



Indian Gas Exchange

Building a Vibrant Gas Market in India

Mar-2023



IGX: The Gas Trading Platform

Market Model

Trade Details

IGX Price Vs Other Gas Benchmarks



In June 2020 IGX launched by then Honorable Minister Shri Dharmendra Pradhan Ji



In Dec 2020 IGX authorized by PNGRB and commenced operations as Gas Exchange

Strategic Partners:



Gas Exchange: Market Model

6 Regional Gas Hubs

Hubs & Delivery points

- 6 Gas Hubs with multiple Delivery Points
- 9 active delivery points within 2 regional hubs (western & Southern)

6 Contracts

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

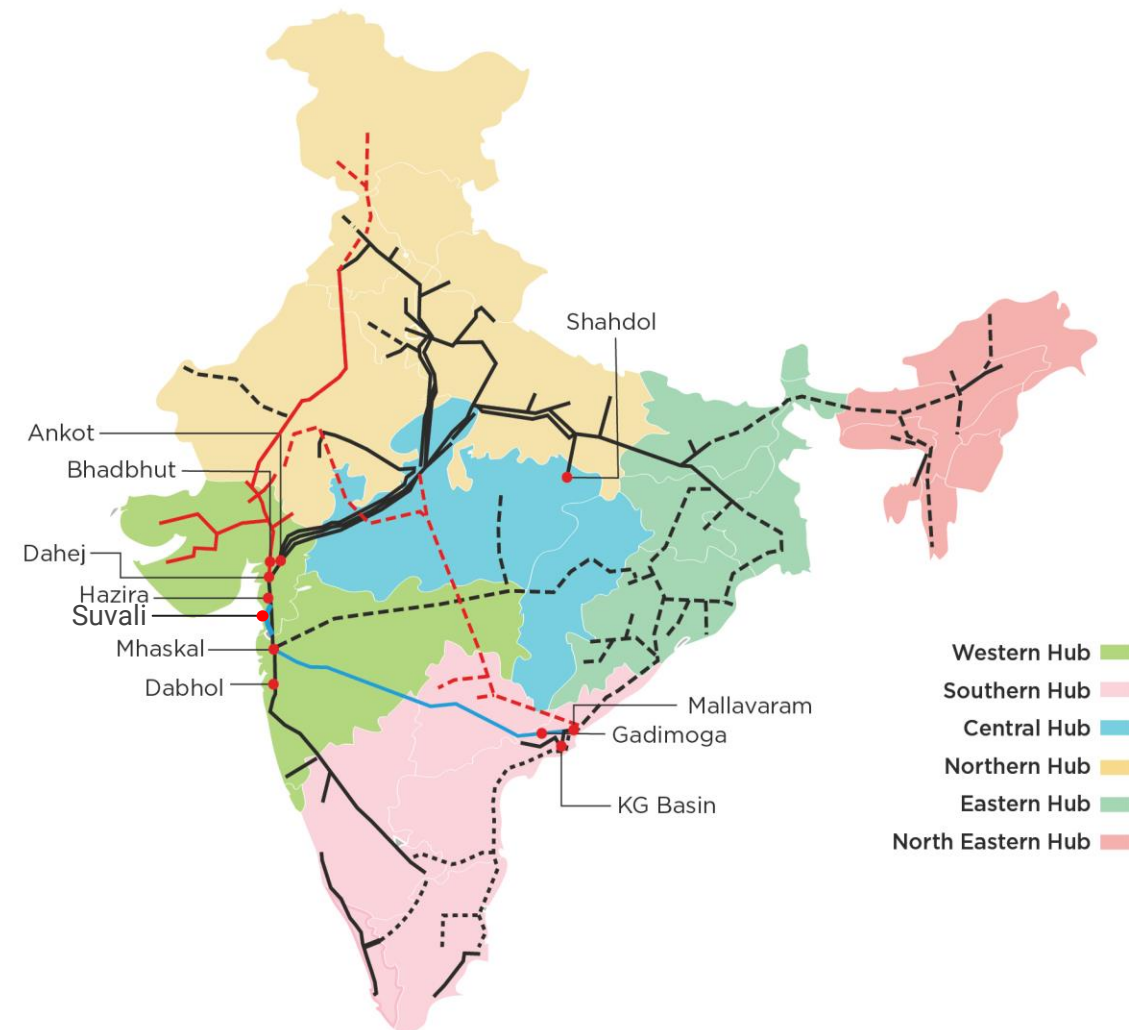
6 consecutive monthly contracts are available on any trade date

Price Discovery Mechanism

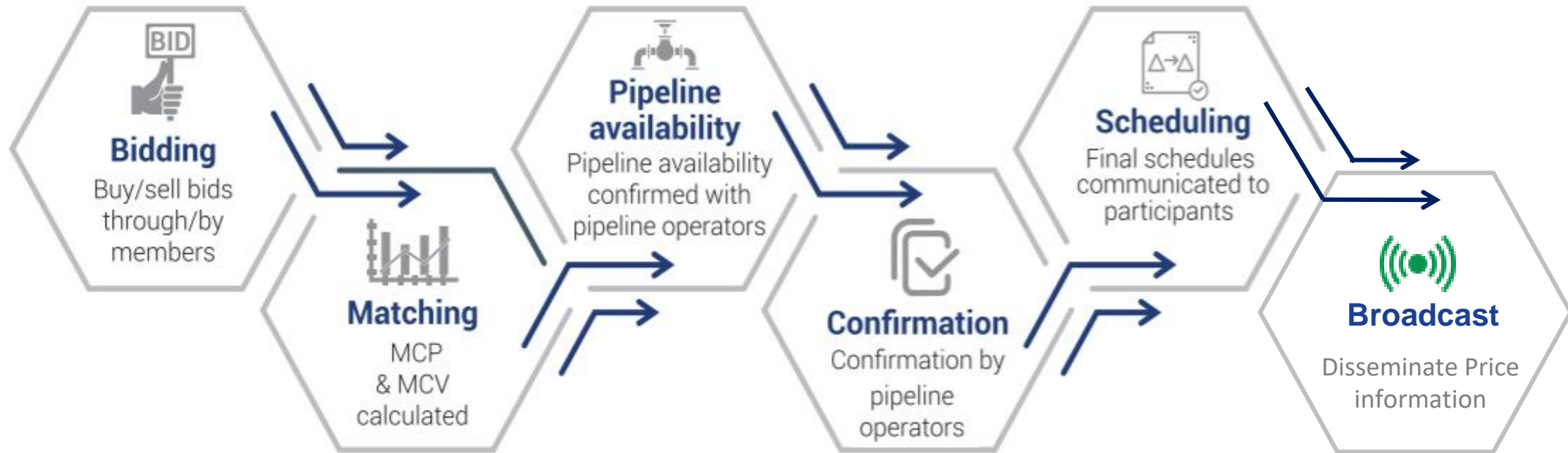
Open Auction	Weekday, Weekly, Fortnightly & Monthly
Continuous Matching	Day-Ahead, Daily
Open Auction	All contracts - for Ceiling Price Domestic Gas

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

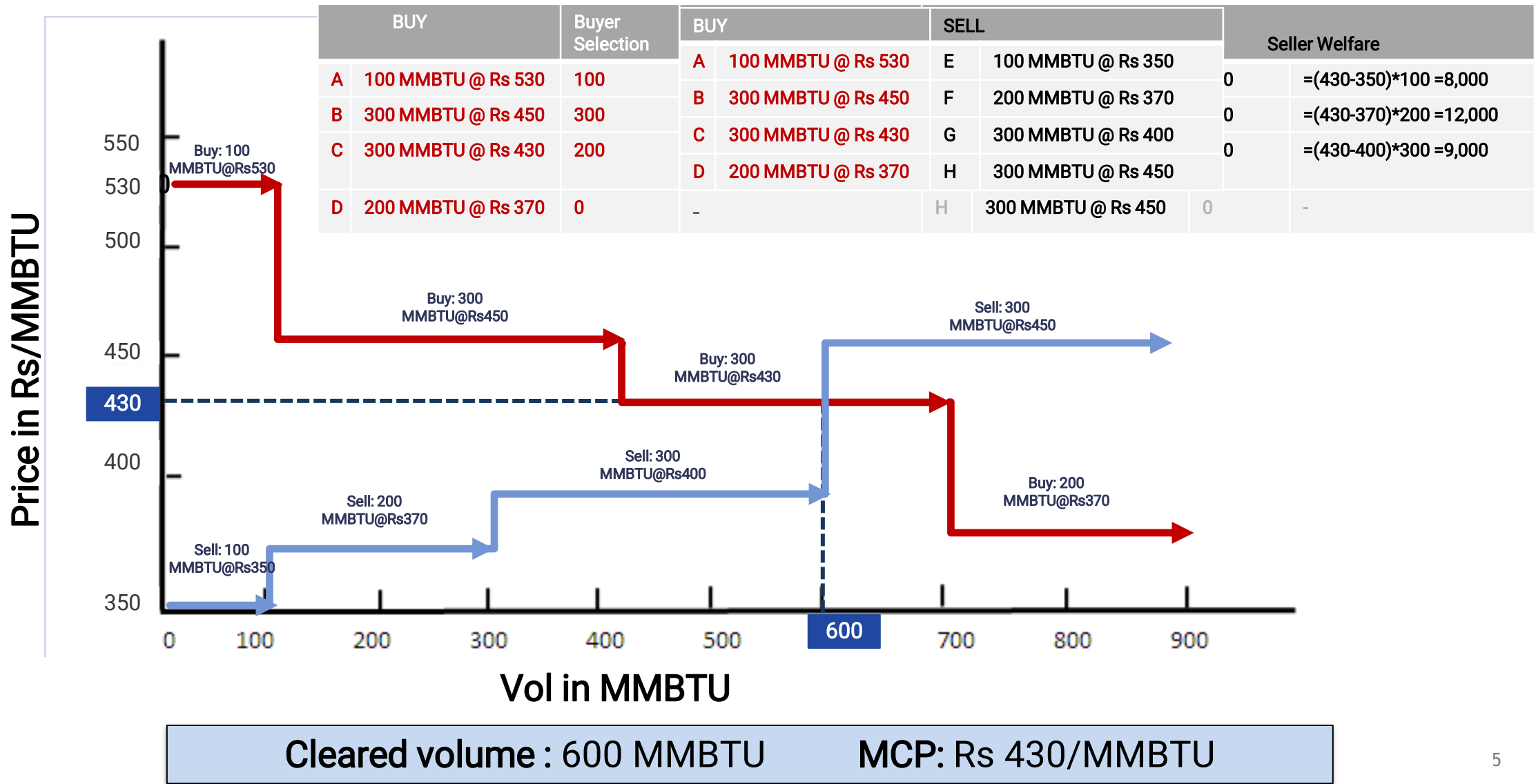
INR Contracts
Minimum purchase 50 MMBtu /day



Trade Flow



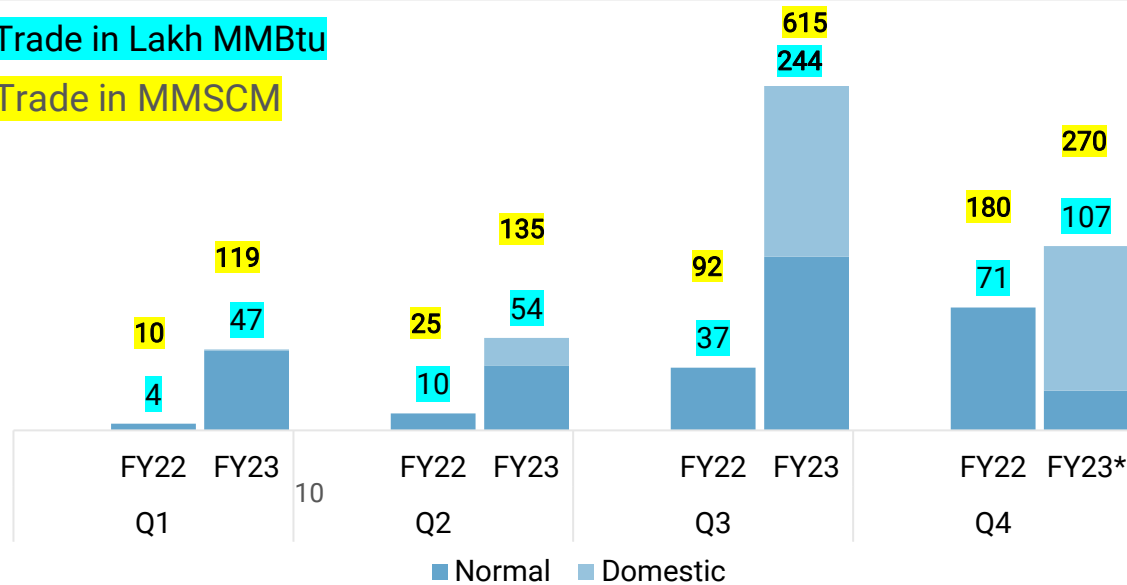
Uniform Price double sided auction mechanism



Trade Highlights

Trade in Lakh MMBtu

Trade in MMSCM

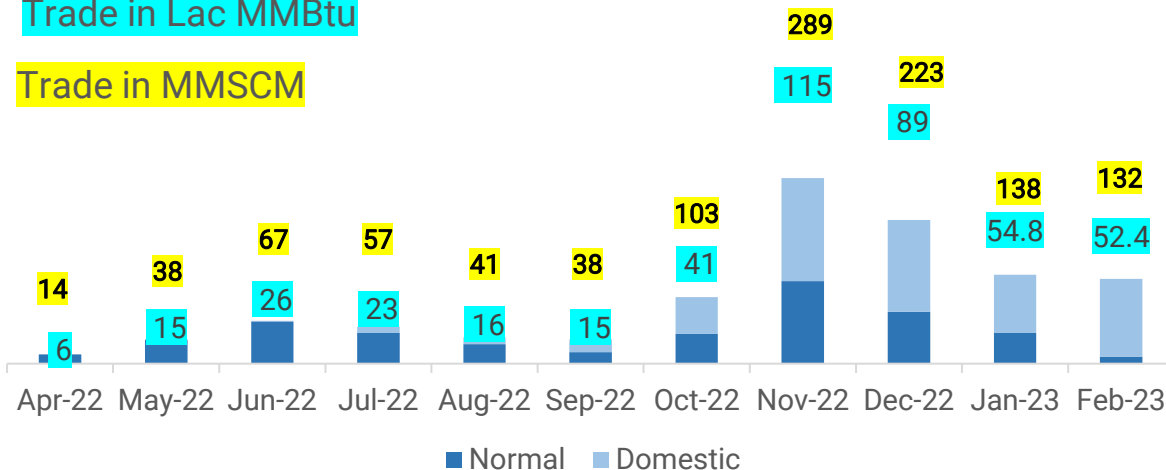


>1.1 BCM
Traded
in FY23*

- ✓ Total trade volume in FY22:
121.5 Lakh MMBtu (~306 MMSCM)
- ✓ Total trade volume in FY23*:
452 Lakh MMBtu (~1140 MMSCM)
- ✓ Highest Single day trade:
53 Lakh MMBtu (133 MMSCM)

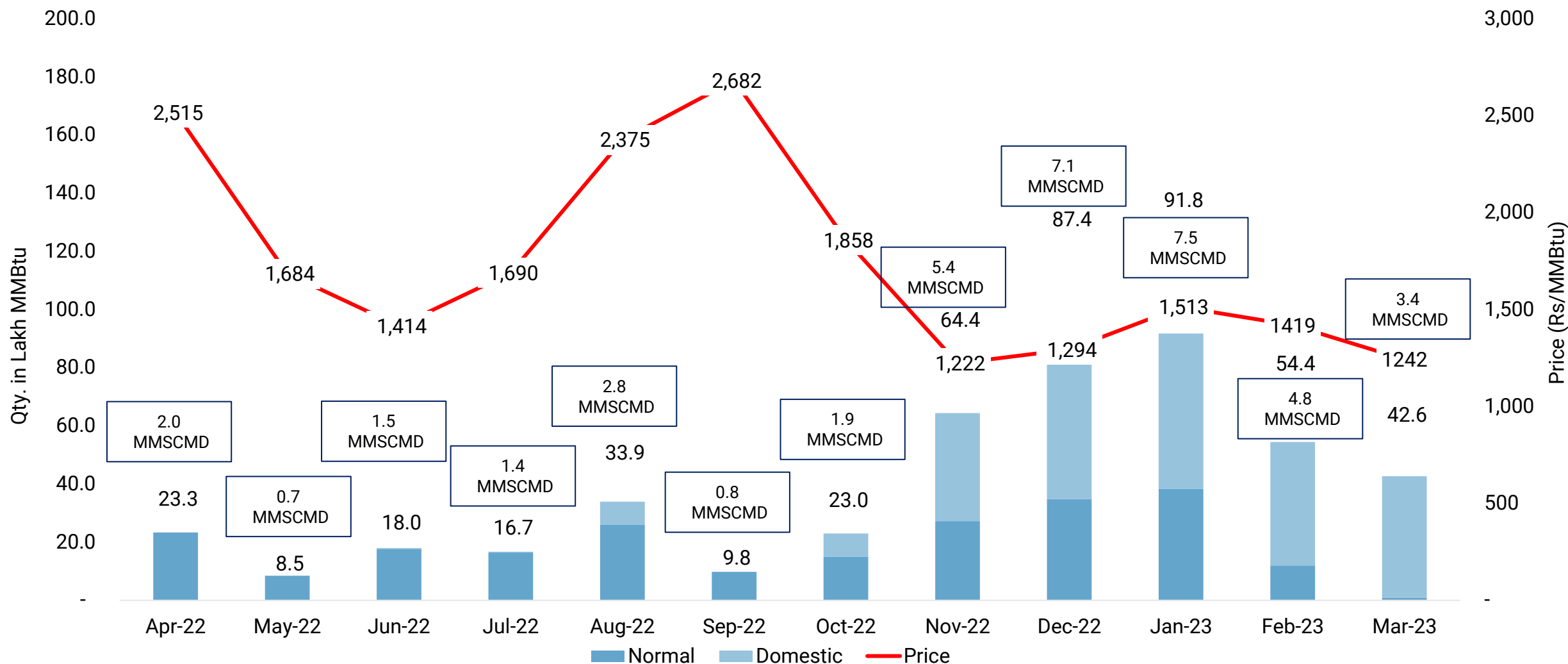
Trade in Lac MMBtu

Trade in MMSCM



*Data till 28th Feb'23

Delivery Volume and Price

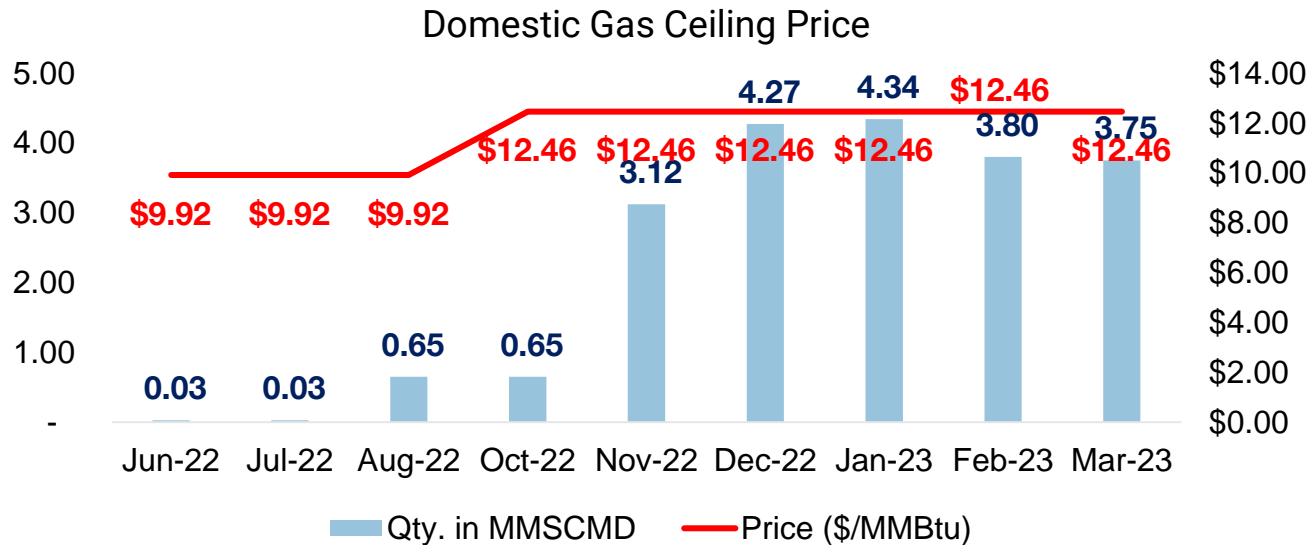


*For delivered volumes both ceiling and non ceiling volumes are considered , and Prices Excluding Ceiling Price

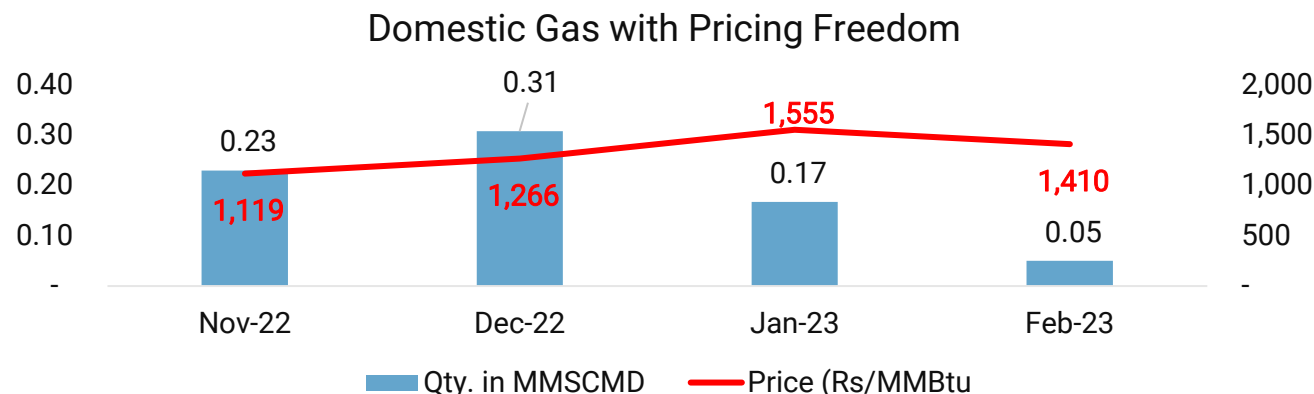
*Data till 28th Feb'23

Domestic Gas Trade - Ceiling Price Gas Auctions

- **MoPNG** vide OM dt. 19.08.21 has granted additional option to **sell Domestic Gas** having Marketing & Pricing freedom
- All major domestic gas producers selling gas through Exchange (RIL, ONGC, Vedanta)



- Ceiling price gas traded: **195 Lakh MMBtu (~493 MMSCM)**
- No. of Auction held: **37**
- Participants: **90+**
- ONGC selling ~0.7 MMSCMD since Jul'22
- RIL selling ~4 MMSCMD since Oct'22
- Vedanta selling M&P Freedom Gas since Nov'22



Priority sector allocation

Domestic Ceiling Price Gas auctions post MoPNG notification dated 13.01.2023

Allocation Priority

CDG
(T&D)

Fertilizer
Urea

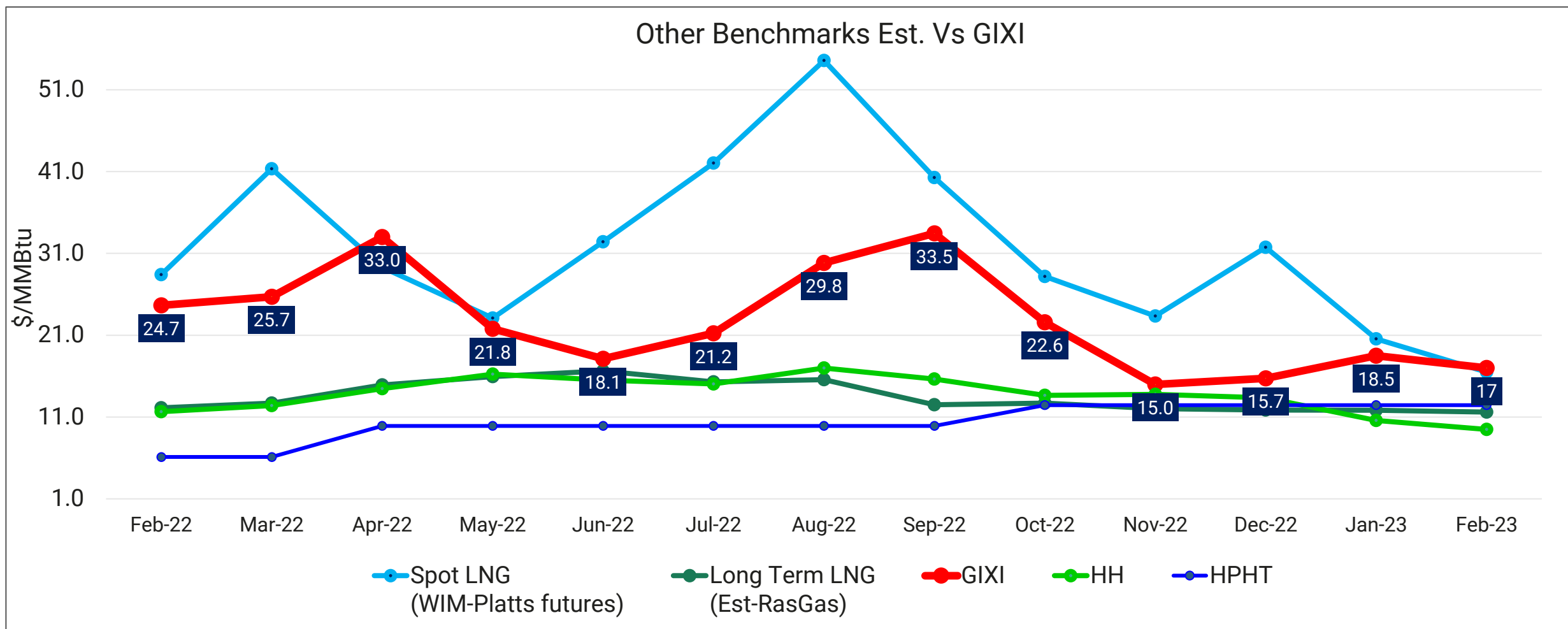
LPG

Power

Others

Auctions	1	2	3	4	5	6
Date	23 rd January 2022	25 th January 2022	02 nd February 2022	17 th February 2022	22 nd February 2022	23 rd February 2022
Contract	Monthly (Feb)	Monthly (Feb)	10 days (Feb)	Monthly (Mar)	6 days (Feb)	Monthly (Mar)
Total volume (MMBTU)	32,20,000	3,83,600	5,50,000	4,55,700	95,000	37,20,000
CNG(T)/PNG(D) (MMBTU)	28,01,400 (87%)	44,800 (12%)	52,850 (10%)	4,55,700 (100%)	63,200 (67%)	24,86,200 (67%)
Fertilizer (MMBTU)	2,14,200 (7%)	-	-	-	-	-
Power (MMBTU)	61,600 (2%)	-	-	-	-	71,300 (2%)
Others (MMBTU)	1,42,800 (4%)	3,38,800 (88%)	4,97,150 (90%)	-	31,800 (33%)	11,62,500 (31%)

Gas Price Benchmarks



IGX prices reflecting Indian demand and supply, IGX Prices are converted to \$/MMBtu

Source: CME, IGX, Market intelligence

Benchmark prices are monthly average of daily published prices

*Data till 28th Feb'23



Prices are volume weighted average price for all gas
excluding domestic ceiling price gas

GIXI represents prices for all hubs;
for regional hubs will be named as GIXI West etc.

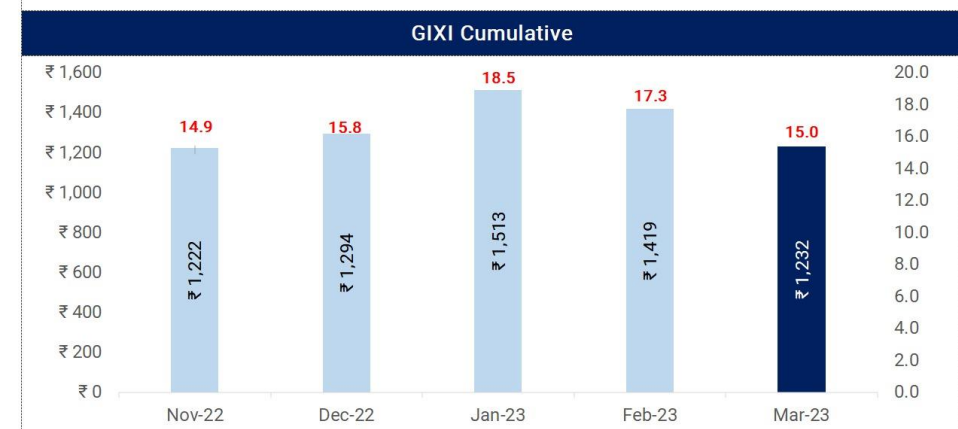
For months, will be named as GIXI-Jan23 etc.

Helps the market participants to know inland gas
prices and to take suitable decisions

GIXI is the precursor for the Gas Futures which will
help stakeholder in hedging

01-03-2023				
	Month	₹/ MMBTU	\$/MMBTU	% Change
	Mar-23	₹ 1,149	\$14.0	▼ -6.8%

	Month	Delivery Point		₹/ MMBTU	\$/MMBTU	% Change
GIXI	Mar-23	Dahej	DH	1,350	16.5	0.0%
		Ankot	AN	1,166	14.2	-
		Hazira	HZ	-	-	-
		Bhadbhut	BD	1,185	14.5	-
		Mhaskal	MS	1,185	14.5	-
		Suvali	SV	1,125	13.7	-



Note
1) Monthly GIXI Cumulative Prices are delivery month-wise volume weighted average price
2) Prices are excluding ceiling price gas
3) For details of gas hubs and delivery points, please refer Circular No. 59
4) \$/INR conversion rate considered at 82
5) Last Domestic Gas Ceiling Price Auction held on 23 Feb 23 at INR 1032/MMBtu

IGX Members and Clients

IGX has 40 registered Members and 120+ Active clients

Proprietary Member



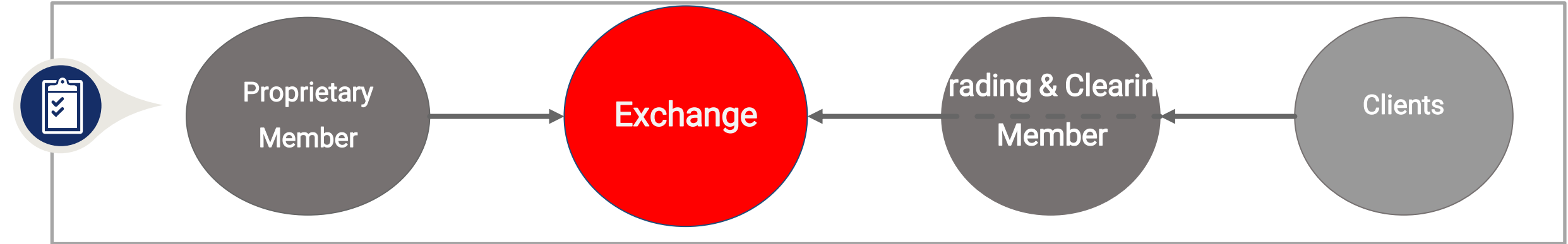
Trading & Clearing Member



Clients



*Selected representation



Proprietary member:

- *Member who can self-trade and also on behalf of its affiliates/associates*

Trading & Clearing member:

- *Member who can only trade on behalf of its clients*

Client-

- An entity who has been registered through a Member as a Buyer/Seller.
- The Client has to settle their financial obligation through respective Members.

Exchange Value proposition for members



Transparent Price Discovery

Market determined price based on price discovery for all submitted bids



Flexibility for gas sale

- Contracts from next day to month
- Immediate sales opportunity at GX
- No supply obligations like long term contracts



Payment Security

- Central clearing mitigates counterparty credit risk
 - Payment made the next day of delivery.









Competitive Price

- Reach to customers across country through single platform
- Availability of gas to last mile consumer



Cost Saving

- Transparent fee structure, no hidden cost
- No cost and lead time like in e-bidding

-  Sourcing of Gas for Fertiliser Plants through Exchange
-  Price Discovery of APM through Exchange with ceiling/floor prices
-  Unbundling of Contracts – Separation of Commodity & Transportation
-  Implementation of Unified Tariff Regulations by PNGRB
-  Implementation of new Access Code Regulations and Incorporation of TSO
-  GST for Natural Gas (incl LNG)

Awards & Recognition

ET Energy Leadership - **Energy Best Start-up of the Year**

June'22

IPPAI Power Award 2022 for - **Best Exchange**

April'22

Indian Smart Grid Forum,2022 - **Smart Start-up of the Year**

March'22

15th ENERTIA Awards 2022 - **"Best & Pioneering Gas Exchange initiative for Gas Economy"**

Dec'22



IGX is aligned to Governments' vision of creating a successful gas trading hub



IGX, country's first gas trading platform, goes live

M RAMESH
Chennai, June 15

Union Petroleum Minister Dharmendra Pradhan on Monday inaugurated the Indian Gas Exchange (IGX), a natural gas trading platform, owned by the Indian Energy Exchange (NSE: IEX).

The platform, the country's first, is primarily aimed at enabling short-term trading of imported domestic gas. Prices are fixed by the government every six months. Imported LNG is mostly bought and sold long term, but there is some sold on the spot market too.

India consumes roughly 160 million standard cubic feet per day (MMSCMD) of natural gas, 51 per cent of which is imported in the form of LNG.

About a third of the imported LNG is sold in the spot market, rest over long-term contracts.

The IGX aims to win over the spot buyers and sellers to the platform.

Exchanged-based trading offers several advantages over bilateral trades. First, LNG producers from abroad can now offer to sell gas in smaller quantities, if need be, and for shorter delivery timelines. Currently, the IGX allows LNG trades for deliveries up to one month, but IEX officials have said that in course of time, transactions would be allowed where the gas would be delivered any time within six months.

Second, the exchange makes way for market-based price discovery. Also, since the

deals on the IGX are denominated in rupees rather than dollars, the element of foreign exchange fluctuation is also removed.

The opportunity to buy smaller quantities, quickly delivered, makes way for gas consumers – such as fertiliser companies – to benefit from low international prices of gas.

Rajesh Mediratta, Director, IGX, told BusinessLine that market discovery of prices offers scope for the government to do away with the periodic fixing of gas prices. For instance, LNG prices today hover around \$2 a MMBTU, an attractive price which would not be available to those who are buying the gas on long-term, fixed-price contracts.

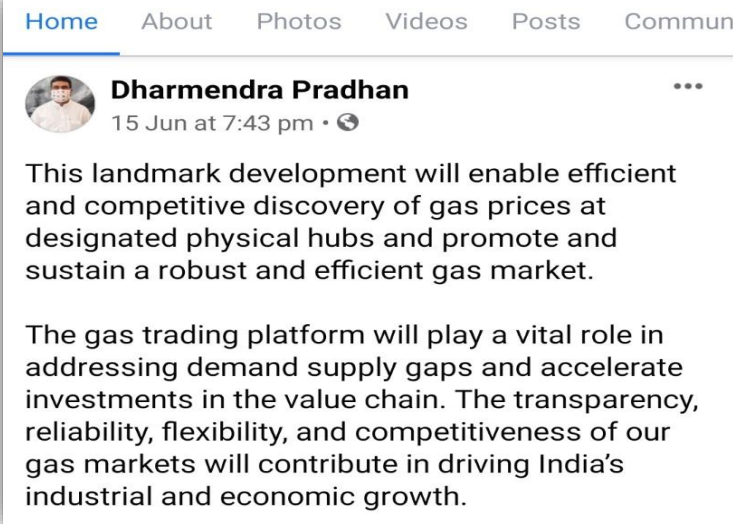


Union Petroleum Minister Dharmendra Pradhan

Mediratta said on Monday that the exchange already had registered 12 members (traders) and about 350 clients. He said that city gas companies and fertiliser manufacturers showed much interest in buying gas on the exchange - which could often be much cheaper than long-term con-

tracts. The Indian Gas Exchange will offer six market products beginning from day-ahead market and forward contracts including - daily, weekly, fortnightly and monthly at three physical hubs in Dahej, Hazira in Gujarat and Odoru in Andhra Pradesh to begin with while it is planned to add more hubs soon.

There is enough spare pipeline capacity in the country for delivery of gas from the terminals to consumers, officials said at a press conference today. Speaking at the launch, Dinesh K Saraf, Chairman, Petroleum and Natural Gas Regulatory Board, urged Minister Pradhan to push for inclusion of natural gas into the GST regime.



Energy > Oil & Gas > Govt allows gas producers to sell up to 500 mmscm through exchanges

Govt allows gas producers to sell up to 500 mmscm through 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 from time to time.



Glimpse of IGX 2nd Anniversary Event held on 19th Dec'22



Participation from 200+ Stakeholders across the Gas Sector



Stakeholders Testimonial



"IGX, with its game-changing platform, has consistently evolved as a key stakeholder in India's gas sector. Its contribution to the country's energy industry is also significant, considering that it promotes the most environment-friendly Conventional fuels for sustainable development. We at GAIL, are delighted to be a significant part of this platform and we hope to witness IGX continuously fulfil the requirements of such a dynamic market, and simultaneously benefit all the stakeholders."

Shri Sandeep Kumar Gupta,
Chairman & MD,
GAIL (India) Limited



"IGX has provided a robust platform for gas trading in India. Its success mantras are ease of trade, flexible contracts, competitive prices, risk-free transactions, and transparency. It has provided marketing opportunity to ONGC and various other upstream producers for early and short term monetization of gas produced domestically. ONGC wishes IGX much more success in the years to come."

Shri. Anurag Sharma
Director (Onshore) – ONGC



"IGX is instrumental in transforming India's Natural Gas landscape by bringing buyers & sellers on a customer centric and technology driven Gas delivery platform. IGX is augmenting efforts of making India a Gas-based economy. In the very first two years of its journey, IGX has emerged as a key stakeholder in India's Gas value chain. We wish IGX all success in its endeavor in enhancing the share of Natural Gas in India's primary energy basket."

Shri A. K. Singh,
MD & CEO,
Petronet LNG Ltd.



"It's been two years since the country's first automated national-level gas exchange – Indian Gas Exchange Ltd. (IGX) – was established and started operating. The growth in volumes traded on IGX over the past two years has been commendable benefitting both the buyers and sellers. It has been our pleasure to watch this journey up close. Wishing the entire IGX team all the very best for a vibrant future ahead."

Shri Amit Mehta
Sr. EVP and Head Gases,
Reliance Industries Limited



"IGX has successfully managed to introduce change to India's gas sector in the last two years by bringing delivery-based gas trading into the country. We identify with the efforts that they have made and therefore completely support them in building an efficient gas marketplace in the country which is at par with international standards."

Shri. Akhil Mehrotra
MD & CEO
Pipeline Infrastructure Limited



"As India's first gas exchange, IGX has played a key role in facilitating transparent price discovery in natural gas, apart from promoting the growth of natural gas in the country's energy basket. Congratulations on its second anniversary!"

Shri Sanjay Kumar,
Managing Director,
Indraprastha Gas Ltd