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 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.
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• 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.