

LOK SABHA
UNSTARRED QUESTION NO- 2824
TO BE ANSWERED ON 12TH DECEMBER 2024

DEPENDENCY ON CRUDE OIL IMPORT

2824. SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:
SHRI MANICKAM TAGORE B:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government has taken any measures to reduce the India's dependency on 85 percent import of crude oil and if so, the details thereof;
- (b) the estimated impact of the 15 percent rise in oil and gas imports on India's trade deficit along with the mechanism adopted by the Government to mitigate the inflationary pressures due to rise in oil prices;
- (c) the Government's strategy to diversify India's energy mix;
- (d) the scheme of the Government to promote renewable energy sources;
- (e) the reasons by which the domestic crude oil production declined by three percent;
- (f) the steps taken/being taken by the Government to boost the domestic oil production and domestic natural gas production;
- (g) whether the Government has any plan to address the decline in petroleum product exports; and
- (h) if so, the details thereof along with the plan to increase refining capacity to reduce the dependence on imports?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्यमंत्री (श्री सुरेश गोपी)

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

(a) to (d): Government has adopted a multi-pronged strategy to reduce the import dependency on crude oil 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, compressed bio gas and biodiesel, creating electric vehicle charging infrastructure, refinery process improvements, promoting energy efficiency and conservation, efforts for increasing production of oil and natural gas through various policies initiatives, etc. For promoting the use of Compressed Bio Gas (CBG) as automotive fuel, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative has also been launched.

Government has also taken several other steps to insulate common citizens from high international prices, which included 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.

Recently PSU OMCs have carried out intra-state freight rationalisation. This has benefitted consumers located at remote areas, far from Petroleum Oil & Lubricants (POL) Depots in form of reduced Petrol and Diesel prices in remote parts within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.

During the last ten years, Ethanol Blending Program (EBP) by Public Sector OMCs has resulted in approximate savings of more than Rs. 1,08,655 crore of foreign exchange as on 30.09.2024. The ethanol produced from sugar-based feedstock has helped sugar factories to reduce its surplus sugar inventory and generate revenue early to clear the dues of cane farmers. During the last ten years, EBP has helped in expeditious payment of approx. Rs. 92,409 crore to the farmers as on 30.09.2024. It is anticipated that 20% ethanol blending in petrol is likely to result in payment of more than Rs. 35,000 crore annually to the farmers.

India's energy sector is undergoing a significant transformation with a growing focus on cleaner sources of energy. Government is working towards achieving 500 GW of installed electricity capacity from non-fossil sources by 2030. Schemes such as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), PM Surya Ghar Muft Bijli Yojana, National Programme on High Efficiency Solar PV Modules, National Green Hydrogen Mission, have been launched. Scheme for setting up of Ultra Mega Renewable Energy Parks is being implemented to facilitate the project developers for expeditious completion of such projects. Government has also approved the Viability Gap Funding (VGF) scheme for offshore wind energy projects for installation and commissioning of 1 GW of offshore wind energy projects.

Further, The Ministry of New and Renewable Energy is implementing the National Green Hydrogen Mission, with an objective to make India a global hub of production, usage and export of Green Hydrogen and its derivatives.

Government also notified the National Bioenergy Programme (NBP) with an aim to promote the use of bioenergy and waste-to-energy technologies to support clean energy solutions to enhance energy security and support sustainable development in India. To promote green fuel and other alternate fuels, public sector undertaking oil and marketing companies (IOCL/BPCL/HPCL) are required to install facilities for marketing at least one new generation alternate fuels i.e. CNG/LNG/Electric Vehicle Charging points etc. at their retail outlets.

(e) to (f): The decline in production of crude oil in recent years has been due to natural decline and increase in water cut in wells of matured fields. However, the trend has reversed in 2023-24 as the government has been taking various steps to boost domestic oil and gas production which, *inter-alia*, include:

- i. Policy under 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. Setting up of National Data Repository, 2017.
- vi. Appraisal of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017.
- vii. Policy framework for extension of PSCs for Discovered Fields and Exploration Blocks under Pre-New Exploration Licensing Policy (Pre-NELP), 2016 and 2017.

- viii. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018.
- ix. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons under Existing Production Sharing Contracts (PSCs), Coal Bed Methane (CBM) Contracts and Nomination Fields, 2018.
- x. 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.
- xi. Release of about 1 Million Sq. Km. (SKM) 'No-Go' area in offshore which were blocked for exploration for decades.
- xii. Government is also acquiring seismic data in onland and offshore areas and drilling of stratigraphic wells to make quality data of Indian Sedimentary Basins available to bidders. Government has approved acquisition of additional 2D Seismic data of 20,000 LKM in onland and 30,000 LKM in offshore beyond Exclusive Economic Zone (EEZ) of India.

(g) to (h): Oil Companies after meeting the domestic demand, export surplus production of petroleum products through tendering. Export of petroleum products by Indian refiners depends on various factors such as local demand supply scenario, international prices, price bids received, seasonality, refinery shut down etc. Oil Refining capacity of the country has been augmented gradually from 215.07 Million Metric Ton per annum (MMTPA) to 256.8 MMTPA over last 10 years.
