

Petroleum ministry readies plan to run long-distance trucks on CNG

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New Delhi, July 11: After rolling out two-wheelers running on compressed natural gas (CNG), the petroleum ministry has chalked out a plan to encourage fleets of long-distance trucks to use gas as fuel. To start with, the government could introduce CNG fuelling for trucks in some of the highways such as the Delhi-Mumbai corridor.

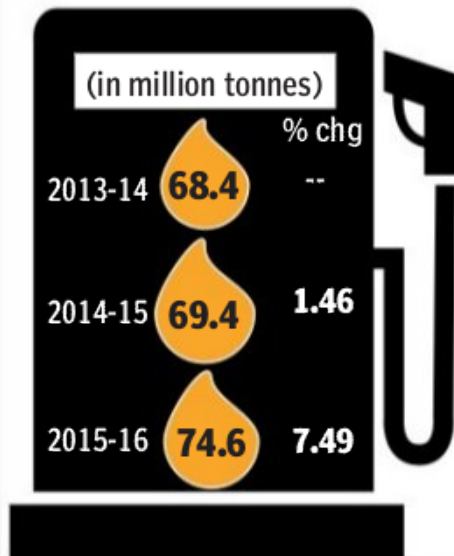
A senior official at the petroleum ministry told *FE* that consultations have been done with different stakeholders, including Automotive Research Association of India (ARAI), which offers certification for vehicles and engines.

The government is expecting to roll out the pilot phase in the next three-four months, the official said. In order to set up gas filling stations, the government may have to allow the existing company that has the licence to supply city gas in the particular geographical area to set up outlets on the highway.

The government's strategy behind replacing diesel with cleaner gas as fuel is based on two principles—first to reduce pollution and second to expand the gas market. In 2015-16, diesel sales saw a growth of 7.49% at 74.6 million tonne against 69.4 million tonne in 2014-15. Of the total diesel retail sales in India, about 73.6% is consumed by the transport sector. In the transport sector, the buses and trucks consume the most—32.5% of diesel, according to a

Of the diesel retail sales, **74%** is consumed by the transport sector

Diesel consumption in India



Nielsen study done for PPAC.

Diesel consumption in heavy and light commercial vehicle and buses segment in Haryana is the highest, presumably because long-distance commercial vehicles are refuelling diesel in Haryana due to price advantage as compared to neighbouring states, the study had found.

As on April 1, India has 1,053 retail pumps selling CNG, but these are located inside the cities. The government is also contemplating specifying a few CNG corridors in the vicinity of pipeline networks. With the development of the national gas grid, the 'CNG corridor' could be developed on the national and state highways.

In the longer run, private players in the energy sector such as Reliance Industries (RIL), BP, Essar Oil and Shell could also get an opportunity to set up compressed natural gas (CNG) retail outlets on highways, similar to one selling petrol and diesel.

In order to attract investment, the ministry is contemplating to lower the threshold investment limit to ₹500 crore as against ₹2,000 crore required for retail fuel stations. The firms would also be allowed to enter into their own arrangements with existing retail outlets for establishing and operating CNG facilities. At the same time, the players would be at liberty to set up greenfield CNG stations based on their own techno-economic considerations. However, the proposals are still in discussions and yet to be firm up.