



**Federation of Indian Petroleum Industry**  
Voice of Indian Oil & Gas Industry

## One-day workshop on Natural Gas Vision 2030: Role of domestic production, LNG imports & transnational gas pipelines

Continuing its focus on Natural Gas Vision 2030, Federation of Indian Petroleum Industry organised a one-day workshop on Natural Gas Vision 2030: Role of domestic production, LNG imports & transnational gas pipelines on 3rd of April 2019 at Juniper Hall, India Habitat Centre, New Delhi.

Considering the importance and relevance of the natural gas in the Indian energy mix and the position it holds as a beacon of clean energy for the Indian energy sector, the event saw attendance of top executives from various companies in the entire supply chain of Natural Gas.

Dr R.K Malhotra, Director General, FIPI started the proceedings of the day with his welcome address. In his address, Dr Malhotra spoke the importance of natural gas as a major source of energy to cater the demand for energy due to the rising global population. In the wake of reducing the carbon emission, India signed INDC targets in the Paris meet. He further spoke about taking the gas penetration to 15% in the Indian energy basket which needs significant efforts in terms of policies, raising the domestic production, improving the LNG infrastructure and possible trans-national pipelines.

Inaugural address was given by Dr V.P. Joy, Director General, Directorate General of Hydrocarbons. He spoke about the energy transition of India and role of natural gas in the transition. He called for the need of bottom up approach in the policy making in achieving the energy transition. Speaking further on energy transition, he reemphasized the target of reducing the import dependency by 10%. Any transition will require adequate policy changes, demand and supply, pricing and infrastructure requirement, he further added. Speaking on price, Dr Joy emphasized on the need for transparent pricing mechanism which will encourage producers. He summarised the need of end mile connectivity in the gas supply chain to achieve the ambition of 15% in the energy basket.

Mr Vivek Rahi from KPMG set the context on Gas sector In India & Vision 2030. He spoke on the various aspects like policy, infrastructure and fiscal needs in driving the role of natural gas in India energy basket. He insisted upon the need of natural gas hub to ensure better and competitive pricing of natural gas.

First session of the event was on Future Natural gas production plan in the country by Mr O.K. Gyani, Head, Institute of Reservoir Studies, ONGC. He spoke about the various upcoming gas fields of ONGC in Western Offshore, Eastern Offshore, Onshore conventional fields, and unconventional CBM fields over next few years. According to Mr Gyani, these new fields will add about 55-60 BCM of natural gas by 2022, which is almost twice as the current domestic gas production. Other unconventional sources like Shale, Gas Hydrate are still in learning curve and its

required further research, he further added. Mr Gyani insisted upon the need for special dispensation of green field development, incentivising of EOR in early stage, expeditious grant of clearances and collaborative ecosystem to boost the domestic gas production.

In the second presentation, Mr Rajarshi Gupta, Head Corporate Planning & Strategy, OVL spoke on the Equity gas and its role in meeting the domestic demand. He briefed about the various overseas Natural gas assets of OVL and its key role in meeting the domestic gas demand. He spoke about the changes in LNG market and how the short term and spot term LNG contract are changing the dynamics of LNG market. He summarised his session by emphasizing the difficulties in financing the gas projects as compared to an oil project. By 2019, Final Investment Decisions will be made for 150 MMTPA of LNG plants across the globe.

**Mr Ian Nash, SAGE Project Consultant & Managing Director of Peritus International (UK) and Mr Raymond Vink, Manager Engineering, Allseas (The Netherlands) spoke about the role of transnational pipelines in meeting the future gas requirement of India. Mr. Nash spoke about the proposed MEIDP pipeline (Middle East to India Deepwater Pipeline) which will connect the Gas Rich Gulf & Middle East regions to India, for transporting natural gas to India and to secure the energy needs. He spoke about the feasibility, affordability and economic benefits of the MEIDP project. He called for a greater role of inter-governmental agreements for such capital intensive projects.**

**Mr Raymond Vink, Manager Pipeline Engineering, Allseas spoke about the technical offerings and technical capabilities of Allseas. Mr Vink, explained about the previous Deepwater and large diameter pipeline projects executed by the company in Black Sea and in Baltic Sea. He also spoke about the availability of pipe laying vessels (Pioneering Spirit, the largest construction vessel in the world) with Allseas and explained how these capabilities can come useful for proposed MEIDP project, thereby confirming the installability of the MEIDP project.**

Mr Debasish Nanda, Chief General Manager (Gas) , IOCL spoke on the role of LNG to meet the present and future gas demand in India. He spoke about the steady progress of LNG over the years. Among the BRICS nations, India has the lowest penetration of natural gas, he further added. He cited affordability and City Gas Distributions as the major drivers of the gas economy. Speaking on the need for sourcing strategy in LNG purchase, he insisted that LNG sourcing must have greater flexibility, mix of various indices, supply security and a basket of short term, long term and spot term LNG. He spoke about the various LNG regasifying terminals in India, their capacity and their ability to scale up the requirement. The combined capacity of current and planned LNG regasifying facilities will be around 82 MMTPA. He summarised his presentation by underlining the need of infrastructure development for increased gas penetration.

Mr Soumit Biswas, Deputy General Manager, GAIL presented about the Natural gas infrastructure in India. He spoke on the existing gas transport infrastructure and the upcoming pipelines in terms of capacity and length. He stressed upon the need for policy support in promoting gas pipeline development and rationalisation of tariff system to improve the affordability of the natural gas. Summarising his

presentation, Mr Biswas, called for bringing gas under 5% GST regime with regulated tariffs and open access to LNG terminals.

Mr K.K. Chopra, DGM (Reservoir), DGH spoke on unlocking the potential of unconventional gas in India. Mr Chopra spoke about the background of CBM fields in India, its development, production and future plans. He put production from CBM fields at 2 MMSCMD. Policy changes like early monetization of CBM fields, marketing and pricing freedom of gas from CBM fields will enhance the development of other CBM fields and can increase the gas production, he further added. He summarised his presentation on the issues faced by unconventional plays like CBM, Shale and stressed for the need for solving these issues.

A Special address on the regulatory and policy scenario of Natural gas in India was given by Mr Amar Nath, Joint Secretary (Exploration), MoPNG. Mr Amarnath spoke about the transition of exploration policy from NELP to HELP, from production sharing to revenue sharing in an attempt to boost the domestic exploration activity. He also spoke the policies like OALP, DSF, EOR policy aimed at bolstering the domestic production in India. He articulated about the marketing freedom and pricing freedom for the gas to be produced from the all upcoming fields and fields for which Field Development plan is yet to be approved. In his summary, Mr Amarnath said that MoPNG has intervened on the policy issues, wherever required, to attract more investment and to boost production.

Following the special address, a panel discussion was held. Speakers included Mr Sarthak Behuria, Advisor, Adani Gas, Mr Rajeev Kumar, Director, Regulatory Affairs and Upstream Business, BP, Mr R.Mathur, Executive Director, GAIL, Mr.Vilas Tawde, Managing Director & CEO at Essar Oil and Gas, Exploration and Production Ltd and Mr. SP Garg, Member, PNGRB. The session was moderated by Mr Anish De, Partner & Head, Energy & Natural Resources, KPMG. Members discussed various key areas of concerns and development in meeting the gas demand of India. The discussion covered the aspects of policies, gas exploration and production activity, unconventional gas sources, gas price, City gas distribution and proposed gas trading hub. Key take away of the panel discussion focussed on development of infrastructure for gas transport and LNG imports, unified gas tariff plans, changes in policies towards gas based economy, adoption of gas in transport industry and development of trading hub to ensure better pricing of natural gas.

Concluding remarks on the workshop was given by Mr D.K. Sarraf, Chairman, PNGRB. Mr Sarraf articulated that, rising gas contribution to 15% in the energy basket is doable and it required a proper roadmap. With many gas fields expected to come online, increase in LNG imports will ensure supply security for India's gas demand. Development of last mile connectivity, promotion of PNG & CNG is required in boosting the gas usage, he added further. Mr Sarraf, summarised the workshop stating cost and economic benefits of natural gas, need to bring it under GST, greater government intervention and co-operation of states in developing the required gas infrastructure in achieving the increased share of natural gas in Indian energy basket.

Mr T.K Sengupta, Director Exploration & Production, FIPI proposed the vote of thanks. Mr Sengupta spoke about the opportunities available for players across Exploration & production sector, gas transport & marketing sector and LNG sector considering the massive projected growth. With 32 BCM of gas produced

domestically and 27 BCM of imported LNG, the industry has the potential to grow by 4-5 times to meet the forecasted gas consumption of 680 MMSCMD in 2030. This could be met by a mix of domestic production, imported LNG and transnational pipelines, he added further. Mr Sengupta concluded the workshop, thanking all the industry leaders, speakers for their opinions and suggestions to achieve Natural Gas Vision 2030.



Dr. R. K. Malhotra, Director General, FIPI welcoming the participants



Dr V P Joy, Director General @DghIndia, highlighted that policy, infrastructure & demand will play a major role in transition to Natural Gas. He underlined that role of Natural Gas will grow significantly in India, which will be pushed by various policy reforms by the Govt..



Mr Vivek Rahi, KPMG giving his presentation on 'Setting the context: Presentation on Gas sector in India & Vision 2030'.



Mr. O N Gyani, Head IRS, ONGC briefed on domestic gas availability, production potential & future gas production plans.



Mr. Rajarshi Gupta, Head Corporate Planning & Strategy, OVL who discussed about Equity Gas & its role in meeting India's domestic demand.



Mr. Raymond Vink, Manager Pipeline Engineering, Allseas (Netherlands) deliberated on the installation capabilities of Allseas to confirm installability of the MEIDP pipeline.



Mr. Ian Nash, SAGE Project Consultant & MD, Peritus International (UK) deliberated over the role & challenges of establishing transnational pipelines to meet India's growing gas requirements in the future.



Mr. Debasish Nanda, Chief General Manager (Gas), @IndianOilcl discussed on the role of LNG to meet the present & future gas demand. He detailed India's focus on enhancing affordability & accessibility of Natural Gas and expansion of Gas infrastructure & supply security.



Shri S. Biswas, DGM, GAIL discussed about the Natural Gas infrastructures in India & deliberated upon the need to deploy support measures & policy enablers in downstream sector to facilitate the expansion of pipeline network across the country.



Mr. K.K. Chopra, DGM (Reservoir), DGH delivering his presentation on 'Unlocking the potential of unconventional gas in India'



In a special address, Mr. Amar Nath, Joint Secy.(Exploration) MoP&NG spoke on regulatory & policy scenario for Natural Gas in India. He highlighted climate change as an important factor impacting energy policies & growth in domestic production & consumption of Natural Gas.



Mr. Anish De, KPMG moderated a prestigious panel of energy experts from ONGC, BP & Adani Gas, GAIL to discuss various policy reforms & measures implemented by Govt. of India & their impact in improving share of Natural Gas from 6% to 15% of the energy basket.



Mr D K Sarraf, Chairman, PNGRB delivered concluding remarks & spoke about cost & economic benefits of Natural Gas, need to bring it under GST, competitive bidding & need to expand energy infrastructure for increasing share of NG in energy mix.



Mr. T. K Sengupta, Director(E&P), FIPI giving the vote of thanks