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Petroleum and Natural Gas Regulatory Board
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PRESS RELEASE

9th City Gas Distribution Bidding Round Launched

Petroleum and Natural Gas Regulatory Board (PNGRB) launched the roadshows for its 9th City Gas Distribution (CGD) Bidding Round today at an event at The Hotel Ashok, New Delhi.

As a major leapfrogging step in the area of distribution of natural gas across India, PNGRB has offered 86 Geographical Areas (GAs) covering 174 districts (156 complete and 18 part), spread over 22 States and Union Territories in India. These GAs cover 29% of India's population and 24% of its geographical area.

In the past, PNGRB has conducted 8 bidding rounds for City Gas Distribution during last 9 years resulting in award of 56 GAs. Including 29 GAs which were initiated before PNGRB and 6 Government mandated GAs, till date 91 GAs have been authorised by PNGRB. Existing GAs cover 130 districts (102 complete and 28 part), spread over 24 States and UTs. The existing GAs cover a population of 24 Crore (19% of India's population as per 2011 census) and 11% of its area. The existing areas have 42 Lakh domestic customers, 30 Lakh CNG vehicles, 1,350 CNG stations, 33,000 industrial and commercial customers. At present, about 25 million cubic meters per day of gas is sold by CGD entities which is 17% of country's gas consumption.

After award of the GAs under offer, gas distribution would reach 286 districts (276 complete and 10 part) spread over 25 States and UTs, covering 60 Crore people (49% of population) and 35% area.

The share of natural gas in India's energy basket is 6.2% against the global average of 24.1%. The country is aiming to push share of natural gas to 15%, as gas is more environment friendly, cheaper than liquid hydrocarbons and enables to meet country's commitment in COP21 on carbon emission. State of Gujarat has the distinction to have share of natural gas at 25% demonstrating India's potential to achieve this goal. In line with this, PNGRB's current focus is to increase the share of Natural Gas in India's energy basket, to create

infrastructure to support higher consumption of natural gas in India, to establish a transparent and vibrant natural gas market in India and to balance the interests of consumers, transporters and producers of natural gas.

Bidding conditions for the 9th CGD Bidding Round have been modified to make them Investor-friendly, at the same time keeping a focus on creation of infrastructure, after considering the industry response and detailed deliberations. For example, marketing exclusivity for the authorised entities has been increased from existing 5 years to 8 years, with a provision to extend the same up to 10 years based on physical performance of the entities. Gas pipeline companies have been required to provide connectivity to the CGD entity within 180/ 270 days. Performance bank guarantee (PBG) to be submitted by the entities has been capped at Rs 50 Crore and the requirement of additional bid bond has been discontinued. In bid evaluation criteria, 80% weightage has been given to creation of infrastructure.

The bidding would close on 10th July, 2018 and PNGRB intends to finalise the award by October, 2018.

At the launch of this very first roadshow for CGD bids, Hon'ble Minister of Petroleum & Natural Gas and Minister of Skill Development & Entrepreneurship, Shri Dharmendra Pradhan, recalled the statement of the Hon'ble Prime Minister Shri Narendra Modi in December, 2016 when he had said "natural gas is the next generation fossil fuel – cheaper and less polluting. We have given priority to move towards a gas-based economy. Effort must be made to increase natural gas production while also creating import infrastructure to meet the growing domestic demand."

Giving a major boost to development of gas resources through the new bidding round, Hon'ble Minister of Petroleum and Natural Gas in his key note address also said "I am happy to note that this is the biggest CGD Bidding round undertaken by PNGRB and covers 22 States and UTs, 24% geographical area and 29% populations."

The other speakers at the event included Shri Amitabh Kant, CEO, NITI Aayog and Shri Kapil Dev Tripathi Secretary, Ministry of Petroleum and Natural Gas. Chairperson, PNGRB brought out the salient features of the 9th CGD Bid Round.