

GOVERNMENT OF INDIA
 MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO. 1560
 ANSWERED ON 09/12/2024

STEPS TO ENCOURAGE INVESTMENT IN NATURAL GAS PRODUCTION

1560.SHRI JAGGESH:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that the country is well on its way towards transforming into a gasbased economy with key steps taken under this Government;
- (b) the current import of natural gas requirements and domestic natural gas production for the last three years;
- (c) whether Government proposes to encourage domestic producers to invest in gas production with key reforms implemented that include incentives to gas producers from newwells in nomination fields; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS
 (SHRI SURESH GOPI)

(a) & (b) India's energy sector is undergoing a significant transformation, with a growing focus on cleaner sources of energy. To realize the vision, the Government has set a target to raise the share of natural gas in energy mix to 15% in 2030. Various steps taken by the Government in this direction include expansion of National Gas Grid Pipeline, expansion of City Gas Distribution (CGD) network, setting up of Liquefied Natural Gas (LNG) Terminals, allocation of domestic gas to Compressed Natural Gas (Transport) / Piped Natural Gas (Domestic) CNG(T)/PNG(D) as priority sector, allowing marketing and pricing freedom with a ceiling price to gas produced from high pressure/high temperature areas, deep water & ultra-deep water and from coal seams, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative to promote Bio-CNG, etc

Domestic natural gas production and LNG import trend for past three years is given below.

Data as per PPAC

Period (FY 2021-22 to 2023-24)

(in MMSCM)

| Trend of Natural Gas Consumption in India (including internal consumption) | | | |
|-----------------------------------------------------------------------------------|----------------|----------------|----------------|
| Financial Year | 2021-22 | 2022-23 | 2023-24 |
| Net Production | 33131 | 33664 | 35717 |
| LNG import | 31028 | 26304 | 31795 |
| Total Consumption (Net Production + LNG import) | 64159 | 59969 | 67512 |
| Import dependency | 48.36% | 43.86% | 47.09% |

MMSCM: Million Standard Cubic Meter

(c) & (d) For increasing domestic gas production, Government of India has notified Hydrocarbon Exploration and Licensing Policy (HELP) for the award of exploration acreages shifting from Production Sharing mechanism to Revenue Sharing mechanism. Government further notified the policy reforms on 28th February 2019, where many of the processes and approvals were relaxed to promote “Ease of Doing Business”, Revenue Share from Category II & III type of basins were removed, except for windfall gains, 7 years Royalty Holiday for Deep & Ultra-deep blocks, concessional Royalty Rates for Deepwater and for ultra-deep water blocks, and fiscal incentives have been provided for early monetization of fields along with Marketing and Pricing freedom for natural gas. Further, Government vide notification dated 07.04.2023 allowed a premium of 20% over the Administered Price Mechanism prices for gas produced from new well and well interventions of Oil and Natural Gas Corporation Limited & Oil India Limited from their nomination fields.
