

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:227
ANSWERED ON:04.12.2009
SUPPLY OF GAS TO POWER PROJECTS
Ahir Shri Hansraj Gangaram

Will the Minister of POWER be pleased to state:

- (a) whether the Government is aware that the gas based power projects in the country are facing difficulties in sourcing the supply of gas;
- (b) if so, the details of such projects facing shortage of gas, as on date, State-wise;
- (c) whether the Government proposes to purchase gas from the gas producing companies in the private sector; and
- (d) if so, the details thereof and the steps taken to ensure the uninterrupted supply of gas to power projects?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 227 TO BE ANSWERED IN THE LOK SABHA ON 04.12.2009 REGARDING SUPPLY OF GAS TO POWER PROJECTS.

(a) & (b): It is a fact that in the past the gas based power projects in the country were facing difficulties in sourcing the supply of gas. However, since the start of gas production from RIL's KG D-6 gas blocks in the month of April 2009 and the allocation of gas to power sector on priority, the situation has improved considerably. Gas from this block has been allocated by Empowered Group of Ministers (EGoM) to existing power projects to run at 75% Plant Load Factor (PLF) for Plants located in Andhra Pradesh and 70% PLF for Plants located outside Andhra Pradesh. Besides Ratnagiri Gas Power Private Limited (RGPPL) has been allocated 5.67 million metric standard cubic meter per day (mmscmd) of gas which is its actual requirement at present. The gas has been allocated on firm basis to those projects likely to be commissioned during 2009-10. All existing gas based power plants and those plants commissioned this year could draw gas on fallback basis up to a maximum of 12 mmscmd, to further increase their PLF.

(c): As per New Exploration & Licensing Policy (NELP), the Government allocates potential gas producing fields for development by public and private entrepreneurs based on competitive bidding. The gas is purchased by the project authorities and not by Government.

(d): Government of India has adopted a multi-pronged strategy to augment gas supplies and bridge the gap between supply and demand for the domestic market including that for power sector. These include:-

(i) Out of total allocations of 91.61 mmscmd from KG D-6, 43.165 mmscmd has been allocated to power sector by the EGoM - 31.165 mmscmd on firm basis and 12.00 mmscmd on fallback basis. Besides this, a provision of 10.00 mmscmd on fall back basis has been made for captive power plants from KG D-6.

(ii) MoP&NG is taking necessary steps to increase availability of gas from domestic sources by awarding gas blocks for Exploration & Production (E&P) activities in various sedimentary basins of the country under the New Exploration Licensing Policy (NELP).

(iii) MoP&NG is encouraging import of gas in the form of Liquefied Natural Gas (LNG) and also making efforts for import of gas through international pipelines projects.

(iv) In order to explore and produce new sources of natural gas from coal bearing areas, government has formulated a Coal Bed Methane (CBM) Policy providing attractive fiscal and contractual framework for exploration and production of CBM in the country.

(v) Government is encouraging Under Ground Coal Gasification (UGCG) and coal liquification and investment by private entrepreneurs in development of these frontier technologies.

(vi) While allocation of RIL gas from KG basin (D-6), the power sector has been given priority.