

'Petroleum, Finance Ministers can award hydrocarbon blocks'

The Union Cabinet on Wednesday approved a proposal to delegate the power to award hydrocarbon blocks to successful bidders under the Hydrocarbon Exploration and Licensing Policy (HELP) to Petroleum and Finance Ministers.

"In line with the government initiative of ease of doing business, the Union Cabinet has given its approval for delegating the powers to Minister of Petroleum and Natural Gas and Finance Minister to award the blocks/contract areas to successful bidders under Hydrocarbon Exploration and Licensing Policy (HELP) after International Competitive Bidding (ICB) based on the recommendations of Empowered Committee of Secretaries (ECS)," the government said in a statement.

Under HELP, blocks are to be awarded twice in a year. Delegating powers would expedite the decision-making process in awarding the blocks, according to the statement. "Under the New Exploration Licensing Policy [which was in place before HELP was implemented in 2016], ECS considers the bid evaluation criteria (BEC), conducts negotiations with the bidders wherever necessary, and makes recommendations to CCEA on award of blocks," the statement said. "The CCEA approves the award of blocks. The entire process, including Inter Ministerial Consultations (IMC), is quite lengthy and time consuming."

In a separate decision, the Cabinet Committee on Economic Affairs approved the issuance of a notification that would allow Coal India Limited (CIL) and its subsidiaries to extract coal bed methane (CBM) in their coal bearing areas without applying for a licence or lease under the Petroleum & Natural Gas Rules, 1959.

Exploration of CBM

"The decision will expedite the exploration and exploitation of CBM, enhance the availability of natural gas and reduce the gap in demand and supply of natural gas," the government said in a separate statement.

"The increased development activities for exploration and exploitation of CBM gas reserves in and around the block will generate economic activities which, in turn, has potential to create employment opportunities in CBM operations and in the industries," it said.

ENDDownloaded from **crackIAS.com**© **Zuccess App** by crackIAS.com