Brent prices extend fall

ALEX LAWLER
London, December 4

OIL PRICES EXTENDED declines on Monday, pressured by investor scepticism over the latest OPEC+ decision on supply cuts and uncertainty surrounding global fuel demand, though the risk of supply disruptions from the Middle East conflict limited losses.

Monday's fall adds to a 2% decline last week after the supply cuts announced on Thursday by the Organization of the Petroleum Exporting Countries (OPEC) and allies, including Russia, together known as OPEC+.

Brent crude futures were down 72 cents, or 0.9%, at $78.16 a barrel by 1434 GMT. US West Texas Intermediate crude futures fell 47 cents, or 0.6%, to $73.60.

"Crude seems to be under continued pressure from the OPEC+ decision," said Vandana Hari, founder of oil market analysis provider Vanda Insights.

The OPEC+ cuts were voluntary in nature, raising doubts about whether or not producers would fully implement them. Investors were also unsure about how the cuts would be measured.

"The OPEC+ 'deal' last week was unconvincing to say the least," said Craig Erlam, analyst at brokerage OANDA. "And with markets seemingly anticipating more of an economic slowdown next year, the announcement simply doesn't go far enough."

Surveys on Friday showed global manufacturing activity remained weak in November on soft demand, with euro zone factory activity contracting, while there were mixed signs on the strength of China's economy.

Geopolitical considerations were back in focus as fighting resumed in Gaza, lending some support to prices. Three commercial vessels came under attack in international waters in the southern Red Sea, the US military said on Sunday. Western countries have stepped up efforts to enforce the $60 a barrel price cap on seaborne shipments of Russian oil imposed to punish Moscow for its war in Ukraine.

—REUTERS

TIMES OF INDIA, Delhi, 5.12.2023
Page No. 2, Size:(14.75)cms X (12.62)cms.

CNG-based animal crematorium, city's first, to get operational soon

Vibha.Sharma@timesgroup.com

New Delhi: Delhi's first CNG-based cremation centre for animals at Dwarka Sector 29 will become operational this month. All permissions and connections, including the supply line, are in place and trial runs have been conducted. Indraprastha Gas Limited will supply the gas.

Spread across more than 700 square metres and adjoining a dog sterilisation centre, it will be the first such crematorium in the city with many facilities. The crematorium will have two CNG furnaces and will be used for cremation of small-size stray and pet animals.

"It will take a maximum of 30 minutes to burn dead animals up to 30 kilograms. Since, it will be a CNG-based crematorium, it will be an environment-friendly facility," said an MCD official.

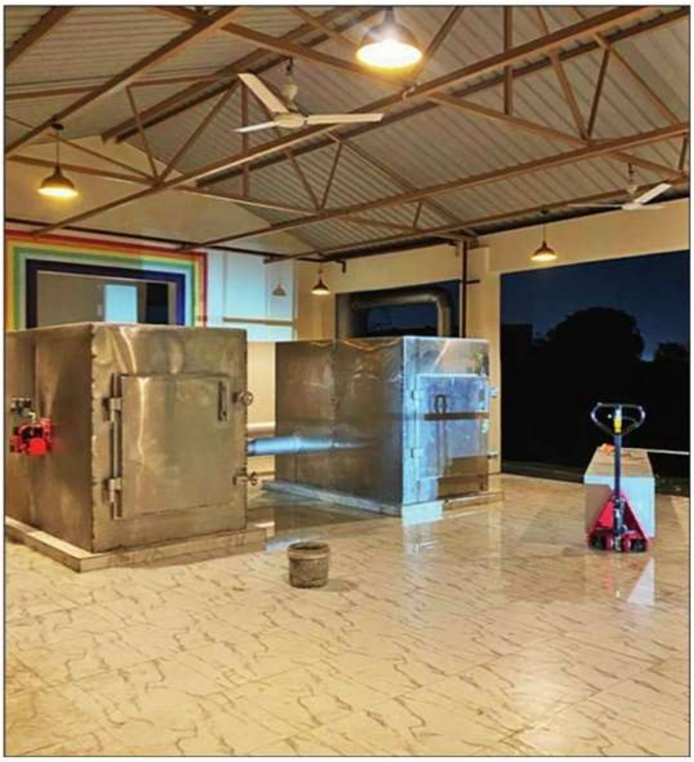
The civic body has fixed charges for using the facility for pets. Strays will be cremated for free. The corporation will charge Rs 2,000 for an animal less than 30 kg in weight such as dead pet dogs, cats, ships, goats, pigs, etc., and Rs 3,000 for those above 30 kg.

"Cremation of stray dogs, cats, etc., to be brought from areas coming under the jurisdiction of south Delhi will be done for free while a rate of Rs 500 has been fixed for cremation of stray dogs to be brought from other civic agencies such as New Delhi Municipal Council and Delhi Cantonment. These civic agencies will have to transport dead animals to cremation centres on their own. We have used the furnaces for carrying out the cremations and these are operating efficiently," said the official.

Considering the agreement for operating the crematorium was done with the erstwhile south corporation, the operator is likely to charge for animals coming from other parts of Delhi, including erstwhile east and north Delhi corporation areas.

The construction of the complex has been done on a public-private partnership basis and an agency, which has already been selected, will run the complex for a period of 10 years. The civic body had allotted the land to the agency while the ownership of the land will remain with MCD.

In total, four acres of land were allotted to the veterinary department in Sector 29, Dwarka. At this place, two dog sterilisation centres were constructed and one of them is operational.



Spread across over 700 sqm and adjoining a dog sterilisation centre, it will be the first such crematorium in the city with many facilities

ECONOMIC TIMES, Delhi, 5.12.2023
Page No. 12, Size:(13.59)cms X (16.27)cms.

COP Goes the Weasel?

Bjørn Lomborg

The spectacle of another annual climate conference is underway in the UAE. Like Kabuki theatre, performative set-pieces lead from one to the other — politicians and celebrities arrive by private jets, speakers predict imminent doom, hectoring NGOs cast blame, political negotiations go overtime and, finally, the signing of a new agreement that most participants hope, and pretend, will make a difference.

Despite 27 conferences since the 1990s, with ominous speeches and bold promises, global emissions have increased, punctuated only once, by Covid-19. This year is likely to see higher emissions than ever before.

Almost every rich country preaches far more than it delivers. This is exemplified by the EU, which has promised more than anyone else. Yet, when forced by Russia's invasion of Ukraine to cut off gas imports, it went looking in Africa for more oil, gas and coal. Meanwhile, almost every poorer country understandably prioritises prosperity, which means cheap and reliable energy. Which still means fossil fuels.

Underpinning the climate summit farce is one big lie repeated — that green energy is on the precipice of replacing fossil fuels. This exaggeration is today championed by the International Energy Agency (IEA), which has turned from an impartial arbiter of energy data to the proponent of the prediction that fossil fuels will peak within seven years.

The claim ignores that any transition away from fossil fuels is occurring only with taxpayer-funded subsidies. While major energy players like Exxon and Chevron are moving back to investment in fossil fuel, big bets on green energy have failed.

What won't be acknowledged in Dubai is the awkward reality that while climate change has real costs, climate policy does, too. In most public conversations, climate change costs are exaggerated. Just consider how every heatwave is depicted as an apocalypse, while the far greater reductions in deaths from warmer winters pass without being remarked on. Yet, the costs of climate policy are ignored.

Analysing the balance between climate and policy costs has been at the heart of the study of climate change economics for more than three decades. The research of Nobel-winning economist William Nordhaus shows that early cuts in fossil fuel emissions are cheap and will reduce the most dangerous temperature rises. But his work also shows that highly ambitious carbon reductions will be a bad deal, with phenomenally high costs and low additional benefits.

Climate activists have ignored this research and encouraged rich world leaders to make ever-greater climate promises. Many leaders have even gone so far as to promise net-zero carbon emissions by 2050. Despite this likely being the single-costliest policy ever promised by world leaders, it was made without a single peer-reviewed estimate of the full costs. Earlier this year, a special issue of Climate Change Economics made the first such analysis.

This astonishing work has gone almost unreported.

▶ It shows that even with very generous assumptions, the benefits of pursuing net-zero will just slowly inch upward over the century.

▶ By mid-century, the benefits (read: avoided costs from climate change) could reach about $1 trillion a year.

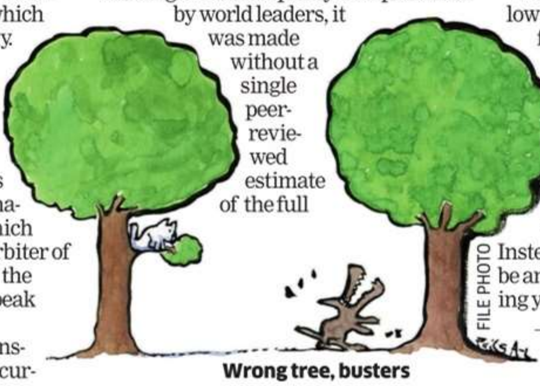
But the costs would be much, much higher. Three different modelled approaches show far higher costs than benefits for every single year throughout the 21st century and far into the next. By 2050, the annual costs of the policy range between $10 trillion and $43 trillion. That's 4-18% of global GDP. Consider that the total tax intake of all governments today is about 15% of global GDP — and politicians would potentially have us spend more than that.

Across the century, the benefit is 1.4% of global GDP, while the cost averages out at 8.6% of global GDP. Every dollar in cost delivers, perhaps, 16 cents of climate benefits. This is an atrocious use of money.

The only thing that could avoid this summit being a retread of 27 other failures is if politicians acknowledge the real cost of net-zero policy — and, instead of making more carbon-cut promises, vow to dramatically increase green energy R&D.

This would help innovate the price of low-carbon energy below that of fossil fuels so every country will want to make the switch. Instead of subsidising today's still-inefficient technology and trying to force a transition by pushing up the price of fossil fuels, we need to make green technologies genuinely cheaper.

Sadly, that seems a far-fetched hope. Instead, this climate summit looks set to be another wasted opportunity producing yet more hot air.



FILE PHOTO

Wrong tree, busters

The writer is president, Copenhagen Consensus

BUSINESS STANDARD, Delhi, 5.12.2023
Page No. 4, Size:(13.63)cms X (16.02)cms.

Fertiliser, power sectors to raise LNG import: S&P

Liquefied natural gas (LNG) import may increase by 3 million cubic metres per day (mmcm/d) in summer 2024, S&P Global Commodity Insights said. Increased gas consumption in the power and fertiliser sectors raised India's average LNG imports to 91 mmcm/d, up by 20 mmcm/d compared Y-o-Y. "There is an upside to our Q4FY24 forecast, with imports averaging 80 mmcm/d, 4 mmcm/d lower than in 2023," it said. **SUBHAYAN CHAKRABORTY**

Fossil fuel phaseout: COP28 chief says 'we respect' climate science

Jayashree Nandi
letters@hindustantimes.com

COP28 president Sultan Ahmed Al Jaber addresses a press conference at the UN climate summit in Dubai on Monday. AFP

NEW DELHI: President of the COP28 summit Sultan Al Jaber on Monday said he respected the science around the climate crisis and that there were attempts to undermine the work of the UAE as this year's conference host, seeking to clarify remarks from a day before that many saw as having undermined consensus around the need to cut back the use of fossil fuels.

The strategy of the Presidency to keep the 1.5°C goal alive was guided by science, Jaber said at a press conference in Dubai, a day after The Guardian reported that he questioned the scientific basis for calls to phase out fossil fuels.

"I honestly think there is some confusion, misinterpretation and misrepresentation. Let me introduce myself to you. I am an engineer and an economist by background... it is my conviction in science and my passion for science that has enabled me to progress in my career. Science has been central to progress in my career. I respect and trust numbers and figures. Science has guided my life," Jaber, who is also the group chief executive officer of state oil giant Abu Dhabi National Oil Corporation (ADNOC), said.

On Sunday, during a conversation with Mary Robinson, the chair of the Elders group and a former UN special envoy for climate change, Jaber said there is "no science" indicating that a phase-out of fossil fuels is needed to restrict global heating to 1.5°C and that phase-out of fossil fuels would not allow sustainable development "unless you want to take the world back into caves".

During the interview, Jaber also told Robinson, "You can take the lead. I will make sure that it (fossil fuel phaseout) is on the agenda. You come from a developed country and developed countries can lead like they always do and lead by example."

Robinson is the former president of Ireland.

On Monday, Jaber along with Jim Skea, chair of the Intergovernmental Panel on Climate Change (IPCC), said that phasedown and phaseout of fossil fuels is "inevitable". "I have said over and over that the phasedown and phaseout of fossil fuels is inevitable. In fact, it is essential. This transition is essential. The transition needs to be orderly, fair, just and responsible and well managed," he said. "I have invited parties to come to me with language on fossil fuels. With regards to timeline, I respect science and IPCC reports," he added.

"Science has guided our strategy as the COP28 Presidency. The science says we must get to net zero emissions by 2050 and we must reduce emissions by 43% by 2030 in order for us to keep 1.5°C within reach. My job in this mission is to keep laser focused on my north star which is keeping 1.5°C within reach. That will not change," Jaber said, adding that there are repeated attempts to "undermine our message and our work as COP28 Presidency".

"I am quite surprised at the constant attempt to undermine this message. There are repeated attempts to undermine our message and our work as COP28 Presidency," he said.

Skea sided with Jaber. "Oil use by 2050 is reduced by 60%; natural gas is reduced by 45%... I can say Dr Sultan has been attentive to the science and understood it," he said.

On Monday, the COP28 Presidency said that governments, businesses, investors and philanthropies have announced over $57 billion across the climate agenda in just the first four days of the summit.

MILLENNIUM POST, Delhi, 5.12.2023
Page No. 9, Size:(24.90)cms X (13.92)cms.

Govt unveils comprehensive initiatives to boost domestic oil production, says Minister

SIMONTINI BHATTACHARJEE

NEW DELHI: In a strategic move aimed at bolstering domestic oil production and reducing dependence on imports, the Indian government has implemented a series of comprehensive long-term and short-term policy initiatives. The Minister of State (MoS) in the Ministry of Petroleum and Natural Gas, Rameswar Teli, highlighted these initiatives in a written reply to the Upper House of the Parliament, emphasizing the government's commitment to achieving self-sufficiency in the crucial oil and gas sector.

He informed the Floor of the House that as the long-term policy initiatives, the centre is focused on 'Discovered Small Field Policy, 2015'- focused on harnessing the potential of small oil fields, 'Hydrocarbon Exploration and Licensing Policy, 2016'- facilitated the award of exploration acreages to boost the Exploration and Production (E&P) sector,

'Policy for Extension of Production Sharing Contracts, 2016 and 2017' provided a framework for extending existing production sharing contracts.

Further, 'Policy for early monetization of Coal Bed Methane 2017'- aimed at expediting the monetization of coal bed methane resources, 'Setting up of National Data Repository, 2017'- a centralized repository for comprehensive hydrocarbon data, 'Appraisal of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017'- focused on evaluating untapped potential in sedimentary basins.

Also, 'Re-assessment of Hydrocarbon Resources 2017'- a comprehensive re-evaluation of hydrocarbon resources, 'Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018'- encouraging the use of advanced recovery methods, 'Policy Framework for Exploration and Exploitation of Unconventional Hydrocarbons, 2018'- Focusing on tapping into unconventional hydrocarbon sources. And, 'Reforms in Hydrocarbon Exploration and Licensing Policy, 2019'- introduced to enhance domestic exploration and production.

Besides, seven short and medium-term initiatives- 'Early Monetization of Existing Discoveries' to streamline the process for early monetization of oil and gas discoveries.

Second, 'Improving Recovery Factor through IOR and EOR Techniques'- implementing Improved Oil Recovery and Enhanced Oil Recovery techniques, 'Revival of Sick Wells' for rehabilitation of non-functional wells.

Adding, 'Renewal of Facilities and Infrastructure' for upgrading existing facilities for optimal performance, 'Monetization of Small and Marginal Discoveries'- leveraging service contracts and outsourcing for onshore discoveries. 'Redevelopment of Existing Matured Fields' to enhance the productivity of mature fields and develop new ones and 'Induction of Suitable Technologies'- implementing advanced technologies in selective fields.

Minister Teli highlighted the significant shift brought about by the Hydrocarbon Exploration and Licensing Policy (HELP) in 2016, transitioning from the production-sharing mechanism to a revenue-sharing model. Subsequent reforms in 2019, including royalty holidays and concessional rates, aimed to make the policy more attractive.

Since 2017, seven successful rounds of the Open Acreage Licensing Policy (OALP) have been concluded, awarding 134 exploration blocks covering 2,07,691 sq. km. Notably, 99 per cent of previously restricted areas have been opened for exploration and production activities.

To facilitate ease of doing business in the E&P sector, the government has embraced digital platforms, online clearances through Urja Pragati Platform, self-certification for compliance, GIS-based monitoring through Urja Suraksha Samanvay, and enhanced collaboration via the Upstream India Portal, the minister informed.

PIONEER, Delhi, 5.12.2023
Page No. 10, Size:(8.80)cms X (11.93)cms.

Indian Oil opens its first EV battery swapping station

PTI ■ KOLKATA

Indian Oil Corporation (IOC) on Monday opened its first battery-swapping station in Kolkata for electric vehicles (EV).

The oil marketing PSU opened the facility at its retail outlet in New Town on the eastern outskirts of the city in collaboration with Sun Mobility, the company said in a statement, adding that this marks a significant step forward in promoting sustainable and accessible electric mobility solutions across the city.

Battery-swapping technology for two and three-wheeler EVs has proven to be a game-changer across India.

IOC director (marketing) V Satish Kumar said, "The battery-swapping technology presents a significant opportunity for promoting sustainable electric mobility solutions. This facility is expected to play a pivotal role in the adoption of EVs and spearhead energy transition in eastern India."

In the coming months, IOC, in association with Sun Mobility, will install more battery-swapping facilities at its retail outlets, allowing drivers to access its convenient and efficient solution to quickly swap depleted batteries for fully charged ones.

This enables faster turnaround times, making EVs more convenient for users.

Natural gas consumption, import rise as prices ease

ARUNIMA BHARADWAJ
New Delhi, December 4

INDIA'S CONSUMPTION OF Liquefied Natural Gas (LNG) is expected to rise further in the coming months due to growing demand from the fertilizer and power industries, analysts say. Anticipated lower spot LNG prices will further add to this growth.

"Our current forecast for December, January, and February averages at 76 MMcm/d, with an upside risk of 4 MMcm/d to this forecast, as spot prices are now expected to average around $16/MMBtu for the next three months, incentivizing spot buying for the industrial sector," S&P Global said in a note.

Not only do analysts see a rise in LNG consumption, but also in its imports to fulfill the rising demand from various sectors. "In Summer 2024, imports are expected to increase by a further 3 MMcm/d compared with 2023, driven by sustained demand in the power sector and continued growth in the industrial and fertilizer sectors," S&P Global said.

However, in the final quarter of the year 2024, the firm sees imports averaging 80 MMcm/d, 4 MMcm/d lower than in 2023.

The rise in imports will likely be driven by the anticipated increase in available LNG supply during the last quarter of 2024, putting downward pressure on spot LNG prices.

"If spot prices in Q4 2024 average around $15/MMBtu, it may encourage an additional 5-6 MMcm/d of spot imports," S&P Global noted. "Consequently, there is an overall potential upside of roughly 3-4 MMcm/d to our 2024 forecast, currently set at 87 MMcm/d. This adjusted forecast could imply a year-on-year growth of approximately 10% in Indian LNG imports for 2024."

India imported 2,337 MMSCM of LNG in October, up by 18.2% from the corresponding period last year, data from the Petroleum Planning and Analysis Cell showed. During the April to October period, the country imported 17,753 MMSCM, a 13.4% increase compared with the corresponding period of the previous year.

The surge in imports can be attributed to increased gas consumption in the fertilizer and power sectors. Higher gas generation in the power sector was driven by higher peak thermal demand amid reduced hydro power generation.

India generated 101,969.4 GWh of hydro power during April to October, a decline of 15% from 119,432.4 GWh in the same period a year ago.

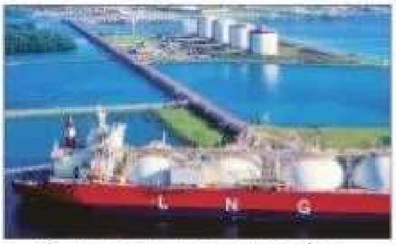
"Lower spot LNG prices and the resumption of 9 MMcm/d of term supplies from SEFE played pivotal roles in driving this increased gas demand in the power sector," analysts at S&P Global said.

Power sector consumed an average of around 23 MMcm/d in the third quarter of FY23, reflecting an increase of roughly 8 MMcm/d from the previous year.

Moreover, Indian Oil Corporation and Bharat Petroleum have been keen on purchasing spot LNG cargoes even as prices remain elevated at $16 per MMBtu, reflecting their appetite to consume LNG at a higher range. Indian Oil has awarded tenders for three cargoes for November and December delivery at around $15.5/MMBtu, whereas BPCL has awarded a spot cargo for November delivery in mid-$16/MMBtu, analysts said.

AT A GLANCE

- India imported **2,337 MMSCM** of LNG in October, up by **18.2%** from October 2022
- During April-October, India imported **17,753 MMSCM** a **13.4%** increase compared with the year-ago period



- Power sector consumed an average of around **23 MMcm/d** in Q3 of FY23, an increase of roughly **8 MMcm/d** from the previous year

- Generation in the power sector was driven by higher peak thermal demand amid low hydro power generation

Oil giant Aramco's chief says renewables still not enough to cover demand

Saudi oil giant Aramco's chief executive Amin Nasser on Monday told a panel on the sidelines of the COP28 climate summit in the UAE that that all the renewable energy coming to market is still not enough to handle additional demand.

FINANCIAL EXPRES
READ TO LEA

MINT, Delhi, 5.12.2023
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ONGC to begin oil production in May

State-controlled Oil and Natural Gas Corporation (ONGC) will in May next year start commercial production of crude oil from its much-delayed flagship deep sea project in Krishna Godavari basin, the Rajya Sabha was informed on Monday.

In a written reply to a question, minister of state for petroleum and natural gas Rameswar Teli said ONGC's KG basin project, KG-DWN-98/2, is in a "challenging geology".

Delays have occurred due to multiple challenges and issues in actual project implementation such as subsurface geological issues, shifting of well locations and surface facilities/processing platform, delays and disruption in project supply chain for vendors spread across multiple countries due to covid-19 pandemic and challenging weather conditions. **PTI**

FREE PRESS JOURNAL, Mumbai, 5.12.2023
Page No. 9, Size:(8.74)cms X (7.73)cms.

ONGC to start commercial oil production from KG block in May 2024, says Minister

PTI / New Delhi

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for vendors spread across multiple countries due to Covid-19 pandemic and challenging weather conditions.

The KG-DWN-98/2 or KG-D5 block, which sits next to Reliance Industries' KG-D6 block in the KG basin, has a number of discoveries that have been clubbed into clusters. Located 35 kilometres off the coast of Andhra Pradesh in water depths ranging from 300-3,200 metres, the discoveries in the block are divided into Cluster-1, 2 and 3. Cluster 2 is being put to production first.

"Cluster-I consists of three discoveries. FDPs of 2 discoveries were approved in 2019. This project is currently in the development stage," he said. "In Cluster-II, commercial production from one gas field has already commenced from March 2020 and commercial production of crude oil is scheduled for May 2024. The project is likely to achieve full completion by 2024." In Cluster-III, there is one ultra-deep water gas discovery which would be the second deepest hydrocarbon discovery in the world, when monetised. "The FDP is scheduled to be submitted by January 2026," he said.

As per original plans, oil production from Cluster-II should have begun by November 2021, but was delayed because of the pandemic.

MILLENNIUM POST, Delhi, 5.12.2023
Page No. 9, Size:(24.90)cms X (14.74)cms.

ONGC to start oil production from KG block in May 2024: Min

Minister of State for Petroleum and Natural Gas Rameswar Teli said ONGC's KG basin project, KG-DWN-98/2, is in 'challenging geology'

OUR CORRESPONDENT

NEW DELHI: State-controlled Oil and Natural Gas Corporation (ONGC) will in May next year start commercial production of crude oil from its much-delayed flagship deep-sea project in Krishna Godavari basin, the Rajya Sabha was informed on Monday.

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As per original plans, oil production from Cluster-II should have begun by November 2021, but was delayed because of the pandemic. Thereafter, ONGC set May 2023 as the first Cluster-2 oil production deadline but then extended it to August 2023, then to September 2023, and finally, October 2023.

None of the deadlines were met and last month ONGC Director (Production) Pankaj Kumar had stated that oil production would start within November but the company is yet to give an update on it.

Teli said after the discoveries are made in any block, operators are required to submit a field development plan (FDP) for approval by the Directorate General of Hydrocarbons (DGH). "Thereafter, the operator commences production facility development followed by testing and commercial production," he added.

ONGC had proposed a FDP for Cluster-II in April 2018, with an estimated capital expenditure of \$5.07 billion and operational expenditure of \$5.12 billion over a field life of 16 years.

The Cluster-II field is divided into two blocks namely 2A and 2B, which as per the original investment decision were expected to produce 23.52 million metric tonnes of oil and 50.70 billion cubic metres (bcm) of gas over the life of the field.

Cluster 2A was estimated to contain reserves of 94.26 million tonnes of crude oil and 21.75 bcm of associated gas, while Cluster 2B is estimated to host 51.98 bcm of gas reserves.

Cluster 2A was anticipated to produce 77,305 barrels of oil per day (bopd) and associated gas at a rate of 3.81 million metric standard cubic metres per day (mmscmd) over 15 years.

Cluster 2B is expected to produce free gas of 12.75 mmscmd from eight wells and has a 16-year life.

But ONGC is projecting a lower output - 45,000 bpd of oil and up to 2.5 mmscmd from Cluster 2A and around 9 mmscmd from Cluster 2B.

BUSINESS LINE, Delhi, 5.12.2023
Page No. 3, Size:(20.15)cms X (12.79)cms.

ONGC to submit development plan for world's second deepest hydrocarbon discovery by 2026

Rishi Ranjan Kala
New Delhi

State-run Oil & Natural Gas Corporation (ONGC) is expected to submit the field development plan (FDP) for the world's second deepest hydrocarbon discovery in the Krishna Godavari (KG) basin by January 2026, Parliament was informed on Monday.

The exploration and production (E&P) major is the operator of the block KG-DWN-98/2, which consists of three clusters of discoveries — Cluster I, II & III, Minister of State for Petroleum & Natural Gas Rameswar Teli said in a written response to a question in Rajya Sabha.

"In Cluster-III, there is one ultra-deepwater gas discovery, which would be the second deepest hydrocarbon discovery in the world when monetised. The FDP is scheduled to be submitted by January 2026," he added.

CLUSTER APPROACH

Explaining the process for operationalising the blocks, the Minister said after the discoveries are made in any block, the operator is required to submit FDP for approval by the Directorate General of Hydrocarbons (DGH). "Thereafter, the operator commences production facility development followed by testing and commercial production.

"Cluster I consists of three discoveries. FDPs of two discoveries were approved in 2019. This project is currently in the development stage," Teli said.

"In Cluster II, commercial production from one gas field has already commenced from March 2020 and commercial production of crude oil is scheduled for May 2024. The project is likely to achieve full completion by 2024," the Minister added. On the delays in operationalising the blocks, the Minister explained that the KG-DWN-98/2 block is an offshore project with challenging geology.

"Delays have occurred due to multiple challenges and issues in actual project implementation such as sub-surface geological issues, shifting of well locations and surface facilities/processing platform, delays and disruption in project supply chain for vendors spread across multiple countries due to Covid-19 pandemic and challenging weather conditions," he explained.

INDIAN EXPRESS, Delhi, 5.12.2023
Page No. 5, Size:(8.12)cms X (11.43)cms.

Respect science, says COP chief amid fossil fuel debate

EXPRESS AT COP28

AMITABH SINHA
DUBAI, DECEMBER 4

FACING HEAT from activists and scientists for his remark questioning the science behind fossil fuel phase out during an online event Sunday, COP28 President Sultan Al Jaber clarified that he respects science and the global climate summit was indeed being guided by science.

During one of the meetings, even UN Secretary General Antonio Guterres responded: "Science is clear: we need to phase out fossil fuels within a timeframe compatible with limiting global warming to 1.5 degrees Celsius."

In an online conversation with Mary Robinson, a former UN special envoy for climate change, before the start of COP28, Al Jaber was asked repeatedly if he would lead a proposal for a complete phase-out of fossil fuels. Al Jaber, besides being the Minister for Industry and Advanced Technology in UAE government, also happens to be the CEO of the Abu Dhabi National Oil Company, the world's 12th largest oil company by production, making the proposal to be seen as a clear case of a conflict of interest.

Initially, Al Jaber responded that developed countries should take a lead on fossil fuels phase-out, but then remarked that its elimination was not necessary to achieve the 1.5 degrees Celsius target.

"There is no science out there, or no scenario out there, that says that phase-out of fossil fuel is what is going to achieve 1.5 (degrees Celsius target). 1.5 degree is my north-star," he said, before acknowledging that a fossil fuel phase-out was indeed essential.

"...and a phase down or phase out of fossil fuel, in my view, is inevitable, it is essential, but we need to be real, serious and pragmatic about it," he said, but then went on to suggest that a complete phase-out would drive people "back into caves".

"Please show me a road map for a phase-out of fossil fuel that will allow for sustainable socio-economic development, unless you want to take the world back into caves," he said.

Fossil fuels account for nearly 80% of all greenhouse gas emissions. As of now, most of the countries are cutting down their emissions either by reducing their consumption or improving efficiencies. The global fossil fuels production, including coal, is on the rise.

Assessments by the Intergovernmental Panel on Climate Change (IPCC) say the use of oil (petroleum and its derivatives) has to be cut down by 60% from 2019 levels by 2050, and natural gas by 45%, to restrict global temperatures rise within 1.5 degree Celsius from preindustrial times.

Fossil producing countries like the UAE, and major consumers like the US, China or even India, are reluctant to sign on to specific timelines for phasing out their dependence on these energy sources, fearing impact on their economies. Incidentally, Al Jaber has been backing the phase-down of coal.

Jean Pascal van Ypersele, a professor of climatology and a former vice-chairman of IPCC issued an angry letter Al Jaber on behalf of a group of other scientists, reminding him that humanity needed to agree on the phase-out of all fossil fuels by 2050 and on stopping net deforestation at the same time.

"The climate system does not do politics. It does not play with words. It only understands real emission or absorption of greenhouse gas molecules. Net zero means exactly what those words mean: not a single tonne of CO_2 that is not 100% absorbed safely and permanently can be emitted," he said.

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'Tax oil cos' profit, leisure travel to fund climate fight'

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NEW DELHI: Carbon taxation on the profits of oil and gas, maritime and aviation industries, additional levies on leisure travel, and the cancellation of subsidies for any fossil fuel, tapping into climate philanthropy, among others could offer the world enough financial resources to help vulnerable countries deal with climate impacts and developing economies transition to greener energy, an independent high-level expert group said in its report released on Monday.

The report by the Independent High-Level Expert Group on Climate Finance (IHLEG) was released by Barbados Prime Minister Mia Mottley, who is also the architect of the Bridgetown Initiative to address the needs of countries facing debt and liquidity challenges, at this year's UN Climate conference (COP28) underway in Dubai.

In its efforts to redraw the climate finance mechanism, the Initiative presented a roadmap to reach $2.4 trillion in climate investment for developing nations outside China, outlining a variety of commitments that governments, private companies, multilateral funding institutions, and philanthropies can adopt to tackle costs associated with the climate crisis.

Mottley said two steps were now crucial to keep the world within the Paris Agreement target of limiting global warming to 1.5°C: reining in methane emissions, and fixing climate funding. "The objective first and foremost is not to breach 1.5 degrees. The best way to do that is by controlling methane. I make the call again for a global methane agreement because if we can adjust to a global minimum tax, then we can do this. And second, we must also get an understanding that if there is not enough public money, then let us give the opportunity to people to pay their fair share and transform their behaviour," she said.

The expert group is co-chaired by economists Vera Songwe of Brookings Institution and Nicholas Stern, chair of the Grantham Research Institute at London School of Economics. Amar Bhattacharya, senior fellow at Global Economy and Development, Center for Sustainable Development at Brookings is the executive secretary of the group with NK Singh, chair of India's fifteenth finance commission, as one of the advisers.

Mottley said the approach on financing needs to take into account people who may not be able to pay and must transform their behaviour — such as farmers — while those that can afford to, such as philanthropies, oil and gas companies, and people flying first class, must chip in with climate costs. "The point is we can get there if we accept that if we have a credible plan to live on Mars then everyone has to pay their part through change of behaviour or contribution from their pockets," Mottley added.

The group was tasked to assess how the climate finance system must change if it is to support the investment and actions necessary to deliver the goals of the Paris Agreement. Their first report published last year at COP27 concluded that around $2.4 trillion a year would be necessary by 2030 (in emerging markets and developing countries outside China) across the priorities of a just energy transition, adaptation and resilience, loss and damage, and conservation. This is a four-fold increase from current levels of funding for these sectors.

"Failure to generate investment and finance of the scale and nature required is to fail on Paris. The consequences would be devastating, particularly for the poorest people. Seizing the opportunity would unlock the growth story of the 21st century. This is truly finance with a purpose," the report said.

A core portion of the report focussed on the role of multilateral development banks (MDBs). Singh and American economist Larry Summers recently led efforts to suggest reforms in these banks, including on how to finance development and climate intervention.

"We are at a critical juncture today. We are off-track in delivering on both the climate commitments and sustainable development goals. There is a sense of urgency to make significant progress. There is great congruence and synergies in the reports of the Independent Expert Group (IEG) on Reforming Multilateral Development Banks, which Larry Summers, and I co-chaired, and the Independent High Level Expert Group (IHLEG) report. The latter recommends an integrated climate finance framework that boosts all sources of finance, namely – public and private, domestic, and international – and uses their complementary strengths," said Singh.

During his speech at the COP28 finance session, he said MDBs must be at the centre "for climate and developmental finance, for creating an effective response and bringing diverse actors to support a shared agenda of transformative development..."

The report recommends tackling the immediate debt constraints and lack of fiscal space impeding the ability of many countries to invest, especially poor and vulnerable economies. Adaptation costs/needs are now estimated at around 10–18 times as much as current flows of international public adaptation finance.

The commitment by developed countries to provide $100 billion a year by 2020 was not met as of 2021, eroding trust, it noted.

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EXPLAINED CLIMATE CHANGE

The fossil fuel question

Oil, gas, coal, and their derivatives account for at least 80 per cent of greenhouse gas emissions. Yet, COPs over the years have not even acknowledged the role of fossil fuels in global warming. That could change

EXPRESS AT COP28

AMITABH SINHA

IT MAY sound incredible, but none of the hundreds of decisions that have been taken at the annual climate change conferences over the last three decades have ever acknowledged the role of fossil fuels in global warming, or the need to eliminate their use. Fossil fuels have always been the elephant in the room that everyone has chosen not to see.

But the furore created by the remarks of Sultan Al Jaber, who is presiding over the ongoing COP28 climate meeting in Dubai, may force countries to include, for the first time, a reference to a fossil fuel phase-down in the final outcome of a climate conference.

The controversy

A video has surfaced from an online event held two weeks ago, in which Al Jaber, in response to questions on whether he would lead the effort to include a fossil fuel phase-down proposal in the final agreement, is heard saying that achieving the 1.5 degree Celsius target was not contingent on an elimination of fossil fuels.

"There is no science out there, or no scenario out there, that says that phase-out of fossil fuel is what is going to achieve 1.5 (degree Celsius target). 1.5 is my north star. And a phase-down or phase-out of fossil fuel, in my view, is inevitable, it is essential, but we need to be real, serious and pragmatic about it," Al Jaber said.

"Please show me a road map for a phase-out of fossil fuel that will allow for sustainable socio-economic development, unless you want to take the world back into caves," he said.

Besides being a minister in the UAE government, Al Jaber is CEO of the Abu Dhabi National Oil Company, the world's 12th largest oil company by production. This latter role has provoked attacks since he was appointed president of COP28. Ahead of the conference, Al Jaber was accused of trying to promote the interests of his oil company during meetings with governments. He has denied these accusations.

UAE Minister of Industry and Advanced Technology and COP28 President Sultan Ahmed Al Jaber speaks during the COP28 in Dubai, on November 30. *Reuters*

Fossil fuel debate

Fossil fuels — oil, gas, coal and their derivatives — account for at least 80 per cent of all greenhouse gas emissions. There is no way that emissions can be reduced without substantially cutting down the use of these fuels. But that is exactly what influential countries have been attempting to do in the climate negotiations — aiming to cut emissions without touching its source.

Efforts to cut emissions have so far been focused mainly on reducing the relative consumption of energy or on improving energy efficiencies. And global production of fossil fuels continues to rise.

No wonder then that none of the climate targets have ever been achieved. And the current targets too seem way beyond reach right now.

According to the latest projections, all the current climate actions being taken by countries are estimated to bring down annual emissions by just 2 per cent from 2019 levels by 2030 — science says this figure must be at least 43 per cent if any hope of keeping global temperature rise to within 1.5 degree Celsius from pre-industrial averages is to be entertained.

Installation of renewable energy sources like solar or wind, which do not have emissions, are now outpacing new fossil fuel projects, but most of these are meant to cater to increased demand. The replacement of fossil fuel capacity with renewable energy is not happening at a fast enough pace.

The Indian initiative

Interestingly, it was India that set the cat among the pigeons at the COP27 meeting in Sharmel-Sheikh, Egypt, last year by calling for a phase-out of fossil fuels to be included in the final outcome of the meeting. India was trying to turn the tables on the western countries after being stung by the inclusion of coal in the final outcome of COP26 in Glasgow.

It was only a vague mention, though — calling for acceleration of a phase-down of "unabated" coal, without any specific schedule. But it was the first time that any fossil fuel had ever been mentioned in an official COP decision.

India fought hard to get the word 'phase-out' changed to 'phase-down', with the tacit support of many powerful countries, including the United States and China, both big consumers of coal, like India. It is not clear what the terms 'phase-out' and 'phase-down' refer to in practical terms — or what "unabated" coal use means. These are terms that would be defined during the negotiations, and are expected to be extremely contentious.

At COP27 last year, India argued against the singling out of coal, and called for the phase-down of all fossil fuels. Coal has been the favourite whipping boy, while oil and natural gas have got a free pass. Last year, the European Union (EU), facing an energy crisis because of the Russia-Ukraine war, even declared natural gas as "green" in some specific uses.

After initial hesitation, both the EU and the US, two of the most influential developed country players in these talks, agreed to back the Indian proposal. But it was eventually torpedoed in the behind-the-scenes negotiations. India does not plan to take the lead on this issue at COP28.

Fossil fuels phase-out is a sensitive subject for most of the powerful players in these negotiations — the US, the EU, China, India, Australia, Saudi Arabia, the UAE, etc. They are either major producers or consumers of fossil fuels, and their economies are dependent on the use of these fuels. It has, therefore, been convenient for them to frame the climate change objectives in more generic terms like emission reductions or temperature targets.

Ready for entry

But that is about to change now. Fossil fuels are most likely to finally make an entry into the climate negotiations at COP28. The pressure to do so is intense — not least because the world is nowhere close to achieving its 2030 targets.

Sultan Al Jaber has said he has invited countries to submit their proposals on fossil fuels phase-out for them to be negotiated upon. The final decisions of COP28 might indeed have a mention of the need to phase down fossil fuels. That itself might be radical, considering it has remained unmentioned for three decades. But the specifics and schedules are unlikely to be decided upon. That will require several more rounds of intense negotiations.

The untold oil stories

Dominant drivers of crude oil market today are not the fundamentals of demand and supply, but the non-fundamentals, the psychology of Benjamin Netanyahu, Joe Biden and Mohammed bin Salman

C R Sasikumar

OVER THE BARREL
BY VIKRAM SINGH MEHTA

I HAVE OFTEN commented that it is not easy to call the international oil market because it is subject to not just the fundamentals of demand, supply and geopolitics, but also the non-fundamentals of exchange rates, financial speculation and human psychology. This said, had I been asked in recent weeks to predict the movement of oil prices, I would have unhesitatingly jerked my thumb upwards to signal a sharp increase. The Middle East has conflagrated yet again and my prediction would have been based on past precedent. Every time there is trouble in the region the markets tighten. I would have been proved wrong, at least as of the writing of this article. The price of oil (Brent) on October 6, the day before the Al Qassam brigade unleashed its attack on Israeli civilians, was $84.5/barrel. It was $81 on December 1.

The fundamentals of supply and demand can offer an explanation. Israeli bombs have not triggered a disruption of supplies. There has also been a spate of new discoveries in Brazil and Guyana, and US shale oil production is trending upwards. Further, demand has slowed down principally because of the slackening Chinese economy.

But is this a sustainable market condition? Might we not be experiencing the deceptive calm that precedes a volatile storm? I ask because, as I see it, the dominant drivers of market conditions today are not the fundamentals of demand and supply, but the non-fundamentals, the psychology of Prime Minister Benjamin Netanyahu, President Joe Biden and Crown Prince Mohammed bin Salman.

These individuals would have a bearing on the market at all times. For, they are leaders of countries that sit at the cross-section of the geopolitics and geoeconomics of the international oil market. But today it is not this systemic position that is of significance. It is their state of mind. It is a fact that they are each facing particular challenges. PM Netanyahu is hanging onto his job by a thread; President Biden is entering an election year and Crown Prince MBS is driven by economic nationalism and his vision to turn Saudi Arabia into a regional economic power. The trajectory of the petroleum market may well be determined by how these personal factors influence the mindsets of these leaders as they decide how to respond to the turmoil in the Middle East.

Readers may well accuse me of engaging in idle parlour games. How can one enter into the psyche of global leaders? But then, I aver, it is the game, not the result that matters. Playing it may better prepare everyone to handle the unexpected. Imagine a fly on the wallpaper of the war rooms of the Israeli military and Hezbollah. What might it hear?

In Israel, the conversation amongst the leaders who know that 1,500 or so Hezbollah rockets are targeted at Israel will most likely be whether to preempt the deployment of these rockets through a preemptive strike. In Lebanon, the conversation amongst the Hezbollah leaders will be whether to preempt the preemptive by deploying their rockets.

Imagine another scene. This time the fly is on the armrest of President Biden's favourite sofa in the Oval Office. His senior-most military advisers are gathered around him. They have just been told that US troops have been killed in Syria and Iraq by presumed proxies of the Iranian theocracy. They are debating whether to bomb Iran. The elephant in the room is Biden's declining poll numbers.

Around the world, including in Iran, where the de facto masters of Hezbollah reside, the hope is that the conflict will be limited to Gaza. No one really knows, however, how Netanayu or the Hezbollah leaders will respond to this variant of the "prisoners' dilemma". Nor whether President Biden will approve the bombing of Iran in the hope a muscular response will bolster his electoral prospects.

What is known, of course, is that action would broaden the conflict and trigger potentially catastrophic political, military, economic and humanitarian consequences. It would most likely result in the destruction of oil infrastructure and the disruption of supply lines including the choke of the Straits of Hormuz through which pass 21 million barrels of oil every day (approx 20 per cent of global demand). Oil prices would, in consequence, ratchet upwards.

Were the fly now to find itself in the palace of MBS, it might hear a different conversation. MBS's overriding interest is to maximise revenues to fund his Saudi Vision 2030. Because of that, the conversation is centred around the question: Would Saudi be better off financially over the medium to long term by keeping oil prices high, but risking in the process market share or by driving down prices and pushing high-cost producers to the wall, thereby establishing long-term dominance of the energy market? Which of these two options would generate a higher net present value?

These individuals would have a bearing on the market at all times. For, they are leaders of countries that sit at the cross-section of the geopolitics and geoeconomics of the international oil market. But today it is not this systemic position that is of significance. It is their state of mind. It is a fact that they are each facing particular challenges. PM Netanyahu is hanging onto his job by a thread; President Biden is entering an election year and Crown Prince MBS is driven by economic nationalism and his vision to turn Saudi Arabia into a regional economic power.

I am not suggesting Saudi is contemplating the latter. On the contrary, they have just last week put their imprimatur on keeping prices high through production cutbacks. I am simply throwing out a counterfactual. After all, if they did indeed go for market share it would not be a first. They opened the oil spigot in March 2020 even as markets were collapsing because of Covid-19. The result was a dramatic drop in prices so much so that MBS had to reverse course within days. Something similar could be tried again. The fact is that whatever the rhetoric, Saudi Vision 2030 rests on earnings from oil and gas exports.

My parlour game describes two scenarios. One in which oil prices head towards triple digits; another where they drop like a stone. These are not forecasts; simply descriptions of logically plausible alternative futures. If nothing else, I hope the game will stretch decision-makers mentally. But if more, I hope it will prompt them to contemplate contingency actions. In anticipation of the former, India should build up its strategic petroleum reserves; in anticipation of the latter, it should streamline trading norms to capture arbitrage opportunities.

The writer is Chairman and Distinguished Fellow, Centre for Social and Economic Progress