

PETROTECH Society wishes all its readers A Very Happy & Prosperous New Year!

PETRASCOPE

(Monthly e-newsletter of PETROTECH Society)
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PETROTECH

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NB: Readers views are solicited for improvement & Guidance

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(Monthly e-newsletter)

NEWS HEAD LINES

ONGC, Hindujas ink Iran projects deal

NEW DELHI: ONGC and the Hinduja group on Tuesday signed preliminary deals to pick up stakes in two major Iranian projects. ONGC inked MoA (memorandum of agreement) for an over 20% share in Iran LNG, an upcoming facility to export gas in ship, and the Phase 12 development plan for the South Pars gas field in the Persian Gulf. The Hinduja group too signed a separate deal to share the South Pars stake.

The Indian combine would get 40% in the South Pars project and ONGC 20%-plus in Iran LNG. ONGC can bring in 6 million tonnes of LNG from Iran LNG as part of the equity. The Indian side rejected the Iranian demand for an upfront payment of \$2 billion, given that Tehran did not keep its commitments in previous deals for LNG.

OVL and Hindujas signed Memorandum of Agreement with NIOC subsidiary Petropars that holds rights to the South Pars field. The gas field, located 100 km from the southern coast in the Persian Gulf, has been divided into 28 phases. Phase 12 field is the southeastern block of the South Pars gas field and is on the border with Qatar and covers an area equal to 150 sq km. At 35 trillion cubic feet, it contains almost 7% of reserves in the South Pars gas field.

Source: TNN 2 December 2009

ONGC, OIL look for graded subsidy share

NEW DELHI: State-run explorers have suggested a graded structure for sharing losses suffered by public sector oil marketing companies on fuel sales, while private refiners-marketers have sought duty protection and level field on subsidy at par with government firms in future fuel pricing policy.

These are some of the key ideas put before a special panel — third in last five years — set up to recommend a fuel pricing policy. The panel is headed by Kirit Parekh, architect of the Integrated Energy Policy and former Planning Commission member.

Flagship explorer ONGC and sister PSU Oil India Ltd have suggested a 'special oil tax' to be levied by the government beyond a threshold price. This tax — also

suggested as 'price equalisation discount' and 'windfall tax' — is to be used to partially make up losses suffered by state-run oil marketers for selling fuel at government-capped price. ONGC and OIL, however, have different thresholds for the special tax or discount to kick in

Source: TNN 14 Dec, 2009

In Japan, a house intelligent enough to save energy

Tokyo: On Tokyo Bay, at the edge of the largest urban sprawl on Earth, sits what may be an environmentalist's dream home. Solar panels on the roof and a fuel-cell in the backyard power the family house, a lithium-ion battery stores the surplus electricity, hot water pipes double as floor heating, and good insulation saves energy all round. But it's the little high-tech touches that give this eco-house a cutting edge when it comes to futuristic low-carbon housing.

Japan's corporate giants — from electronics makers to the big car companies — are increasingly betting on environmental and energy-efficient technologies as they seek to dig out from Japan's worst post-war recession.

AFP

Source: Times of India, 15 December, 2009

China to get gas from Central Asia

BEIJING: China's relentless efforts to woo Central Asian countries and build bridges with Muslim nations paid off in a big way as Chinese president Hu Jintao on Monday inaugurated a 1,833 km long four-nation gas pipeline that will bring natural gas to China from Turkmenistan.

The pipeline will enable Turkmenistan gas to flow through central Uzbekistan and southern Kazakhstan to the Chinese border region of Xinjiang before it is moved further to major user cities of Shanghai, Guangzhou and Hong Kong.

Speaking at a function attended by heads of four nations, Hu said the pipeline will also carry goodwill and friendship among the four nations and bring benefits to all of them. Three of these four countries- Uzbekistan, Kazakhstan and China-are members of the Shanghai Cooperation Organisation. China has played a key role in building SCO as a regional political club and has offered massive financial support to some of its members. (India and Pakistan have observer status in SCO). Source: TNN 15 December, 2009

PSU oil companies spend \$5 bn on clean fuel

Indian Oil Corp(IOC), the nation's second-biggest refiner, and its state-run rivals are spending Rs 235 bn (\$5 bn) to produce cleaner fuels and meet stricter emissions guidelines. Indian Oil allocated Rs 115 bn to upgrade its plants, director of refineries Basavaraj Ningappa Bankapur said in an interview in New Delhi on Monday. Bharat Petroleum Corp and Hindustan Petroleum Corp, the second and third-biggest state refiners, are spending Rs 50 billion and Rs 70 billion respectively, company officials said on Monday.

New emissions standards for gasoline and diesel to be introduced on April 1 will make it compulsory for refiners to sell cleaner-burning fuels. India, the world's second-fastest growing major economy, aims to cut emissions as it joins 191 other nations in climate-change negotiations in Copenhagen.

"Introducing cleaner fuels will be an absolutely critical step for India to help limit its future emissions," said Shebonti Ray Dadwal, a research fellow on energy security at the Institute for Defence Studies & Analyses in New Delhi. "The government will likely implement the new standards stringently in order to help meet the new targets it announced for Copenhagen."

Source: Times of India, December 16, 2009

Now, industries can trade in energy too

Bangalore: India's declaration of a cut on emission intensity by 20% to 25% has invited a lot of criticism. But some measures at home front can actually make India's path less difficult. Like India's own energy efficiency trading mechanism, very much like the clean development mechanism, except that here super efficient industries can sell their energy saving certificates to not-so-efficient industries. This is part of Bureau of Energy Efficiency's new regulation that sets mandatory efficiency targets for 714 designated industries, failing which penalties will be imposed.

The mechanism finalized after consulting industry bodies like CII and FICCI will kickstart from 2011 and can lead to a savings of around 10 million tonnes of oil equivalent of fuel, according to BEE.

Source: TNN 16th December 2009

Qatar to supply extra 5mt gas/yr to India

NEW DELHI: Qatar has agreed to consider India's demand for supplying an additional 5 million tonne a year of gas in ships on a long-term contract. Qatar took the decision after a meeting between its energy minister

and deputy PM Abdulla bin Ahmed Al-Attiyah and India's oil minister Murli Deora in Doha.

During the meeting, Deora sought long-term supplies of LNG that will be brought in at Dahej and upcoming Kochi terminals of Petronet LNG Ltd and Dabhol terminal of state-run gas utility GAIL. Attiyah advised the CEOs of RasGas and other petroleum companies in Qatar to hold separate discussions with Petronet's promoters — ONGC, IndianOil and GAIL — as well as the Petronet management to discuss supply plans.

Source: TNN 17 December 2009

Bad wine can produce 'good' energy

WASHINGTON: A bottle of spoiled wine could help cut your power bills, as American and Indian scientists have come up with a new technology that generates electricity by using the waste from improper fermentation.

According to the scientists, the technology could provide a new and cost effective way to clean wastewater from wineries and get some value out of a "bad bottle of wine".

They found two groups of bacteria available in winery waste. One group of bacteria turns unused sugar and unwanted vinegar from improper fermentation into electricity, while the other uses that electricity to split water molecules into oxygen and hydrogen, which escape into the atmosphere.

Source: TNN 17 December, 2009

Rs 380-crore subsidy for wind power

MUMBAI: India will offer Rs 380 crore (\$81 million) in incentives to wind power projects that feed into the national grid, the government said on Thursday, a move analysts believe will attract large companies.

The country ranked fourth in the world after Germany, Spain and the US in grid-connected wind projects, with 9,587 (MW) of capacity in November 2008 that fed over 54 billion units of electricity to the grid, data showed. Wind power projects will be given 0.5 rupee for each unit of power fed into the grid with a ceiling of Rs 62 lakh per MW for a minimum four years and maximum 10 years, the ministry of new and renewable energy said.

Source: TNN 18 December, 2009

RIL announces another discovery in KG basin

MUMBAI: Reliance Industries (RIL), India's most valuable company, on Tuesday announced its third natural gas discovery this year. All three finds have

been in the Krishna Godavari (KG) basin of India's eastern coast. The commercial potential of the discovery, in the block known as KG-D3, was being evaluated by gathering more data, RIL said in a statement. RIL holds a 90% equity stake in the block, which covers an area of 3,288 sq km, while UK-based Hardy Oil holds the rest.

The RIL stock closed flat at Rs 1018.80 on BSE. RIL had reportedly found natural gas in the KG-D3 block on two earlier occasions, in February and April, and plans to drill three more wells in the field, it said in the statement.

Earlier, there has been some controversy over the exact quantum of natural gas in the block. Hardy Oil had said in May this year that potential resources in the KG-D3 field might be as much as 9.5 trillion cubic feet, almost on a par with the 10.03-trillion cubic feet of recoverable reserves in the famous KG-D6 block, the largest discovery of natural gas in India and the subject of two court battles, one between RIL and public sector company NTPC and the other between RIL and the Anil Dhirubhai Ambani Group company Reliance Natural Resources.

Source: Economic Times, 23 Dec 2009

IIM study suggests deregulation of oil sector

NEW DELHI: An Indian Institute of Management (IIM), Ahmedabad, study on the oil sector has suggested radical reforms, including complete deregulation, where private and public sector firms are free to price fuel as they deem fit. "Reform of the oil sector is long overdue. The problems in the sector emanate from the structure of central taxes and the system of subsidisation through prices," the study said.

Currently, the government controls prices of petrol, diesel, domestic LPG and kerosene and compensates public sector firms through a complex mechanism that has squeezed out liquidity with the retailers and drained resources of upstream firms.

It gives oil bonds to make up for a part of the revenue lost on selling fuel below cost and asks upstream operators like ONGC to bear the rest. "The social and fiscal costs arising out of the current method of subsidisation, and taxation are very severe," it said

Suggesting radical reforms, the study said, "Complete deregulation of the sector allowing oil producers, oil refiners, marketing companies, and integrated operators to price their products as they deem fit" is needed.

It said the fiscal costs were very large and much larger than that reported in the budget since they do not include the costs of diversion and tax avoidance that result from differential pricing. "Thus in the case of kerosene the cost of delivering Rs 2000 crore to the BPL consumers was in excess of Rs 24,000

Source: Economic Times, 28 Dec 2009

To Save Power, Mumbaikars To Go Tie-Free In Summer

Mumbai: What cultural zealots couldn't achieve, the humble but energy-guzzling air-conditioner may just about manage to do. A group of Mumbai youth, after reading a TOI report on how air-conditioners consume about 1000 MW out of 2700 MW power used daily by the city, has come up with a power-saver of an idea that it is actively promoting in corporate offices. These Mumbaikars, working with major corporates and software firms, have suggested that the tie, which forms a part of the dress code across many Mumbai offices, be dropped at least for the summer months.

Removing the tie will automatically let you set the temperature-control knob of your office a little higher. This will save a lot of power and reduce carbon-emission because of the lesser demand of power that is often produced by burning coal, says Dhiraj Shrinivasan, who works with the technology department of a foreign bank at Nariman Point. He has planned an antitie campaign this summer along with his friends.

Source: Times of India, 29 December, 2009

Maruti to show its green cars in Auto Expo

NEW DELHI: In line with government's initiative of developing green technologies in the automotive sector, Maruti Suzuki will display concepts for a hybrid on its SX4 sedan and an electric multi-purpose van at the upcoming auto expo.

The company is working on clean fuel technologies as part of a public-private partnership ahead of the Commonwealth Games. It will use its in-house R&D team for the vehicles, though much of the actual development hinges on access to technology and sourcing of various critical parts that are currently not easily available in India and come at a high cost.

For Maruti, this would be the first individual effort on hybrids and electric vehicles. The company will deliver ten vehicles for the Commonwealth Games, and the concepts would perhaps be the first public platform

where it will give a glimpse of what it plans to offer for the event, though actual commercial production will take some years.

Apart from Maruti, other companies involved in the NHPP programme include Tata Motors, M&M, Ashok Leyland, Eicher Motors, Bajaj Auto and TVS, besides members of the academia and research professionals.

Source: TNN 29 December 2009,

FEATURE REPORT

India's carbon intensity decline is enviable

Several articles — some of them misleading — have recently appeared in the media on a study by the World Bank, 'Energy Intensive Sectors of the Indian Economy: Options for Low Carbon Development'. In an exclusive article for TOI, the report's authors, Kwawu Mensan Gaba (Lead Energy Specialist), and Charles Joseph Cormier (Country Sector Coordinator, India) set the record straight and provide a definitive explanation of their findings:

During the run-up to Copenhagen, where the international community is striving to come up with a comprehensive agreement to combat climate change, India made a significant announcement that it intends to reduce 20% to 25% of its carbon intensity by 2020 against a 2005 baseline. India has a relatively low carbon footprint and a steadily declining carbon intensity over the last decade, and this voluntary target will further India's contribution.

The World Bank's forthcoming study, 'Energy Intensive Sectors of the Indian Economy: Options for Low Carbon Development' shows that a reduction in carbon intensity can be achieved while expanding energy services and reducing poverty.

Doing so will require stronger institutions, leadership in implementing energy supply and efficiency measures. Even though India has a low-carbon per capita footprint, it has had some success in reducing its carbon intensity, being one of the few nations whose carbon intensity declined in 10 years preceding 2006. Despite strong economic growth during second half of that decade, which could have been expected to have come with a higher carbon burden, India's carbon intensity reduction was actually better in the latter half of the period.

According to our study, India's carbon intensity from energy use is set to decline until at least 2031. The

study examines the likely development trajectories of five sectors of Indian economy that accounted for three-quarters of India's CO₂ emissions from energy use in 2007, namely power generation, energy-intensive industries (like iron and steel, cement, fertilizer, refining, pulp and paper, aluminium), road transportation, commercial buildings and residential housing. It presents three carbon emission scenarios outlining different growth paths that India could follow to 2031, the end of Fifteenth Five Year Plan.

According to our model, the carbon intensity of these five sectors is set to improve by 33% between 2005 and 2031 (19% by 2020) with existing plans, but could improve by as much as 45% by 2031 (and 30% by 2020) with an all-out effort on the technical, financial and institutional fronts to reduce carbon emissions. Needless to say, these green measures come with additional costs.

Preliminary estimates suggest large upfront costs could be recovered in the long term by lower operating cost. To take the instance of electricity supply to the national grid, the cost difference between least carbon-intensive scenario and existing plans has been estimated at 14%. However the cost scenario has to be fully studied by all stakeholders to integrate the transaction costs involved.

The rate of decline will be determined by the timing of investments to maximize domestic sources of renewable energy, enhance energy efficiency, reduce distortions in energy pricing, and introduce advanced coal technologies and cleaner transport options. The all-out effort, which represents lowest carbon pathway, encompasses measures such as introduction of 20GW of solar energy by 2020; import of 20GW of additional hydropower from neighbours in the region; acceleration by 10 years of plans to reduce transmission and distribution losses; as well as adoption of 340 greenhouse gas emission-reducing measures that have been introduced in the country in 80% of the industrial sector.

In addition to this, if efforts in non-energy sectors like agriculture and forestry (which the Bank study did not examine) are sustained, trends indicate that India could achieve its voluntary target while meeting its priority development objectives. Several improvements in technologies and practices in these sectors are known to help reduce carbon intensity, such as reduction of methane emissions from irrigated rice production and livestock, reduction of nitrous oxide from use of fertilizers, afforestation, as well as reforestation.

An important step towards lower-carbon development over longer term would be for India to achieve the targets it has set for itself in 11th and subsequent Plans. For India to rise above its past performance, it will need to ensure availability of adequate finance and technical know how; to strengthen the institutions delivering these targets; and to improve its skills-base.

Source: Times of India, 15 December, 2009

SNIPPETS: CORPORATE NEWS

ONGC awards USD 162-million contract to UAE firm Dubai, Dec 27 (PTI) India's oil exploration firm ONGC has awarded an USD 162-million (over Rs 753 crore) engineering and construction contract for an oil well platform project at the Mumbai High Field to Abu Dhabi-based National Petroleum Construction Company (NPCC), UAE's official news agency Wam has said.

GAIL declares 20% interim dividend

NEW DELHI: State-run gas utility GAIL India Ltd on Monday declared a 20 per cent (Rs 2 per share) interim dividend for the current fiscal.

"The Board of Directors of the company in a meeting today approved the payment of interim dividend to the shareholders of the company," a GAIL press statement said here. The company has fixed December 29 as the 'record date' for the purpose of determining the eligibility of the members of the company for the interim dividend.

GAIL said it had paid a total dividend at the rate of 70 per cent on the enhanced paid-up share capital of the Company for 2008-09 financial year. "GAIL has a consistent track-record of dividend payment. The company has disbursed dividend of Rs 7119.55 crore (up to FY 2008-09) to the shareholders, including Government of India. "This is more than five-and-half times the enhanced equity capital of Rs 1268.48 crore of the company," it said.

Source: 21 Dec 2009, PTI

Four Maharatnas!

ONGC, IOCL, SAIL, NTPC

PETROTECH SOCIETY NEWS

Seminar on Hydrocarbon Industry Growth: "Prospects & Challenges in North East"

Petrotech Society in association with Numaligarh Refinery Ltd organized a two days seminar on 'Hydrocarbon Industry Growth: Prospects & Challenges in North East' on 8th & 9th December 2009 at

Numaligarh Refinery Township. The seminar was inaugurated by Dr B K Das, Managing Director, Numaligarh Refinery Ltd, Dr P G Rao, Director, North East Institute of Science & Technology delivered a Special Address. Mr Deepak Chakravarty, Director (Technical), NRL & Mr D K Ghosh, GM (Ops), NRL delivered keynote & welcome address respectively. Mr J L Raina, Secretary General & CEO proposed a vote of thanks. The 2 days seminar was attended by 62 senior executives from oil and gas industry and 30 professors from Technical Institutes in North East.

Guest lecture on Invention & Innovation: Some Personal Reflections:

Petrotech Society organized a Guest Lecture by Dr M M Bhasin, Sr. Scientist, Mid Atlantic Technology Research & Innovation Center, USA on 21st December 09 at IndianOil's Refinery Head Quarters. Mr. P Sur, ED (Ops), IOCL delivered the opening remarks and Mr J L Raina welcomed the gathering and proposed a vote of thanks. The session was attended by 25 senior executives from Indian Oil.

EVENT OF THE MONTH !



U.S. President Barack Obama holds a meeting with labor, manufacturing, and small business leaders to talk about the economic impact of **energy saving** home retrofits at a Home Depot store December 15, 2009 in Alexandria, Virginia. Obama is imploring congress to pass new homeowner incentives to make their homes more energy efficient.

(December 14, 2009 2009-12-14 16:00:00 - Photo by Ron Sachs/Getty Images North America)
