

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2498

ANSWERED ON:09.05.2016

Demand and Supply of Natural Gas

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

- (a) whether the demand of natural gas is likely to be doubled by 2030 and if so, the steps taken/proposed to be taken by the Government to meet the demand of natural gas in the country as well as to reduce the dependence on imports;
- (b) the details of demand and supply of natural gas in the country along with quantum of domestic gas produced including D6 blocks/LNG imported to meet the shortfall/projected demand during each of the last three years and the steps taken to fix the priority in allocation of gas to various sectors particularly power/fertilizer and Small and Medium Enterprises (SMEs), sector/company/State/UT/country-wise including Iran;
- (c) whether gas based SMEs/power/ fertilizers and other industries have been badly affected and several plants are lying idle/closed and production and profitability of the companies adversely impacted for want of gas supply and if so, the details thereof and the reaction of the Government thereto along with the steps taken/being taken in this regard;
- (d) whether various State Governments including Maharashtra and Uttar Pradesh have requested the Government to ensure supply of sufficient and subsidized gas to SMEs/Power/fertilizers sectors and if so, the details thereof and the action taken by the Government thereon, State/UT-wise; and
- (e) the measures taken/proposed to be taken by the Government to encourage the States/private sector to use natural gas to curtail pollution in the country, State/UT- wise including in Uttar Pradesh?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) The demand of natural gas for the year 2030 is not available in this Ministry. However, as per the Report of the Working Group on Petroleum & Natural Gas Sector, the demand of natural gas during 2021-22 will be 606 Million Standard Cubic Meters (MMSCMD). In order to meet the demand of natural gas in the country, as well as to reduce the dependence on imports, Government has taken several steps which inter alia include the following:

- (i) Intensification of domestic Exploration & Production (E&P) activities through New Exploration Licensing Policy (NELP) rounds;
- (ii) Shale Gas Policy framework;
- (iii) Research and development of Gas Hydrate resources in the country;
- (iv) Clearance for exploration and development of some NELP blocks where the same was held up by various agencies; and
- (v) Exploration in the Mining Lease Area has been allowed with certain conditions.

(b) As per the data furnished by Petroleum Planning and Analysis Cell (PPAC), the year wise demand, supply and production of natural gas in the country during the last three years are as under:

(MMSCMD)

Year

Demand as per working group Report

Production of Domestic gas

Consumption Of Natural Gas

Domestic

R-LNG

Total

2013-14

371

97.01

94.72

48.57

143.29

2014-15

405

92.21

89.57

50.78

140.35

2015-16

446

88.11

85.08

58.22

143.30

The Government of India has already formulated a gas utilization policy for allocation of domestic gas in an objective manner.

(c) & (d): The domestic natural gas is allocated as per gas allocation policy depending upon the availability. The domestic gas is first allocated to the priority sector such CGD sector for PNG (Domestic) and CNG (Transport), Fertilizer, Power, LPG etc. Due to limited availability of domestic natural gas, it is not possible even to meet the full requirement of priority sector. The consumers other than priority sector are free to use Re-gasified Liquefied Natural Gas (RLNG). RLNG is imported under open general license on the terms and conditions mutually agreed upon between the buyers and sellers. However, the demand of RLNG is price sensitive.

The Cabinet Committee on Economic Affairs (CCEA), in its meeting dated 25.03.2015 and 31.03.2015 has approved the policy to revive and improve utilization of the stranded gas based power generation capacity and pooling of gas in fertilizer (urea) Sectors. The former has made R-LNG based power generation commercially viable for idle/ stranded gas based power plants. The pooling of gas in fertilizer sector has enabled fertilizer plants manufacturing urea to run at their full capacities.

(e): In order to promote the usage of Compressed Natural Gas (CNG) across the country, Government has issued guidelines according to which the entire requirement of City Gas Distribution (CGD) entities for CNG (transport) and PNG (domestic) sector is met through domestic gas. Further, PNGRB has envisaged a phased roll out plan for development of CGD networks in several Geographical Areas (GAs) in various States. The GAs are included in bidding rounds in a phased manner depending on the natural gas pipeline connectivity/natural gas availability and feasibility for grant of authorization to develop CGD networks in the country, including Uttar Pradesh. At present, in the State of Uttar Pradesh the following GAs are having CGD Infrastructure namely Gautam Budh Nagar, Ghaziabad, Agra, Lucknow, Meerut, Firozabad, Dibrayapur, Khurja, Kanpur, Bareilly, Jhansi, Moradabad & Mathura.
