

NEW TERMINAL

IOCL to commission Ennore LNG terminal in Jan

ENS ECONOMIC BUREAU

INDIAN Oil Corporation (IOCL) plans to commission its 5 million metric tonne per year (mt/year) LNG terminal at Ennore, near Chennai on the east coast, once the port channel to receive LNG ships is ready after dredging, chairman Sanjiv Singh told reporters on Wednesday.

IOCL, which has been planning to increase its footprint in the gas business, has been planning to set up its own LNG terminals apart from its stake in Petronet LNG and capacities it has booked in various upcoming terminals on the east and west coasts. It also has considerable interest in city gas distribution and gas



pipelines.

The Ennore LNG project was expected to be commissioned by October last year. Initially, the plant would function at 20-25 per cent of capacity and supply natural gas to industries in the Manali area. Based on the demand, the capacity of the terminal can be extended up to 6 million mt/year, the company had said.

IOCL holds a 95 per cent stake in the project, and Tamil Nadu Industrial Development

Corporation (TIDCO) holds the rest. The project took shape at a cost of ₹5,151 crore. IOCL also said that it would retain 50 per cent stake in the project and was open to selling the rest. Many investors have shown interest in picking up a stake, Singh noted.

IOC's subsidiary Chennai Petroleum Corporation Ltd would be one of the first customers to be connected to the LNG terminal, and IOCL plans to sell the regasified LNG to

nearby facilities like Madras Fertilizers, Tamil Nadu Petro Products, and Manali Petrochemicals.

It is also working on a 1,385 km natural gas pipeline from Ennore terminal to Nagapattinam with branch pipelines to connect Madurai, Tuticorin and Bengaluru. Natural gas pipeline projects through Tamil Nadu have met with severe resistance from farmer and environmental activists however. The Kochi-Coimbatore GAIL pipeline has also been delayed over several years and faces legal disputes.

While the Kerala leg of the pipeline between Kochi-Kuttanad has progressed, connectivity to Tamil Nadu remains in question.