



Presentation
on
**Actionable Points of Vizag Conclave held on 5th
and 6th April, 2024**

Petroleum and Natural Gas Regulatory Board (PNGRB), India

Agenda Outline Discussion

1.

ACTIONABLE POINTS ON NGPL



2.

ACTIONABLE POINTS ON PPPL



3.

ACTIONABLE POINTS ON CGD



4.

OTHER ACTIONABLE POINTS



Actionable Points : NGPL (1/2)

ACTIONABLE POINTS

STATUS



- **Taxation:** Taxation reforms to be pursued with the government to spur demand

- **Technology:**

- Set up of Gas Access Bulletin Board (GABB)
- Establish web-based systems for Third party access management and its Implementation, Electronic Bulletin Board

- PNGRB has written communications to MoPNG for bringing natural gas under ambit of GST
- PNGRB is actively engaging with Central Government, State Government and nodal agencies for formulation of State CGD policies, rationalization of VAT on CNG & PNG
- Reduction/Waiver of excise duty and GST in CNG segment and for CNG vehicles
- Till now 05 States have formulated their CGD policy and 04 are in draft. Further, VAT on natural gas has been reduced in Karnataka, Assam (CNG), Rajasthan, Chhattisgarh, Bihar and Andhra Pradesh.

- National Hydrocarbon Infrastructure Monitoring System (NHIMS) is being developed for gas and liquid fuel pipelines
- NIC has been assigned for the development of GABB with dedicated space allocation being done by PNGRB
- Tendering for required infrastructure is in progress

Actionable Points : NGPL (2/2)

ACTIONABLE POINTS

STATUS



• Reforms:

• Returns/Tariffs:

- The infrastructure developer should be assured of a justified return regardless of the gas flow
- Benchmarking/ Normative cost for laying NGPL infra for Capex for cost plus pipelines.

- **Bidding Parameter Review:** Authorization regulations to be reviewed in context of bidding criteria and bring investment to the NGPL To put the draft regulation on capacity booking on reasonable endeavors by entities during bids submissions to avoid backing out of entities from the commitment given during bidding

- **Entry/Exit for NGPL:** Entry Exit Model for tariff to be considered and Cost component for making the Natural Gas sweeter to be accounted

• New Initiatives

- PNGRB to get study conducted for demand on the industry basis.

Industry committee has submitted its recommendations for some changes in tariff regulation & is under review by PNGRB

PNGRB has initiated the benchmarking of NGPL and PPPL infrastructure

The HLC (Auth) is currently reviewing the bid parameters and formulating recommendations to ensure a balanced and effective framework

PNGRB implemented UFT in 2023. Further, implementation of entry-exit model will be evaluated in due time

PNGRB has gathered sector-wise inputs on natural gas demand and has finalized projections based on comprehensive industry insights and future growth

Actionable Points : PPPL (1/2)

ACTIONABLE POINTS

STATUS



- **Technology:** Petroleum Product Pipelines Access Bulletin Board in line with Gas Access Bulletin Board (GABB)
- **Reforms**
 - **Review of Authorization Regulations for Bid Commitment Defaults:** Authorization regulations to be reviewed in context of Entities backing out on capacity booking post bids submissions from the commitment given during bidding
 - **Declaration of Common Carrier**
 - Declaration of existing pipeline for transportation of petroleum products as a common carrier or contract carrier
 - All ATF pipelines under concept of common carrier
 - **Investments:** Outlining Petroleum Product Pipeline as a profit center and creating incentivization to attract investment

National Hydrocarbon infrastructure Monitoring system is being developed for gas and liquid fuel pipelines. It will contain the details of petroleum product pipelines also

Suitable amendment is being carried out in the regulation by PNGRB

PNGRB is working on declaration of 42 PPPL

In Phase 1, 5 pipelines have been proposed to be declared as common carrier. Further PCD has been initiated for 10 new ATF pipeline out of 22 identified ATF pipelines

Revision of Tariff Regulation for petroleum product pipeline has been done in 2024 by PNGRB.

Actionable Points : PPPL (2/2)

ACTIONABLE POINTS

STATUS



• Supply chain Security/Safety:

- **Logistics:** Proactive action shall be taken to reduce logistics cost in LPG
- **Hospitality:** Hospitality arrangements among OMCs to be explored

• New Initiatives

- **National Grid for LPG and Lube Oil:** Conceptualizing National Grid for LPG and Lube Oil Pipelines, Regulating the storage tanks with Capacity regulation, enabling proper usage of common carrier

- LPG study under-taken by PNGRB. 9 pipelines have been identified for Suo-moto bidding. Public consultation has been done for these pipelines connecting 50 bottling plants
- Industry committee formed for POL road movement optimization
- Existing 2 Nos. of captive LPG pipelines are in process of declaration as common carrier. Open house discussion is being held for the same

Based on outcome of LPG pipeline study, public consultation has already been initiated for LPG pipelines. Industry committee, formed for POL road movement optimization, is also providing inputs concurrently for establishment. The work relating to Lube oil Pipelines & regulating the storage tanks is also underway

Actionable Points : CGD

ACTIONABLE POINTS

STATUS



- **Digitization:** Digitization of entire CGD value chain touchpoints

- Data bank of all CGD infrastructure is being made available in PNGRB's cloud
- Webhosting of monthly progress of CGD entities-GA wise with gas consumption & MWP monitoring of customer segments
- GIS Mapping of all CNG infrastructure at GA level is being done by PNGRB.
- National Hydrocarbon infrastructure Monitoring system is being developed. It will contain details of CGD infrastructure

- **Policy:**

- Intervention from Pollution Control Boards (PCBs) required to convert MSMEs to use NG
- New building should have mandatory PNG provision like EV charging stations

PNGRB is taking up this in state visit agenda Multiple visits are being done

Letter sent to Ministry of Housing and Urban Affairs to include PNG provision in new buildings through State CGD policy

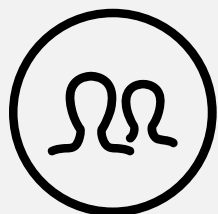
- **Exclusivity:** Declaring end of exclusivity as monopolies never helped in business expansion & customer satisfaction

High Level Committee is in the process of finalizing the recommendation for revision of exclusivity framework. Further, PNGRB is pursuing the final hearing of 3 GAs and public consultation of 72 GAs

Actionable Points : Others

ACTIONABLE POINTS

STATUS



OTHER
ACTIONABLES

- LNG stations ecosystem is to be created across golden quadrilateral
- Setting Up Centre of Excellence
- Study on reduction of intermediation cost through Common Carrier in liquid and natural gas pipelines with study on sharing the ROU, hospitality arrangement among OMCs for the benefit of consumers with application of SAND software for all 3 PSU OMCs together for most economic placement of liquid fuels
- Sourcing strategy & roadmap to be created for CBG
- Quality issues to be addressed while choosing between blending of CBG and NG

PNGRB issued clarification for no requirement of authorization for LNG stations in transport sector

PNGRB has sought information related to Centre of Excellence of the entities and interactions are being carried out with various stakeholders to collaborate with the purpose of creating a platform for knowledge and technology sharing

PNGRB is undertaking the same through procurement of SAND software

Roadmap for boosting the CBG production and usages is under development by synchronization amongst the stakeholders i.e. CBG producers, Pipeline connectivity operators and CGD entities

Revision for keeping methane level at 95% (min) along with other parameters are underway at BIS