



# 'Plan to Set Up 1,000 LNG Fuel Stations in 3 yrs'

Oil minister Pradhan targets converting 10% of 10 m trucks on highways to LNG

Our Bureau

**New Delhi:** India is targeting to build 1,000 liquefied natural gas (LNG) fuel stations in three years in a bid to encourage wider adoption of the fuel in long-haul transport and industry, oil minister Dharmendra Pradhan said on Thursday after laying the foundation stone for 50 LNG stations along the golden quadrilateral and other highways.

Indian Oil, Hindustan Petroleum, Bharat Petroleum, GAIL and Petronet LNG will together build the 50 LNG stations in the first phase across 10 states. A fuel station will be built every 200-300 km on the golden quadrilateral, which will ultimately have 150 stations. The larger ambition of 1,000 stations will require an investment of ₹10,000 crore.

ET first reported in January that Indian Oil, GAIL and partners were planning to build a network of LNG stations along golden quadrilateral way.

LNG would be greener and cheaper than diesel and help cut logistics cost, Pradhan said, adding that the target was to convert 10% of the 10 million trucks currently on highways to LNG. This would raise dependence on imported natural gas, which is about half of domestic consumption currently.

Increased import of LNG will decrease India's import of crude, which would bring down global oil prices, Pradhan said.

Pradhan also sought the support of truck manufacturers to



help the LNG plan take off. Without enough domestically-manufactured affordable LNG-using trucks, the fuel stations would be unviable.

India already has lakhs of vehicles using compressed natural gas (CNG) but barely any that uses LNG, which is natural gas supercooled to -162 degree centigrade. Because of its lower energy density and slow refueling, CNG is seen as suitable for intra-city transport but not for long-haul drives.

LNG contains 2.5 times more energy per unit volume compared to CNG and can fill fast, becoming appropriate for long-distance travel.

In China, LNG-fueled trucks have been booming in the last few years, mainly helped by the country's green laws.



# Clean fuel: Centre plans to invest ₹10,000 cr to set up LNG stations

## Foundation stone for 50 LNG stations along highways laid

### OUR BUREAU

New Delhi, November 19

The Centre has set a goal to have 1,000 Liquefied Natural Gas (LNG) stations in the country in a bid to increase availability of clean fuel.

"We are committed to strengthen the natural gas infrastructure to increase the availability and accessibility of clean fuels in the country. We plan to have 1,000 LNG fuel stations to be established across all major highways, industrial corridors and mining sectors," said Dharmendra Pradhan, Minister for Petroleum and Natural Gas.

"These stations will be along all major highways and industrial centres in the next three years with an investment potential of about ₹10,000 crore.



Dharmendra Pradhan, Minister for Petroleum & Natural Gas

It has also been envisaged to convert about 10 per cent of long-haul heavy-duty vehicles from alternated fuel to LNG," an official statement said.

Pradhan was laying the foundation stone via video-conference for India's first-50 LNG fuel stations that are coming up across the golden quadrilateral and major national highways. He said that these are part of efforts to transform India into a gas-based economy.

"Out of these 50 LNG stations, Indian Oil will set up 20

LNG Stations, while Bharat Petroleum and Hindustan Petroleum will set up 11 LNG stations each. The rest of the LNG fuel stations are being put up by Gujarat Gas and Joint Venture companies of GAIL and oil marketing companies. These 50 LNG stations are being put up at the nation's Golden quadrilateral and major National highways where LNG is to be made available for heavy vehicles and buses," said the statement.

### Goal to reduce emissions

"Even if the LNG vehicle segment achieves a 10 per cent market share, it will have a positive impact on reducing emissions and substituting crude oil. LNG as a heavy vehicle fuel can also generate new gas demand, which will be significant in increasing the share of natural gas to 15 per cent in our energy mix," Pradhan added.



# 'India to see ₹ 10,000 crore investment in LNG stations'

*LNG will reduce cost of operation as well as reduce carbon emissions, Oil Minister Pradhan said at the launch of construction of first 50 LNG dispensing stations*

## OUR CORRESPONDENT

**NEW DELHI:** India will see an investment of Rs 10,000 crore in the next three years in setting up of LNG stations, a fuel that promises to revolutionise long-haul transport with reduced cost and lesser emissions, Oil Minister Dharmendra Pradhan said on Thursday.

Liquefied natural gas (LNG), which is supercooled natural gas, is favoured by long-haul buses and trucks due to its higher energy density than CNG, its ability to give a 600-800 km run on a single fill, and it being 30-40 per cent cheaper than diesel.

So far, India uses petrol, diesel, CNG and auto-LPG as fuels to run automobiles. LNG is a new fuel that can be dispensed from outlets similar to petrol pumps, and is used not just in long long-haul buses and trucks but also in running mining equipment, as bunker fuel, and rail locomotives.

LNG will reduce the cost of operation as well as reduce carbon emissions, Pradhan said at the launch of construction of the first 50 LNG dispensing stations. "In the next three years, Rs 10,000 crore will be spent on setting up of 1,000 LNG stations in the private and public sector," he said.

LNG as a fuel, he said, is poised to bring a transformational change in the way trans-



portation happens.

"There are around 10 million trucks in the country. If we are able to convert even 10 per cent of them (10 lakh), imagine the savings it will bring considering the fact that LNG is up to 40 per cent cheaper than diesel," he said.

LNG as a fuel has almost zero carbon emissions and 85 per cent lesser NOx emissions, he said. The initial 50 LNG stations are being set up on the Golden Quadrilateral highways connecting four metros of Delhi, Mumbai, Chennai and Kolkata.

"In times to come, there will be an LNG station at every 200-300 km on the GQ and on all major highways," he said.

Promoting LNG as a fuel is part of the government's push to raise the share of natural gas in its energy basket to 15 per cent by 2030 from the current 6.2 per cent. Greater use of

environmentally friendly natural gas will bring carbon emissions down.

"We have been working on a well thought of strategy for a gas-based economy.

"Expansion of city gas networks, laying of trunk pipelines, building LNG (import) terminals, raising of domestic production of gas, simplification of tax structure and a uniform and simple tariff structure are all part of that plan," he said.

The initial 50 LNG stations would be set up in one year, he said. Pradhan said 20-25 million standard cubic meters per day-equivalent LNG will be consumed in the transportation sector.

"LPG is going to be priced cheaper. If we buy LNG (from abroad), it will reduce our dependence on crude oil. Will lower demand from the world's third-largest importer, crude oil prices will soften, thus help-

## Oil find at Ashoknagar on Centre's radar

**KOLKATA:** Union Petroleum Minister Dharmendra Pradhan Thursday said he will soon visit Ashoknagar in West Bengal, the site of oil and gas discovery and review the project.

Oil and gas was discovered at Ashoknagar in North 24 Parganas district two years ago. Pradhan said he was briefed by ONGC that the site holds potential for commercial exploitation.

ONGC in one of the exploratory fields at Ashoknagar found a prolific reserve. In their presentation they informed me that it holds good potential for oil and it may also have some gas.

"On a pilot basis we have even sent the oil to Haldia Refinery and also reviewed it. I will be visiting soon to

look into this, Pradhan said at the annual general meeting of Merchants' Chamber of Commerce and Industry (MCCI).

ing us," he said.

India is 85 per cent dependent on imports to meet its crude oil needs while it imports about half of its gas needs.

With LNG being cheaper than diesel by 30-40 per cent, use of the new fuel in long-haul transportation, as well as sectors such as mining, would help cut logistics cost and have a positive impact on inflation,

look into this, Pradhan said at the annual general meeting of Merchants' Chamber of Commerce and Industry (MCCI).

To a question by MCCI president Vivek Gupta, he said that ONGC has finally found oil and gas at Ashoknagar in the Gangetic belt after two decades of failure and is hopeful that it will be the first of its kind in West Bengal.

According to some experts, commercial production from the block could start as early as the end of this fiscal.

In 2018 ONGC had said it found one lakh cubic meters per day of gas flowing from one well at Ashoknagar.

In the past there had been offshore gas finds off West Bengal coast but finally those proved to be unviable. **MP051**

he said.

Of the initial 50 LNG stations being set up, state-owned Indian Oil Corp (IOC) will set up the maximum 20 outlets, Hindustan Petroleum Corp Ltd (HPCL) and Bharat Petroleum Corp Ltd (BPCL) would set up 11 each, while gas utility GAIL would put up six outlets and Petronet LNG Ltd the remaining two.



# Govt aims to slash diesel use with ₹10K-cr LNG push

Pradhan says LNG is 40% cheaper than diesel, move will help ease inflation

SHINE JACOB  
New Delhi, 19 November

India could see around ₹10,000-crore investment over a three-year period to create infrastructure for use of liquefied natural gas (LNG) as a fuel for long-haul transportation. The investment includes setting up of 1,000 LNG retailing stations.

Fifty stations set up by public sector companies and their joint ventures were launched on Thursday. These include 20 stations by Indian Oil Corporation, 11 each by Hindustan Petroleum Corporation and Bharat Petroleum Corporation, six by GAIL India, and two by Petronet LNG.

The states in which maximum outlets are going to come up in the first leg include Gujarat (10), Andhra Pradesh, (six), Karnataka (five), Kerala (three), Tamil Nadu (eight), and Rajasthan (three).

Launching the 50 retail outlets on the golden quadrilateral — the network of highways that connects Delhi, Mumbai, Kolkata and Chennai — Union petroleum minister Dharmendra Pradhan said: "India is moving towards next-generation infrastructure. In the next three years, 1,000 LNG stations will be coming up and



the sector may see investment to the tune of ₹10,000 crore for this. This will bring a huge change in logistics and transportation."

In the next one year, around 150 such fuel stations are expected to come up in the golden quadrilateral, where the strategy is to have one LNG station after every 200 kilometre. The government expects at least 20-25 mscmd (million standard cubic metres per day) equivalent LNG to come into the transportation sector in India in the near future.

Pradhan said LNG had the potential to take a share of at least 10 per cent of the total 10 million trucks in India. In the

mining sector, too, the government is targeting the conversion of heavy vehicles and equipment to LNG.

"When you compare diesel and LNG, LNG is 40 per cent cheaper. In heavy vehicles, if 40 per cent expense decreases, it will be win-win situation — logistics costs will come down and it will have a positive impact on inflation," Pradhan said.

India's LNG imports increased by 18 per cent from 28,740 mscm in 2018-19 to 33,887 mscm in 2019-20. Interestingly, owing to Covid, the cumulative import of 15,881 mscm for the current year from April to September was lower by 3.3 per cent com-

## EXISTING LNG TERMINALS IN INDIA

	Promoters	Capacity (mmtpa)
Dahej	Petronet LNG	17.5
Hazira	Shell Energy India	5
Dabhol	Konkan LNG	5
Kochi	Petronet LNG	5
Ennore	Indian Oil LNG	5
Mundra	GSPC LNG	5
<b>Total capacity</b>		<b>42.5</b>

pared with the corresponding period of the previous year.

At present, India has six LNG terminals — Dahej, Hazira, Dabhol, Kochi, Ennore, and Mundra — with a total capacity of 42.5 million tonne per annum.

"LNG is a cheaper fuel, if we buy more LNG, dependency on crude oil will come down. This can control global crude oil prices, too, if India reduces its dependency on that fuel," he said.

The minister indicated that the move was also a step towards gas-based economy, like the government is doing in the case of city gas distribution and the Ujjwala campaign in liquefied petroleum gas.