

India's Future lies in LNG - Ascertaining Potential Medium to Long Term Sustainable Demand for LNG in India

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Abstracts

Overview of the Report

While the energy requirement of India is on the brink of a stellar growth, there are serious problems with the domestic gas supply scenario and overall sector framework. Under such circumstances, the moment has come for the key stakeholders across the natural gas value chain to reassess the risks & rewards in the Indian Gas Market and align their future strategies accordingly.

The primary objective of this study is to unleash the opportunities in store for RLNG consumption in India, based on an in-depth bottom up exercise of the Indian gas market. The study will provide the most authentic and segment-wise & region-wise RLNG market outlook, based on a regional & consumer segment-wise bottom-up analysis and forecasting. The analysis will also take into account the various regulatory & policy parameters and economic aspects applicable on the various gas consumer segments

Highlights of the Study

Bottom-up Natural Gas demand assessment: Region-wise, Consumer Segment-wise and Fuel-wise, based on primary and secondary research.

Forecasting of Natural Gas Demand, with regional and segmental split, giving: Present Scenario, Foreseeable Future Outlook (Upto 2020) and Non-Foreseeable Future Outlook (From 2020 to 2025).

Assessment of landed price of Natural Gas at key demand hubs across different regions in the country.

Region-wise and Consumer segment-wise RLNG demand based on price elasticity (i.e. LNG price appetite).

Impact on RLNG demand based on different domestic gas availability & domestic/RLNG pricing scenarios.

Based on above exercise, identification of primary target consumer segments and anchor customers for RLNG penetration, existing and emerging capacity, potential gas requirement and their location.

Assessment on Gas Pricing that would facilitate penetration of LNG in the Indian natural gas market.

Additional attractive features include...

Pan-India mapping of target LNG consumer segments, say: Power, Fertilizer, Refinery, LPG Fractionators, Industrial hubs, Downstream Natural Gas Distribution centers.

Pan-India mapping of Existing, Expanding, Greenfield (under-construction), Indicated, Probable and Required Natural Gas Infrastructure: Gas Pipeline and RLNG Terminals, in order to facilitate LNG market penetration.

Pan-India mapping of Natural Gas supply connectivity of RLNG Projects (as described above) and Demand Centers, with identification of key missing links

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- a. Historic domestic natural gas production trend
- b. Historic natural gas consumption trend
- c. Outlining the demand drivers for Natural Gas in India
- d. Outlook on domestic natural gas utilization/supply priority, and how it has evolved during highly constrained domestic gas supplies
- e. Region-wise domestic & LNG natural gas supply sources
- f. Overall natural gas domestic gas supply scenario and demand curve for the next 10-15 years timeframe
- g. Region-wise natural gas pipelines: routes, supply source, key consumers, technical configuration
- h. Identification of gaps in gas pipeline infrastructure in key potential gas markets
- i. Gas pipeline tariffs for the gas pipelines

3. SELECTION OF POTENTIAL NATURAL GAS MARKETS IN INDIA: PRE-QUALIFICATION OF REGIONS AND STATES

- a. Segmentation of natural gas markets based on regions by segregating key states, say:
 - i. Northern Region
 - ii. Western Region
 - iii. Central Region
 - iv. East and North-Eastern Region
 - v. Southern Region
- b. Mapping of connectivity/proximity of the identified regions to the domestic and imported gas supply sources
- c. Mapping of natural gas pipeline infrastructure growth & development in the identified regions and possibility of future pipeline expansion and addition based on market information
- d. High-level economic growth assessment in the identified regions to take into account future energy requirement based on economic growth
- e. Understanding of key natural gas demand drivers in the identified regions, based on historic gas consumption profile and future demand development outlook
- f. Selection of promising regions/cluster of states that are likely to contribute significantly

in the overall growth in Natural Gas demand in future on the basis of matrix developed on the basis of the above parameters

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- a. Mapping of Power, Fertilizers, Refinery, LPG extraction, Industrial clusters, SEZ's, CGD for the qualified regions, state-wise basis: Name of units, current capacity, gas off-take/potential gas demand;
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 - i. Existing Gas Allocation to Power, Fertilizer, Refinery, CGD, etc
 - ii. Potential demand for Natural Gas based on existing and upcoming capacity and alternate fuel sales for different gas consumers, say: Power, Fertilizer, Refinery, CGD, Industrial clusters, SEZ's, etc
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- a. Assessment of pan India natural gas demand and supply scenario, and review of the existing and evolving D-S Gap. Understanding the factors impacting the demand and supply scenario
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 - ii. The exercise will outline the potential LNG demand universe or annual LNG imports universe for each of the consumer segments in the current and future (foreseeable and non-foreseeable future)
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 - ii. Region wise analysis of key gas deficit consumer segments and their potential annual LNG requirement

7. ASSESSMENT OF LANDED GAS PRICE FROM DOMESTIC AND RLNG SUPPLY SOURCES FOR THE QUALIFIED REGIONS/STATES BASED ON:

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- b. Critical Natural Gas Map of India: Mapping of Gas Pipeline Infrastructure, Domestic Supply Sources, LNG Supply Sources, Power Plants, Fertilizer Plants, Refineries, Industrial Clusters, LPG extraction plants, CGD

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