

LOK SABHA
UNSTARRED QUESTION NO.54
TO BE ANSWERED ON 20th July, 2023

Strategic Petroleum Reserves

54. SHRI SUSHIL KUMAR SINGH:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the current status of the strategic petroleum reserves in the country and the measures being taken to increase the capacity of these reserves in view of increasing energy demand;
- (b) the details of the ongoing initiatives for increasing the production of domestic natural gas;
- (c) whether these initiatives align with the Government's commitment to reduce carbon emissions and if so, the details thereof;
- (d) whether the Government proposes to tackle the rising fuel prices and its impact on the common citizen, especially in the wake of global economic conditions and if so, the details thereof; and
- (e) the current status of exploration and production contracts under the Open Acreage Licensing Policy (OALP) and Hydrocarbon Exploration and Licensing Policy (HELP)?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री (श्री रामेश्वर तेली)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL
GAS
(SHRI RAMESWAR TELI)

(a) Government of India through Indian Strategic Petroleum Reserves Ltd. has already constructed 5.33 MMT capacity of underground storages for crude oil under Phase-I.

In addition, on 08.07.2021, the Government of India has given its approval for development of Commercial cum Strategic Petroleum Reserves under Phase-II at Chandikhol, Odisha (4 MMT) and Padur II, Karnataka (2.5 MMT) along with dedicated Single Point Moorings (SPMs) and associated pipelines under Public Private Partnership (PPP) mode.

(b) Various long term and shortterm policy initiatives have been taken to increase production of domestic oil and gas which inter-alia include Discovered Small Field Policy, Hydrocarbon Exploration and Licensing Policy (HELP), Policy framework for Coal Bed Methane, etc. Further, Government has also provided functional freedom to National Oil Companies and facilitated wider private sector participation by streamlining approval processes including electronic single window mechanism.

(c) Natural Gas has been identified as a bridge fuel towards energy transition which is a move away from fossil fuels to cleaner and greener energy sources. Government is simultaneously making concentrated efforts to increase adoption of biofuels, to decarbonise transport sector, to develop green hydrogen and adoption of Carbon Capture techniques.

(d) Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. Public Sector Oil Marketing Companies (OMCs) have not increased prices of petrol and diesel since 6th April 2022.

The Central Government has reduced Central Excise duty 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. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes. Many States/UTs also reduced the VAT on petrol and diesel subsequently.

India imports more than 60% of its domestic LPG consumption. Government continues to modulate the effective price of domestic LPG. Under the Direct Benefit Transfer for LPG (DBTL) scheme, subsidy as admissible, is deposited in the account of eligible beneficiaries. In addition, w.e.f. 21st May, 2022, Government has started a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for years 2022-23 and 2023-24.

The impact of increase/decrease in prices of petrol and diesel can be assessed through their impact on inflation measured by Wholesale Price Index (WPI). The weightage of petrol, diesel and LPG in the WPI index is 1.60%, 3.10% and 0.64% respectively.

(e) As on 30th June 2023, seven Open Acreage Licensing Policy (OALP) bid rounds have been concluded with the award of 134 exploration blocks covering 2,07,691 sq. km. area for Exploration and Production activities.
