

# GAIL plans first green hydrogen project in April

MOHI NARAYAN

New Delhi, March 26

**STATE-RUN NATURAL GAS COMPANY** GAIL (India) plans to commission its first green hydrogen project in central India in April, three company sources said. The 10-MW proton exchange membrane electrolyser for the green-hydrogen producing unit at the Vijaipur complex in

**The unit in Madhya Pradesh is expected to produce about 4.3 tonne of hydrogen per day and would use green power**

Madhya Pradesh has been imported from Canada, they added.

“Once the initial hiccups are sorted at the commissioning stage, we expect to start producing in a month’s time,” one of the

sources said. The unit is expected to produce about 4.3 tonne of hydrogen per day, with a purity of about 99.999% by volume, and would use renewable power. India aims to reach 5 MT of annual green hydrogen production capacity by 2030.

The company’s communication office did not respond to a Reuters request for comment. — **REUTERS**

# GAIL plans first green hydrogen project in April

MOHI NARAYAN

New Delhi, March 26

## STATE-RUN NATURAL GAS COMPANY

GAIL(India)plans to commission its first green hydrogen project in central India in April, three company sources said. The 10-MW proton exchange membrane electrolyser for the green-hydrogen producing unit at the Vijaipur complex in

**The unit in Madhya Pradesh is expected to produce about 4.3 tonne of hydrogen per day and would use green power**

Madhya Pradesh has been imported from Canada, they added.

“Once the initial hiccups are sorted at the commissioning stage, we expect to start producing in a month’s time,” one of the

sources said. The unit is expected to produce about 4.3 tonne of hydrogen per day, with a purity of about 99.999% by volume, and would use renewable power. India aims to reach 5 MT of annual green hydrogen production capacity by 2030.

The company’s communication office did not respond to a Reuters request for comment. — REUTERS

# Coal supplied for gasification should be priced lower than that for power sector: NITI Aayog

**Abhishek Law**  
**Rishi Ranjan Kala**  
New Delhi

The price of coal supplied for gasification should be kept at a notified price lower than that for coal supplied to the power sector. It can be charged on extraction basis so as to create certainty in the minds of developers of coal gasification projects in the public or private sector, NITI Aayog suggested at a recent meeting called to review the progress of coal gasification projects.

According to those present in the meeting (a copy of the minutes was accessed by *businessline*), NITI Aayog will provide a comfort letter to the Ministry of Coal.

The joint meeting of the steering committee and technical standing group on the Coal Gasification Mission was held under the chairmanship of VK Saraswat, Member, NITI Aayog.

## TOPICS COVERED

The discussions covered technologies, ash content suitability for coal gasification, cost estimates on coal gasification projects, the technology readiness level of pilots, preparation of reports of gasification projects, minimum size of plants, and parameters for tariff-based competitive bidding projects, among others.

The meeting also took up the need for a support letter from the NITI Aayog on the supply of coal for gasification projects at low prices.

According to Amrit Lal Meena, Secretary, Ministry of Coal, the Centre wants more coal to be gasified so that syngas-based chemicals can be manufactured



**THE LARGER PLAN.** The Centre wants more coal to be gasified so that syngas-based chemicals can be manufactured and import substitution takes place REUTERS

and import substitution takes place.

“The government has taken major policy decisions to promote coal gasification,” he had previously told *businessline*.

According to the official, the requirements broadly include land, raw materials, finances, technology and market.

The government has approved a land leasing policy for setting up energy related infrastructure on land belonging to coal mining companies. Anyone setting up a coal gasification unit can look for land and lease it.

On raw materials, if the investor in a coal gasification project is a captive or commercial mine owner, then 50 per cent of the revenue share is incentivised, if it is used for gasification.

“For those who do not have captive or commercial mines, Coal India will offer coal on a long-term basis at subsidised prices (a little higher than the notified price),” Meena said, adding: “it will be through a separate win-

dow”. Institutions such as banks, PFC and REC have shown interest in financing such projects.

“Based on our assessment, (and) keeping in view the global price of finished products, it was noted that there is a certain viability gap. To compensate for the viability gap, the government has approved a scheme to promote coal gasification and allocated ₹8,500 crore for various plants,” the official said.

In terms of technology, products such as ammonium nitrate are consumed by the coal miners. These products are consumed by fertiliser and petrochemical companies as well. Over the last one month, since the scheme was approved, inquiries have started to come, the Ministry official said, adding: “We are getting a good response from the private sector. We will be coming out with a draft RFP shortly and seek comments from stakeholders. Thereafter, we will come out with a final RFP.” Post that, the Ministry will invite proposals and

give three months time to seek responses.

“But responses so far are positive, optimistic and forthcoming. RFP will come in FY25,” Meena said.

## OTHER DECISIONS

It was also decided at the Steering Committee meeting that all gasification projects, including the fertiliser sector and existing gasification plants, should be treated under the Gasification Mission. They may be made eligible for the same relaxation under the scheme.

“The Ministry of Coal needs to relook the matter for the issuance of a necessary policy directive to promote coal gasification in India,” it said.

Also, the minimum size of demonstration projects need to be considered at 100 MT; while discussions also centred around the need “to relook the pricing of lignite in order to reduce the end product price after the coal gasification projects.”

“NLCIL needs to review cost estimates in consultation with GAIL/ JSPL for their lignite to gasification project proposed at Neyveli, Cuddalore.

“Accordingly, the decision to re-tender may be taken in order to reduce the end-product price,” the minutes of the meeting said.

A committee will also be constituted under the chairmanship of the Department of Science & Technology and representatives from NITI Aayog, Ministry of Coal, Ministry of Steel, IIT-Delhi, IIT-Bombay, CIL, ISC Bengaluru, CIMFR Dhanbad and other industry experts, for an assessment of the tech readiness and maturity of the technology developed through the R&D plants.



## IN APRIL, GAIL TO START GREEN H<sub>2</sub> PROJECT IN MP

---

**Reuters**

---

[feedback@livemint.com](mailto:feedback@livemint.com)

**NEW DELHI:** State-run natural gas company GAIL (India) Ltd plans to commission its first green hydrogen project in central India in April, three company sources said.

The 10-megawatt proton exchange membrane electrolyser for the green-hydrogen producing unit at the Vijaipur complex in Madhya Pradesh state has been imported from Canada, they added.

“Once the initial hiccups are sorted at the commissioning stage, we expect to start producing in a month’s time,” one of the sources said. The sources declined to be named as they are not authorised to speak to the media.

The unit is expected to produce about 4.3 metric tons of hydrogen per day, with a purity of about 99.999% by volume, and would use renewable power. India aims to reach 5 million tons of annual green hydrogen production capacity by 2030.

The company’s communication office did not respond to a Reuters request for comment.

— PREPARATIONS FOR MODI REGIME 3.0 —

# To Fire Up PNG Adoption, Govt may Hand Out Free Connections

Ujjwala-like scheme for piped natural gas could be part of 100-day agenda of the new govt

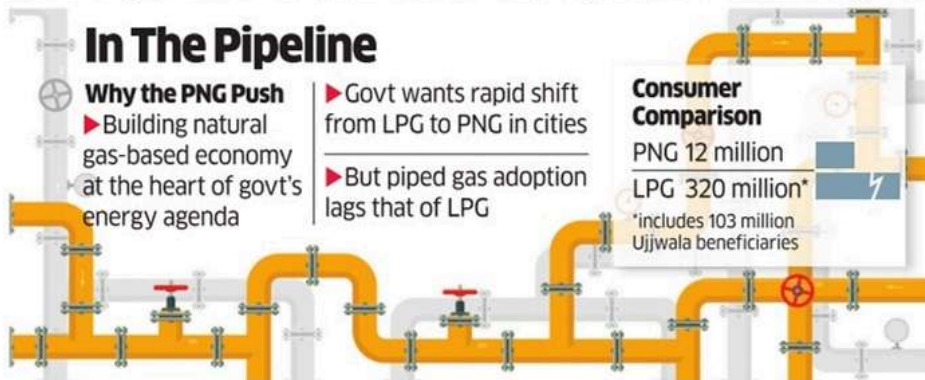
Sanjeev.Choudhary@timesgroup.com

**New Delhi:** The petroleum and natural gas ministry is drawing up plans to offer free piped natural gas (PNG) connections and consumption subsidies to poor households to help its wider adoption on the lines of the Ujjwala scheme, which popularised liquefied petroleum gas (LPG) among the poor, said people familiar with the matter.

The plan is likely to be part of the ministry's proposal for the first 100-day agenda of the government which will be sworn in after the general election, they said. The Modi government has asked all ministries to propose new ideas and plans that could be launched or implemented in the first 100 days of the next regime.

Officials are busy preparing the plans, which are likely to be discussed with the cabinet secretary in early May in the middle of the election, according to people in the know.

Building a natural gas-based economy has been at the heart of Prime Minister Narendra Modi's energy agenda for a decade. Popularising PNG has been a key objective the government has set for city gas distributors, but its adoption has been far slower than that of LPG.



There are just about 12 million PNG customers compared to 320 million LPG consumers, including 103 million Ujjwala beneficiaries. The government wants city dwellers to rapidly shift from LPG to PNG.

State financial support can help promote PNG the way it boosted LPG, said petroleum and natural gas ministry officials.

The ministry is likely to propose waiver of connection charge, including the installation and security fee, and introduction of subsidy to make it distinctly cheaper than LPG under the proposed scheme, which may be called "Prajwala" to rhyme with Ujjwala, said one of the persons cited earlier, who did not wish to be identified.

A nod from the cabinet will be required to launch the scheme.

The ministry's plan also aims to solve the problem of lower consumption by introducing prepaid meters, the person said. A household can recharge a prepaid meter with small amounts frequently unlike in the case of LPG, where it must pay for the full cylinder in one go. Lower average LPG consumption by Ujjwala customers has been a concern for the government. Since piped gas is always available at home, the average consumption may increase unlike in the case of LPG, where a few days are lost in getting refills.



Illustration: ANIMISHA