

## Speaking at 6th World Energy Policy Summit in New Delhi

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Parliament going on and a subject which really I am no, not very knowledgeable about or no expert on is truly very difficult to give any new ideas, new thoughts. But this has been a program with which I have been closely associated now for almost 4 or 5 years and I have learnt a lot. Sadly, I have to leave right now for Lucknow, otherwise, I would have loved to sit in the audience and understand this sector. I have done it in the past. I would love to do it again. More so because I have one vested interest in coming here and meeting all of you and both the principal players of that vested interest are sitting here. The Chairman of GAIL and the Chairman of NTPC are both here.

I think the future is going to be a lot about how gas replaces and comes into being within the Indian energy mix in a big way. I wouldn't say the same thing about oil though. I think it's important that we as a nation look at bringing down our dependence on oil even as we increase our dependence on gas for different aspects, it could be transportation, it could be electricity generation and it could be domestic gas consumption through the LPG cylinder program which this government has very successfully scaled up. I believe almost 150 lakhs, that's about 50 million LPG cylinders, free gas connections for LPG for households has been given in the last 9 months which is truly a record performance. And the target is that 50 million households which would otherwise use very poor quality of cooking medium, wood and other forms of cooking, which are very harmful for a person's health are going to be replaced by LPG cylinders which is truly a phenomenal achievement that the Ministry of Petroleum and Natural Gas has embarked upon.

And all in all, if you are able to also solve this imbroglio between the requirements of gas for the power sector, I would think we would make a game changing progress for the better of India, for a better India tomorrow, for the future of a more robust energy mix that India very much desires. In fact, somebody said the best way to change the future is to design it yourself and rather than just being dependent on things as they come along. I think it's time that both these sectors, gas and power, sat down and worked out a robust mechanism how we can ensure the long term viability and growth of gas in the power sector also.

In fact, the honourable Minister of Petroleum and Natural Gas has been working very very actively to try and make gas available to India and the power sector at more affordable prices. I must compliment him for the big achievements in renegotiating gas prices through some of our long term contracts and making them far more affordable and reflective of current price points, current price standards. And, I am sure going forward, with the efforts of Mr Tripathi and his team, we will be able to look at more affordable prices of gas for the power sector also. We have about 23-24,000 MW of gas-based plants, many of them stranded, many of them operating at very low levels. So I would, in fact, urge you Mr Taneja and your team here to see how we can make a framework in which the gas-based power plants can be revived, come back into operation, can provide power at maybe Rs 3-3.5, which is the level of affordability at which states may be willing to buy. But if we are going to continue to let the vagaries of price of the gas affect the prices of electricity we are certainly not going to be able to make much headway in promoting gas for power generation.

In fact, this interdependence between power and the petroleum and natural gas industry is something which we have seen reflecting the cooperation amongst different ministries that Prime Minister Modi has taken a lot of sincere efforts to achieve. I remember in the old days when every ministry used to work in silos, we could hardly get anything moving. But now we have a situation where even at 12 in the night you will have the Petroleum Minister either call me or I call him the Environment Minister and sorting out an issue that may either come on file or come to our attention, even at midnight, knowing full well that he is equally hardworking as you were mentioning earlier and would be up at twelve trying to think of some new projects, some new dimension in his industry which can take it fast forward.

Of course, any nation cannot progress if it doesn't have affordable points of supplying energy. We have made an effort to increase natural gas and oil exploration and exploitation of the defined reserves in the last couple of years. I think the new policy, the help policy has also started yielding some results, there have been some rounds of auction after that. And, we would love that your World Energy Policy Summit comes up with some good recommendations which can help this sector ramp up both exploration and production of natural gas particularly, and oil on a fast forward, fast-track basis. If there are still any points which hold back investors or which are points of concern we are happy to relook and look at more predictability, more certainty in the industry. So that international and domestic investors both find it attractive to look at the oil and natural gas sector.

And I think this world today is fast changing, is fast evolving with newer forms of energy taking centre stage and there were big shifts that I wanted to share with you, the three main big picture shifts in the ecosystem, in the world energy system that I hope you will deliberate on and maybe help us to navigate this changing environment in this sector. More and more the demand of energy is being driven by market economics, end of the day I cannot sell power if the cost is beyond a certain level. There is a affordability factor which has come in and there is a lot of competitiveness about different forms of energy and which some geopolitical in some large countries across the world, we are finding that the concept of spending more towards renewable energy or spending more to get clean energy and protect the environment is getting affected in some parts of the world. Of course, I would like to reassure all of you that India does not get affected, does not get dictated by change in policy or change in direction in any other part of the world.

As far as India is concerned, we are very conscious of our responsibilities as a global citizen. We are very conscious that we want to impact the environment in a positive manner. We want to not only meet but we want to exceed our Intended Nationally Determined Contributions. And when we ratified the Paris Agreement, it was with full responsibility that India will meet those goals irrespective of what happens in the rest of the world and with full responsibility that this is good for our people, good for the people of India, good for the nation. But in a competitive world, we will also have to consciously try and bring costs to competitive levels, to affordable levels and which is why I have been appealing to the gas sector, particularly, to help us get some long term contracts probably with end-to-end tie-ups where natural gas is secured, converted, shipped, reconverted in India and supplied to the power plants at a price which can help us remain competitive in the energy market. And we have comparable examples in the world, particularly, in the developed world where without concern for the environment other countries have indiscriminately polluted the environment, have thrown out greenhouse gases to keep their energy cost low and help their nation develop. We would

like to do both, we want our nation to develop as well as keep our costs competitive and low. And I am sure that is achievable in a new world where innovation and technology has taken centre stage.

Therefore, the second major shift that the world has seen is this concern towards environment where India would like to be a principal participant, would like to ensure that we protect our environment, reduce our greenhouse gas emissions. And this push towards environment consciousness is not out of any compulsion or because somebody else tells us to do so, not even because the Paris Agreement talked about it. It's because it's an article of faith for this government. It's what Prime Minister Modi and his government believe is in the best interests of the people of India and which we believe in the long run will help the nation develop in a more organised, systematic and a manner which will help India create an energy ecosystem which is sustainable.

Of course, low-carbon technologies are also coming into the centre stage along with renewable energy and I think natural gas would also qualify as a low-carbon technology which will help us mitigate the impact of environmental damage. The third major shift that we are seeing is the consciousness towards energy security and when we look at our renewable energy program whether it is solar, wind, hydro, in all of that, there is a sense of security for our energy needs that we are trying to build up. Today, India is still predominantly dependent on imports for its oil and gas needs. While on the one hand we are trying to increase our production of oil and gas, we are also looking at alternate forms of energy and alternate source of powering our demand for goods, for example, electric vehicles which will help us improve the energy security of our nation, therefore, coal also continues to play a role. While we are trying to look at clean coal, we are trying to look at improving the efficiency of coal-based power plants. Simultaneously, we are also looking at moving demand away from oil and gas in some sectors, particularly, in auto vehicles, towards electric vehicles, which will help reduce the dependence on imports of India as a nation.

And therefore, on these three benchmarks – the market economics, the affordability of energy, the environmental impact, what is good for India to maintain a clean environment and energy security as a goal for the nation to achieve – I think on these three pillars rests our energy policy of the future. I do hope to receive from you some more ideas which will help us further develop India and India's energy ecosystem resting on these three pillars for the energy policy.

Thank you very much.