieve this national objective.

Further, the Committee note that there has been no study to assess the actual impact of these measures in the light of stagnant production of crude oil and natural gas in the last several years and increasing imports of crude oil. Also, the Committee would like the Ministry to develop a mechanism to correlate statistics by which it can show that the reduction of dependency of India on crude oil imports has been achieved as per the steps taken till date in this regard. Otherwise, it will be difficult to assess the impact of various policies measures taken in the efforts towards reduction of crude oil imports. The Committee therefore, recommend that the Ministry should devise a suitable mechanism and set measurable targets and assess the success of its measures in achieving the objectives.

REPLY OF THE GOVERNMENT

Government has set out a roadmap for reducing India's crude oil imports and has been aggressively working towards several new strategies and initiatives to achieve this target across the different sectors with a thrust on improving energy efficiency and productivity, demand substitution, improving refinery processes and promotion of bio and alternate fuels.

During, the second meeting of the Integrated Monitoring and Advisory Council (IMAC) chaired by Minister P&NG, Working Groups for monitoring the progress on various initiatives, schemes, projects, and strategies taken under their respective domains were set up with a view to augment supply of energy, savings in energy to achieving oil import reduction by the year 2024-25.

Consequently, Working Groups were formed for monitoring the progress on various initiatives, schemes, projects, and strategies under their respective domains taken with a view to augment supply of energy, savings in energy as a means to achieving oil import reduction were formed during 2021-22 to take this forward.

These working groups had members from different stake holding ministries, Oil and Gas companies, think tanks and other stake holders. The working groups have studied, analyzed and quantified the impact of various initiatives taken by the concerned Ministries/Departments from FY 2016 to FY 2020 towards achievement of the roadmap of reducing import dependency of oil/gas/coal and in the overall energy sector.

These reports have been aggregated and compiled and being presented in a unified view on India's strategy for import reduction of Oil & Gas, for providing external support for the preparation of the comprehensive report including holistic reassessment of policies/steps as envisaged in the import reduction roadmap and mapping all actionable points because of these strategies/initiatives in terms of their impact on energy demand and savings with timelines to roll out the reassessed roadmap in reducing import dependence by the year 2024-25, Ministry has also extended roadmaps for each strategy for period upto 2030 and the same has also been updated under each working group section. The report is under finalization.

Ministry of Petroleum & Natural Gas
No.G-38011/14/2022-Fin.I dated 19th July, 2022

**Comments of the Committee
(Please see Para No. 16 of Chapter-I)**

New Delhi;
04 August, 2022
13 Shravana, 1944 (Saka)

RAMESH BIDHURI,
Chairperson,
Standing Committee on
Petroleum & Natural Gas.

MINUTES
STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2021-22)
TWENTIETH SITTING
(04.08.2022)

The Committee sat on Thursday, the 4 August, 2022 from 1500 hrs. to 1530 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Ramesh Bidhuri - Chairperson

MEMBERS

LOK SABHA

2. Dr. Ramesh Chand Bind
3. Shri Girish Chandra
4. Shri Topon Kumar Gogoi
5. Shri Naranbhai Kachhadiya
6. Shri Santosh Kumar
7. Shri Rodmal Nagar
8. Shri Mitesh Rameshbhai Patel
9. Shri M.K. Raghavan
10. Shri Chandra Sekhar Sahu
11. Shri Dilip Saikia
12. Dr. Bharatiben Dhirubhai Shiyal
13. Shri Vinod Sonkar
14. Shri Ajay Tamta
15. Shri Janardan Singh Sigriwal
16. Dr. Kalanidhi Veeraswamy

RAJYA SABHA

17. Smt. Kanta Kardam
18. Shri Rambhai Mokariya
19. Shri Subhas Chandra Bose Pilli
20. Dr. V. Sivadasan

SECRETARIAT

1. Shri Y M Kandpal - Joint Secretary
2. Shri H. Ram Prakash - Director
3. Shri Brajesh Kumar Singh - Deputy Secretary

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the draft Action Taken Report on the recommendations contained in the Tenth Report (17th Lok Sabha) on 'Demands for Grants (2022-23) of MoP&NG' and adopted the same without any modifications.

3. Thereafter, the Committee took up for consideration Draft Action Taken Report on the recommendations contained in the Eleventh Report (17th Lok Sabha) on the subject 'National Gas Grid including PNG and CNG' and adopted the same without any modifications

4. XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX.

5. XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX.

The Committee then authorised the Chairperson to present/lay the reports in both the Houses of Parliament.

The Committee then adjourned.

Annexure II

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TENTH REPORT (SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS (2021-22) ON 'DEMANDS FOR GRANTS (2022-23)'

I	<u>Total No. of Recommendations</u>	14
II	Recommendations/Observations which have been accepted by the Government (Vide Recommendations Nos. 1, 2, 4, 5, 6, 7, 9, 12, 13 and 14)	10
	Percentage to Total	71.42%
III	Recommendations/Observations which the Committee do not desire to pursue in view of Government's (Vide Recommendations No. Nil)	00
	Percentage of Total	00
IV	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations Nos. 3 and 10)	02
	Percentage of Total	14.29%
V	Recommendations/Observations in respect of which final replies of the Government are still awaited (Vide Recommendation Nos. 8 and 11)	02
	Percentage of Total	14.29%