

(15) Do you think that Govt needs to revisit the gas pricing formula? Comment.

Government of India visioned to make gas based economy by increasing gas in energy mix from current 6% to 15% by 2030.

As Govt imports nearly 40-45% of natural gas through long term contracts, however, it also subject to market conditions & risks like

- ↳ Europe shifting gas resource from Nord stream to outside market
- ↳ supply disruption in US market

This elevated gas price is world market, However Domestic price dissonant to this demand & supply disruption because of following reasons

Domestic gas price regulation

Based on 2014 formula which accounts volume & prices prevailing in major international markets like Russia, Henry hub etc & revised once in 6 months

However they are self sustaining & developed markets it unnecessarily penalise producers because of price ceiling & reduces price & demand in market for domestic LNG

Revise Needed

Government of India need to come with new formula which genuinely reflect India gas market demand & supply

Reversing gas price frequently like petrol & diesel rather than 6 months once

Including gas producers & consumers in formulating formula.

If GoI want to promote gas market then proachure & sustained policy supports needed. state like Gujarat has shown good policy reforms