22 Analyse the Kirit Parikh committee report on reforming natural gas pricing which helps to cut imports and carbon intensity.

The gas price review committee under Kirith Parekh was formed. It was aimed to ensure fair price to the end customer and suggest a market oriented transparent pricing mechanism.

India and gas economy

India is aimed to increase the share of natural gas in its energy mix to 15% by 2030. For this the current production of 34 bcm has to be increased to 170-200 bcm by 2030. India imports 50% of natural gas the committee reccomendations can help reduce imports.

Towards a gas based economy

Pricing : the comittee reccomends pricing from two sources such as legacy fields owned by oil and natural gas corporations and fields in the different geology.

The gas from the legacy fields will supply the city gas distribution project which has seen increase in price upto 70%. This will bring down the domestic gas prices.

Ceiling and floor prices have been fixed at $6.5 and $4.5 for legacy fields.

Linking of prices of gas produced from state owned firms with international (imported) crude prices can bring the gas under floor and ceiling price.

GST: bringing natural under GST regime. The Vat component compensation has to be sorted out for states.

The price mechanism will help India cut its carbon intensity and help supply gas at best price and relieve fertiliser cost.