

## IGL joins green hydrogen bandwagon

TIMES NEWS NETWORK

**New Delhi:** Indraprastha Gas Ltd (IGL) has jumped on the green hydrogen (gH<sub>2</sub>) bandwagon by entering into a partnership with the ACME group, a move that fits well with the city gas operator's plans to mix hydrogen with CNG with the aim of further improving the fuel's emission character.

The MoU signed by the companies aims to leverage IGL's supply networks in several cities and the Manoj Upadhyay-led group's expertise in green hydrogen and green ammonia.

ACME on Friday said the partners will also explore opportunities for green hydrogen in the automotive sector and the production of green ammonia as an additional business vertical for IGL.

IGL had in October 2020 conducted a trial run by operating buses with hydrogen-laced CNG, called HCNG, in Delhi in collaboration with state-run IndianOil. The trial was conducted to study the performance of HCNG, which is cleaner than CNG, on the engine and pipelines.

IGL is the sole supplier of CNG and PNG in the National Capital Region. It also operates city gas networks in seven cities in addition to Ghaziabad and NOIDA in U.P.; four cities in Haryana and three cities in Rajasthan. It also supplies natural gas to industries, an area that has bigger potential for HCNG.

Green hydrogen is the buzzword as it is considered as the 'fuel of the future'. The government is pushing to turn India into a major gH<sub>2</sub> player by 2030.

# India's natural gas consumption seen going up in 2023 on softening LNG prices

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As international prices of liquefied natural gas (LNG) soften to \$11-12 per mBtu, the International Energy Agency (IEA) has revised upwards India's natural gas consumption during the current calendar year.

"In 2023, total natural gas consumption is expected to increase by 4 per cent thanks to a modest recovery in power sector gas use, and continuing – albeit slow – growth in the industrial and city gas sectors," the agency said in its Q2 2023 gas market report.

The IEA's Q4 2022 gas market report had projected a growth of 2 per cent in India's domestic consumption in October last year.

In January 2023, natural gas demand in India increased by 14 per cent y-o-y, with a significant increase in the city gas sector (up 70 per cent y-o-y) and the recovery of the fertilizer sector (up 13 per cent y-o-y), along with the power sector (up 5 per cent y-o-y), amid lower gas prices, the IEA report for Q2 2023 pointed out.

## FERTILIZER SECTOR

The fertilizer sector accounts for around 35 per cent of the natural gas demand in the country, followed by city gas distribution (CGD) at 20 per cent, and the power sector (14 per cent).

Domestic gas prices from legacy fields (administered price mechanism) have witnessed wide fluctuations, from a low of \$1.79 per



mBtu in 2021, to a high of \$8.57 in October 2022-March 2023.

Global gas prices have been even more volatile, exacerbated by the ongoing Russia-Ukraine conflict. Spot LNG prices in Asia touched a record high of \$70 per mBtu in August 2022, compared to \$23.5 per mBtu during June 2022, before

softening to \$35 in December.

IEA said India's gas consumption declined by 6 per cent in 2022 as soaring prices squeezed gas demand for power generation (down 24 per cent y-o-y) and refining (down 30 per cent y-o-y), and from the petrochemicals sector (down 32 per cent y-o-y).

## INDIA OUTLOOK

- In 2023, total natural gas consumption is expected to increase by 4%, thanks to a modest recovery in power sector gas use
- In January, natural gas demand increased by 14 per cent Y-o-Y

City gas demand was broadly flat, while consumption by the fertiliser segment and other end-uses (which include agriculture, upstream operations and other industries) saw modest expansion during 2022, although not enough to compensate for steep declines in the more price-sensitive sectors of the eco-

nomy. India's LNG imports dropped by 17 per cent y-o-y in 2022, the steepest fall on record and the first decline covering two consecutive years in India's two-decade history as an LNG importer.

Price-driven fuel-switching played a leading role in suppressing LNG demand, but a modest 3 per cent increase in domestic production also contributed to the decrease in LNG inflows.

The world's third largest energy user consumed 63,907 million standard cubic meters (MSCM) of natural gas during April 2021 to March 2022.

## PARIKH FORMULA

In April, the government approved a new domestic natural gas pricing plan with the domestic gas price at 10 per cent of the monthly av-

erage of the Indian crude basket and notified monthly.

The revised structure led to a reduction in the price of compressed natural gas (CNG) by up to 10 per cent across cities and would limit material increases in the same going forward, with the government setting a ceiling price for gas produced from ONGC and OIL's nomination blocks. It accounts for 70 per cent of India's gas output.

Fitch Ratings said it will put prices of domestic natural gas from legacy fields to between \$4 per million British thermal unit (mBtu) and \$6.5, will support margins for city gas distributors (CGD), encourage the use of gas and reduce cash flow volatility for upstream producers.

## Hydrogen to play critical role in India's energy transition, says ISA DG

**NEW DELHI:** Rising hydrogen demand in the transportation industry will play a critical role in India's energy transition, International Solar Alliance (ISA) Director General Ajay Mathur has said.

"Hydrogen demand is on the rise in the transportation industry, with China leading the way in hydrogen-driven vehicles. Hydrogen's non-toxicity and ability to adapt to existing petrol or diesel infrastructure make it an essential component in the energy transition," the DG said at India Energy Storage Week (IESW) 2023 in the national capital.

The absence of hydrogen refuelling infrastructure remains a major hurdle, he said, adding that the current



infrastructure for moving petrol or diesel could be used for selling hydrogen.

Abhay Bakre, Director General of the Bureau of Energy Efficiency (BEE), said the change for the amendment to the Energy Conservation Act has empowered the government to launch the carbon trading scheme, which is an important element for promoting green hydrogen in the country.

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**OIL EXPLORATION**

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## ‘Nagaland to hold meeting with tribal bodies before inking MoU with Assam’

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**KOHIMA:** The Nagaland government has decided not to go ahead with signing any MoU with Assam on oil exploration before a final consultation is held with stakeholders and tribal bodies of the area, Deputy Chief Minister Y Patton said.

Patton said this while replying to queries from journalists on Thursday on the stand of the state government on objections raised by various tribal organisations and also Naga underground groups on the proposed signing of Memorandum of Understanding (MoU) on oil exploration with Assam government along the Disturbed Area Belt (DAB) of the two states.

“The government will hold a consultative meeting with all stakeholders before signing the MoU with Assam government,”

he said.

Not only a particular tribe but consultation will be held with tribal bodies and civil societies of Mon, Longleng, Mokokchung, Wokha, Nuland, Dimapur and Peren, the oil bearing areas of Nagaland, the DyCM said.

The MoU is not yet signed though the Chief Ministers of Nagaland and Assam have agreed in principle, he said while asserting that unless a thorough discussion is held with the civil societies that will not be carried out.

Without specifying the date, Patton said the government will hold the consultative meeting soon.

The Lotha Hoho, an apex body of Wokha district which has rich depository of oil in

Nagaland, had objected taking the stand on Article 371(A) of the Constitution which gives special protection to the Nagas on land and other rights, said the MoU cannot be signed without involvement of the community.

As per Article 371(A) land and its resources belong to the people, and not the government in Nagaland.

On the other hand, the Naga political groups including the NSCN-IM and Working Committee of Naga National Political Groups (NNPGs) composed of at least seven factions, engaged in peace negotiations with Government of India said that the natural mineral and resources should not be explored without arriving at a final solution to the Naga Political Issue. PFI

## ACME, IGL ink pact to explore biz avenues in Green Hydrogen

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Diversified renewable energy firm ACME Group and city gas distribution company IGL have signed an initial pact to jointly explore potential business opportunities in Green Hydrogen.

ACME and IGL will work jointly to promote the adoption by the customers and create demand for Green Hydrogen in the country, an ACME Group statement said.

The memorandum of understanding (MoU) was signed by Ashwani Dudeja (President & Director - Green Hydrogen and Ammonia, ACME) and Sanjeev Kumar Bhatia (Vice President -

Business Development & Gas Sourcing, IGL), it added.

The companies will also work together to explore the opportunity of setting up hydrogen generation plants including setting up electrolyzers to blend Green Hydrogen in IGL's existing pipeline networks supplying gas to households, industrial & commercial set ups and CNG for vehicles.

"I would like to thank IGL for their commitment to develop infrastructure and supply green hydrogen to customers. Both the partners will identify areas/projects for green hydrogen adoption in the country," Manoj K Upadhyay, Founder & Chairman, ACME Group said.