



Press Release

Event on 22nd November 2018 at Vigyan Bhawan, New Delhi

Hon'ble Prime Minister Shri Narendra Modi would lay the Foundation Stones of City Gas Distribution (CGD) Projects in 65 Geographical Areas (GAs) in 129 Districts under the 9th CGD Bidding Round recently awarded by PNGRB remotely from Vigyan Bhawan, heralding the availability of convenient, environment-friendly and cheaper natural gas for almost half of the country's population spread across 26 States and Union Territories upto 9th round. The main event would be held at 4 p.m. on 22nd November, 2018 at Vigyan Bhawan, New Delhi.

At each of the GA across 19 states in India, the authorised entities would also hold their event locally. The event at the Vigyan Bhawan, New Delhi would be telecasted live to each of the event at the respective GAs. Thus, the people in 65 different places across India would simultaneously know the PNGRB's plan to implement CGD project in their authorised area. The advantages of natural gas over other fuels and listen to the encouraging words of Hon'ble PM on natural gas. In the local events, the authorised entities plan to invite dignitaries like Chief Ministers, Union Ministers, Ministers in the respective state governments, the local MPs and MLAs besides senior government officials, other eminent persons and public.

During the event, Hon'ble PM would also launch 10th CGD Bidding Round in 50 GAs spread over 124 districts in 14 states.

9th CGD Bidding Round

PNGRB launched 9th CGD Bidding Round on 12th April, 2018 inviting participation in 86 Geographical Areas (GAs). The GAs are spread over 174 districts (156 full and 18 part) in 22 states and Union Territories of India and cover 26% of India's population and 24% of its area.

Based on the experience of the previous bidding rounds and suggestions of various stakeholders, the bidding model was reviewed and following major improvements were made during the 9th round:

- Bid evaluation criteria emphasises on creation of infrastructure (80% weightage), especially domestic piped natural gas (PNG) connections (50% weightage). Weightage of 20% was assigned to number of CNG Stations and 10% to inch-km of steel pipeline committed.
- Marketing exclusivity to the authorised entities was increased from 5 to 8 years (extendable up to 10 years for performers).
- Supply of gas through cascades for quick start of business
- Gas pipeline operator to provide connectivity to CGD network within 180/270 days
- Performance Bank Guarantee capped at Rs. 50 Crore

406 bids from 38 entities were received. Technical bids were opened during 12th to 18th July 2018. 78 Letters of Intent (LoIs) in respect of 90% of the GAs were issued within a period of one month of bid closing date. List of 21 successful entities, include 2 foreign investors and 6 new investors. The total work commitment include provision of 2,21,16,702 PNG domestic connections, installation of 4603 CNG stations and laying of 1,16,171 inch-km of steel pipeline, over a period of 8 years. Implementation of the projects under 9th CGD Bidding Round are expected to result in investment of Rs. 70,000 Crore and significant generation of direct and indirect employment.

10th CGD Bidding Round

Encouraged with the enthusiastic participation by the industry in the 9th CGD Bidding Round and recognising the need of the country to create infrastructure for distribution of natural gas in various parts of India, PNGRB has initiated the process of 10th CGD Bidding Round. 10th round would cover 50 Geographical Areas (GAs) spread over 14 states and 124 districts (112 full and 12 part), covering 24% of India's population and 18% of its area.

The e-bidding process has been initiated on 8th November, 2018. Pre-bid conference is scheduled on 6th December, 2018. Bids can be submitted by 5th February, 2019; Technical Bids would be opened during 7th to 9th February, 2019. The LoIs are planned to be issued by end-February, 2019.

After this round, 70% of India's Population, 52% of Area, 402 districts spread over 27 states and union territories and the states of Delhi, Gujarat, Goa, Punjab, Haryana and Union Territories of Daman & Diu, Dadra & Nagar Haveli, Chandigarh would be fully covered with CGD.

Why Natural Gas

Natural gas is a superior fuel as compared with coal and other liquid fuels being an environment friendly, safer and cheaper fuel. Natural Gas is supplied through

pipelines just like one gets water from the tap. There is no need to store cylinders in the kitchen and thus saves space. As per WHO database released in May 2018, India has 14 out of 15 world's most polluted cities in terms of PM 2.5 concentration. Large number of industries also consume polluting fuels like pet coke and furnace oil which emit polluting CO₂. Some of the courts recently ordered for banning use of pet coke in states within their jurisdiction.

Natural Gas (as CNG) is cheaper by 60% as compared with petrol and 45 % w.r.t. Diesel. Similarly, Natural Gas (as PNG) is cheaper by 40 % as compared with market price LPG and price of PNG almost matches with that of subsidised LPG (based on prices in Delhi). An autorickshaw owner can save Rs. 7000-8000 on his monthly fuel bill by conversion from petrol to CNG. Thus, even on cost front as well, natural gas is preferable to petrol, diesel and LPG.

Share of Natural Gas in India's energy basket is 6.2% as against 23.4% globally. In India - in the state of Gujarat itself, it is 25%. If Gujarat can achieve share of gas consumption more than global average, rest of India can also.

Hon'ble Prime Minister made a commitment in COP21 Paris Convention in December 2015 that by 2030, India would reduce carbon emission by 33% of 2005 levels. Natural gas, as domestic kitchen fuel, as fuel for transport sector as well as a fuel for industries and commercial units, can play a significant role in reducing carbon emission.

About PNGRB

The Petroleum and Natural Gas Regulatory Board (PNGRB) was constituted under The Petroleum and Natural Gas Regulatory Board Act, 2006 (NO. 19 OF 2006) notified via Gazette Notification dated 31st March, 2006 to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas and to promote competitive markets and for matters connected therewith or incidental thereto. Accordingly, PNGRB authorises the CGD networks, natural gas and petroleum product pipelines, determines tariff, lays down the technical and safety standards etc. PNGRB's current focus is to increase the market share of Natural Gas in India's energy basket, create infrastructure to support higher consumption of Natural Gas, create a transparent and vibrant Natural Gas market and balance the interests of consumers, transporters and producers of Natural Gas.

Petroleum and Natural Gas Regulatory Board

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