

## Energy sector

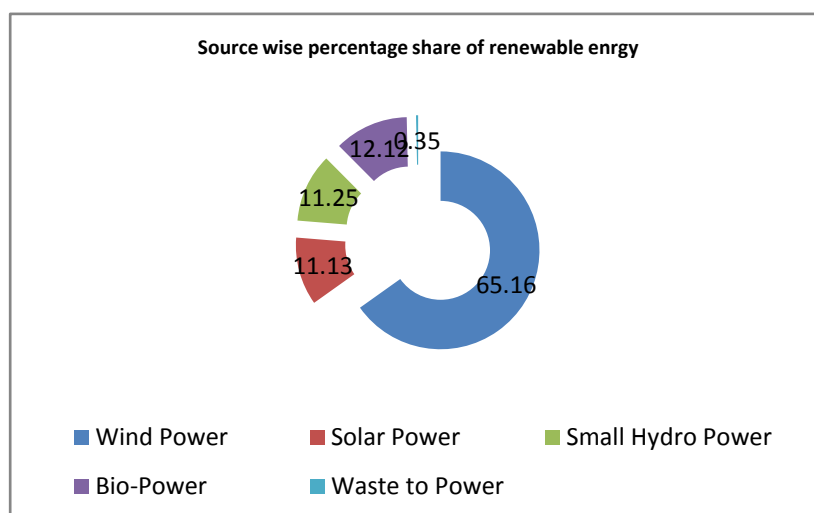
**Current Scenario: Coal:** Coal production (weight: 4.38 %) increased by 6.3 % in June, 2015 over June, 2014. Its cumulative index during April to June, 2015-16 increased by 7.3 % over corresponding period of previous year.

**Crude Oil:** Crude Oil production (weight: 5.22 %) declined by 0.7 % in June, 2015 over June, 2014. Its cumulative index during April to June, 2015-16 declined by 0.9 % over the corresponding period of previous year.

**Natural Gas:** The Natural Gas production (weight: 1.71 %) declined by 5.9 % in June, 2015. Its cumulative index during April to June, 2015-16 declined by 4.2 % over the corresponding period of previous year.

**Electricity:** Electricity generation (weight: 10.32%) increased by 0.2 % in June, 2015. Its cumulative index during April to June, 2015-16 increased by 1.5 % over the corresponding period of previous year.

**Renewable Energy:** As on 30.06.2015 India's total power generation considering solar, wind, small hydro, biomass power and waste to power; total installed capacity of renewable energy in India was 36470.64 MW as on March, 2015. Figure 1 depicts the percentage share of selected renewable energy sources in India's total power generation through renewable energy.



**Future Trend:** By 2020 coal production in India is expected to hit 1 billion tons and ready to invest \$25 billion towards the same. Coal is expected to grow at a rate more than 6% in June 2015. Crude oil production might decline by 0.5%. However, Natural gas production might continue to at a rate of more than 5%.

**Policy news:** India's wind energy sector would be attracting investment worth of \$15 billion by 2020. Rosneft is about to invest Rs. 60000 crore and eyes Indian solar market. Indian energy sector might remain under pressure for some time. India, which has raised its solar power capacity target five-fold, could see annual investments in solar surpassing those in coal by 2019-20 with commitments worth about \$35 billion from global companies. CRISIL states the power sector loans worth \$62.5 billion might turn toxic. Gamesa Secures Fresh Wind Energy Order of 250 MW in India. The revamped national

renewable energy act might change the landscape of renewable energy in the country. Bihar gets a boost in renewable energy. Andhra Pradesh government is all set to initiate an energy University. Rural India is considering renewable energy as a future energy source. Seamless regional energy trade among SAARC countries might be next on the card. As part of the National Democratic Alliance (NDA) government's green energy push, India will award contracts for the supply of 15,000 MW this year. India's per capita electricity consumption touches 1010 kWh. Russia and India might jointly build 20 nuclear plants up from the previously stated 12. India is to invest \$8 billion in Iran to rebuild the infrastructure sector. India has sought to Canadian companies to invest in Indian energy sector. Petroleum ministry is to train workforce to join West Asian oil fields. CESC makes a significant investment in non-conventional energy in recent times. At least three Indian companies, including state-owned Indian Oil Corporation and ONGC Videsh, are in discussions for significant hydrocarbon deals to Russia. Ethiopia may renew a key contract awarded to an Indian consortium led by state-owned Power Grid Corp. Ltd (PGCIL) for managing its power sector, a move that will help India affirm its role in Africa in the wake of growing Chinese influence. State-run Coal India has tied up with the Administrative Staff College of India (ASCI) to train its executives to handle varying rehabilitation and resettlement norms across states. World Bank has informed that it won't fund any coal base project in India. The government has asked mining giant Coal India to take up exploration of coal bed methane (CBM) in the country expeditiously, with an aim to ramp up its output to at least 5 million standard cubic metres a day (mmscmd) from less than 1 mmscmd now. Indian Prime Minister has informed that Mozambique can be a vital source of coal and gas for India. Coal import might decline by 3% in 2015-16. Government of India gets Rs. 1029 crore from coal mine bids. The global decline in oil price might relieve the government of subsidy burden. The Iranian government informed that it is in no hurry regarding Indian dues of Rs. 41000 crore. India oil ministry sees 2015/16 upstream subsidy at Rs.5000-6,000 crore. Lifting ban on Iran would boost the Indian oil and petroleum sector. Indian oil imports from Saudi Arabia drops by 8%. In next two years solar power would be as cheap as oil in India. Gujarat plans to relocate electricity infrastructure. After 2020 India won't need any Australian coal. Electricity from waste would be developed in Jammu and Kashmir in no time. 24 hours electricity and gas pipeline tops the agenda of the central government.