

Press Release

“India’s Energy Goals Must Be Tied to Other SDGs”: Minister Hardeep Singh Puri

“The Country Needed a Blue Flame or LPG Revolution”: Minister Dharmendra Pradhan

New Delhi, 20 July 2021: “Sustainable Development Goals (SDGs) will succeed, including on energy, because India will succeed. And India needs to succeed for the SDGs to move forward,” Hardeep Singh Puri, the newly appointed Minister for Petroleum and Natural Gas, said at the launch of *The Next Stop: Natural Gas and India’s Journey to a Clean Energy Future*, organised by the Centre for Social and Economic Progress (CSEP). Puri also said that because of the “sui generis” nature of the Indian challenge, its goals on energy must be tied to other SDGs such as dignity of girl child or inclusive cities, among others.

The book, edited by Vikram Singh Mehta, Chairman of CSEP and published by Harper Collins, was launched by Puri and his predecessor Dharmendra Pradhan, who was recently appointed as the Minister for Education and Skill Development post the cabinet reshuffle on July 9.

On the book’s larger recommendation to centre decision-making in one body, Puri said that there is “hope and movement in that direction”. “I think the natural evolution from the current different ministries dealing with different parts of the energy matrix will result maybe in the near future...because there is a tendency of combining ministries...it is likely and on the horizon.”

Pradhan, who served as the Petroleum and Natural Gas minister through the first term of the Modi government till the recent cabinet reshuffle – making him the longest serving Petroleum and Natural Gas minister -- talked at length of the challenges and achievements during his tenure. He said that India was earlier facing tough challenges to produce more oil and gas from its domestic fields and investors, both Indian and foreign, were complaining about the absence of an investment friendly environment. “In my first stint at the petroleum ministry, we endured to bring in a slew of reforms such as price deregulations, subsidy rationalisation, marketing and pricing freedom for the ENP sectors, promotion of alternate fuels...these reforms have started bearing fruits,” Pradhan said.

Pradhan also noted the importance of LPG and how the success of the Ujjwala scheme has brought significant benefits to the lives of common citizens in the form of health of women and children, economic empowerment, and a cleaner environment. “Till a few years back getting a US visa was easier than getting a new LPG connection,” he said. “The country needed a blue flame or LPG revolution. It was a big challenge; on the one hand the poorest were not procuring access to the LPG, while on the other the well-to-do were availing subsidy for LPG.”

CSEP Research Foundation

Regd. Off: Second floor, 6, Dr Jose P Rizal Marg
Chanakyapuri, New Delhi 110 021 India
T: +91 11 2415 7600 E: info@csep.org W: www.csep.org

“My job was to ensure and strike a balance between access to clean, affordable, and reliable energy and to make India a more attractive and welcoming destination for investment in the hydro-carbon sector while also pursuing the green path to progress,” Pradhan said.

The formal release of the book was followed by a panel discussion featuring **Vijay Kelkar**, former Petroleum Secretary; former Finance Secretary and former Chairman of the 13th Finance Commission of India; **Dev Sanyal**, Executive Vice President, Gas and Low Carbon Energy, of BP plc; **Daniel Yergin**, Author of Pulitzer-winning *The Prize*; Founder, IHS Cambridge Energy Research Associates and Vice Chairman, IHS Markit. The discussion was moderated by **Vikram Singh Mehta**, Chairman and Distinguished Fellow, CSEP and Editor, *The Next Stop*.

Vikram Singh Mehta said that the book emerged from the conviction that as India transitions from a predominantly fossil fuel energy system to one built on the pillars of decarbonization and renewables, natural gas should be the bridge fuel. “The title ‘The Next Stop’ is an allusion to the reality that India cannot simply leapfrog from where we are today...to where we wish to be – a social and economic system that provides secure, affordable, accessible and clean energy to everyone,” he said.

Mehta outlined the next steps that the government must take to ensure a doubling of the market share of natural gas. The policy recommendations in the book span measures required to increase intensity of domestic exploration, leverage our market strength to secure best terms for LNG import, accelerate investment and pipeline infrastructure and import facilities, to streamline relations between central and state governments, create an optimal pricing, taxation, and regulatory system that incentivizes investment, and most crucially to build an integrated and holistic decision-making institution.

Vijay Kelkar, who served as a former petroleum secretary, appealed to the ministers to bring the natural gas sector under the Goods and Services Tax (GST). “I think this is a good time to quickly bring in at least natural gas if not the entire petroleum sector under the GST value chain. That will give a very needed fillip to this industry,” he said. Other important steps towards a “blue economy” included expanding microgrids, move away from revenue-sharing models for exploration to incentivise the investors, and explore sub-sea pipelines from Gulf to India for long-term security. “Gas will play a very important role in India’s ambitions and targets about our climate change and Paris commitments,” he said.

Kelkar’s suggestion on improving the structure of the gas sector in India was clear: “We have to unbundle GAIL,” he said. “We cannot have a monopoly carrier having downstream interests because it wouldn’t be fair. Current GAIL contracts with their consumers are unfair because of GAIL being both producer and having interests in the downstream sector.”

Daniel Yergin, author of *The Prize*, and more recently, of *The New Map*, highlighted how “energy and geopolitics are intertwined”. “India did not really have a significant voice in energy affairs a decade ago. It now has a very significant voice... The goal is to make sure that the impact of India’s voice is felt,” he said.

Yergin emphasised that India's position was unique, because as a country of 1.3-plus billion, it was faced by a series of energy transitions and not a single transition. "Small European countries, that are wealthy and have much higher carbon footprints, should not be dictating to India what to do and how to adapt to the changing world."

"The global LNG market will help India meet the goals it has in terms of energy and climate...Natural gas is important for India in meeting its urban pollution goals. India is a rapidly urbanising country...and bringing natural gas and petroleum is a very key way in addressing that," Yergin said.

Sanyal emphasised how India's energy consumption will more than double by 2050 and natural gas will play a key role in the energy transition. According to the BP Energy Outlook, natural gas consumption could grow six times by 2050. Dev Sanyal said, "The case for natural gas as a medium- and longer-term fuel is compelling for three reasons: as displacement fuel for coal, a reliable source of energy to address intermittency of renewables, and a low-carbon energy source."

Sanyal said that there were four enablers for India's energy transition, what he termed the "four 'I's": increasing gas production, integrating a variety of fuels, incentivising markets – "with less red tape, more red carpet", improving infrastructure. "I will add a fifth India-specific 'I' which is ingenuity. India has a tremendous intellectual capital which can transform the world of energy globally, like the Indian IT sector."

Rakesh Mohan, President, CSEP made the concluding remarks.

For media enquiries, please contact:

Zehra Kazmi

Email: zkazmi@csep.org