ECONOMIC TIMES, Delhi, 13.8.2024
Page No. 10, Size:(7.69)cms X (13.72)cms.

REFINERY-CUM-PETROCHEMICALS COMPLEX

Andhra Offers 3 Sites for BPCL Project

Co may soon zero in on location, unclear yet if the state will grant land for free

Sanjeev Choudhary

New Delhi: The Andhra Pradesh government has told the Centre that it can allot land at Machilipatnam, Ramayapatnam or Mulapeta in the state for Bharat Petroleum's (BPCL) proposed refinery-cum-petrochemicals complex, according to people familiar with the matter.

The N Chandrababu Naidu government in Andhra Pradesh is pushing for a new refinery as it can help boost economic activity and generate jobs in the state. BPCL is studying the offer for land and may soon zero in on one location, people said.

The company is considering building an integrated refinery-cum-petrochemicals complex of 9-12 million tonnes per annum (mtpa) capacity in Andhra Pradesh. Based on the refinery's configurations, a 9 mtpa capacity would require about 800-1,000 acres of land.

It's unclear how the state government plans to participate in the project and if it would grant land for free. States usually offer free land or tax concessions to make a refinery project viable. The cost of building a refinery varies widely with configurations and land costs.

Indian Oil plans to build a refinery-cum-petrochem project with a capacity of 9 mtpa at about ₹33,000 crore at Nagapattinam in Tamil Nadu. The company already possesses land for the project.

For the same capacity of 9 mtpa at Barmer in Rajasthan, Hindustan Petroleum (HPCL) is set to incur ₹72,000 crore.

Growth Formula

Refiners & their Plans

BPCL
9-12 mtpa complex in Andhra Pradesh
Will require about **800-1,000 acres**

Indian Oil
9 mtpa project in Tamil Nadu
Co already possesses land
Estimated cost: **₹33,000 cr**

HPCL
9 mtpa unit in Rajasthan
Expected to be completed next year
Estimated cost: **₹72,000 cr** (**₹43,000 cr** initially)

MINT, Delhi, 13.8.2024
Page No. 1, Size:(16.69)cms X (16.51)cms.

Arcelor, CPPIB, JSW Neo circle Sprng's 1GW assets

HSBC running the sale process; enterprise valuation likely at $1.1 billion

Utpal Bhaskar
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NEW DELHI

A high-stakes sale is under way in India's burgeoning renewable energy sector, as Shell Plc explores the sale of 1 gigawatt (GW) of operational assets from its Sprng Energy unit. According to two people familiar with the matter, the energy giant is fielding interest from global and domestic entities, including ArcelorMittal, Singapore's Sembcorp Industries Ltd, the Canada Pension Plan Investment Board (CPPIB), and JSW Neo Energy.

HSBC is running the sale process for the deal, which has an equity and enterprise value of $350 million and $1.1 billion, respectively, the people cited above said.

Shell acquired Sprng Energy from Actis LLP in 2022 at an enterprise value of $1.55 billion. At that time, Sprng Energy had 2.1 GW of operational renewable energy projects and 7.5 GW in the pipeline, and it has added 800 megawatts (MW) more since then. Notably, CPPIB, Sembcorp, and ArcelorMittal had conducted due diligence on Sprng Energy during the Shell-Actis transaction.

SPRNG IN THE AIR

CLEAN SWEEP

- **THE** sale aligns with the trend of capital recycling in RE sector
- **COMPANIES** like ReNew have adopted similar strategies
- **THE** sale is driven by factors such India's growing RE market

Mint had reported that Shell Plc was looking to sell a stake in the operational assets of Sprng Energy group, and had engaged Ambit Group for a valuation exercise.

Last June, Shell unveiled a "balanced energy transition" strategy under chief executive Wael Sawan, focusing on maintaining its leadership in the global liquefied natural gas (LNG) market while "stabilizing liquids production to 2030".

In an emailed response, a Shell Group spokesperson stated, "We don't have any further comments beyond what we have earlier stated."

"As stated at Capital Markets Day in June 2023, we are working to grow our renewables portfolio as part of an integrated power business in the key market of India. To be clear, there is no strategic review of Sprng Energy group. We continue to develop new projects under Sprng," the spokesperson emphasized. "In line with our Capital Markets Day guidance, we explore opportunities to work with investors who want to deploy capital on de-risked operational assets. This focus on capital discipline will enable Shell to further accelerate growth of our renewables portfolio."

Spokespersons for HSBC and CPPIB declined to comment.

Queries to representatives from ArcelorMittal, Sembcorp, JSW Group, and Ambit Group went unanswered.

Other major green energy companies in India, including ReNew Energy Global Plc, have also adopted capital recycling strategies, selling operational clean energy capacity to reinvest in new projects.

ArcelorMittal's interest in the deal aligns with its strategy to reduce its carbon footprint in response to the European Union's Carbon Border Adjustment Mechanism (CBAM), which will tax the

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MINT, Delhi, 13.8.2024
Page No. 1, Size:(16.69)cms X (16.51)cms.

Arcelor, others chase Sprng's 1GW assets

FROM PAGE 1

"embedded carbon" in imports of emission-intensive goods such as steel and aluminium. ArcelorMittal has already announced a $600 million investment in a 975 MW renewable energy project in Andhra Pradesh through a partnership with Greenko Group.

JSW Neo Energy, meanwhile, has been active in the Indian clean energy market. The company acquired 1.75 GW of renewable energy projects from Mytrah Energy for an enterprise value of ₹10,530 crore and is among firms that has signed non-disclosure agreements to acquire O2 Power, a renewable energy platform in India, in a deal having an equity value of around $1 billion.

JSW Neo Energy has also submitted a non-binding offer for a significant majority stake in Ayana Renewable Power Pvt. Ltd, which could lead to a full acquisition at an equity valuation of around $800 million. The company's generation portfolio totals 13.6 GW, with 2.6 GW under construction.


ArcelorMittal has already announced a $600 million investment in a 975 MW renewable energy project in Andhra Pradesh. BLOOMBERG

Sembcorp, listed on the Singapore Exchange, is also pursuing an aggressive green energy strategy in India. The company is among the bidders for Brookfield Renewable's 1.6 GW portfolio in India, which could be valued at around $800 million.

Shell operates an LNG terminal at Hazira on India's west coast and has 350 fuel retail stations across eight states

Sembcorp has also been in discussions with NASDAQ-listed ReNew Energy Global Plc to acquire solar projects totalling 350 MW.

CPPIB, known for its patient capital approach, is an investor in ReNew Energy Global Plc and has shown interest in other clean energy assets. The Canadian pension fund is also one of the final bidders for National Investment and Infrastructure Fund's (NIIF) Athaang Infrastructure, a road platform with an equity value of around ₹4,000 crore.

Shell, which employs around 10,000 people in India, operates an LNG terminal at Hazira on the country's west coast and has 350 fuel retail stations across eight states. In 2022, the company launched its electric vehicle (EV) charging service, Shell Recharge.

Through its New Energies division, established in 2016, Shell has invested in Indian new energy companies such as Husk Power, d.light, Orb Energy, and Cleantech Solar, as part of its goal to become a profitable net-zero emissions energy business by 2050.

India's renewable energy capacity stands at 180.79 GW, with 73.31 GW from solar and 44.73 GW from wind. The government aims to add 50 GW of green energy capacity annually to reach 500 GW by 2030, driving significant deal activity in the sector, as previously reported by *Mint*.

ASIAN AGE, Delhi, 13.8.2024
Page No. 7, Size:(9.49)cms X (4.21)cms.

Gas from new wells to get 20% premium

FC CORRESPONDENT
NEW DELHI, AUG. 12

The government has approved a 20 per cent premium over the regulated or administered pricing mechanism (APM) price for any natural gas that ONGC will produce from new wells, the company said on Monday.

Gas produced from legacy or fields given to state-owned ONGC and Oil India Ltd, on nomination basis, is priced at 10 per cent of the prevailing price of crude oil that India imports. At the current price of $77 per barrel, the APM price for gas produced from ONGC's Mumbai High and Bassein fields in the western offshore should come to $7.7 per mmBtu, but it is paid the cap price of $6.5.

Gas produced from difficult fields, such as those in the deep sea, is paid a higher rate because of the higher cost involved in its production. That price for six months starting April 1 is $9.87 per mmBtu.

THE ENHANCED price for new gas will make the gas development projects viable and help ONGC to augment production of natural gas from nominated fields.

When these formulas were adopted last year, it was decided that gas produced from new wells, even in legacy fields, would be paid a premium of 20 per cent over the APM price.

"The enhanced price for new gas will make the new gas development projects viable and help the ONGC to augment the production of natural gas from nominated fields in challenging areas that require higher amounts of capital and technology," the ministry said.

"This will enhance the investment capacity to take up development projects, which are capital intensive and involve higher risks," it added.

PIONEER, Delhi, 13.8.2024
Page No. 10, Size:(17.83)cms X (16.62)cms.

Govt approves 20% premium for gas from new wells for ONGC

PTI ■ NEW DELHI

The government has approved a 20 per cent premium over the regulated or APM price for any natural gas that ONGC will produce from new wells, the company said on Monday.

Currently, two pricing regimes govern the majority of the domestic production of natural gas, which is used to generate electricity, produce fertiliser, turn into CNG for running automobiles and piped to households for cooking.

Gas produced from legacy or fields given to state-owned Oil and Natural Gas Corporation (ONGC) and Oil India Ltd, on nomination basis, is priced at 10 per cent of the prevailing price of crude oil that India imports.

This price, subject to a cap price of USD 6.5 per million British thermal units, is called regulated or APM price. So, at the current Indian basket price of USD 77 per barrel, the APM price for gas produced from ONGC's Mumbai High and Bassein fields in the western offshore should come to USD 7.7 per mmBtu, but it is paid the cap price of USD 6.5.

Gas produced from difficult fields, such as those in the deep sea, is governed by a different formula and paid a higher rate because of the higher cost involved in its production. That price for six months starting April 1 is USD 9.87 per mmBtu.

When these formulas were adopted last year, it was decided that gas produced from new wells, even in legacy fields, would be paid a premium of 20 per cent over the APM price. Now, that has been notified.

"As per guidelines for domestic gas pricing, domestic natural gas price (APM price) was fixed at 10 per cent of the Indian crude basket price as announced by Petroleum Planning and Analysis (PPAC) on a monthly basis. It was provided in the guidelines that for the gas produced from new wells or well intervention in the nomination fields of ONGC/Oil India Limited, there would be a premium of 20 per cent over APM prices - - a total of 12 per cent of Indian crude basket price for new gas.

"The modalities for the same had to be worked out by the Directorate General of Hydrocarbon (DGH) for approval of the Ministry of Petroleum and Natural Gas (MOPNG)," ONGC said in a statement.

The ministry, it said, has now notified the allocation of gas produced from new wells or well interventions from nominated fields of ONGC/OIL at a 20 per cent premium over the APM price.

"The enhanced price for new gas will make the new gas development projects viable and help the ONGC to augment the production of natural gas from nominated fields in challenging areas that require higher amounts of capital and technology.

"This will enhance the investment capacity in the company to take up development projects, which are otherwise capital intensive and involve a higher degree of risks requiring commensurate prices," it said.

ONGC Board has recently approved the Daman Upside Development project in its nominated field of Mumbai High for Rs 7,800 crore for increasing domestic gas production, and the job has already been awarded for execution.

MILLENNIUM POST, Delhi, 13.8.2024
Page No. 10, Size:(4.18)cms X (25.48)cms.

Govt approves 20% premium for gas from new wells for ONGC

NEW DELHI: The government has approved a 20 per cent premium over the regulated or APM price for any natural gas that ONGC will produce from new wells, the company said on Monday.

Currently, two pricing regimes govern the majority of the domestic production of natural gas, which is used to generate electricity, produce fertiliser, turn into CNG for running automobiles and piped to households for cooking.

Gas produced from legacy or fields given to state-owned Oil and Natural Gas Corporation (ONGC) and Oil India Ltd, on nomination basis, is priced at 10 per cent of the prevailing price of crude oil that India imports.

This price, subject to a cap price of $6.5 per million British thermal units, is called regulated or APM price. So, at the current Indian basket price of $77 per barrel, the APM price for gas produced from ONGC's Mumbai High and Bassein fields in the western offshore should come to $7.7 per mmBtu, but it is paid the cap price of $6.5.

Gas produced from difficult fields, such as those in the deep sea, is governed by a different formula and paid a higher rate because of the higher cost involved in its production. That price for six months starting April 1 is $9.87 per mmBtu.

When these formulas were adopted last year, it was decided that gas produced from new wells, even in legacy fields, would be paid a premium of 20 per cent over the APM price. Now, that has been notified. PTI

BUSINESS STANDARD, Delhi, 13.8.2024
Page No. 4, Size:(17.95)cms X (10.16)cms.

Govt okays 20% premium on gas from new wells for ONGC

The government approved a 20 per cent premium over the regulated price for any natural gas that Oil and Natural Gas Corporation (ONGC) will produce from new wells, the company said on Monday. Currently, two pricing regimes govern the majority of the domestic production of natural gas. Gas produced from legacy or fields given to state-owned ONGC and Oil India, on nomination basis, is priced at 10 per cent of the prevailing price of crude oil that India imports. PTI

BUSINESS LINE, Delhi, 13.8.2024
Page No. 9, Size:(19.18)cms X (4.86)cms.

Higher price for new gas to make development projects viable: ONGC

Our Bureau
New Delhi

The notification by the Ministry of Petroleum & Natural Gas (MoPNG) on higher price for gas produced from new wells or well intervention in nomination fields of ONGC and Oil India will make new developments viable, the state-run ONGC said on Monday.

The Ministry notified that allocation of gas produced from new wells or well interventions from nominated fields of ONGC and Oil India will be at 20 per cent premium over the administered price mechanism price, the exploration and production major said.

The modalities for the same had to be worked out by the Directorate General of Hydrocarbon (DGH) for the approval of the Oil Ministry, it added.

NATIONAL VISION

As per the guidelines for domestic gas pricing, domestic natural gas price (APM price) was fixed at 10 per cent of the Indian crude basket price as announced by Petroleum Planning and Analysis (PPAC) on a monthly basis. ONGC stated that the increased gas prices will make new gas projects viable, enabling the production of natural gas from challenging fields. This will boost investment capacity, allowing for capital-intensive projects with higher risks.

ONGC Board approved Daman Upside Development project in its nominated field of Mumbai High at a cost of around ₹7,800 crore and aims to increase gas production. The peak production envisaged from this project is around 5 million standard cubic meters per day (MSCMD). Another project aims to produce 4 MSCMD from four contract areas under DSF-II. The implementation of the policy decision aligns with the National vision of achieving the target of share of natural gas in the Indian energy basket from 6 per cent to 15 per cent by 2030.

FINANCIAL EXPRESS, Delhi, 13.8.2024
Page No. 2, Size:(8.25)cms X (10.89)cms.

Oil ministry for withdrawal of windfall tax

THE OIL MINISTRY has asked the finance ministry to withdraw the windfall tax on petroleum products, *ET Now* reported on Monday, citing sources. The oil ministry has sought the withdrawal due to a reduction in crude prices, the report said.

– REUTERS

INDIAN EXPRESS, Delhi, 13.8.2024
Page No. 15, Size:(8.12)cms X (35.65)cms.

ONGC, OIL to price gas from new wells at 20% premium

ARUNIMA BHARADWAJ
NEW DELHI, AUGUST 12

THE MINISTRY of Petroleum and Natural Gas on Monday allowed allocation of gas produced from new wells or well interventions from nominated fields of state-owned upstream companies ONGC and Oil India at a 20 per cent premium over the administered price mechanism (APM price) or the domestic natural gas price. The move is expected to make new gas development projects of the firms viable and help increase domestic production.

Following the notification, the gas produced from new wells in the nomination fields of ONGC and Oil India will attract premium of a total 12 per cent of Indian crude basket price, as under the current policy, gas pricing is linked to crude price. Currently, the APM gas price is fixed at 10 per cent of the Indian crude basket price, and revised by Petroleum Planning and Analysis (PPAC) on a monthly basis.

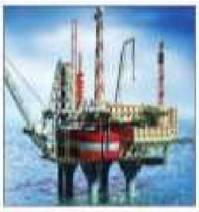
"The enhanced price for new gas will make the new gas development projects viable and help ONGC to augment the production of natural gas from nominated fields in challenging areas that require higher amounts of capital and technology," ONGC said. FE

ONGC, OIL to price gas from new wells at 20% premium

OUTPUT BOOSTER

■ Currently, the gas price is fixed at **10% of the Indian crude basket price**, and revised on a monthly basis

■ The move is expected to make **new gas development projects of state-owned upstream companies** viable



■ ONGC said that the move will enhance its investment capacity

■ The implementation of the policy comes amidst govt's target of increasing the share of natural gas to **15% in the energy mix from the current 6% by 2030**

ARUNIMA BHARADWAJ
New Delhi, August 12

THE MINISTRY OF petroleum and natural gas on Monday allowed allocation of gas produced from new wells or well interventions from nominated fields of ONGC and Oil India at a 20% premium over the administered price mechanism (APM price) or the domestic natural gas price. The move is expected to make new gas development projects of state-owned upstream companies viable and help increase domestic production.

Following the notification, the gas produced from new wells in the nomination fields of ONGC and Oil India will attract a premium of 12% of Indian crude basket price, as under the current policy, gas pricing is linked to crude price. Currently, the APM gas price is fixed at 10% of the Indian crude basket price, and revised by Petroleum Planning and Analysis (PPAC) on a monthly basis.

"The enhanced price for new gas will make the new gas development projects viable and help ONGC to augment the production of natural gas from nominated fields in challenging areas that require higher amounts of capital and technology," ONGC said.

The company said that the move will enhance its investment capacity to take up development projects which are otherwise capital intensive and involve higher degree of risks requiring commensurate prices.

The ONGC board has recently approved the Daman Upside Development project in its nominated field of Mumbai High at a cost of ₹7,800 crore approximately for increasing the domestic gas production. The job has already been awarded for execution and the peak production envisaged from this project is around 5 million metric standard cubic meters per day (MMSCMD), said the company.

The board has also approved another project - Integrated Development of 4 contract areas under DSF-II at a project cost of ₹6,000 crore.

FREE PRESS JOURNAL, Mumbai, 13.8.2024
Page No. 9, Size:(14.23)cms X (31.90)cms.

WEAK CHINA CONSUMPTION

OPEC cuts 2024, 2025 oil demand growth view

Informist
NEW DELHI

The Organization of the Petroleum Exporting Countries has revised down its forecasts for growth in global oil demand for 2024 and 2025 as the cartel expects China's consumption to soften this year. For 2024, the cartel has trimmed its forecast for growth in global oil demand by 135,000 barrels per day, and now expects growth at 2.1 mln bpd this year, OPEC said in its August Oil Market Report.

"This slight revision reflects actual data received for 1Q24 (Jan-Mar) and in some cases 2Q24 (Apr-Jun), as well as softening expectations for China's oil demand growth in 2024," OPEC said.

In 2025, the cartel said it expects demand for crude oil to rise by a further 1.8 mn bpd, 65,000 bpd lower than the previous month's estimate. Next year, demand for oil is expected to increase by just 100,000 bpd in the Organization for Economic Cooperation and Development countries, while in the non-OECD, it is estimated to grow by 1.7 mln bpd.

OPEC sees demand for crude oil in 2024 at 104.3 mn bpd and in 2025 at 106.11 mn bpd, according to the Monthly Oil Market report released on Monday.

In July, OPEC's crude oil production rose 185,000 bpd to 26.75 mln bpd, according to sources

The cartel has forecast demand for crude oil from countries participating in the Declaration of Cooperation (OPEC and allies) in 2024 at 43.0 mn bpd, 100,000 bpd lower from the last projection, but 800,000 bpd higher than that in 2023. In 2025, the call on OPEC and allies is to produce 43.6 mln bpd, around 600,000 bpd higher than the 2024 estimate, according to the report.

India's oil demand in 2024 is seen at 5.58 mn bpd, 4.4% higher than in 2023, OPEC said. In 2025, the country is expected to consume 5.80 mn bpd of oil, a growth of 4%. Both estimates remain unchanged from the previous month.

BUSINESS STANDARD, Delhi, 13.8.2024
Page No. 12, Size:(22.28)cms X (28.61)cms.

Opec trims demand outlook, cites muted growth for China

First reduction in 2024 oil demand forecast since July 2023

REUTERS
London, 12 August

The Organization of the Petroleum Exporting Countries (Opec) on Monday cut its forecast for global oil demand growth in 2024, citing weaker than expected data for the first half of the year and softer expectations for China, and also trimmed its expectation for next year.

Opec in a monthly report said world oil demand will rise by 2.11 million barrels per day (bpd) in 2024, down from growth of 2.25 million bpd expected last month.

"This slight revision reflects actual data received for the first quarter of 2024 and in some cases for the second quarter, as well as softening expectations for China's oil demand growth in 2024," Opec said.

"Despite the slow start to the summer driving season compared to the previous year, transport fuel demand is expected to remain solid due to healthy road and air mobility." This is the first reduction in Opec's 2024 forecast since it was first made in July 2023. There is a wider than usual split between forecasters on the strength of oil demand growth in 2024 due to differences over China and more broadly over the pace of the world's transition to cleaner fuels.

The reduction still leaves Opec at the top end of industry estimates. Oil was steady after the report was released, trading above $80 a barrel.

In the report, Opec also cut next year's demand growth estimate to 1.78 million bpd from 1.85 million bpd previously expected.

Opec+, which groups Opec and allies such as Russia, has implemented a series of output cuts since late 2022 to support the market. The group agreed on June 2 to extend the latest cut of 2.2 million bpd until the end of September and gradually phase it out from October.

The International Energy Agency, which represents industrialised countries, sees much lower demand growth than Opec of 970,000 bpd in 2024. The IEA also updates its figures this week.

Oil prices rose for a fifth consecutive session on Monday, extending gains from the previous week's more than 3 per cent rise, as US recession fears eased and West Asia supply risks provided support.

Brent crude futures were up 70 cents, or 0.9 per cent, at $80.36 a barrel while US West Texas Intermediate crude futures rose 84 cents, or 1.1 per cent, to $77.68.

STICKING POINTS

- Opec cites weaker than expected data for first half of 2024
- Revises forecast to **2.11 mn bpd** from **2.25 mn bpd**
- Trims 2025 demand growth estimate to **1.78 mn bpd** from **1.85 million bpd**
- Oil remained steady at **$80** a barrel