

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM & NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-2362
ANSWERED ON-16/12/2024

ISSUES RELATED TO OIL AND GAS

2362. DR. ASHOK KUMAR MITTAL:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:-

- (a) the efforts made by Government to enhance the domestic oil and gas production, reduce imports and improve energy security and the details thereof;
- (b) the measures taken/being taken by Government to ensure the smooth transition to cleaner fuels and promote the use of natural gas in the sectors like transportation, industry and households; and
- (c) whether any steps have been taken/being taken by Government to address issues related to fuel pricing, the impact of global crude oil prices and to mitigate the burden on consumers and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

- (a) The Government has taken various measures to enhance domestic oil and gas production, reduce imports and improve energy security which *inter alia* include:
 - i. Policy under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries, 2014.
 - ii. Discovered Small Field Policy, 2015.
 - iii. Hydrocarbon Exploration and Licensing Policy (HELP), 2016.
 - iv. Policy for Extension of PSCs, 2016 and 2017.
 - v. Policy for early monetization of Coal Bed Methane, 2017.
 - vi. Setting up of National Data Repository, 2017.
 - vii. Appraisal of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017.
 - viii. Policy framework for extension of PSCs for Discovered Fields and Exploration Blocks under Pre-New Exploration Licensing Policy (Pre-NELP), 2016 and 2017.
 - ix. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018.
 - x. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons under Existing Production Sharing Contracts (PSCs), Coal Bed Methane (CBM) Contracts and Nomination Fields, 2018.
 - xi. Natural Gas Marketing Reforms, 2020.
 - xii. Lower Royalty Rates, Zero Revenue Share (till Windfall Gain) and no drilling commitment in Phase-I in OALP Blocks under Category II and III basins to attract bidders.
 - xiii. Release of about 1 Million Sq. Km. (SKM) 'No-Go' area in offshore which were blocked for exploration for decades.

(b) Various steps have been taken by the Government to ensure smooth transition to cleaner fuels which *inter alia* include demand substitution by promoting usage of natural gas as fuel/feedstock across the country towards increasing the share of natural gas in economy and moving towards gas-based economy, promotion of renewable and alternate fuels like ethanol, second generation ethanol, compressed bio gas and biodiesel, refinery process improvements, promoting energy efficiency and conservation, etc. The Government has been promoting blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme. Blending of Petrol has reached approximately 14.6% during Ethanol Supply Year (ESY) 2023-24 and resulted in approximately forex savings of Rs. 1.09 Lakh Crores from ESY 2013-14 to ESY 2023-24. For promoting the use of Compressed Bio Gas (CBG) as automotive fuel, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative has also been launched.

(c) Various steps have been taken by Government and Public Sector Undertaking (PSU) Oil Marketing Companies (OMCs) to address issues related to fuel pricing, the impact of global crude oil prices and to mitigate the burden on consumers which *inter alia* include:

- i. Reduction of Central Excise duty by the Central Government by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by Rs. 2 per litre each, across the country.
- ii. Insulating common citizens from high international prices by diversifying the crude import basket, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.
- iii. Intra-state freight rationalisation by PSU OMCs which has benefitted consumers located at remote areas within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.
- iv. Subsidized domestic LPG cylinder made available to more than 10.33 crore PM Ujjwala Yojana beneficiaries, across the country. A few State Governments are also providing some additional subsidy on LPG refills and bearing the additional cost from their respective budgets.
