

# Decision on methanol policy soon

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**G**iving a major fillip to the clean energy segment, the Union Cabinet is likely to take up a comprehensive methanol policy in the next two months.

The policy is likely to include proposals to import methanol and subsidy-related issues like the one in use for methanol as cooking gas.

This comes close on the heels of Assam Petrochemicals, which started supplying methanol cylinders to 500-odd families on November 5, using methanol cooking stoves.

This is costing consumers about ₹600 per cylinder compared to ₹809.5 for non-subsidised cylinders in the market. NITI Aayog has also come out with a master plan to introduce methanol as the preferred cooking fuel for reaching out to 50,000 households in Assam and 20,000 below poverty line families



in Eastern Uttar Pradesh.

The Cabinet will also give clearance for setting up four dimethyl ether (DME) plants in various parts of the country. DME can be a substitute for diesel and liquefied petroleum gas (LPG).

"By 2022, we expect the demand for methanol in the country to be 10 million tonnes once we will start

## What is methanol

Methanol is a clean fuel that can replace petrol and diesel in transportation and liquefied petroleum gas for cooking. It can be produced from natural gas, high-ash coal, bio-mass and stranded or flared gas. India is expected to produce methanol at a price of ₹19 a litre

## India's roadmap

Planning to use it in transportation, cooking and for blending on petrol and LPG. At present, the country has installed capacity of 1.2 million tonne of methanol, while the utilisation in 0.7 MT. By 2022, India expect the demand to be around 10 MT

methanol that the country is looking at is coal and also stranded natural gas blocks. At present, India does not have a commercial coal to methanol plant. However, state-run Coal India is working on a coal to methanol project at Dankuni in West Bengal and a coal to gas project at Talcher in Odisha.

The ministry of road transport and highways has now cleared methanol (M15 grade) as a fuel for transportation as well. Among the major countries that accepted methanol as a transportation fuel are China and Israel. According to NITI Aayog, Indian Oil Corporation's research wing is working on the right blend for using methanol on vehicles in India. Based on the current estimates, a 1,600 tonnes per day methanol plant will require a capital expenditure of ₹2 billion which would be able to produce methanol at ₹17-19 per litre.

using it in sectors like transportation, cooking and waterways. To meet this initial demand, we are planning to import 1 MT methanol during financial year 2019-20," said V K Saraswat, member, Niti Aayog. Though India has a capacity of 1.2 MT methanol, the current capacity utilisation is only about 0.7 MT.

The major producers of

methanol in India are Gujarat Narmada Valley Fertilizer and Chemicals, Rashtriya Chemicals and Fertilizers, Assam Petrochemicals and National Fertilizers.

India will be looking at countries like Iran, Saudi Arabia, Qatar and China for import of methanol. Since the country has large coal reserves, one of the major sources of