

## Speaking at 7th PetroCoal Congress, New Delhi

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My very own colleague, good friend and somebody who supported me when I was a rookie in the coal ministry just trying to figure out what it all means, particularly, after all the uncertainties that ministry had gone. former Coal Secretary Mr Carlos Alvarez, Mr Vinay Prakash, Mr Shibo Gatima, Mr Thomas Mathew, distinguished delegates from overseas and India. I see a lot of my colleagues from different Ministries, Mr Anil Razdan, former Power Secretary, Mr Tripathi, former GAIL Chairman but I think the way it's structured I would know a lot of people here so won't, I would refrain from taking more names, Mr Agnihotri, a lot of friends here, distinguished ladies and gentlemen.

My apologies but I got late flying in from Mumbai this morning and I believe you couldn't have chosen a more difficult time to hold this World PetroCoal Congress than in the midst of elections in some very important states. My colleague Dharmendra Pradhan could not be amongst you today, he is also in charge of the Uttarakhand elections. But he sends his best wishes to the PetroCoal Congress and regrets his inability to have been amongst you in the morning. But I hope in some small measure my being here can make up for that.

It's interesting to see that two fossil fuel based industries, the petroleum industry and the coal industry, are working in tandem and seeing how this synergy between these various areas of work petroleum, coal, gas, can develop a future for this country, for its energy requirements, which is not only adding to the energy security of the nation but also is sustainable in terms of the ability to manage the environmental requirements, our own commitments towards clean energy. And I must say, the last 2-2.5 years while they have been very educative for me have also demonstrated that when we work together as a team breaking the silos within the various ministries, a lot can be achieved. And over the last few months, the way both the petroleum and natural gas ministry and the coal ministry have worked together, supporting each other's initiatives, be it our effort to promote coal to gas, be it the efforts of the petroleum ministry to supply us natural gas to run the power plants, be

it the work of the petroleum ministry to reduce carbon emissions through introduction of better and better standards of emission.

I think all of these measures have shown that together we can do wonders when it comes to both our energy security and a sustainable energy mix in the long run. We are also working closely together when it comes to ethanol or bio-fuels where, in some sense, both ministries have an important role to play. The ministry of new and renewable energy helps to create the policy framework, also encourage ethanol manufacturing through the alternate fuels mechanism while petroleum provides the market which accepts the ethanol produce and also encourages their use and blending with petroleum products, both to reduce our import dependence and bring in cleaner fuels to the people to use. And, therefore, taking a leaf out of the Finance Minister Mr Arun Jaitley's words when he was speaking about demonetization, some of you may recall he had called it the new normal. India is moving into a new normal where the formal economy and legitimate and official transactions will become the order of the day rather than the informal economy ruling the roost or setting the benchmarks of trade and business.

I think in some sense, a new normal has also been created both in the working of the government and in the objectives of the government focusing our efforts towards energy security and sustainable forms of energy. And this new normal, also in the power sector the new normal of having assured and adequate supply of coal 24/7 or 365 days a year has also been a new normal. We haven't seen this kind of coal adequacy in probably seven decades in this country. The fact that all policies used to be designed around coal shortages has now moved to a struggle where Coal India is, or the Coal Ministry together are struggling to sell coal. This year, possibly, will be a unique year where the country is both power surplus and coal surplus and all of this couldn't have been possible but for the combined efforts of all the various stakeholders. So if the petroleum and natural gas ministry hadn't helped us revive the gas-based power plants possibly we would have had some stresses in the system. But with a good monsoon helping us increase hydro power production, with coal-based power plants being able to improve their output for thermal energy with gas-based power plants having sufficient availability of gas.

In fact, Mr Tripathi's constant complaint is they are not picking up the gas that they have contracted for even when PSDF was available, the Power System Development Fund subsidy was available, is to my mind a great way to work and do business in because having worked in the private sector and been a part of industry for several years I think one of the constraints to expanding business, to investing in India was always the concerns about availability of 24/7 uninterrupted power supply. That's one constraint that's behind us. We can now start planning industrialisation of India, growth of our domestic consumption, growth of trade and business, improving the hours of supply to farmers, to villagers, to the poor of India on the back of assured and adequate supply of energy which now is also being supplemented with more and more renewable energy coming into stream.

And I am sure most of you would be aware that we have now breached another very very big psychological barrier in our effort to bring down renewable energy prices. The last bid in Rewa, Madhya Pradesh for 750 MW has determined the price through a transparent reverse bidding mechanism, a first year tariff of Rs 2.97, escalating 5 paise every year for 15 years, thereby giving us a levelised tariff of about Rs 3.30, something which I would suspect none of us in this room including myself believe would have been possible within the short period through which our evolution of the solar energy cycle has been. And this encourages me also to now hope and expect that gas prices also we can determine through more transparency and integrity which has been the hallmark of this government led by Prime Minister Modi to more reasonable levels, more defined and determined long term contracts which can then help us run these gas plants also at 60-70-80-90%.

And I would urge you Mr Tripathi to work closely within the two ministries to see how we can possibly bring this entire gas framework, maybe even pool the available gas that you are distributing to some stakeholders, pool that with some of your contracts which we discussed last time which NTPC had not fulfilled fully. And with additional gas on a longer term fully hedge basis so that we can bring gas-based power also down to Rs 3 or Rs 3.25, make it more affordable, help states consume this power at affordable prices and help the poor of India get power at much much more affordable prices. In fact, I would love to see the day where we can give the first 100 units of power to every

poor in this country at a flat Rs 3 tariff across the length and breadth of the country.

I think it may be a great idea for some of you all to work towards that because that is truly what is sustainable management of the future energy mix. If we can add more solar, if we can add more gas which can also work as a spinning reserve to manage the increased renewable energy that we are hoping to produce. If we can take coal more and more towards coal to gas, syngas, coal-bed methane and all the technologies can help us use coal in a more environmentally friendly manner. I think all of these steps working in tandem with each other can truly help us not only become a completely energy secure country but also a clean energy country which demonstrates that we as a responsible global citizen will not be left behind in this global effort rather India will lead from the front in this global effort to leave behind a better planet for the next generation.

In our own small way, the Coal Ministry is working to improve the standards of coal production, the grades of coal. We are looking at establishing more and more washeries so that even coking coal which is being imported in a large measure can be more and more domestically available through introduction of washeries and improving the quality of coal, particularly, where we have better quality and where washeries can move it towards the coking coal grade. I am given to understand we have a 20 million tonne possibility of expanding washeries and getting 20 million tonnes of coking coal production increased in India. That's an area which I hope the teams will work on.

But all said and done, I believe the last 2.5-3 years have been an era of large scale transparency, high degree of integrity, an entirely corruption-free environment and an environment where concerns for global climate change or the adverse impact of climate change has been at the centre stage of policy making. And I believe this transparency, high level of integrity and corruption free administration and concern for the environment, these three building blocks have helped India move from an era of uncertainty, an era of I think, lot of concerns about the future of the power and coal sector to an era where all, whether it's petroleum, whether it's coal, whether it's natural gas, all of these sectors have a very bright future ahead of them. New technologies and innovation will rule the roost, they will define the future of these sectors. And I

am sure, when we look at other countries in the region and working in partnership with other countries in the region, it will open up much larger opportunities which all of us together can explore, can exploit, can encourage and then can enjoy.

Thank you very much.