

**LOK SABHA**  
**UNSTARRED QUESTION NO.5007**  
FOR ANSWER ON 26/03/2018

**USE OF COAL GAS BY STEEL PLANTS**

5007. DR. P. VENUGOPAL:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is carrying out a technical assessment of methanol production and coal gasification process to make integrated steel plants more lucrative;
- (b) if so, the details thereof;
- (c) whether the Government has set up a task force to explore the feasibility of producing methanol from coal at Mozambique and India, replacement of natural gas by coal gas steel plants and carbon dioxide capturing to produce methanol; and
- (d) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) Yes, Madam.

(b) In pursuance of the decision of the Committee of Secretaries, an Apex Committee has been constituted under the Chairmanship of Dr. V.K. Saraswat, Member NITI Aayog to take forward the initiatives of methanol economy in India. Under this Committee, NITI Aayog has also constituted a Task Force on production of Methanol using high ash coal. The mandate of Task Force is to look into all aspects relating to feasibility of production of methanol using high ash coal including techno economic assessment of setting up demo plant for methanol production in the country and abroad.

(c)&(d): Government of India has also constituted a Task Force on 28.12.2017 to explore (1) the feasibility of producing methanol from coal at Mozambique & India, (2) replacement of natural gas by coal gasification in steel plants and (3) Carbon-Dioxide capturing from steel plants into methanol liquid fuel with the following Terms of Reference:-

- a) Study feasibility of exploring coal mines to produce methanol.
- b) Explore the feasibility of using coal gas a replacement of natural gas in steel production.
- c) Examining the feasibility of transporting methanol to India and convert it into olefins, parafins and other chemicals.
- d) CO<sub>2</sub> sequestration from steel plants into methanol liquid fuel.
- e) Any other related issue as felt necessary by the Task force.
- f) A detailed analysis of usage of methanol is also to be established by this task force.
- g) Technology of CO<sub>2</sub> to methanol should be explored as an Indian Technology capability.
- h) Total benefits from CO<sub>2</sub> sequestration into methanol and replacing Coal gas with natural gas to the steel sector to be quantified and established.

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