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# GAIL in initial talks for long-term LNG deal with Alaska LNG

State-run GAIL (India) is in initial talks to buy liquefied natural gas (LNG) from the proposed Alaska LNG project as India expands its import capacity, industry sources said. The talks with developer Glenfarne come as India works to raise its energy imports from the US to narrow its trade surplus. GAIL's talks are preliminary as the landed cost of LNG will be a crucial deciding factor, the sources said. REUTERS

# Gail in talks for long-term LNG deal with Alaska

**Reuters**
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**NEW DELHI:** India's state-run Gail is in initial talks to buy liquefied natural gas from the proposed Alaska LNG project as the South Asian nation expands its import capacity, three industry sources with knowledge of the matter said.

The talks with developer Glenfarne come as India works to raise its energy imports from the United States to narrow its trade surplus as part of a broader trade agreement with Washington to avoid the imposition of hefty U.S. tariffs.

Gail's discussions are preliminary as the landed cost of LNG will be a crucial deciding factor for the deal, the sources said.

Glenfarne said last month that 50 firms had formally expressed interest in contracts with Alaska LNG. The project, championed by US President Donald Trump, has been stuck on the drawing board for more than a decade.

Gail did not respond to Reuters email seeking comment on the talks.

DISCUSSIONS ARE PRELIMINARY AS THE LANDED COST OF LNG WILL BE A CRUCIAL DECIDING FACTOR FOR DEAL

"Glenfarne does not comment on or confirm individual commercial negotiations, but Alaska LNG's growing commercial momentum reflects the project's competitive economic and geostrategic advantages," it said in an emailed statement to *Reuters*.

India, the world's fourth-largest LNG importer, aims to increase the share of gas in its energy mix to 15% by 2030, up from about 6% currently, to reduce its carbon footprint.

Gail plans to increase the capacity of its 5 million metric tonnes per year Dabhol LNG terminal to 6.3 million tonnes per year by mid-2027 and to 12.5 million tonnes per year by 2031-32.

Earlier this year Gail invited initial bids from companies as it seeks to buy equity in an existing LNG project or a new project that would be commissioned by 2030 at the latest.

The $44-billion Alaska LNG project could export up to 20 million metric tonnes per year of the superchilled gas. Alaska Governor Mike Dunleavy said in March the project could start exporting LNG by 2030.

Glenfarne expects to make a final investment decision in the fourth quarter of this year on the first phase of the project - a 765-mile (1231-km) pipeline to deliver gas from the state's far north to its Anchorage region. Thailand's state-owned oil and gas giant PTT last month signed a 20-year agreement to buy 2 million tonnes per year of LNG from the Alaska LNG project.

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# Dual Green Play Mahanagar Gas Powers into Batteries, Biogas

**Sharmistha Mukherjee**

**New Delhi:** Mumbai-based natural gas distribution company Mahanagar Gas Limited – a unit of public sector undertaking GAIL – is investing about ₹1,500 crore, along with partners, to set up a battery manufacturing unit and a compressed biogas production facility over the next two years in a bid to diversify operations.

Mahanagar Gas Ltd managing director Ashu Shinghal told **ET** that, amid the government push towards cleaner mobility solutions, the company is looking to expand its footprint in non-fossil fuel options and has earmarked capital for a foray into new energy segments.

He said, "At present, almost 70% of our revenues come from CNG. We conducted a study along with BCG. In essence, going forward, we have determined we will be present in at least one non-fossil fuel-related segment to secure growth opportunities in future."

The company has already forged a joint venture with US-based International Battery Company to set up a giga factory in Karnataka. The government has completed land allocation for the project, construction for which is scheduled to commence later this quarter. MGL and IBC together are investing around ₹900 crore to set up the facility, which is expected to be commissioned by the end of next year. The investments will be made by IBC and MGL in proportion to their stake in the JV (ratio of 60:40).