

LOK SABHA
UNSTARRED QUESTION NO. 1996
TO BE ANSWERED ON 28th July, 2022

Price Hike of Domestic Natural Gas

1996. SHRIMATI CHINTA ANURADHA:

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

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

- (a) the details of hike in the price of domestic natural gas during the last two years;
- (b) whether the Government has taken any measures to reduce burden of increasing natural gas price on common people living in the country; and
- (c) if so, the details thereof, and if not, the reasons therefor?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय में राज्य मंत्री (श्री रामेश्वर तेली)

MINISTER OF STATE IN THE MINISTRY OF PETROELUM & NATURAL GAS
(SHRI RAMESWAR TELI)

(a) The domestic natural gas price is notified on half yearly basis. Details of Domestic Natural Gas price for last two years are indicated below:

Period	Domestic Gas price on GCV Basis
	US\$/MMBTU
01.04.2020 to 30.09.2020	2.39
01.10.2020 to 31.03.2021	1.79
01.04.2021 to 30.09.2021	1.79
01.10.2021 to 31.03.2022	2.90
01.04.2022 to 30.09.2022	6.10

(b) & (c): Government has taken various policy initiatives for increasing domestic production and to reduce import of natural gas. These inter-alia include:-

- i. 'New Domestic Natural Gas Pricing Guidelines', 2014 to strike a balance between the requirements of producing and consuming sectors.
- ii. Marketing including pricing freedom with a price ceiling for gas production from difficult areas such as High Pressure- High Temperature (HP-HT) and deepwater areas, 2016.
- iii. Marketing and pricing freedom for Coal Bed Methane (CBM), 2017.

- iv. The Policy reforms announced in February 2019 to enhance domestic production of oil and gas, inter-alia provides the following initiatives for gas production:
 - a) Full marketing and pricing freedom at arm's length basis for unexplored/unallocated areas for new gas discoveries after date of policy i.e., 28.02.2019.
 - b) Incentives in the form of reduction in Royalty by 10% for additional gas production over and above Business As Usual (BAU) scenarios to Administered Price Mechanism (APM) fields of NOCs.
- v. 'Natural Gas Marketing Reforms' announced in October 2020 inter-alia prescribes standard procedure to discover market price of gas to be sold by gas producers, through a transparent and competitive process. Detailed guidelines for Discovery of Market Price for Domestically Produced Natural Gas through e-bidding were issued vide Notification dated 03.12.2020.
- vi. An additional mechanism provided vide OM dated 19.08.2021, to gas producers having pricing and marketing freedom, for selling small quantity of gas, through gas exchanges authorized by PNGRB.
- vii. Detailed guidelines for monetization of Ad-hoc/Test Gas produced during the Testing of oil and gas well in November, 2021.
- viii. Complete Pricing and Marketing Freedom to gas produced from fields/blocks awarded under Hydrocarbon Exploration Licensing Policy (HELP).

Further, Government in 2014 accorded the highest priority of domestic gas supply to CGD sector of Piped Natural Gas (PNG) to promote the usage of environment-friendly fuel i.e. Natural Gas among the public at large. In October, 2018, Government launched Sustainable Alternative Towards Affordable Transportation (SATAT) to promote use of Compressed Bio Gas (CBG) as envisaged in National Policy on Biofuels, 2018 (NPB-2018). SATAT initiative on CBG encourages entrepreneurs to set up CBG plants, produce & supply CBG to Oil Marketing Companies (OMCs) for sale as automotive & industrial fuel.
