

**PICK-UP** CCI has recently cleared many stalled projects

# GETTING BACK ON TRACK, SLOWLY



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**NEW DELHI:** Consider this:

- BHP Billiton, which won 10 oil and gas blocks in India, recently exited from nine blocks because of delayed approvals
- BP invested \$7.2 billion in RIL's KG Basin project but the project has been delayed over approvals and pricing issues
- British Gas has downsized its India's operations
- MNCs like ConocoPhillips, AES and China Light & Power also could not make headway in India's energy sector.

There's more: 24,000 MW of gas-based and 60,000 MW of coal-based power plants are stranded because they do not have gas and coal to run them with. In a majority of cases, environmental clearances, land acquisition and pricing issues have held up gas exploration and coal mining projects.

In a recent interview to HT, Shell India chief Yasmine Hilton said: "To attract global giants, India needs to send right signals..."

Last month, an ADB report, "Energy Outlook for Asia and the Pacific", said India will have to address pricing and other issues to attract the projected investments of \$2.3 trillion (₹1,420 lakh crore) in its energy sector by 2035.

The government has recent-

## THE ENERGY DEADLOCK

Delayed clearances, lack of fuel linkages and slow decision making are holding back investments in oil, gas and power



### THE BIG PICTURE

**₹7.14 lakh crore\***

Stalled investments in 136 power projects

**₹2.08 lakh crore\***

Stalled investments in 32 oil & gas projects

### Some major stalled projects

**₹65,000 crore**

Reliance Power's 4000 MW Tilaiya and 3,960 MW Sasan plants awaiting clearances from environment ministry

**₹60,000 crore**

RIL-BP plans to increase gas output stuck for approvals

**₹35,000 crore**

IOC refinery at Paradip, Odisha

**₹28,000 crore**

Cairn India's Rajasthan oil block awaiting clearance

### The roadblocks

- Environmental clearances are delayed for years
- Fuel shortages for power plants
- Prices are govt-controlled and do not reflect market realities
- Land acquisition is a massive problem in most states
- State-level clearances are often non-transparent and take a long time

\*Data by PM's project monitoring group

ly taken some steps to turn the tide. "India's investment cycle is pre-determined by its investments in the power sector... while undoubtedly it has slowed down, there are lots of structural issues that have been ironed out in the past few months," power minister Jyotiraditya scindia has said.

The Cabinet Committee on Investment recently cleared investments worth ₹1.86 lakh

crore, many of them in the energy sector. Many more clearances are expected in the coming months.

"The government needs to take bold decisions if it wants the Chevrans and the Exxons of the world to invest here. We're losing out to China. But we're trying to drive away (investors) by opposing important decisions," oil minister Veerappa Moily told HT recently.