Syllabus subtopic: Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

Prelims and Mains focus: about the draft policy and its significance; initiatives taken to boost gas-based economy, about PESO

News: In a bid to boost India’s gas economy, the Ministry of Petroleum and Natural gas on Thursday released a draft city gas distribution policy.

About the draft policy

- The policy could be adopted by states to facilitate speedy implementation of city gas distribution (CGD) networks and value-added services.

- With a view to promote clean and green fuel, the draft policy is looking to make CNG/LNG as the preferred fuel in public transportation. State transport corporations will accord priority to CNG/ LNG buses, while purchasing new buses and retrofitting in present alternate fuel fleet (which is viable), in order to actively promote the usage of CNG/LNG in the public transport.

- Reduced road taxes and value-added tax (VAT) may also be in the offing for gas-driven vehicles. In order to provide user-friendly clean and green fuel CNG and PNG to the general public at affordable and reasonable rates, VAT rates may be reviewed and rationalized with a ceiling of 5%.

- Further, to promote the safe usage of CNG/LNG in the transport sector, state policy thrust may be given by rationalizing road tax for factory-fitted CNG/LNG vehicles and making them at par with electric vehicles.

Process of implementation

- The draft policy suggests setting up of a committee, under the chairmanship of the chief secretary, which will help formulate policies and streamline the processes for various permissions to develop the CGD.
infrastructure.

- It will cause setting up of a **suitable single-window clearance mechanism** for the same in the state for the promotion development of CGD infrastructure and **ease of doing business**.

- The committee will also make a suitable mechanism for permissions from state divisions of the **Petroleum and Explosives Safety Organisation (PESO)**, NHAI, the railways, etc.

### Initiatives taken by the govt. to boost gas-based economy

- Pricing and LNG marketing freedoms have been given to gas producers. LNG terminal capacity is being augmented and the national gas grid is being developed.
- The government will also provide Rs.10,500 crore as **viability gap funding** for laying pipeline in eastern and north-eastern India. Gas pipeline network will be ready from Kutch to Kohima and Kashmir to Kochi. Around Rs. 4 trillion worth of investment is likely to be made in such projects, which is a challenge as well as an opportunity.

### About Petroleum and Explosives Safety Organisation (PESO)

- PESO is a department formed by Government of India under **Department for the Promotion of Industry and Internal Trade (DPIIT)** under **Ministry of Commerce and Industry**, to administer Explosives Act 1884, Explosive Substance Act, Petroleum Act 1934, Inflammable substance Act 1952 and Environment Protection Act 1986 to **control import, export, transport, storage and usage of explosive materials, flammable materials, pressure vessels, cryogenic vessels**, design and installation of all necessary and relevant infrastructure etc.

- PESO is a **regulatory authority**, with **autonomous status**. The Department is headed by **Chief Controller of Explosives** and is headquartered at **Nagpur** in the State of Maharashtra in India.

It was established during the British India in 1890s as Department of Explosives and later expanded to various other activities.

PESO is known for one of the most efficient departments in India. The officers are selected by the UPSC into Indian Petroleum and Explosives Safety Service (IPESS), a central civil services cadre.

It is a statutory authority.