



Year End Review – 2017: Ministry of Petroleum & Natural Gas

Posted On: 28 DEC 2017 1:30PM by PIB Delhi

I. Exploration & Production

1. **HELP:** The new Hydrocarbon Exploration Licensing Policy (HELP) for award of Hydrocarbon Acreages in the Upstream Sector of India was notified on 30th March, 2016 and formally launched w.e.f 1st July, 2017. Open Acreage Licensing Policy ("OALP") is one of the key features of HELP which has been notified on 30.06.2017.

2. **Discovered Small Field Policy:** The Union Cabinet approved 69 marginal fields for offer under Discovered Small Fields Policy. Out of these, 67 Discovered Small Fields were clubbed into 46 contract areas and put on offer.

Based on the success of DSF Bid Round-I, DGH has further identified 60 un-monetised discoveries / fields of ONGC and OIL in nomination regime and relinquished blocks of PSC regime.

3. **Survey of un-appraised areas of Sedimentary Basins of India:** To generate seismic data for initiating Exploration and Production (E&P) activities, Government prepared a Project to conduct 2D seismic surveys of all sedimentary basins of India. The estimated cost of the project is Rs. 2932.99 Crore. Project will be completed by 2019-20. As on date 31.10.2017, 2D seismic survey of 10,200.54 LKM has been carried out. Out of this ONGC has conducted survey of 1902.68 LKM and OIL has conducted survey of 697.86 LKM.

4. **National Data Repository (NDR):** NDR has been set up at DGH to make the entire E&P data available for commercial exploration, research and development and academic purposes. This has been launched on 28.6.2017.

II. Natural Gas

1. **National Gas Grid (Pradhan Mantri Urja Ganga):** To have a gas based economy and enhance the share of gas in the energy basket to 15%, the Government has envisaged developing additional 15,000 km of gas pipeline network. At present, the natural gas grid in the country predominantly connects the western, northern and south-eastern gas markets with major gas sources. As a commitment to provide the clean energy in the Eastern part of the country, the Government has approved a capital grant of Rs. 5,176 Crore (40 per cent of the estimated capital cost of Rs. 12,940 Crore).

2. **City Gas Distribution Network:** Prime Minister Shri Narendra Modi in Urja Sangam 2015 on 27.03.2015 at Vigyan Bhawan, New Delhi mentioned as under "In the next four years, to increase Piped Line Gas Connection from 28 lakh connections to 1 crore connections to reduce pollution in the cities." At present, 31 CGD companies are developing CGD networks in 81 Gas in 21 State(s)/UTs which are supplying clean cooking fuel in the form of PNG to about 40 Lakhs in the country. Further Govt. has envisaged to expand the coverage of CGD networks across the country in synchronisation with the Gas availability and pipeline connectivity.

3. **Promotion of CNG/LNG in Transportation Sector:** The Government is promoting the usages of environment friendly transportation fuel, i.e. CNG by expanding the coverage of City Gas Distribution (CGD) network in the country. In order to promote the CNG services in the country, the Government has issued guidelines for making available domestic gas to the CGD entities for meeting the entire requirement of CNG for transport segments.

III. Refinery

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1. **Augmentation of refinery sector:** Out of the 23 refineries operation in the country, 18 are in public sector, 3 are in private sector and two as a joint venture with a total refining capacity of 247.566 MMTPA. Out of the total refining capacity of 247.566 MMT, 142.066 MMT is in the public sector, 17.3 MMT in joint venture and the balance 88.2 MMT is in the private sector. The country is not only self-sufficient in the refining capacity for its domestic consumption but also exports a sufficient quantity of petroleum products.

IV. Marketing

1. **Pradhan Mantri Ujjwala Yojana (PMUY):** This scheme has been launched with an aim to provide LPG connections to 5 crore women belonging to the Below Poverty Line(BPL) families, over a period of 3 years starting from FY 2016-17. As on 4.12.2017, more than 3.2 crore new LPG connections have been given to them. Out of this, 30.5% and 13.3% connections have been issued to SC and ST categories respectively.

2. **PAHAL:** As on 13.11.2017, more than 19.12 crore LPG consumers have joined the PAHAL Scheme. PAHAL has entered into Guinness book of World record being largest Direct Benefit Transfer scheme. So far, more than Rs. 58243 crore have been transferred into the bank accounts of consumers. PAHAL has helped in identifying 'ghost' accounts, multiple accounts and inactive accounts. Estimated savings in subsidy due to implementation of PAHAL for FY 2014-15, 2015-16 and 2016-17 is nearly Rs. 29446 crores.

3. **Direct Benefit Transfer in PDS Kerosene (DBTK) Scheme:** To bring reforms in Allocation and Distribution of PDS SKO distribution system, for better subsidy management, and also for reducing subsidy outgo by means of curbing diversion of subsidized kerosene, this scheme was launched. DBTK has been implemented in all districts of Jharkhand and 4 districts of Chhattisgarh. Other States have been requested to join the Scheme. Further, States/UTs are encouraged to become 'Kerosene Free' by bringing all households under LPG. So far, UTs of Delhi, Chandigarh, Daman & Diu, Dadar and Nagar Haveli & Puducherry and the States of Haryana, Andhra Pradesh & Punjab have become 'Kerosene Free'.

4. **LPG Coverage:** During 2016-17, more than 3.31 crore new LPG connections have been released and during 2017-18 (upto 18.12.2017), more than 2.15 crore new LPG connections have been released. As on 1.11.2017, National LPG coverage has reached to 78.3% from 60.6% as on 1.1.2015.

To increase the LPG coverage further, advertisement for selection of 6149 new LPG distributorships has been released in various states across the country and selection process is underway. As on 19.12.2017, draw for 2468 locations have been conducted.

5. **Subsidy on Kerosene and LPG:** As on 1st December, 2017, the Oil Marketing Companies are currently incurring under recovery of Rs.12.44 per litre on PDS Kerosene and Government is providing cash compensation of Rs.252 per cylinder under DBTL.

6. **Automation at OMC ROs:** To enhance customer confidence through Q&Q (Quality and Quantity) of fuel and minimizes chances of fraudulent transactions, this Ministry has given the target to OMCs to Automate all ROs selling more than 100KL/Month. As on 15.11.2017, out of 31155 ROs currently selling 100KL/Month, 21152 ROs have been automated.
7. **Promotion of Digital Payments Undertaken by MOP&NG:** There has been a significant expansion of digital payment infrastructure at retail outlets. As on 28.11.2017, 82132 POS terminals and 81070 e-wallet facility have been provided at 49204 (90%) petrol pumps across the country, these Outlets cover more than 95% of sales.

V. Auto Fuel Vision

1. **Auto Fuel Vision and Policy - Introduction of BS-IV & BS-VI fuels in the Country:** The Government has implemented supply of BS-IV auto fuels in the entire country in phases by 01.04.2017. Further, Government has also decided to leapfrog from BS-IV to BS-VI directly and a notification has been issued for implementation of BS-VI w.e.f. 01.04.2020 in the entire country. However, considering the recent rise in environmental pollution in Delhi and NCR Government has preponed the implementation of supply of BS-VI w.e.f. 01.04.2018 in NCT-Delhi.
2. **EBP Programme:** In order to improve the availability of ethanol, the Government revised the ex-mill price of ethanol for the ethanol supply year 2017-18 at Rs. 40.85/per litre. During 2015-16, OMCs procured 111 crore litres of ethanol (till 30.11.2016) which is an all-time record in the history of EBP. For 2016-17, OMCs have floated tender for the quantity of 278 crore litres of ethanol out of which 62.32 crore litres has been received till 14.11.2017.
3. **Biodiesel Programme:** The Government, vide notification dated 29th June, 2017, has paved the way for direct sale of Biodiesel (B-100) for blending with High Speed Diesel to all consumers, in accordance with the specified blending limits and the standards specified by the Bureau of Indian Standards.
4. **2nd Generation Ethanol through Lignocelluloses Route:** Oil PSUs are establishing twelve 2G Ethanol plants in 11 States of the country. Six MoUs have been signed between Oil Marketing Companies and Technology Providers (5 MoUs) / State Government (1 MoU) for setting of 2G ethanol plants in five locations. Foundation stone of the first Biofuel refinery set up by Hindustan Petroleum Corporation Limited in Bathinda, Punjab, has been laid.

VI. International Cooperation

1. **International Cooperation:** In line with government's 'Act East' policy, there has been series of engagement in the hydrocarbon sector with the neighboring countries, various pipelines are being constructed to connect our gas grids with our neighbours like Bangladesh and Nepal. We have robust hydrocarbon trade with Nepal, Bhutan and Mauritius and have sent first test cargo of petroleum products to Myanmar. We are also working towards setting up an LNG terminal in Sri Lanka through an international JV company.

VII. Flagship Programmes

1. **Start-Up India:** The oil and gas CPSEs have set up a Start-Up fund aggregating to Rs. 320 Crore for 3 years. They have also launched their Start-Up websites and have launched Innovation Challenges. 29 start-up firms have been selected in Phase-I.
2. **Skill Development:** Under the Skill India initiative Hydrocarbon Sector Skill Council (HSSC) has been set up with a projected training plan for certification based skill development programmes and has identified a target of training approximately 7.3 lakh persons by 2022.
3. **Make in India:** A Policy to provide Purchase Preference (linked with Local Content (PP-LC)) in all oil and gas PSUs has been approved by the Government on 12.04.2017 to incentivize growth of local content in goods and services by implementing Oil and gas projects in India by providing purchase preference to the manufacturers/ service providers.
4. **Ease of Doing Business:** To ensure transparency and fairness the Oil and Gas PSUs were directed to consider incorporation of relaxation of Past Track Record (PTR) norm subject to meeting the quality and technical specifications (except procurement of items related to public safety, health, critical security operations and equipments etc.) to all Startups (whether MSEs or otherwise) in their procurement manuals.
5. **Engagement of Apprentices:** PSUs have also been directed to prepare their action plans for increasing engagement of apprentices upto the level of 10% of the total workforce by December 2017.

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VIII. Swachh Bharat

1. **Swachh Bharat Mission:** The revised provision pertaining to availability of clean toilets has been classified under "Major irregularity" and the penalty provisions have also been suitably amended by the OMCs. As on 15.11.2017 OMCs have a total number of 55,413 ROs across the country, out of which 54,441 ROs have toilet facility which includes separate toilet facilities for gents and ladies at 30,886 ROs. OMCs are putting all efforts to provide separate toilet facilities for ladies and gents at all ROs, wherever feasible.

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