

LOK SABHA

UNSTARRED QUESTION NO. 791

TO BE ANSWERED ON 23.07.2018

Natural Gas Trading Hub

791. KUNWAR HARIBANSH SINGH:
SHRI ASHOK SHANKARRAO CHAVAN:
SHRI SUDHEER GUPTA:
SHRI GAJANAN KIRTIKAR:
SHRI S.R. VIJAYAKUMAR:
SHRI T. RADHAKRISHNAN:
SHRI S. RAJENDRAN:
SHRI BIDYUT BARAN MAHATO:

Will the Minister of PETROLEUM AND NATURAL GAS पेट्रो लयम और प्राकृतिक गैस मंत्री be pleased to state:

- (a) whether despite being the world's biggest importer of natural gas, India does not have a free market regime for gas and if so, the details thereof and the reasons for the same;
- (b) whether the Government proposes to launch a natural gas trading hub in the country and if so, the details thereof;
- (c) whether the Government has sought bids to hire a consultant to help to develop a regulatory framework for operationalising the gas trading/exchange hub; and
- (d) if so, the details thereof along with the time by which the said plan is likely to be conceptualised/formulated?

ANSWER

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)

- (a) The supply of domestic gas is being governed as per the Gas Pricing and Utilization Policy of the Government issued/amended from time to time. Liquefied Natural Gas (LNG) is imported under open general license on the terms and conditions mutually agreed upon between the buyers and sellers and it is being traded on market based mechanism. Further, to promote the development of free gas market, Government has notified a policy in March, 2016 to grant marketing and pricing freedom with a price ceiling on gas produced from discoveries in Deep-water, Ultra Deep-water, and High pressure-High Temperature areas. Government has also provided marketing and pricing freedom for the sale of crude oil and

natural gas to be produced under the Discovered Small Fields Policy-2015 and Hydrocarbon Exploration and Licensing Policy.

(b) It has been conceptually agreed to establish the gas trading hub(s)/exchange(s) in the country wherein the natural gas can be freely traded and supplied through a market mechanism.

(c) & (d) Petroleum and Natural Gas Regulatory Board (PNGRB) has hired a consultant to develop a regulatory framework for operationalizing the gas trading hub(s)/ exchange(s) in the country. In view of the administrative, legal, operational issues involved a precise timeframe for operationalizing the gas trading exchange/hub cannot be indicated at this stage.