
High prices squeeze gas demand by 6% in '22: IEA

Sanjay.Dutta@timesgroup.com

New Delhi: India's gas consumption is estimated to have declined 6% in 2022 as record prices in the aftermath of the Russia-Ukraine conflict squeezed demand, the International Energy Agency (IEA) said on Monday.

Lower gas demand combined with a 3% rise in domestic gas production saw LNG (liquefied natural gas) imports drop 17%, marking the steepest fall on record and the first decline covering two consecutive years in India's two-decade history as an LNG importer, IEA said in its latest gas market report.

Consumption in the petrochemicals sector saw the sharpest year-on-year fall at 32%, followed by the refining

sector that saw a drop of 30% and power generation 24%.

The report said city gas (CNG and PNG) demand was broadly flat. Consumption in the fertiliser segment and other end-uses, including agriculture, upstream operations and other industries, saw modest expansion.

But the modest rise in consumption in these sectors was not enough to compensate for the steep declines in the more price-sensitive areas of the economy. According to the report, price-sensitive industries switching to cheaper fuels because of high prices was the main reason for reducing LNG imports.

HPCL LAUNCHES poWer95



HPCL Marketing Director Amit Garg launched poWer95 in a function held in New Delhi and 5 other retail outlets in the city in the presence of Sandeep Maheshwari, Executive Director – Retail. poWer95 was also launched simultaneously at regional office towns of Shimla, Jammu, Bathinda, Jalandhar, Chandigarh, Panipat, Hissar and Gurugram, covering the entire north zone

Hydrogen isn't ideal for home heating but helpful elsewhere

The UK has an energy plan that mustn't misallocate this clean fuel



LARA WILLIAMS
is a Bloomberg Opinion columnist covering climate change.

Hydrogen is one of the most abundant gases, estimated to make up 75% of the universe's mass. It can help the world slash greenhouse gas emissions, since it doesn't produce any carbon dioxide (CO₂) emissions when it's burnt for energy. Yet its use has been limited thus far. That's set to change in the UK over the next couple of years. Under proposed plans drawn up by National Gas, which owns and operates the UK's 7,630km natural gas transmission network, between 2% and 5% of the fuel running through its pipelines could be hydrogen by 2025. The plans have not yet been approved by the government. But other countries, including Norway, are also exploring hydrogen blending. Considering 77% of Britain's gas imports come from Norway, it'll need to be ready to receive blended gas.

The idea is being sold as a step toward decarbonizing natural gas (which is mostly methane with other hydrocarbons), which still heats 78% of homes in the UK. But don't mistake this as a way of cutting emissions significantly. Even taking the hydrogen share up to 20% would only result in a 7% reduction in carbon emissions, at best. The savings of a 2%-5% hydrogen blend would be tiny. Think of blending as a small part of the UK's plan to build a "hydrogen backbone": a reinvention of the country's gas network for a net-zero age. But it'll need to prioritize what hydrogen should power long-term. It makes more sense to use 100% hydrogen in some areas—like heavy industry—but not in others, such as our homes.

First, an explanation of what a hydrogen backbone might look like. Clean hydrogen could power hard-to-abate sectors such as heavy industry, shipping and aviation. Hydrogen can be stored for long without losing energy so it could also improve resilience of the power grid as a backup fuel when the sun doesn't shine and the wind doesn't blow. The UK's hydrogen backbone would repurpose up to 2,000km of pipelines to transport clean hydrogen to industrial clusters. Hydrogen comes in a variety of colours depending on how it's produced: green is from renewable energy, pink from nuclear energy, blue from natural gas with carbon capture. Most of the UK's hydrogen production right now is grey, produced using natural gas without carbon capture, but there is scope for cleaner stuff.

For instance, the UK spent £215 million in 2022 turning off wind farms during times of low demand or due to system constraints, wasting a lot of energy potential. If production facilities were located next to the farms, the UK could keep that renewable power on



Using hydrogen to heat British homes may be a bad idea
ISTOCKPHOTO

and use it to make green hydrogen instead.

A hydrogen backbone is going to take time to develop. Pipes need retrofitting to handle 100% hydrogen, which is more prone to leaks and needs transporting at higher pressures, and long-term storage doesn't exist yet in the UK. That's why the National Gas plan makes sense. Blending, as an early use-case, could help boost broader demand for hydrogen and get production up and running. But blending will be limited and temporary—eventually, we'll have to stop using natural gas altogether.

One area I find worrisome is the discussion around using hydrogen for heating. There are a series of trials currently being set up in the UK to explore feasibility, including a "hydrogen neighbourhood" of 300 homes in Fife, Scotland. A decision is expected from the government in 2026 on whether to use hydrogen for domestic heating in the UK. But the country would do well to abandon the idea, keeping hydrogen for industrial applications and focusing on speeding up the deployment of heat pumps for households.

The reason is simple: Hydrogen is a less economic, more resource-intensive method of heating than alternatives such as heat pumps and solar thermal. A recent study found that using hydrogen for heating could nearly double the cost of heating a home by the end of the decade compared with natural gas. Sure, installing heat pumps is an eye-wateringly expensive undertaking, but so is converting to green hydrogen, which will require every distribution pipe to be refurbished, every gas-burning appliance to be upgraded and rigorous safety checks to be made.

Michael Liebreich, founder of BloombergNEF, points out that converting every gas-heated home in the UK to hydrogen would cost £190 billion, and even that is a "hopelessly optimistic" estimate. The actual total could well be twice the price. A mass heat pump conversion would cost about the same—between £182 billion and £302 billion—but it would come with cooling capabilities, much greater efficiency and the added bonus of being deployable right now.

So, by all means, let's blend, as planned. But let us stay focused on the big picture, too, electrifying heat as fast as possible and building a hydrogen backbone that makes good sense.

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India bans old bulk carriers, oil tankers

India has withdrawn trading licences for oil tankers and bulk carriers that are more than 25 years old, its shipping regulator said, as the world's third-largest greenhouse gas emitter looks to cut emissions and reduce the average age of its fleet.

The order also bans acquisition of such vessels that are more than two decades old. Under current guidelines, vessels that are less than 25 years old can be acquired without any technical clearance.

"There is a need to modernize the Indian fleet, which requires extensive review of the requirements of the registration and operation of the ships," the Directorate General Of Shipping said in the order uploaded on its website late on Monday.

The average age of Indian fleet has been increasing in the recent years, bucking a global declining trend.

REUTERS

India defies US curbs: Russian oil imports at record high

US shipments to India fell 58% from last year

S DINAKAR
Amritsar, 28 February

India continues to defy US-led sanctions on Moscow, as over one in three barrels of crude oil flowing to India in February came from Russia, shipping data shows.

India imported about 51 million barrels of crude oil from Russia in February, 16 per cent higher than the 44 million barrels imported in January, according to data from Paris-based commodity market intelligence firm Kpler.

In fact, India was the world's biggest importer of Russian oil in February, exceeding China by 20 million barrels, because India buys a cheaper Urals blend, which falls outside the purview of US-led sanctions, announced in early December, the data shows.

The US is concerned because its shipments of oil to India dropped by more than half last month from a year earlier,

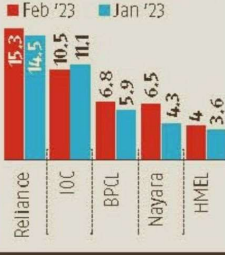


INDIA CRUDE IMPORTS
(IN MILLION BARRELS)

	Feb '23 volumes	% of total imports in Feb '23	Jan '23 volumes	Feb '22
Russia	51	39	44	0
Iraq	27	21	28.5	32
Saudi Arabia	18.5	14	23.6	25
UAE	9	7	11.5	17
US	6.5	5	15.3	15.5

Source: Kpler

TOP 5 COMPANIES
THAT IMPORTED
RUSSIAN CRUDE OIL
(IN MILLION BARRELS)



and from January. It views rising imports of Russian oil as funding Moscow's war machine. Russia, which had not supplied oil to India in February 2022, and only 2 million barrels in January 2022, has gained market share in India, partly at the US' expense.

Russia accounted for 39 per cent of Indian crude supplies in February compared to 29 per cent in January and just 1 per cent prior to the war. That compares to Iraq's 21 per cent, Saudi Arabia's 14 per cent, UAE's 7 per cent and the US at 5 per cent. Reliance Industries was the biggest

buyer of Russian grades in February, at 15.3 million barrels, followed by state refiner Indian Oil Corporation (IOC) at 10.5 million barrels. State-run refiners accounted for around 29 million barrels, or 57 per cent of purchases, reflecting New Delhi's tacit approval for Russian

purchases despite pushback from the US and Europe. Nayara Energy accounted for about 7 million barrels.

Urals, a grade similar to Arab medium in terms of yield for Indian refineries, accounted for around 67 per cent, and Sokol from the Sakhalin-1 field, where ONGC has a stake, for 10 per cent.

The US-led G7 alliance has allowed purchases of Russian crude subject to a price ceiling of \$60 per barrel. China buys more of the ESPO blend grade, and less of Urals. ESPO traded at around \$70 per barrel in January. The Urals grade trades closer to \$50 per barrel, posing no sanction worries for New Delhi. But the landed cost of Urals in India has exceeded \$90 a barrel after accounting for freight, insurance, and trader commissions, shrinking the actual discount for Indian refiners.

India's oil imports from Russia have only increased with every new phase of sanctions, reflecting the central government's view that it is best to capitalise on growing tensions between the US and Russia rather than take sides in the conflict.

India bought 37 million barrels of Russian oil in December, after the latest round of sanctions involving price caps were announced, 6 million barrels more than in November. The grace period for the price cap expired mid-January, but India bought 16 per cent more oil in January than in December.

Russia has crushed competition in India since it invaded Ukraine in February 2022 and began offering its oil at a discount to counter western sanctions. Iraq supplied 27 million barrels in February and Saudi Arabia shipped 18.5 million barrels, compared with 32 million barrels and 25 million barrels, respectively, a year earlier. The UAE supplied 9 million barrels during the period, nearly half of the previous year's volumes, while US shipments dropped by 58 per cent.

"India will remain a long-run destination for Russian oil, even if the Ukraine war ends," said Reid I'Anson, an analyst at Kpler. Europe will not buy any Russian fuel even after the war, forcing Moscow to market its crude and gas in Asia, said an analyst at the International Energy Agency.

Launch of poWer95 by HPCL

Hindustan Petroleum Corporation Limited (HPCL) launched poWer95, the premium petrol for cars and bikes, in the National Capital today. poWer95 is a superior petrol for better mileage, faster acceleration, smooth drive and lower emissions. Shri Amit Garg, Director Marketing HPCL, launched poWer95 in a glittering function held at Auto Care Centre, Niti Marg, New Delhi and 5 other Retail Outlets in Delhi in the presence of Shri Sandeep Maheshwari, Executive Director – Retail. poWer95 was also launched simultaneously at Regional Office towns of Shimla, Jammu, Bathinda, Jalandhar, Chandigarh, Panipat, Hissar and Gurugram, covering the entire North Zone. Regular petrol is rated at 91 Octane. The higher octane lowers the knocking tendency of the fuel which in turn increases thermal efficiency & gives superior and clean combustion of the fuel. poWer95 is a premium, higher-octane fuel for cars and bikes, developed in-house by HPCL's state-of-art R&D Centre, Bengaluru. On the occasion of this grand launch, Sh. Garg said that poWer95 is a perfect example of eco-friendly and engine-friendly fuel. Commenting on the roll out plan, HPCL's Executive Director, Retail, Sh. Maheshwari said that sale of poWer95 would be started across the country, starting with the metros. On this occasion, Customers and Retail Dealers of HPCL were also present in large numbers. The customers were appreciative of such a welcome initiative by HPCL.



रूस से कच्चे तेल की रिकॉर्ड खरीद

एस दिनकर

नई दिल्ली, 28 फरवरी

अमेरिकी रोक के बावजूद भारत रूस से लगातार कच्चा तेल खरीद रहा है। आवक के आंकड़ों से पता चलता है कि फरवरी में भारत आने वाले हर तीन में से एक बैरल कच्चा तेल रूस से आया था। पश्चिमी देशों द्वारा रूस पर सख्ती के बावजूद वहां से कच्चे तेल की आपूर्ति लगातार बढ़ी है।

पेरिस की कमोडिटी मार्केट इंटेलिजेंस फर्म केपलर के ताजा आंकड़ों के अनुसार भारत ने फरवरी में रूस से लगभग 5.1 करोड़ बैरल कच्चे तेल का आयात किया, जो जनवरी के 4.4 करोड़ बैरल आयात के मुकाबले 16 फीसदी अधिक है। अमेरिका इस बात से परेशान है कि पिछले महीने उसके यहां से भारत को कच्चे तेल का निर्यात साल भर पहले के मुकाबले आधे से भी कम रह गया। रूस ने फरवरी 2022 में भारत को कच्चा तेल नहीं भेजा था और जनवरी 2022 में उसने महज 20 लाख बैरल तेल भारत को निर्यात किया था।

फरवरी में रिलायंस इंडस्ट्रीज ने सबसे अधिक 1.53 करोड़ बैरल रूसी ग्रेड कच्चा तेल खरीदा था। उसके बाद 1.05 करोड़ बैरल खरीद के साथ इंडियन ऑयल दूसरे पायदान पर रही। अमेरिका और यूरोपीय देशों के प्रतिबंध के बावजूद सरकारी तेल विपणन कंपनियों ने करीब 2.9 करोड़ बैरल कच्चा तेल रूस से खरीदा, जो कुल खरीद का



रोक लेकिन बढ़ी आपूर्ति

■ फरवरी में रूस से लगभग 5.1 करोड़ बैरल कच्चे तेल का आयात हुआ, जो जनवरी के मुकाबले 16 फीसदी अधिक है

■ रिलायंस इंडस्ट्रीज ने सबसे अधिक रूसी ग्रेड कच्चे तेल की खरीदारी की

■ इंडियन ऑयल दूसरे पायदान पर रही

करीब 57 फीसदी है। इससे पता चलता है कि रूस से तेल खरीदने पर सरकार की मौन सहमति है। भारतीय रिफाइनरियों के लिए उत्पादन मात्रा के लिहाज से अरब मीडियम के बराबर ग्रेड यूराल की हिस्सेदारी करीब 67 फीसदी रही। इसी प्रकार ओएनजीसी की हिस्सेदारी वाले सखालिन-1 क्षेत्र से निकले सोकोल की हिस्सेदारी 10 फीसदी

रही। फरवरी में रूस से कच्चे तेल का सबसे बड़ा आयातक भारत ही रहा और उसने चीन के मुकाबले 2 करोड़ बैरल या 65 फीसदी ज्यादा तेल आयात किया। आंकड़ों से पता चलता है कि भारत यूराल का मिश्रण खरीदता है, जो अपेक्षाकृत सस्ता है।

यूराल क्रूड का भाव करीब 50 डॉलर प्रति बैरल है और वह अमेरिका की 60 डॉलर प्रति बैरल की मूल्य सीमा से कम है। ऐसे में भारत को प्रतिबंध की कोई चिंता नहीं है। मगर दुलाई, बीमा, कमीशन जोड़ने के बाद यूराल की कुल कीमत 90 डॉलर प्रति बैरल के पार पहुंच जाती है। इससे भारतीय रिफाइनरों के लिए असली मार्जिन कम हो जाता है।

रूसी तेल पर जब-जब प्रतिबंध लगाया गया है तब-तब रूस से भारत का तेल आयात बढ़ है। इससे पता चलता है कि नरेंद्र मोदी की सरकार रूस-अमेरिका तनाव में किसी एक का पक्ष लेने के बजाय उसका ज्यादा से ज्यादा फायदा उठाने के पक्ष में है।

फरवरी में भारत की कच्चे तेल की कुल खरीद में रूस की हिस्सेदारी 39 फीसदी रही, जबकि जनवरी में यह आंकड़ा 29 फीसदी था और रूस-यूक्रेन युद्ध शुरू होने से पहले महज 1 फीसदी था। इसके मुकाबले इराक की हिस्सेदारी 21 फीसदी, सऊदी अरब की हिस्सेदारी 14 फीसदी, यूएई की हिस्सेदारी 7 फीसदी और अमेरिका की हिस्सेदारी 5 फीसदी रही।