

Energy, Auto Cos Bet Big On LNG Trucks

Oil cos look to set up LNG stations as more vehicles running on the fuel are expected to hit roads

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Mumbai: Improved road infrastructure and attractive pricing of liquefied natural gas is catalysing energy companies and auto majors to gear up to serve the long-haul LNG trucking segment.

To cater to these medium and heavy commercial vehicles, oil marketing companies are plan-

ning to expand the compressed natural gas dispensing infrastructure in their fuel retail outlets to dispense LNG. They are planning to set up LNG retailing outlets along major national highways.

“Setting up of an LNG station will cost anywhere up to ₹8-₹12 crore. A fuel retail outlet costs only up to ₹1.5 crore. We are evaluating options to maximise investment and expand CNG dispensing stations to include LNG,” said a senior executive from an oil marketing company.

Last month, gas marketer and transporter Gail committed an investment of ₹650 crore to set up LNG filling stations along the

Golden Quadrilateral, major NHs and mining hubs. It aims to capture over 50% market share by 2030. Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation are also planning to set up LNG stations.

LNG trucks are called long-haul vehicles, as they have a driving range of 600-1,000 km in a single fuel fill, giving them an edge over other fuels. By 2030, India could see 50,000 trucks serviced through 400 LNG retail stations, according to Emkay Research. India has around 4 million trucks operating, of which 1 to 1.5 million would be diesel-run trucks. Emkay Research says 3-5% of this can be converted to/replaced by LNG by CY30, which implies 50,000 trucks.

“Assuming 150 kg per day fill of LNG, this translates into a demand of 2.4 million tonnes per annum (mmtpa). In comparison, China has an LNG fleet of over

582,000 trucks with 4,800 stations, having total volumes of 18-20 million tonnes per annum,” Emkay Research added.

Push for adoption of LNG vehicles becomes important as India attempts to stem greenhouse gas emissions, reduce local air pollution in cities and increase the share of natural gas in the primary energy mix from 6% to 15% by 2030, according to a Niti Aayog report.

Tata Motors, Ashok Leyland and Blue Energy are already offering LNG trucks. Tata Motors, which launched its first LNG-powered truck in December 2023, is in discussions with its anchor customers in the steel, coal, cement and container segments who are keen to move their fleet to LNG-powered trucks for mining and long-haul logistics, said Rajesh Kaul, vice-president and business head, trucks, at the firm.

*For full report, go to
www.economictimes.com*



Cost of setting up LNG station	Fuel retail outlet setup cost
₹8-₹12 cr	₹1.5 cr

NE Gas Grid to be expanded to other countries

RAKESH KUMAR @ New Delhi

AS part of India's larger energy diplomacy, the government is planning to extend the North Eastern Gas Grid (NEGG) to neighboring countries such as Bangladesh, Nepal and Bhutan after its completion in the next two months.

According to officials of the petroleum ministry, work on the NEGG, which aims to create a natural gas pipeline network in northeastern India, is nearing completion. Once finished, it will be connected to the national grid and then to the other countries. Later, the government will also expand the pipelines to Sri Lanka and Myanmar.

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Petroleum ministry official

project," said an official.

The purpose of the move is to promote cross border energy trade and South Asia first policy. India planned to connect Myanmar and Bangladesh through an LNG pipeline, but later it was shelved.

The national gas grid is al-

ready operational, but inter-connections at a few locations are yet to be completed. It will be connected with the north-eastern gas grid in the next two months. The official also mentioned that this move will increase natural gas production in the country, as ONGC

(Oil and Natural Gas Corporation) is currently unable to produce much gas due to supply issues.

India is actively expanding its national gas grid under the "One Nation, One Gas Grid" initiative. As of October 2023, over 12,206 kilometers of new pipelines are under various stages of construction. This aims to add to the existing 23,000 km operational network.

The north-east gas grid connects eight states in the region -- Assam, Arunachal Pradesh, Manipur, Meghalaya, Nagaland, Mizoram, Sikkim and Tripura. This will ensure natural gas availability across the region. This is a joint venture of five state-run oil and gas companies -- GAIL, Indian Oil Corporation Limited (IOCL), Oil India Limited (OIL), Oil and Natural Gas Corporation (ONGC) and Numaligarh Refinery Limited (NRL).