TIMES OF INDIA, Delhi, 12.12.2023
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New COP28 text diluted to appease oil producers

Avoids Talking Of 'Phase Out' Of Fossil Fuels

Vishwa.Mohan
@timesgroup.com

Dubai: With COP28 talks entering home run, India is looking to secure the best deal for itself amid pressure from EU & US to get nations to agree to a "phase out" of fossil fuels, something that the latest draft, released on Monday, avoided while seeking to give more elbow room to negotiators.

TOI @ COP 28

Instead of "phase out", the document talks of "reducing consumption & production of fossil fuels, in an equitable manner so as to achieve net zero by, before, or around 2050 in keeping with the science" — a first at a UN conference and a language seen to be acceptable to all oil & coal producing nations. In fact, "oil and gas" did not appear anywhere in the 21-page text

Reuters

Licypriya Kangujam, an activist from India, at COP28

while "fossil fuels" were mentioned thrice in the latest draft put together with less than 24 hours to go for the close of the conference.

Indian officials were in a huddle, combing through the draft, as EU termed it "disappointing", while the US called for the language on fossil fuel to be "substantially strengthened".

What may be of concern to India is the latest draft retaining lines on "phasing out of inefficient fossil fuel subsidies" and "rapidly phasing down unabated coal and limitations on permitting new and unabated coal power generation". Although caveats are there, Indian negotiators are examining it in view of the country's stand. The point on accelerating & reducing non-CO2 emissions, including, "methane emissions globally" by 2030 may be scrutinised closely by India as it has the potential to impact the country's livestock and paddy cultivation.

On renewable energy growth, the text retains the language of G20 New Delhi leaders' declaration and "calls upon" countries to triple renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030.

On finance — a key area of concern for India — the text largely goes with the concerns expressed by this group and notes with "deep regret" that the goal of developed nations to mobilize jointly $100 billion per year by 2020 in the context of transparency on implementation was not met in 2021.

TATA POWER, IOC TO DEPLOY 500 EV CHARGING POINTS

TATA PASSENGER ELECTRIC Mobility (TPEM) on Monday said it has tied up with charge point operators Chargezone, Glida, Statiq, and Zeon. TPEM will actively assist the four CPOs in installing chargers at locations most frequented by its EV owners and share insights on how the chargers are being used to help understand and enhance customer experience.

FINANCIAL EXPRES
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ECONOMIC TIMES, Delhi, 12.12.2023
Page No. 13, Size:(5.00)cms X (6.13)cms.

Oil Prices Hold as Investors Still Wary

London: Oil prices were steady on Monday as worries persisted around crude oversupply despite OPEC+ cuts and softer fuel demand growth next year. Brent crude futures dipped 6 cents to $75.78 a barrel by 1427 GMT. US West Texas Intermediate crude futures were down 7 cents at $71.16. Both contracts jumped more than 2% on Friday but were down for a seventh straight week, their longest streak of weekly declines since 2018, on lingering oversupply concerns. "There is little doubt that the oil complex remains in a state of vulnerability," oil broker PVM's John Evans said in a note on Monday. **Reuters**

RUN-UP PUSHED THEM INTO OVERBOUGHT TERRITORY, LEADING TO PROFIT BOOKING

Oil Stocks Fall on Talk of Poll Sops, Some say Time to Buy

Fuel price cut may be temporary; margins strong, valuations attractive: Analysts

Kairavi Lukka

More Gains Ahead

Stock	LTP (₹)	Change Since Dec 3* (%)	Since Nov 26 (%)	YTD (%)
Indian Oil Corporation	117.50	5.60	36.3	50.64
Hindustan Petroleum	361.00	4.50	49.0	52.19
Bharat Petroleum	465.90	6.40	39.0	39.66
ONGC	198.05	1.78	9.4	31.68
GAIL	140.95	3.52	19.0	45.91
Mahanagar Gas	1,178.60	10.87	19.0	39.47

*State election Results were declared on Sunday, December 3. Source: BSE

PRAVIN G

Mumbai: Stocks of oil marketing companies dropped on Monday as reports that the government may consider cutting retail fuel prices prompted traders to cut some of their bullish bets. Analysts said these stocks were overbought after the recent run-up but a reversal might be an opportunity to load up on some of them.

Among oil marketers, Hindustan Petroleum fell 4.36%. Indian Oil and Bharat Petroleum both lost about 1%. The BSE Oil & Gas index was also down by 0.15%. Among oil explorers, ONGC gained 1.1%, while Oil India shed 0.3%.

"OMCs have seen some profit booking in the short run as they are in the overbought territory and are experiencing a temporary pullback," said Ruchit Jain, lead research analyst at 5Paisa.com.

The BSE Oil and Gas index is still positive and a reversal in the trend is unlikely, he said.

Since October 26, when the market bounce began, HPCL shares surged 49%, BPCL jumped 39% and IOC rose 36%. The BSE Oil & Gas index gained 24% and the Sensex moved up 10.7% in this period.

The rebound came in the wake of global crude prices falling from $87 a barrel to $75.6 and strong September quarter results. When global oil prices fall, it boosts the profitability of OMCs. "OMCs have healthy operating margins and the advantage of discounted Russian crude coming in as raw materials," said Avishek Datta, research analyst at Anand Rathi. "Natural gas companies also benefit from price clarity as the price of domestic gas has been set to $6.5 mmBtu in advance."

Some analysts have raised doubts about OMCs sustaining their high margins given the uncertainties in oil prices

Brokerage Emkay Global said it has a 'constructive' outlook for OMCs despite the possibility of retail fuel price reductions before the general elections, as they could be for a brief period.

"Valuations remain reasonable, with current one-year forward price-to-book multiples being 25-50% lower than the 10-year peak multiples," said Emkay's analysts Sabri Hazarika, Harsh Maru, and Arya Patel in a note. "Post-election optimism with respect to revisiting disinvestment, re-deepening of deregulation and other reforms could drive a further rerating."

Some analysts, however, do not favour OMC shares at this juncture. "With uncertainty in oil prices amidst upcoming elections, we do not see OMCs sustaining supernormal marketing margins on petrol and diesel and have downgraded them," Swarnendu Bhushan, co-head of research at Prabhudas Lilladher. "Even natural gas companies are under a cloud due to uncertainty on their volume growth and we do not see further upside."

TOP SECTOR PICKS

ONGC and Mahanagar Gas are Jain's top picks as they are showing "good price volume action and bullish patterns on the daily charts".

"Oil India and ONGC are our top picks. We prefer Oil India as it has a sharp strong volume growth coming up along with capacity expansion plans," said Datta.

kairavi.lukka@timesgroup.com

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LPG offtake under LPG scheme up: Oil minister

SUKALP SHARMA
New Delhi, December 11

THE AVERAGE PER-CAPITA consumption of cooking gas under the Pradhan Mantri Ujjwala Yojana (PMUY) has improved to 3.8 cylinder refills on an annualised basis in April-October from 3.01 refills for 2019-20 (FY20) and 3.71 in FY23, petroleum minister Hardeep Singh Puri informed the Parliament on Monday. The minister also said that the government's measures to keep the fuel affordable for poor households have been effective in keeping its price cheaper than in neighbouring countries like Pakistan and Sri Lanka.

The PMUY was launched in 2016 to provide poor households access to liquefied petroleum gas (LPG) as a cooking fuel and discourage the use of traditional kitchen fuels like firewood and cow dung cakes, which are more polluting and pose health hazards. Over the years, the PMUY has emerged as a key welfare scheme of the Narendra Modi government.

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ECONOMIC TIMES, Delhi, 12.12.2023
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Keppel Unit, AM Green to Weigh Clean Fuel Output in SE, W Asia

Cos sign MoU in the backdrop of COP28 in Dubai

Our Bureau

ISTOCK

Mumbai: Keppel Corporation's infrastructure division and AM Green, which is wholly owned by the founders of Hyderabad-based Greenko, have decided to jointly explore opportunities in producing biogenic carbon-based sustainable fuels in Southeast Asia and West Asia.

These sustainable fuels can serve as an environmentally sustainable alternative to fossil fuels to support the decarbonisation of heavy industrial operations and the aviation sector. The companies estimate that these two regions can harness and aggregate at least a million tonnes of biogenic carbon dioxide per year. The companies signed a memorandum of understanding (MoU) against the backdrop of COP28 in Dubai.

In addition, Keppel Corporation and Greenko will identify areas for collaboration in the value chain of a bio-methanol project in India. The project aims to produce 500,000 tonnes of bio-methanol annually.

Biofuels, which are derived from organic material such as plant and animal biomass, make up the largest source of renewable energy in use globally, accounting for 55% of renewable energy and about 6% of the world's energy supply. The production and combustion of sustainable fuels significantly reduce greenhouse gas emissions, making them effective cleaner sources of energy.

Keppel Corporation currently operates a 273,750 tonnes per year anaerobic digestion and composting plant in Qatar which the company had designed and built in 2012. It is the world's largest composting plant, with a capacity to generate nearly 110,000 m3 of biogas daily, which is converted into green electricity for operational use, as well as exporting to the grid. The company is also involved in industrial carbon-capture feasibility studies for waste-to-energy facilities in Singapore and the United Kingdom.

Cindy Lim, CEO of Keppel Corporation's Infrastructure Division, said, "Biofuels have an important role to play in decarbonising industrial operations and the aviation sector. Keppel's experience in handling and treating domestic waste and organic feedstock, as well as our knowhow in effective carbon cycling will benefit this collaboration with AM Green. This partnership aims to spur the development of next-generation biofuels and sustainable aviation fuel in the region, which can serve as substitutes for fossil fuels."

The collaboration is not expected to have any material impact on the earnings per share and net tangible asset per share of Keppel Corporation in the current financial year, the company said.

"This partnership will propel the transformation of India towards being an exporter of renewable-energy derived products such as green methanol and SAF (sustainable aviation fuel). AM Green will utilise Greenko's Intelligent Renewable Energy Storage Platform to combat climate change, and establish us as a reliable, sustainable source of low-cost green molecules to catalyse India's and the world's decarbonisation," said Mahesh Kolli, president, AM Green.

The partnership is an extension of the collaboration between Keppel Corporation and Greenko signed in October 2022 to explore the feasibility of jointly developing a green ammonia production facility of at least 250,000 tonnes per year in India. The facility is envisaged to be powered by a portfolio of up to 1.3 GW of solar and wind energy projects, firmed by pumped hydro storage.

ECONOMIC TIMES, Delhi, 12.12.2023
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Latest COP28 Draft Document Omits 'Fossil Fuel Phaseout'

Dubai: As the climate talks in Dubai spinned into the final hours, negotiators Monday published the latest draft on global stocktake, considered the most important document of COP28, and it does not include the "phase out of fossil fuels". However, it suggested that countries could agree on slashing "production and consumption of fossil fuels" for the first time in the history of UN climate conferences.

Several countries and the EU had earlier said a deal to "phase out all fossil fuels" will be the benchmark of success for COP28. However, this could still make it to the final text.

"The COP28 Presidency has been clear from the beginning about our ambitions. This text reflects those ambitions and is a huge step forward. Now, it is in the hands of the Parties, who we trust to do what is best for humanity and the planet," the COP28 Presidency said.

The latest draft of the Global Stocktake (GST), based on which countries' will announce their new action plan to limit global warming to 1.5 degrees Celsius next year, suggests there has been a massive push from fossil-fuel reliant economies against a phase out of all fossil fuels. **–PTI**

THE COMPASS

Street remains optimistic about further gains in OMCs

DEVANGSHU DATTA

After a spike in crude oil and gas prices in October following the Hamas terror attack, prices eased down 9 per cent month-on-month in November.

The Organization of the Petroleum Exporting Countries (Opec) and Opec+ agreed to a further voluntary production cut in January-March 2024 to try and support global crude prices.

The best guess here is that crude prices (currently at $75/barrel, or bbl) will not likely cross significantly above $80, and gas prices are also likely to remain subdued unless there's a further escalation in the Israel-Hamas conflict.

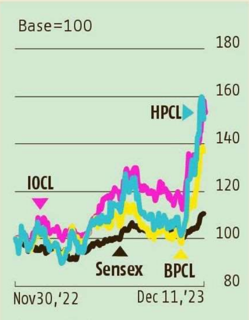
Demand growth could be moderate in calendar year 2024 due to the rise in penetration of electric vehicles, efficiency gains, and continued global macro weakness. This is likely to limit the sharp rise in oil prices unless Opec+ institutes another deeper round of production cuts.

Singapore's gross refining margins (GRMs) recovered to $5.3/bbl in November 2023 after dipping to $3.9/bbl in October.

Refining margins may remain strong over the next two quarters due to strong seasonal demand coupled with scheduled refinery maintenance across multiple refineries. If storms hit the US Gulf Coast, there could be a further upside to gross refining margins.

India appears to have a competitive advantage in diesel exports since it has access to Russian crude at a significant discount to Brent.

This implies that oil-marketing companies (OMCs), which were under pressure as crude and gas prices spiked, could get unexpected good news with moderating feedstock prices and decent GRMs.



Source: Exchange
Compiled by BS Research Bureau

The recent Assembly election results should also mean some degree of confidence that OMCs will not be asked to reduce retail prices and may be allowed to pass on any feedstock price increases that occur.

Petrochemical (petchem) spreads may also improve. However, the potential for some price cuts in retail prices does remain at least until April-May. There was a positive rerating of OMCs over the past six weeks as crude prices normalised.

Diesel marketing margins improved to a negative 70 paise/litre in November from a negative ₹7.5/litre in October, while petrol margins increased to ₹8.5/litre from ₹7.1/litre.

Bharat Petroleum Corporation is up over 15 per cent since mid-November, and IndianOil and Hindustan Petroleum Corporation are up 12-13 per cent. Chennai Petroleum Corporation and Mangalore Refinery and Petrochemicals are also up considerably in the same time frame.

Reliance Industries (RIL) should also ideally feature in this analysis since it is a big player across the whole energy and petchem space, and it will be a beneficiary. However, RIL's exposures in telecommunications and retail make it hard to assess how much of the valuation should be assigned to which vertical.

The strong price uptrend in OMCs over the past six weeks does, however, place a question as to the remaining upside. The market is optimistic and expects this benign cycle to continue through the next two quarters at the least.

In that case, better-than-expected 2023-24 operating profit would help OMCs to pay down debt. But any breakdown in the assumptions listed above — crude prices within a narrow range, strong GRM and strong petchem margins, and pricing freedom at the retail stage — would make the valuations look stretched.

ILLUSTRATION: AJAY MOHANTY

Why climate efforts fail to cut emissions

Technological limitations and policy inconsistencies pose a formidable challenge

The current climate discussions at the 28th edition of the Conference of the Parties (COP) in Dubai centred around the target of limiting the earth's temperature rise to below 1.5 degrees Celsius by the end of this century from the pre-industrial (1850-1900) average of 13.9 degrees Celsius.

The target, set initially by the Paris Agreement in 2015, is seen as essential to prevent some of the most catastrophic impacts of climate change. Countries are required to make substantial cuts in their greenhouse gas emissions to achieve this target.

Climate models show that global temperatures have increased by 1.4 degrees Celsius and could rise to 3 degrees Celsius by 2100 if we don't reduce emissions. Greenhouse gas emissions have jumped from 14.5 billion metric tonnes in 1970 to 53.8 billion in 2022. To keep the temperature rise below 1.5 degrees Celsius, we need to reduce emissions by 22 billion tonnes by 2030, which is a 42 per cent decrease. If the past is any indicator, emission cuts are difficult to achieve.

AJAY SRIVASTAVA

The reason include the non-binding nature of international climate resolutions, technology challenges in transitioning to solar and wind, and continued financial support for fossil fuels by developed countries. Let us explore the details.

From Kyoto to Dubai: Over the past five decades, global climate efforts have raised awareness but achieved limited practical results in reducing emissions. The journey began with the establishment of the United Nations Environment Programme (UNEP) in 1972, marking the first significant global initiative in environmental conservation. The UNEP played a key role in raising ecological awareness, but its impact on reducing emissions was minimal due to the non-binding nature of its resolutions.

The United Nations Framework Convention on Climate Change (UNFCCC) then introduced a series of annual meetings, known as the Conferences of the Parties, starting with COP1 in 1995 in Berlin. These conferences aimed to bring global attention to climate change and initiate meaningful action. However, the initial COP meetings had limited success in compelling countries to reduce their greenhouse gas emissions.

A major development occurred with the Kyoto Protocol in 1997, signed by 192 countries. This treaty set mandatory emission reduction targets, primarily for developed nations. However, the withdrawal of the United States, one of the largest emitters at the time, in 2001 due to economic concerns, significantly undermined the effectiveness of the Kyoto Protocol.

The 2015 Paris Agreement, signed by 196 countries, marked a new chapter in climate change mitigation efforts. It aimed to limit global temperature rise to below 2 degrees Celsius, preferably to 1.5 degrees Celsius, above pre-industrial levels. The agreement introduced nationally determined contributions (NDCs), where countries outline their emission reduction plans. Despite this, the voluntary nature of NDCs raised doubts about their adequacy in achieving the ambitious temperature targets.

COP28 in Dubai called for a tripling of renewable energy by 2030. While 118 countries agreed, India, China, Russia, Saudi Arabia, and many others did not. Without specific country-level targets, this goal, like most others, is just a hope. Countries must first discuss and agree on such plans rather than having them imposed. There's a gap between the ambitious ideas promoted by global organisations and the practical, country-specific plans needed to address climate change effectively.

Energy transition challenges: The paradox in the global energy scenario is stark. Renewable energy usage is up, but so is the overall energy consumption, resulting in more fossil fuel use. This undermines climate change mitigation efforts, as the rise in total energy demand cancels out the relative decrease in fossil fuel use. Tackling this requires accelerating the shift to renewables and implementing widespread energy efficiency and consumption reduction measures.

Also, switching from fossil fuels to renewable energy is challenging. Hydroelectric power, a major renewable source, faces environmental concerns like wildlife and watershed impact, plus difficulties in finding suitable dam locations.

The current climate discussions often overlook a crucial point: There isn't yet technology available to operate a power grid exclusively on solar or wind energy. While integrating 20-30 per cent of these renewable energies into the power mix is feasible, increasing their share is fraught with challenges. The intermittent nature of solar and wind power requires extensive energy storage solutions to manage the fluctuations in energy production. Additionally, maintaining the stability of the power grid with a higher proportion of renewables necessitates major upgrades to the existing infrastructure and demands considerable investment in new technologies and the modernisation of the grid.

Also, solar and wind are unsuited for energy-dense applications like the production of steel or heavy trucking. Green Hydrogen technology is not mature and expensive. A high import bill is a concern as most inputs for setting up solar capacities come from China.

Developed vs developing: Advanced countries have caused 89 per cent of historical greenhouse gas emissions. They provided \$1.8 trillion in subsidies to the fossil fuel industry in 2020. The United States left the Paris Climate Accord in 2020, citing economic reasons but rejoined in 2021, indicating inconsistency in its climate policies. An Oxfam report highlights a significant disparity: The carbon footprints of the richest 1 per cent are much larger than those of the poorest 66 per cent. Global emissions may not come down unless developed countries cut emissions substantially.

India's approach: India has committed to significant climate goals. These include generating 50 per cent of its electricity from non-fossil fuels by 2030, reducing its emissions intensity by 45 per cent from 2005, and aiming for net-zero emissions by 2070. India may consider the following four actions to deepen its climate efforts.

1. Maintain its green transition without taking on new commitments at COP. India needs cheap energy even to become a middle-income country. It already has low per capita emissions compared to countries like the US and China, with its current per capita greenhouse gas emissions at 2.4 tonnes of CO_2 equivalent, while it is 17.6 for the US and 8.6 for China.

2. Broaden the scope of climate action to address issues like habitat loss, biodiversity decline, and water scarcity while acknowledging diverse viewpoints. Net zero is too narrow a goal for a sustainable earth.

3. Invest in high-quality climate research, moving beyond dominant Western narratives. Many experts, including Nobel laureates, disagree with the narratives linking emissions to global warming and the panic created. We cannot hope to find the truth with developed country grants.

4. Employ tech-savvy experts to develop and lead practical climate strategies, focusing on realistic transitions. Generalists push for catchy ways forward, like replacing fossil fuel with renewable energy, without understanding the technological gaps.

India must navigate its path, balancing climate goals with developmental needs. Practical results will require identifying and fixing the real issues.

The writer is the founder of Global Trade Research Initiative, a research group focussed on climate change, technology and trade issues

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Page No. 6, Size:(33.09)cms X (15.00)cms.

INPUT TAX REFUNDS UNDER GST

HC's IndianOil ruling to benefit all firms: Experts

INDIVJAL DHASMANA
New Delhi, 11 December

The Delhi High Court has settled a dispute arising out of conflicting interpretations of input tax refund under goods and services tax (GST) by the GST authorities and Indian Oil Corporation (IndianOil).

Experts say the judgment sets a precedent not only for the oil industry but for many others. The court instructed the authorities to process the input tax refund sought by IndianOil despite the tax rate on its principal input and principal output being the same.

According to GST rules, input tax refund is applicable either when the output draws zero tax or when the tax on input is higher than that on output, technically called the inverted duty structure.

In all other cases, input taxes need to be utilised for paying taxes on output, technically called input tax credit (ITC).

In the extant case, input tax refund was denied to IndianOil because GST on its principal input — bulk liquefied petroleum gas (LPG) — stands at 5 per cent, the same as that on its principal output — bottled LPG.

However, IndianOil claimed some of its inputs drew more than 5 per cent GST and hence it is eligible for input tax refunds. Besides bulk LPG, IndianOil uses various inputs for purposes of safety of cylinders such as valves, safety caps, nylon thread, stainless steel clips, plastic seals, lubricants, nuts and bolts, gaskets, water pumps, fuel filters, oil, clamps, dry chemicals for extinguishers, etc. The court said the GST laws restricted the refund of unutilised ITC only to cases where there was accumulation of unutilised ITC on account of the rate of tax on inputs being higher than the rate of tax on output.

It also observed that the GST laws did not contemplate comparing the rate of tax on the principal input with the rate of tax chargeable on the principal output supply.

There is neither any reason nor any scope to further confine the refund of unutilised ITC only to cases where the rate on main input is higher than the rate of tax on the principal output, it noted.

As such, it upheld IndianOil's position.

Saurabh Agarwal, tax partner at EY, said the landmark judgment not only granted IndianOil the rightful refund but also set a precedent for all businesses operating under the GST regime such as manufacturers of fertilisers, vanaspati and cooking oil, and acrylic yarn, and traders of goods incurring the cost of packing materials.

"The judgement will benefit businesses across all sectors, leading to improved cash flows, enhanced competitiveness and a more equitable tax environment," Agarwal said.

The judgment also strengthens India's attractiveness for foreign investors through promoting tax transparency and predictability, encouraging capital flows and further fuelling economic growth, he said.

BUSINESS STANDARD, Delhi, 12.12.2023
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Draft climate deal stops short of fossil fuel 'phase-out' as Opec, allies prevail

Calls for trebling the global renewable energy capacity by 2030

SUBHAYAN CHAKRABORTY
New Delhi, 11 December

As the COP28 summit in Dubai enters its final day, the latest draft text issued by its president remains conspicuously silent on the phasing out of fossil fuels. Instead, it calls for a series of ambitious measures, including trebling the global renewable energy capacity and doubling the average annual rate of energy efficiency improvements worldwide by 2030.

The text is drafted under the stewardship of COP28 President Sultan Al Jaber, who concurrently serves as the CEO of the Abu Dhabi National Oil Company (ADNOC), the UAE's state-owned oil behemoth.

The United Nations climate summit has been marred by growing divisions over the inclusion of fossil fuel phase-out in the final statement. This demand, backed by a coalition of 100 countries and raised for the first time in over three decades of climate negotiations, has met with resistance from Organization of the Petroleum Exporting Countries and its allies (Opec+), including host United Arab Emirates, and Russia.

Indian climate activist Licypriya Kangujam protests during COP28 meet in Dubai

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Climate deal...

The draft text, published by the UN's climate body on Monday evening, advocates for "reducing both consumption and production of fossil fuels, in a just, orderly and equitable manner, so as to achieve net-zero by, before, or around 2050 in keeping with the science".

However, the text does propose the phasing out of inefficient fossil fuel subsidies "that encourage wasteful consumption and do not address energy poverty or just transitions" as soon as possible. This move has been championed by the European Union and the United States.

UN Secretary-General Antonio Guterres, speaking on Monday, as reported by global media outlets, emphasised that while recognising the need for a phase-out of fossil fuels is crucial in the fight against climate change, not all countries need to phase out simultaneously.

The draft text represents the first global stocktake under the 2015 Paris Agreement, which aimed to limit the rise in mean global temperature to well below 2°C above pre-industrial levels, and preferably to 1.5°C.

Acknowledging that greenhouse gas (GHG) emissions have already caused about 1.1°C of global warming, the COP28 draft text commits to efforts to meet the 1.5°C target and expresses grave concern that 2023 is projected to be the warmest year on record.

It reiterates last year's call for a rapid phase-down of power generation by coal and restrictions on any such new project. It also calls for an acceleration and substantial reduction of non-CO2 emissions, particularly methane, globally by 2030. The text also pushes for the use of zero and low-carbon fuels, such as biofuels, "well before or by around mid-century". India has played a pivotal role in rallying support for biofuels on the global stage, pitching the Global Biofuel Alliance, a government initiative, on the sidelines of COP28.

The text also commits to accelerating the adoption of carbon removal technologies, including carbon capture and utilisation and storage, and low-carbon hydrogen production, as substitutes for fossil fuels.

NDCs not enough

The draft text repeatedly calls for an upgrade of the Nationally Determined Contributions (NDCs) of individual countries, which currently fall short of meeting the Paris Agreement goals. NDCs are non-binding national plans for GHG reductions submitted by each country. The text notes that current NDCs would only reduce emissions by an average of 2 per cent on 2019 levels by 2030.

It also expresses concern over the latest findings by the Intergovernmental Panel on Climate Change, which indicate that policies implemented by the end of 2020 are projected to result in higher global GHG emissions than those implied by the NDCs of individual countries

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Page No. 9, Size:(4.92)cms X (12.59)cms.

EU, OTHERS REJECT DRAFT AGREEMENT

Oil producers water down provision on fossil fuel phase-out

EXPRESS AT COP28

AMITABH SINHA
DUBAI, DECEMBER 11

AFTER FOUR days of deadlock, a new draft agreement text emerged at COP28 climate meeting that severely watered down earlier provision on fossil fuel elimination but singled out coal for a rapid phase-down, which could be problematic for India.

The draft agreement text was immediately rejected by the European Union and some small island states, which could prolong the negotiations beyond the scheduled closing day on Tuesday.

"We think that there are elements in the text that are wholly unacceptable," Spain's Minister for Ecological Transition Teresa Ribera said, speaking on behalf of EU.

"I cannot hide the fact from you that the text is disappointing," EU climate commissioner said. "There are good things, but overall it is clearly insufficient and not adequate to addressing the problem we are here to address," he said.

The main disappointment was over the dilution of a provision regarding the use of fossil fuels. The new draft called upon countries to "reduce both consumption and production of fossil fuels, in a just, orderly and equitable manner".

Fossil fuels, which account for nearly 80 per cent of all greenhouse gas emissions, have never been mentioned in any COP decision earlier. These decisions would only talk about the need to reduce emissions, but kept away from saying what needed to be done to reduce these emissions.

But with current efforts to reduce emissions proving to be extremely inadequate, pressure had been mounting on the countries to bite the bullet. COP28 is the first time that a fossil fuel phase-out was discussed in formal negotiations, but efforts to include a strong provision on this in the agreement has been meeting stiff resistance from oil producing countries like Saudi Arabia and Russia. In fact, a letter from the secretary general of Oil Producing and Exporting Countries (OPEC), addressed to its members and a few others, asking them to reject any such provision had created quite a storm here a few days ago. But their position seemed to have prevailed in getting the provision diluted in the latest draft agreement.

"Our red line is a strong commitment to keeping the 1.5 degree Celsius warming limit. Any text that compromises it will be rejected," Cedric Schuster, a minister of Samoa who is the current chair of Alliance of Small Island States, said. But while the provision on fossil fuels was watered down, another one on phase-down of coal was retained, with a new requirement that placed restrictions on setting up of new coal-fired power plants and seemed to cross India's red lines.

India did not react to Monday's draft agreement, but has been making it clear that attempts to single out coal for accelerated reduction was discriminatory.

Oil slides on supply surplus

Bloomberg
feedback@livemint.com

Oil slipped further after concerns that supplies are overtaking demand triggered the longest weekly losing streak in five years.

Brent futures, the global benchmark, traded below $76 a barrel after sliding for seven weeks in a row as traders shrugged off the latest announcement of production cuts by the OPEC+ alliance.

The market briefly perked up on Friday as the US announced plans to refill the Strategic Petroleum Reserve, while the country's jobs report showed a better-than-expected reading.

The busiest year-end travel season expected in the US since 2000 is also shoring up the demand outlook.

Yet the spreads between monthly contracts, a critical barometer for supply and demand, continue to indicate weakness.

Three-month spreads for both Brent and the American marker, West Texas Intermediate, are showing a discount on prompt versus delayed barrels, a bearish structure known as contango.

Brent futures, the global benchmark, traded below $76 a barrel after sliding for seven weeks in a row

Oil has dropped by about a fifth since late September as output surges in the US and other key producers, while forecasters predict slower Chinese demand growth and see lingering risks of a US recession.

At the same time, production cuts from Saudi Arabia and Russia, and pledges to prolong them if necessary, have failed to stem the slide.

"There is little doubt that the oil complex remains in a state of vulnerability," said John Evans, an analyst at brokers PVM Oil Associates Ltd. in London.

This week, International Energy Agency, the Organization of Petroleum Exporting Countries and the US Energy Department will publish their latest monthly assessments of market fundamentals.

ASIAN AGE, Delhi, 12.12.2023
Page No. 7, Size:(3.02)cms X (4.01)cms.

Tata Power arm, IOCL to install 500 charging points

Tata Power said its subsidiary Tata Power EV Charging Solutions has inked an agreement with India Oil Corporation Ltd (IOCL) to install more than 500 fast and ultra-fast electric vehicle (EV) charging points across India. Tata Power will install EV charging points across multiple IOCL retail outlets. These EV charging points will be installed in major cities as well as across major highways.

HINDU, Delhi, 12.12.2023
Page No. 15, Size:(17.42)cms X (6.59)cms.

Draft climate deal fails to 'phase out' fossil fuel

Jacob Koshy
NEW DELHI

After a week of expectations that negotiators at the ongoing climate talks in Dubai might agree to a 'phase out' of fossil fuels, the phrase has been edited out, according to the latest draft made public late in the evening on Monday. However, the text has emplyed stronger language against coal, with a recommendation to "rapidly phase down unabated coal," that countries such as India, Indonesia and China – major consumers of coal power and developing countries at that – could find objectionable.

Observers of COP-28 say that even a mention of the need to do away with fossil fuels in the final text, which is expected today, would be a significant step towards bringing parity between coal, oil and gas, and the need to do away with them to keep temperature increase below 1.5°C by the end of the century.

On fossil fuels, the text now exhorts countries to "reduce both consumption and production of fossil fuels, in a just, orderly and equitable manner so as to achieve net zero by, before, or around 2050 in keeping with the science."

Burning of fossil fuel contributes nearly 80% of the greenhouse gas emissions of which coal makes up about 40% and oil and gas collectively constitute the rest. Humanity's best chance at keeping global temperature-increase below 1.5°C is by cutting emissions down to 43% of the 2019 levels by 2030. However, the reality is that emissions are increasing year on year and despite pledges by countries to spruce up their renewable energy infrastructure.

"The latest Global Stocktake text on fossil fuels represents a significant regression from previous versions. It has dropped explicit language on the phasing out fossil fuels, opting instead for a vague commitment to 'reduce both consumption and production' by 2050. This is a clear indication of the fossil fuel industry's lobbying power, influencing global policies to favour prolonged fossil fuel use," said Harjeet Singh, Head – Global Political Strategy, Climate Action Network International.

Others say that the venue of the conference, in a petrostate, has influenced the wording of the text. "On fossil fuels this text lays the ground for change. It is good to recognise this is the first COP where the word fossil fuel is included in the draft decision. This is the beginning of the end of the fossil fuel era. It appears to be a compromise between Saudi Arabia who didn't want any mention of fossil fuels and the progressive countries who called for an outright fossil fuel phase out," said Mohamed Adow, Director Powershift Africa.

BUSINESS LINE, Delhi, 12.12.2023
Page No. 7, Size:(29.20)cms X (8.69)cms.

Arab OPEC ministers meet in Doha; COP28 discusses oil, gas phase-out

Reuters

OPEC's top Arab energy ministers arrived in Doha on Monday for the 12th Arab Energy Conference as countries clash at the UN's COP28 climate summit over a possible agreement to phase-out fossil fuels.

OPEC Secretary General Haitham Al Ghais in a letter dated December 6 and seen by Reuters urged OPEC members to reject any COP28 deal which targets fossil fuels rather than emissions.

OPEC countries hold about 80 per cent of the world's proven oil reserves, most of which is concentrated among Middle Eastern members.

For the majority of those countries, oil revenue is the main source of income, so any message from COP28 aimed at slashing oil and gas demand becomes a question of survival.

Ministers from Iraq, Kuwait, Algeria, Libya and non-OPEC member Oman arrived for the energy meeting, as well as Saudi Energy Minister Prince Abdulaziz bin Salman who had been in Dubai for the UN climate summit.

The UAE has alongside other Gulf energy producers called for what they consider a more realistic energy transition in which fossil fuels retain a role in securing energy supply while industries decarbonise.

Sultan Al Jaber, who is chief of UAE state oil giant ADNOC, is president of COP28, and has maintained that a phase down of fossil fuels is inevitable and essential, but as part of a transition that takes into account the circumstances of each country and region. Saudi Arabia and top ally Russia are among several countries insisting that the COP28 conference in Dubai targets emissions, rather than the fossil fuels causing them, according to observers in the negotiations.

MILLENNIUM POST, Delhi, 12.12.2023
Page No. 9, Size:(21.30)cms X (19.79)cms.

COMPARED TO NEIGHBOURS

‘Cooking gas LPG rates in India for Ujjwala consumers cheapest’

‘Ujjwala cylinders are available at Rs 603. It costs Rs 1,059.46 in Pakistan, Rs 1,033.35 in Sri Lanka and at Rs 1,198.56 in Nepal’

OUR CORRESPONDENT

NEW DELHI: The price of domestic cooking gas LPG at Rs 603 for a 14.2 kilogramme cylinder for beneficiaries under Pradhan Mantri Ujjwala Yojana (PMUY) is the cheapest in India when compared to rates in neighbouring countries, Petroleum Minister Hardeep Singh Puri said in the Rajya Sabha on Monday.

The minister, during the Question Hour in the Upper House, said India imports 60 per cent of its LPG requirement. Despite volatile and high global prices of LPG, the government absorbed it and kept the prices lower for the Ujjwala beneficiaries.

“Ujjwala cylinders are available at Rs 603. It costs Rs 1,059.46 in Pakistan, Rs 1,033.35 in Sri Lanka and at Rs 1,198.56 in Nepal. We are providing LPG cylinders at 50 per cent of the price. ...We have absorbed the global price increase and that’s why cylinders are cheapest in India,” he said.

The LPG price in Saudi Arabia has increased from $415 per tonne to $700-odd per tonne in two years, but the government has absorbed the rise in rates, he said.

LPG price in Saudi Arabia has increased from $415 per tonne to $700-odd per tonne in two years, but the government has absorbed the rise in rates, Petroleum Minister Hardeep Singh Puri said

The minister said that the consumption under PMUY has gone up to 2.8 cylinders per household annually now. The number of connections under the scheme has also increased to 9.6 crore and utilization has increased. Responding to a query on the number of lives saved due to implementation of the PMUY, Puri said shifting from traditional firewood, kerosene and coal to a cleaner gas medium has significant health benefits, especially for women. However, it is difficult to quantify precisely.

He said the total number of cooking gas connections in the country, which stood at 14 crore in 2014, has increased to 33 crore at present. Out of which, the connections under the PMUY are 9.6 crore.

The government has decided to provide additional 75 lakh gas connections under the scheme, out of which 34 lakh has already been accomplished, he added.

Highlights

- ‘The consumption under PMUY has gone up to 2.8 cylinders per household annually now’
- Number of connections under PMUY has increased to 9.6 crore & utilization has increased
- The govt has decided to provide additional 75 lakh gas connections under the scheme, out of which 34 lakh has already been accomplished, he said

To another query on incorporating the auditor CAG recommendations on PMUY, the minister said all the recommendations were included while tweaking the scheme.

“We take CAG recommendations very seriously unlike the previous dispensation,” he said.

Responding to a query regarding the number of oil bonds issued by the UPA-2 government, the minister said that the question is distinctly related to the Ujjwala scheme.

The member’s question is on the issue of price rise that was confronted by issuance of oil bonds. Close to Rs 1.41 lakh crore worth of oil bonds were floated between 2004 and 2014, for which the “second generation” (current government) is paying Rs 3.50 lakh crore.

“It was an irresponsible governance model,” he said and added that the current government led by Prime Minister Narendra Modi took many steps to address the price rise.

The government diversified sources of supply and reduced the central excise duty on petrol and diesel on two occasions. As a result, the loss of revenue to the government was Rs 2.2 lakh crore, he said.

BJP-ruled states also reduced value added tax (VAT) on petrol and diesel, due to which there were two differential prices of petrol and diesel. In BJP-ruled states, the fuel was available at Rs 96 per litre and there was a difference of Rs 12 per litre from rates in Congress-ruled states, he added.