

The viable alternative fuel on hand

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LPG : the most viable alternate fuel.

Very few people in the country know that about 60% of the world's LPG output is received from natural gas processing and only 40% comes in from crude processing; and that the price of Auto LPG in India is non-subsidized and moves in tandem with the global LPG prices. In spite of this, the per litre price of Auto LPG has hovered around 40% lower than that of Petrol in most of the Indian cities.

The above well scenario explains why the auto LPG filling stations across the country have been doing very well for past few years.

Low filling time and the 40% fuel cut is a reason enough for a consumer to convert his vehicle to LPG. Contrary to general notions, the automotive use for LPG has an excellent safety record and various crash tests and fire tests have proved that owing to the strength and integrity of the fuel tank, Auto LPG is safer than petrol and at par with diesel.

However, it needs to be mentioned here that the domestic LPG cylinders are indeed a big risk to life since domestic cylinders are simply not equipped to handle automobile usage, wherein the tank needs to be designed to take care of impacts, high temperatures and leaks.

Auto LPG status in India

With more than a 300% growth in Auto LPG over previous year (2004) and expected to touch 70 TMTPA this year, India is probably the fastest growing Auto LPG market in the world, with sus-

tained high growth figures expected in the years ahead also.

It is no secret that emissions from automobiles in India are one of the highest in the world and with a tremendous judicial pressure to convert to alternative fuels, and the exponentially growing oil prices, Auto LPG appears to be the only viable, unadulterable, environment friendly alternative auto fuel in India. Armed with a 'late mover' advantage, India has the benefit of learning from world experiences. With 150 existing Auto LPG stations, India is now striving towards an Auto LPG regime, which would be safe and sustainable.

About IAC

To ensure that Auto LPG in India did not experience those birth pangs, which other alternate fuels witnessed, and benefited from world experience in the usage of LPG as a sustainable auto fuel, some stakeholders together with US DOE (United States Department of Energy) and USAID (United States Agency for International Development) took initiative in trying to create an auto LPG coalition.

In Dec 2002, an expert US delegation visited India and met virtually all the stakeholders of industry, including the main oil companies - Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL), Reliance Industries Limited (RIL) and Essar.

They also met the regulatory authorities like CCOE (Chief Controller of Explosives), ARAI

(Automobile Research Association of India), transport authorities, pollution control boards and SIAM (Society of Indian Automobile Manufacturers).

Based on various one-to-one interactions with all these stakeholder groups, the first 'all stakeholders' meet was hosted by IOC at its headquarters in Mumbai in Jan 2004 followed up with a meeting at RIL's headquarters at Mumbai in October 2004, where a Charter of Intent was signed and a working group formed, to ensure the incorporation of the stakeholder group as a legal entity.

On the strength of the recommendations of the working group, the stakeholders were incorporated as a trust known as Indian Auto LPG Coalition (IAC).

During this interim period, the USDOE/USAID facilitated visits for some of the stakeholders to have a first hand assessment of the LPG conversion technologies and refueling infrastructure in US. Some of the stakeholders also participated in Clean Cities International Conferences at Fort Lauderdale (Florida) and Palm Springs (California) in 2004 and 2005 respectively. Stakeholders IAC identified different stakeholder groups as critical partners, who are to work together closely at all times for ensuring a smooth and safe development of Auto LPG in India.

These stakeholder groups included the Oil Companies, Station equipment manufacturers, Kit manufacturers, Vehicle certifying agencies,

Automobile manufacturers / SIAM, Government transport departments, International agencies and Environment agencies.

Now known as IAC (Indian Auto LPG Coalition), the Coalition is seen by both-the government and private sector enterprises-to be the nodal point to assist the Industry in solving issues and at the same time, provide a credible support to the government to draft implementable and safer regulations for a sustainable Auto LPG regime for India.

Why LPG-as an alternative fuel? LPG is a clean burning, high octane, non-adulterable environment friendly fuel, which impacts greenhouse emissions less than any other fossil fuel and can be used in trucks, buses, LCVs, MUVs, passenger cars and three wheelers.

In fact LPG is pressurised at just 5-7 bars as against much higher pressures for CNG, which makes LPG a very safe and conventional fuel. Even from the infrastructural angle, the cost on ALDS is far more economical at around Rs 40 lakh, compared to much higher costs for CNG stations. And to top that, the cost of conversion of a vehicle to LPG is also just about half.

Future

Auto LPG has arrived in India and is here to stay. However with more than 9 million vehicles in 38 nations running on LPG/ Propane, and more than 36,000 LPG stations, it is indeed a long way to go for India.