

## **Roadmap to Clean Energy**

### **What is the issue?**

India must by increase the share of natural gas in energy basket rather than focussing on decarbonisation.

### **What are the talks about decarbonisation?**

- Net zero carbon emissions is the focus of the policy maker's climate negotiators, academicians, corporates and NGOs now.
- They are finding an appropriate target year for achieving it based on the principle of common but differentiated responsibility.
- This will provide a well-defined, time bound objective and can offer everyone a tangible metric to measure progress.
- But the concern is that in the effort to secure a global consensus around this target, participants are losing short time vision.
- They are not spending enough time and effort to lay out the stepping stones.

### **How can India go in the path of decarbonisation?**

- India must first green its fossil fuel energy basket rather than focusing only on decarbonisation which can be done by increasing the share of natural gas.
- This is a feasible prospect because it will not require industries to invest heavily in retrofitting their systems.
- It will also help the government to meet its objective of providing secure and affordable energy without degrading the environment.
- India will be at a better chance of reaching the goal of a cleaner system if it moves forward incrementally.
- Therefore any policy needs to cover all segments of the natural gas value chain from production to transportation to markets to commercial and regulatory issues.

### **What must be done to increase the share of natural gas?**

- First, the authorities must prioritise natural gas and must recognise its versatility.

- Natural gas is a competitive fuel, abundantly available in and within the Asian/ME subcontinent which has multiple uses and is the greenest of all fossil fuels.
- Second, the authorities must correct the current dis-incentivising policy distortions.
- The pricing of natural gas is very complex, the taxation system is comparably regressive as natural gas is not under GST.
- Different prices exist for gas production from domestic fields by the public sector companies, production by private companies and production from deep waters offshore under high temperature etc.
- The tax rates increase as the gas flows from one zone to another which is cascading in nature.
- This means that customers located at a distance from the source of gas pay a higher price than those closer to the source thereby reducing the demand.
- Third, the authorities should revamp the structure of the industry.
- The Gas Authority of India Ltd (GAIL) is currently engaged in the production, transportation and marketing of gas.
- This allows GAIL to leverage its ownership of the bulk of the gas pipelines to deny its competitors access to the market.
- Therefore new policy should call for assured and common access to all marketers and GAIL should limit its business activities to pipeline construction and transportation.
- Most countries have separated their upstream (production/import) and downstream (marketing) interests from transportation.
- Finally an institutional mechanism should be created to enable better coordination between the central and state governments.
- Due to Centre-state differences in issues like land acquisition, pipeline routing, royalty payments, India has not yet constructed a national pipeline grid.
- This has also delayed the construction of import facilities and the creation of gas markets.

**Source: The Indian Express**



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