

North-East Natural Gas Pipeline Grid

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Source: *PIB*

Union Cabinet approved **Capital Grant as Viability Gap Funding** to **Indradhanush Gas Grid Limited** for setting up the North-East Natural Gas Pipeline Grid

The Cabinet Committee on Economic Affairs, chaired by Prime Minister has given its approval as under:

- The North East Gas Grid project of Indradhanush Gas Grid Limited with viability Gap Funding/ Capital Grant at 60% of the estimated cost. Quantum of VGF would be capped at 60% of estimated project cost and would not be linked with upward capital cost variation.
- For effective monitoring of the project implementation, a Committee comprising of officials from Ministry of Petroleum & Natural Gas, Department of Expenditure, Ministry of Development of North East Region, Ministry of Environment, Forest & Climate Change, and Department of Fertilizers, may be formed, which would periodically review the progress in implementation of the project and take steps to smoothen out any issues in execution.

Key facts about the project

The total length of the pipeline is 1656 KM and the tentative project cost is Rs 9265 crore. As per the plan, Gas Pipeline Grid would be developed in the **eight states of the North-Eastern region i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura.**

Background:

To usher in Gas based economy and to increase the share of

natural gas in country's primary energy mix, Government is taking focused steps viz. enhancing domestic gas production, expeditious development of gas infrastructure including pipelines, City Gas Distribution (CGD) networks, and Re-gasified Liquefied Natural Gas (R-LNG) Terminals as well as development of Gas market by providing open access to gas infrastructure.

Indradhanush Gas Grid Limited (IGGL), a joint venture company of five CPSEs (IOCL, ONGC, GAIL, OIL and NRL) has been incorporated in 2018 **to develop and operate Natural gas pipeline grid in North-East region.** Petroleum & Natural Gas Regulatory Board (PNGRB) has also issued provisional authorization to IGGL in 2018 for the development of the North-East Gas pipeline grid.

Significance of the project

- The Capital Grant will provide natural gas supplies to various types of consumers viz. Industrial, PNG(Domestic), CNG (Transport), etc. and would immensely help in substituting the liquid fuels.
- The pipeline grid would ensure reliability and uninterrupted natural gas supplies to the consumers which otherwise gets severely affected due to various reasons in this part of the country.
- The availability of Natural gas across the region is expected to boost industrial growth without impacting the environment and would offer a better quality of life to the people in general due to the use of cleaner and green fuel.