

Methane to Markets Conference

Overview of India's CBM & and CMM Policies & Regulations

- **CBM is the world's cleanest fossil fuel.**
- **Requires very little processing for transporting through pipelines.**
- **Requires little processing for end use.**
- **Can be used interchangeably with natural gas.**

- **Global energy demand will grow by grow by 60 per cent in the next 25 years.**
- **Two thirds of this growth likely to come from developing countries such as China and India.**
- **Global warming also remains a serious concern.**
- **Solutions to one policy arena may exacerbate problems in others.**

Major energy concerns

- **Oil and other fossil fuel depletion.**
- **Energy needs of poorer countries, and demands from advancing developing countries.**
- **Economic efficiency versus population growth.**
- **Re-newables and other alternative energy sources**
- **Environmental issues, in particular climate change.**

The Biggest energy challenge:

Meeting increasing energy demand

while

Preserving the environment

- **India, with about 17% of global population consumes a only 4% of the world's energy.**
- **This situation is going to change.**
- **The growth rate of the nation can not be sustained without adequate, affordable and clean supply of energy in environmentally sustainable manner.**

- **Increasing gap between demand and supply of petroleum and natural gas world over has propelled experts to develop technology to harness CBM resources, which was earlier only considered to be a hazardous by product of coal mining.**
- **CBM has now emerged as new source of energy.**

- **USA who were pioneer in developing the commercial technology, now produce more than 1600 billion cft of CBM per year from about 21000 methane wells, which accounts for about 9% of their total gas production.**

- **India has very large reserves of coal to the tune of 254 billion tonnes, potential for CBM exploitation is very high.**
- **To address the India's concern for energy requirement, we must develop this non-conventional, environment friendly, energy resource to its full commercial potential.**

- **AS India has very large reserves of coal to the tune of 254 billion tonnes, potential for CBM exploitation is very high.**
- **To address the India's concern for energy requirement it is imperative that we develop this non-conventional, environment friendly, energy resource to its full commercial potential.**

- **Initially the Govt., involvement was through CMPDI/CIL's in form of sharing of coal data, delineation of prospective CBM blocks and its allotment to interested parties through nomination/FIPB and evolving a policy in this regard.**
- **In 1997, a CBM policy was framed by Govt. of India, wherein MoP&NG has been earmarked as an administrative ministry and DGH as nodal agency.**

The salient features of CBM Policy

- **Allotment of Blocks through competitive Global bidding.**
- **Exemption on Customs duty on imported equipments.**
- **7 year tax holiday from the date of commencement of commercial production.**
- **Provision of 100% cost recovery.**
- **Freedom to sell gas at market driven price in domestic market.**

Three rounds of competitive bidding for CBM blocks has already been done.

- **26 potential blocks has been allotted.**
- **These blocks covers an area of 13600 sq. Km.**
- **Estimated CBM resource in these blocks are more than 1.5 trillion cubic metre.**

- **CMPDIL have delineated 7 additional CBM blocks along with corresponding data packages for the 4th round of bidding.**
- **These have 460 BCM of prognosticated CBM resource in about 4400 sq. km. area.**

- **A vast area, where occurrence of coal has been reported to be within 300 m depth, have been left out.**
- **The present opinion is the areas where coal mining activity is planned in next 20-25 years should not be offered for CBM while the mining companies can carry out CMM/AMM extraction in their properties.**