Natural Gas being an alternative cleaner fossil fuel has a major role in catering the growing energy demand in a sustainable manner. To increase the share of gas in the primary energy mix of the country, Government is progressively taking steps to enhance domestic gas production and develop requisite gas infrastructure including gas pipelines, city gas distribution networks and import Liquefied Natural Gas (LNG) terminals. The initiatives to develop eco-system of gas infrastructure across the country have a potential of investment of about Rs. 2.00 lakh crore in Gas Grid, LNG Terminal and City Gas Distribution (CGD) networks in next 5-8 years.

As per the present policy, Government is meeting the entire requirement of CNG (Transport) and PNG (Domestic) segment of CGD networks by supplying domestic gas, which is cheaper than imported gas.

Government has taken several policy measures/initiatives to enhance exploration & production of oil and gas in the country which include:

i. Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries, 2014

ii. Discovered Small Field Policy, 2015

iii. Hydrocarbon Exploration and Licensing Policy, 2016

iv. Policy for Extension of Production Sharing Contracts, 2016 and 2017

v. Policy for early monetization of Coal Bed Methane, 2017

vi. Setting up of National Data Repository, 2017

vii. of Unapprised areas in Sedimentary Basins

viii. Re-assessment of Hydrocarbon Resources

ix. Policy framework to streamline the working of Production Sharing Contracts in Pre-NELP and NELP Blocks, 2018


Grant of Marketing including pricing freedom, on natural gas production from High Pressure-High Temperature (HP-HT) reservoirs and deepwater and ultra deepwater areas (with ceiling), gas produced from CBM blocks, blocks awarded under Hydrocarbon Exploration and Licensing
Policy (HELP) and Discovered Small Fields (DSF) Policy, commercial gas produced from North- Eastern Region (NER) on or after July 01, 2018 and also in those new gas discoveries whose Field Development Plan (FDP) has been approved after February, 2019. To incentivize additional gas production from Administered Price Mechanism (APM) fields, reduction in royalty by 10% of the applicable royalty has also been granted on the additional production over and above business-as-usual scenario.

In addition, Government in February, 2019 approved major reforms in exploration and licensing policy to enhance exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins and accelerate domestic production of oil and gas from existing fields. The policy reforms inter alia aim to boost exploration activities with greater weightage to work programme, simplified fiscal and contractual terms, bidding of exploration blocks under Category II and III sedimentary basins without any production or revenue sharing to Government. Further, reforms envisage simplified fiscal incentives and incentivizing gas production including marketing and pricing freedom. The policy also provides more functional freedom to National Oil Companies for collaboration and private sector participation for production enhancement methods in nomination fields. Streamlining approval processes and promoting ease of doing business including electronic single window mechanism is also an important aspect of policy reforms.

This information was given by the Union Minister for Petroleum and Natural Gas Shri Dharmendra Pradhan in a written reply in the Rajya Sabha today.

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YKB/SK

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