

# Indian Gas Exchange (IGX)

March 2022



# Indian Gas Exchange – Key Milestones

**Jun 2020**

IGX launched by then Honorable Minister Shri Dharmendra Pradhan Ji

**Sep 2020**

Gas Exchange Regulations notified by PNGRB

**Dec 2020**

IGX authorized by PNGRB and commenced operations

**Dec 2021 (1 year completed)**

- ONGC, GAIL, IOC, Adani Total Gas, Torrent Gas & NSE join as strategic partners
- Sale of Domestic Gas with marketing and pricing freedom allowed on gas exchanges
- Steady volume growth every Quarter

Strategic Partners:



# Gas Exchange: Market Model

## 5 Physical Trading Hubs

**Hubs launched** Dahej, Hazira, KG Basin, Dabhol & Jaigarh

## 6 Contracts

Day-Ahead | Daily | Weekly | Weekday | Fortnightly | Monthly

3-6 Months contracts planned

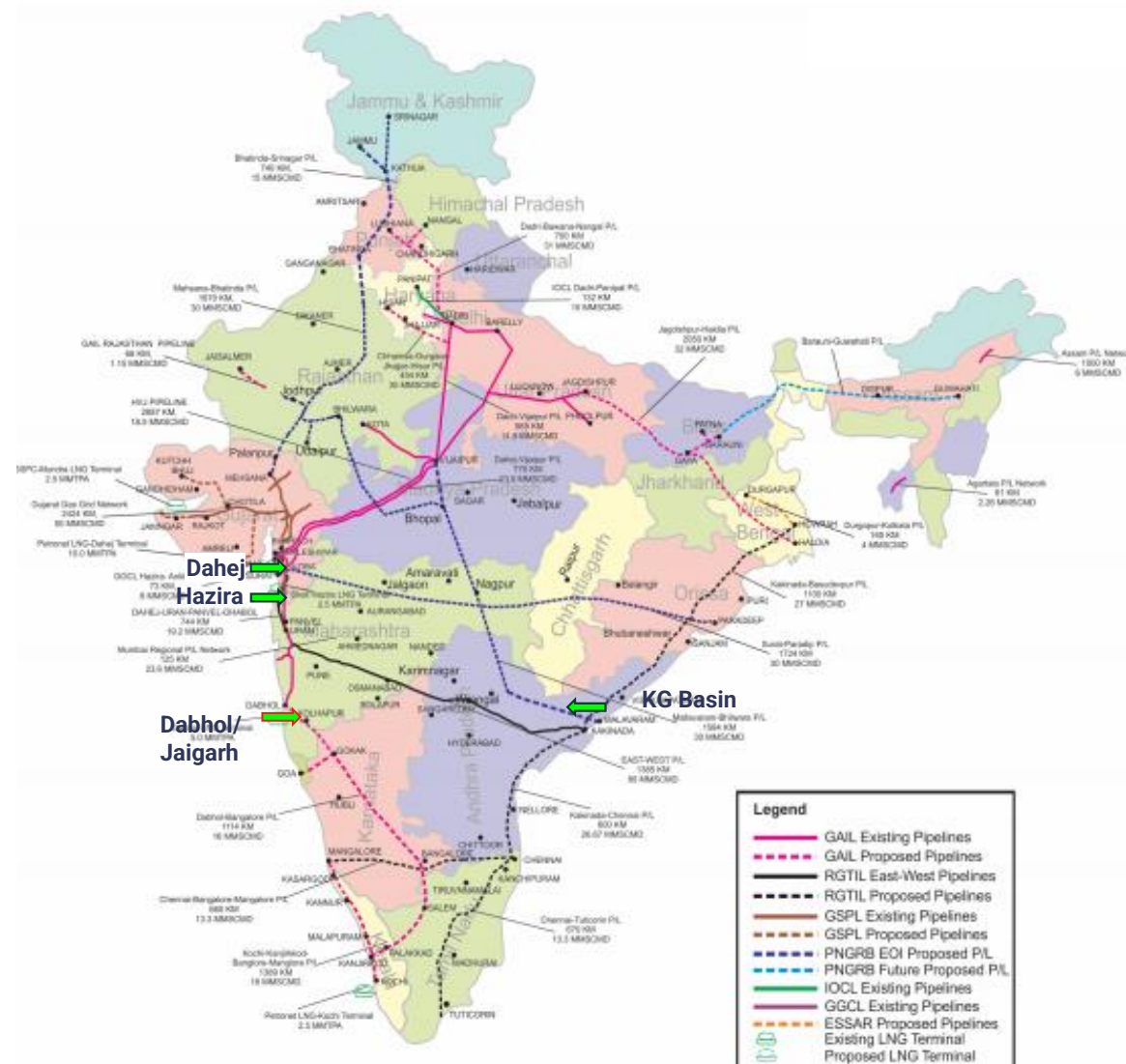
## Price Discovery Mechanism

**Open Auction** Weekday, Weekly, Fortnightly & Monthly

**Continuous Matching** Day-Ahead, Daily

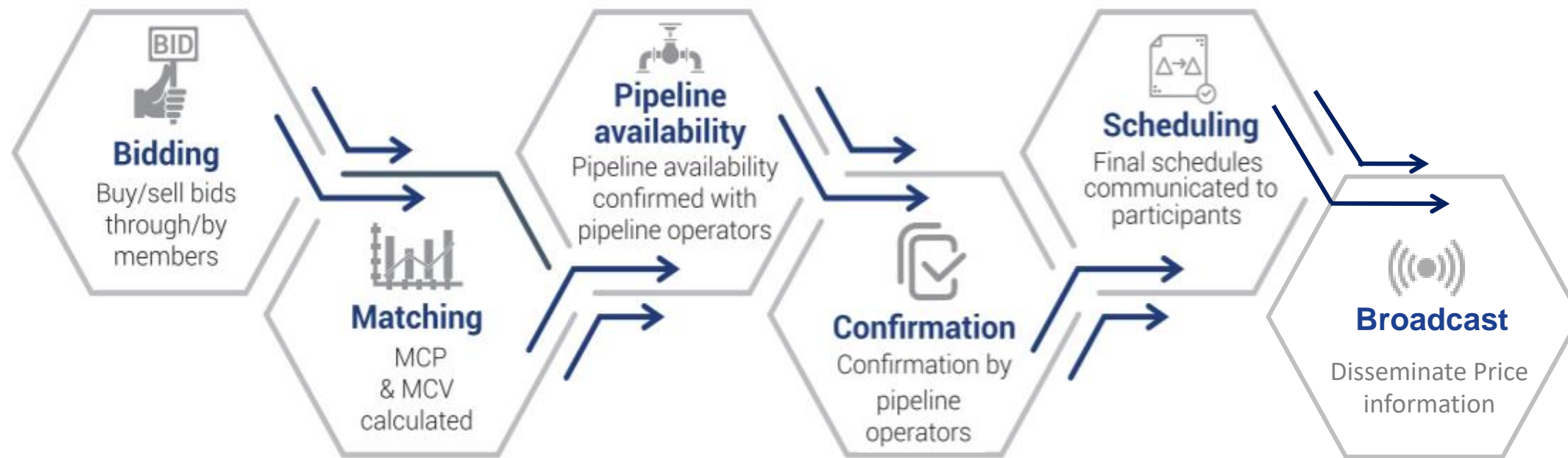
**Ex-hub:** Delivery by Buyer  
**Delivered :** Delivery facilitation by Exchange

**INR Contracts**  
Minimum purchase 50 MMBtu /day



# Typical Trade Flow

## Trade Flow

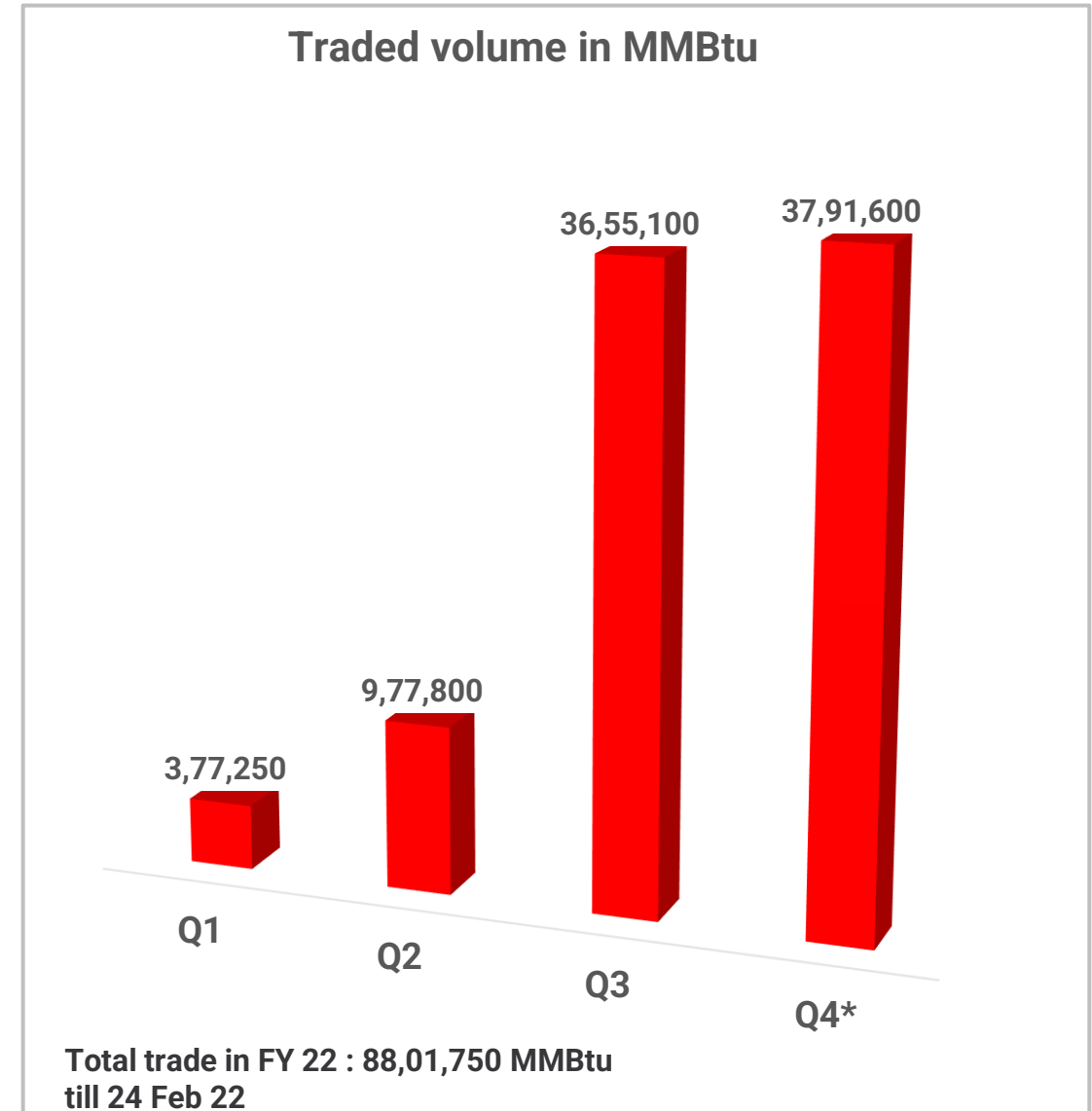


IGX facilitates both Ex Hub and Delivered Transactions

## Key Highlights (FY22\*)

\*Data till 24 Feb'22

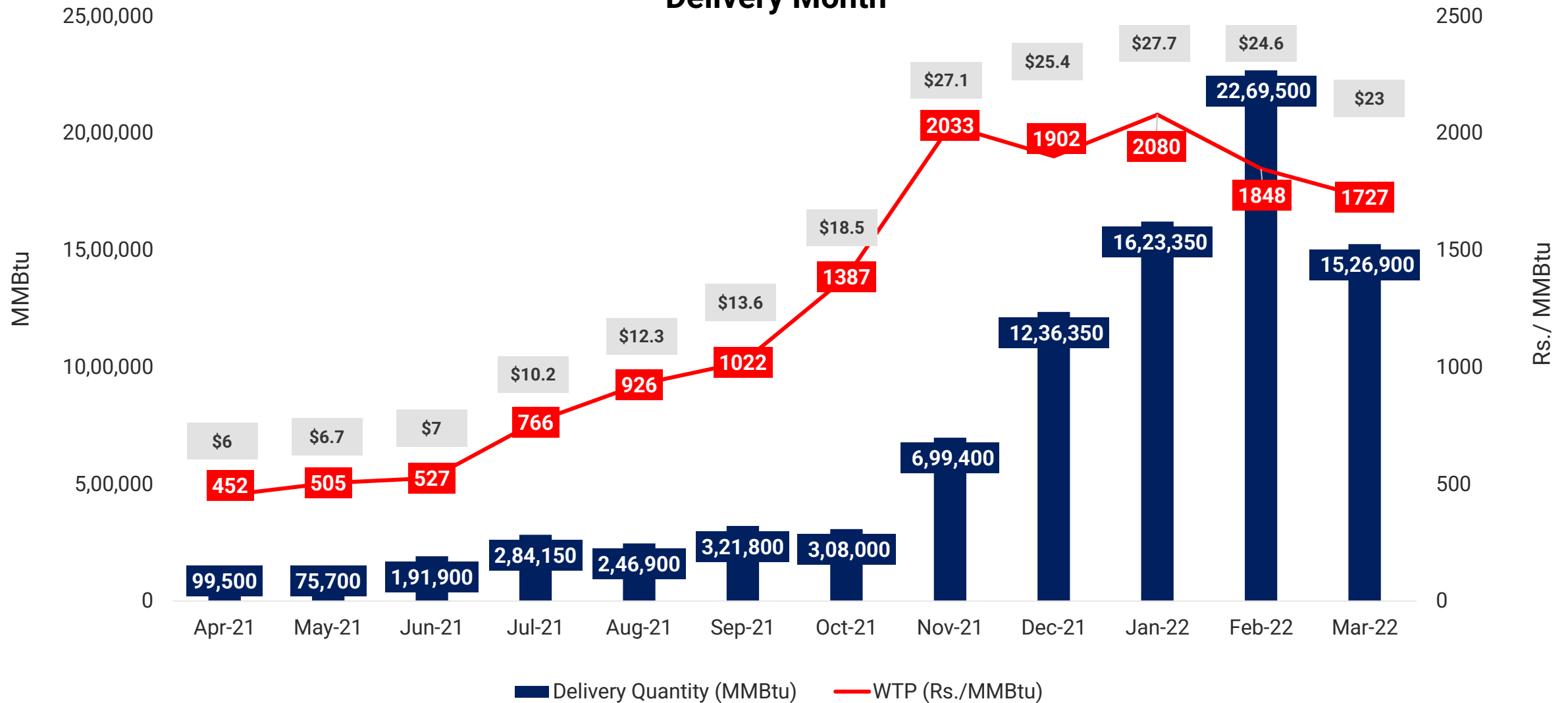
- Crossed **87 Lakh MMBtu** in terms of traded volume
- Volumes almost **tripled** every quarter
- Highest single day trade (15<sup>th</sup> Feb'22): **6.88 Lakh MMBtu**
- Highest volume in Feb-22\*: **20.2 Lakh MMBtu**
- Total no. of trades: **322**



# Trade Details (FY-22\*)

\*Data till 24 Feb'22

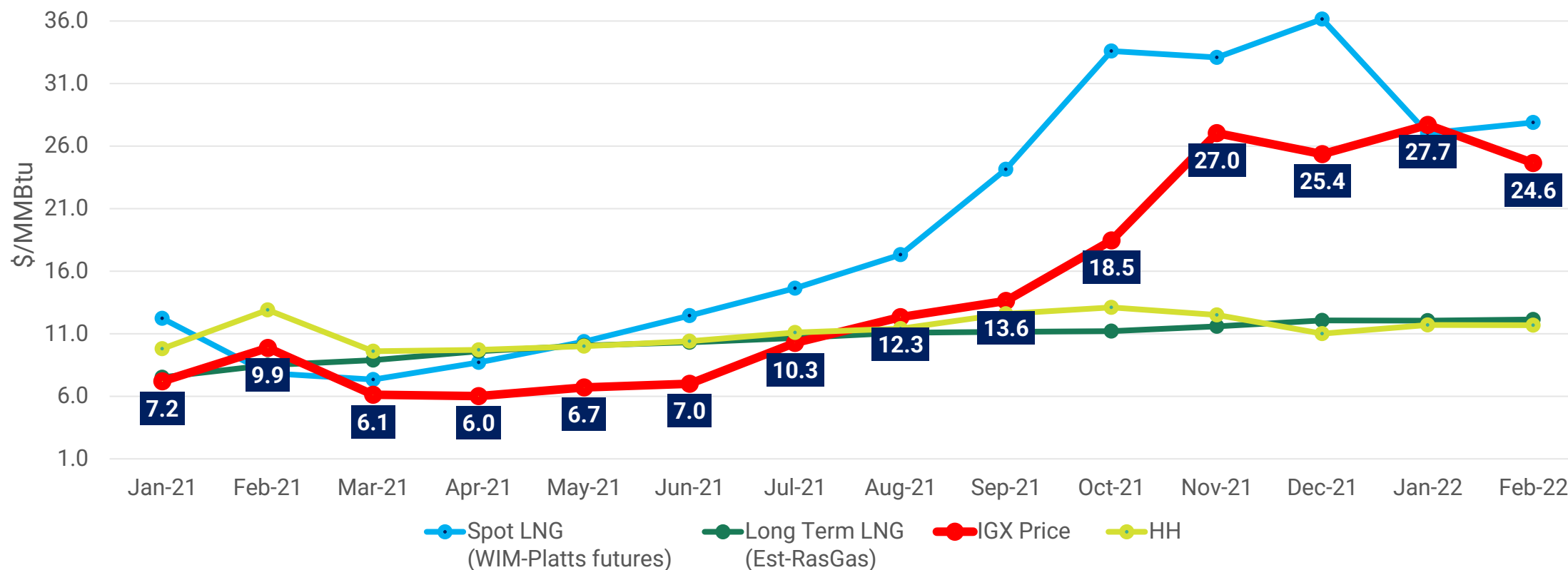
## Delivery Month



\*IGX Prices also been converted to \$/MMBtu for reference purpose at conversion rate of USD-INR=75

# Gas Price Benchmark – Indigenous Price Discovery

## Other Benchmarks Est. Vs IGX Prices



- IGX prices reflecting Indian demand and supply
- IGX Prices are converted to \$/MMBtu at conversion rate of USD-INR = 75



# Stakeholders Engagement



(Price in INR/MMBTU)

## DAHEJ

## HAZIRA

Delivery Period	WTP	LTP	Best Buy Bid Price	Best Sell Bid Price	WTP	LTP	Best Buy Bid Price	Best Sell Bid Price
H1, Feb-2022	<b>1939</b> (\$25.85)	<b>1723</b> (\$22.97)	-	-	<b>1665</b> (\$22.20)	<b>1665</b> (\$22.20)	-	-
H2, Feb-2022	<b>1940</b> (\$25.87)	<b>1650</b> (\$22.00)	-	-	<b>1665</b> (\$22.20)	<b>1665</b> (\$22.20)	-	-
H1, Mar-2022	<b>1751</b> (\$23.35)	<b>1650</b> (\$22.00)	-	-	-	-	-	-
H2, Mar-2022	<b>1816</b> (\$24.21)	<b>1648</b> (\$21.97)	-	-	-	-	-	-

### CONTRACTS AVAILABLE FOR TRADE ON 08-02-2022

### IGX PRICE INDEX (INR/MMBTU)

#### DAY-AHEAD DELIVERY

09 Feb

#### DAILY DELIVERY

10 Feb 11 Feb 12 Feb 13 Feb 14 Feb 15 Feb 16 Feb 17 Feb

#### WEEKDAYS DELIVERY

14 Feb to 18 Feb

#### WEEK DELIVERY

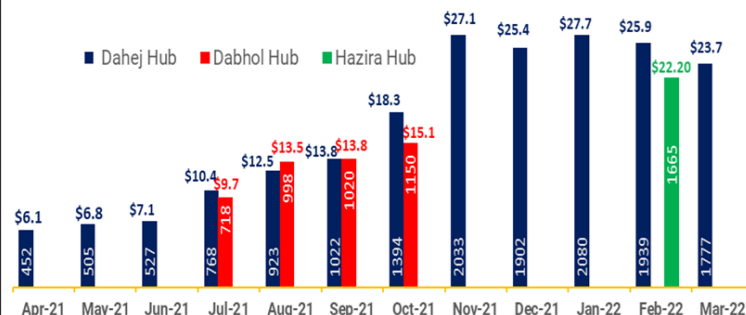
W3 Feb22 W4 Feb22 W1 Mar22 W2 Mar22

#### FORTNIGHT DELIVERY

H2 Feb22 H1 Mar22 H2 Mar22 H1 Apr22 H2 Apr22

#### MONTHLY DELIVERY

Mar22 Apr22 May22



- Daily **IGX Price Index** dissemination to 2000+
- IGX Gas Connect** monthly newsletter
- MAC meeting** once in a quarter, 8 MAC meetings held till date
- 15+** External Events (webinars, customer meets, Member's training)

#### Note:

- WTP (Weighted average trade price at IGX), LTP (Last trade price at IGX)
- In case of no trade in a particular period, best sell & buy bids for the trade date are displayed
- \$/INR conversion rate considered at 75
- For more details, <https://igxindia.com/market-data/>



# IGX Members and Clients

**IGX has 25 registered Members and 530+ clients**

## Proprietary Member

## Trading & Clearing Member

## Clients



\*Selected representation

# Benefits to Sellers on participation at Gas Exchange

## 1. IGX is Regulated and Gas Seller can avoid long lead time in signing GSA

- IGX is authorized by PNGRB
- Detailed planning & GSA execution time with parties: Not Required
- Standardized contracts for trading

## 2. Increased Liquidity & wider gas market participation

- Buyers participate frequently for both large and small quantity
- Minimum quantities of 50 MMBtu can be purchased
- Reach to customers across country through single platform
- Availability of gas to last mile consumer

## 3. Flexible Contracts

- Flexible contracts at IGX (Daily, Weekly, Fortnightly, Monthly)
- Immediate sales opportunity at IGX

## 4. Advance Payments & minimizes supply

- Payments are received on D+2 basis
- No need to wait for payments ~ 21 days
- Long term contracts could result in supply obligations

## 5. India's own gas price benchmark

- Based on local demand-supply dynamics
- IGX enables secure equitable distribution
- Robust & local price discovery due to multiple parties

# Benefits to Buyers on participation at Gas Exchange

## 1. Competitive Price

- Gas exchange can help in discovering competitive indigenous price as domestic gas and imported LNG will compete based on local demand & supply factors

## 2. Equal opportunity to all consumers

- Due to standardized contracts, small buyers can also purchase gas on same terms which are applicable to large buyers.

## 3. Flexibility of Contracts

- Shorter duration contracts such as Day-Ahead, Daily, Weekly, Weekday, Fortnightly and Monthly are available to be traded on exchange
- The buyer under such contracts on exchange will also have offtake obligation for shorter duration.

## 4. Facilitates Delivered Transaction

- Buyers not having GTA with the transporter can also participate at IGX

## 5. Option to buy domestic gas

- The lot size on exchange is as small as 50 MMBTU.
- Small buyers who are currently not able to get domestic gas either due to their size or due to their allocation priority can come to the exchange and have an opportunity to buy cheaper domestic gas from exchange platform.

# Indian Gas Existing & Upcoming Infrastructure

- Gas consumption in India is expected to increase from current ~165 MMSCMD to ~500 MMSCMD by 2030
- Transmission pipeline network is expected to grow from ~20,000 km to around 35,000 km by 2023
- LNG terminal capacity is expected to grow from current 42.5 MMTA to around 72 MMTA in 3 years
- Domestic Gas production is expected to increase from ~80 MMSCMD to around ~140 MMSCMD by 2024
- CGDs expansion – covering >90% population in next 6 years



# Drivers for Gas Transmission Across the Country



**Incorporation of Transmission System Operator**



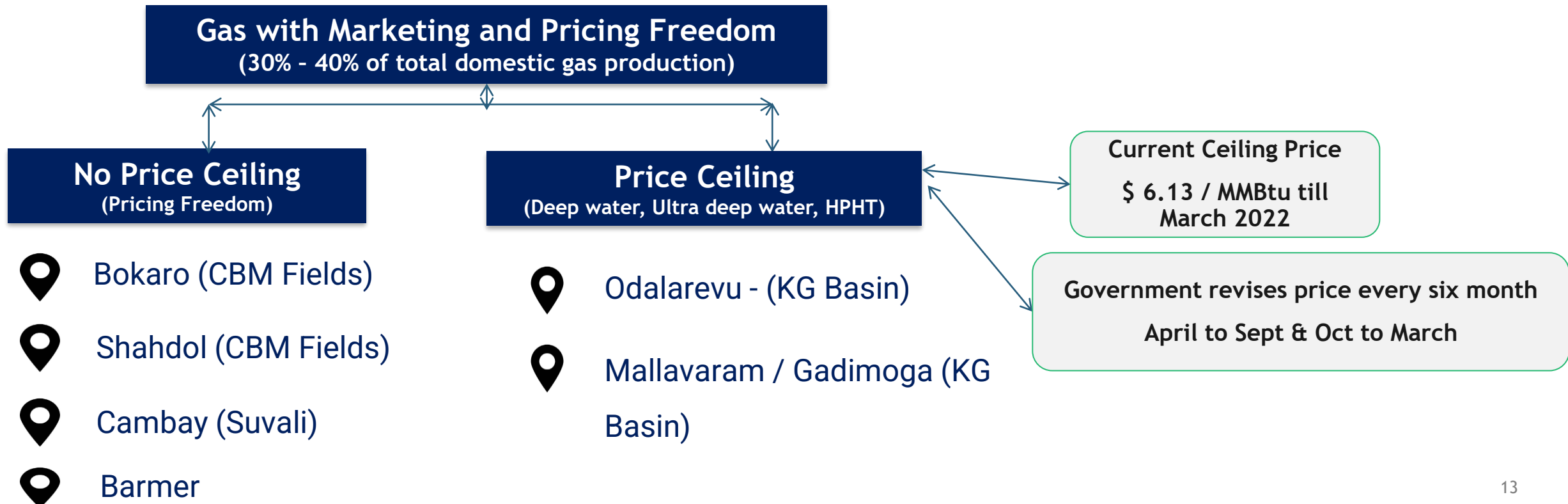
**Implementation of Unified Tariff Regulations by PNGRB**



**Notification & Implementation of new Access Code Regulations**

## Sale of Domestic Gas (Marketing & Pricing Freedom) at Exchange

- MoPNG vide its OM date 19th August & 22nd November 2021 has granted additional option **to sell Domestic Gas (including Test Gas)** on PNGRB authorized Gas Exchanges in addition to e-auction platforms
- Contractor may sell quantity of Gas (Marketing & Pricing freedom), up to **500 MMSCM or 10% of annual production from Contract Area, whichever is higher, per year** through Gas Exchanges.



# Thank you

Strategic Partners



*Disclaimer: The contents covered under the presentation are subject to change without any prior intimation. For more details, please visit Market Rules Bye Laws published on the website [www.igxindia.com](http://www.igxindia.com) from time to time.*

