

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM & NATURAL GAS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.785**  
ANSWERED ON- 29/07/2024

**SHARE OF NATURAL GAS IN TOTAL ENERGY MIX**

785 SHRI IRANNA KADADI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the current percentage share of natural gas in the country's total energy mix;
- (b) Government's strategy and initiatives to increase the share of natural gas to 15 per cent by 2030, as mentioned in recent policy discussions;
- (c) the challenges anticipated in achieving this target and the proposed solutions to address them; and
- (d) the projected impact on the country's energy security and environmental sustainability with the expansion of natural gas usage?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI SURESH GOPI)

(a) to (d) Presently in India the share of natural gas in energy basket is 5.8%. The Government has set a target to raise the share of natural gas in energy mix to 15% in 2030. Various steps taken by the Government in this direction include expansion of National Gas Grid Pipeline, expansion of City Gas Distribution (CGD) network, setting up of Liquefied Natural Gas (LNG) Terminals, allocation of domestic gas to Compressed Natural Gas (Transport) / Piped Natural Gas (Domestic) CNG(T)/PNG(D) in no cut category, allowing marketing and pricing freedom with a ceiling price to gas produced from high pressure/high temperature areas, deep water & ultra-deep water and from coal seams, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative to promote Bio-CNG, etc.

Consumption of natural gas is impacted by its price vis-a-vis alternate fuels and cost associated with its transportation across the country, including hilly areas and difficult terrains. Gas prices are dependent on various factors viz. domestic production, international availability, etc. Higher local production obviates need for additional imports. For increasing domestic gas production, Government of India has notified Hydrocarbon Exploration and Licensing Policy (HELP) for the award of exploration acreages shifting from Production Sharing mechanism to Revenue Sharing mechanism. Government further notified the policy reforms on 28th February 2019, where many

of the processes and approvals were relaxed to promote “Ease of Doing Business”, Revenue Share from Category II & III type of basins were removed, except for windfall gains, 7 years Royalty Holiday for Deep & Ultra-deep blocks, concessional Royalty Rates for Deepwater and for ultra-deep water blocks, and fiscal incentives have been provided for early monetization of fields along with Marketing and Pricing freedom for natural gas.

Consumption of natural gas as a cleaner & low emission fuel will not only enhance environmental sustainability as it is a cleaner fuel vis-a-vis other fossil fuels but also ensure energy security, as, unlike crude oil, a substantial quantum of natural gas is produced domestically (about 53%).

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