



Pre-Bid Meeting for sale of CBM gas from Bokaro Block



Corp. Marketing Group, New Delhi

05.07.2022

Applicable Guidelines of Govt. of India

➤ **Guideline dated 11.04.2017: Policy Framework for Early Monetization of Coal Bed Methane**

- Complete Marketing and Pricing freedom for CBM.

➤ **GoI guidelines dated 15.10.2020 & 03.12.2020: Natural Gas Marketing Reforms**

- Following procedure shall be adopted for market price discovery of Mktg. & Pricing freedom gas:
 - Defined the process of discovery of Market Price for Natural Gas through e-bidding
 - Mandated use of e-bidding portal of DGH empaneled independent agency
 - Sale of gas to Affiliate allowed.

About Gas availability

- Quantity – 0.20 MMSCMD
- Term – 1 Year
- Readiness Date – ~15.12.2022
- Pressure – 90 Kg /cm²
- GCV – ~ 8200 Kcal/SCM
- NCV – ~ 7400 Kcal/SCM
- Quality – PNGRB quality for pipeline transportation
- Delivery Point – Ex Bokaro GCS



NIO for sale of gas from Bokaro block

- **ONGC published NIO on 21.06.2022**

- Sale of 0.20 MMSCMD gas ex- Bokaro GCS, CBM Asset, Jharkhand.

- **Bidding process**

- Dynamic e-auction

- **Bidding parameters**

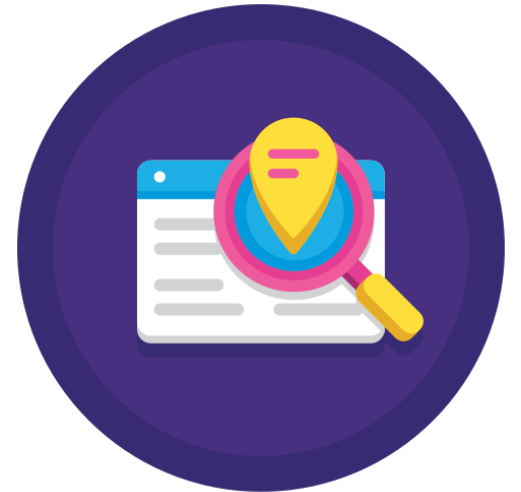
- Price & Volume

- **Term of the Contract**

- 1 Year

- **Eligibility Criteria**

- Net-worth -> **+ ve Net-worth (immediate previous financial year)**



Important Dates

Activity	Date
Last date for bid submission	12.07.2022 at 19:00 Hours
Notification to techno-commercially qualified bidders	18.07.2022
E-Auction	20.07.2022 at 11.00 Hours



➤ **Bidder need to submit initial Bids containing**

- Positive non-zero Premium over the Reserve Gas Price (incremented in multiples of \$0.10/MMBTU)
- Minimum Volume 10,000 SCMD and Ticker Size for volume bid 5,000 SCMD

➤ **Contract Gas Price:** Higher of

- **Reserve Gas Price** { 14 (%) * Dated Brent Price + \$1/MMBTU (Mark-Up) } + **Premium**
- **Floor Price** { Domestic Gas Price (on GCV basis) notified by PPAC for the period + \$1/MMBTU (Mark-Up) }

➤ **Marketing margin:** No marketing margin.

➤ **Offtake Window period of 30 days**

- From the date of ONGC's Readiness or date of Tie-in connectivity of Bokaro GCS with GAIL's JHBDPL, whichever is later.
- ONGC shall communicate about the tie-in connectivity date at least 48 hours in advance.
- Supply could commence on mutual agreement of buyer and seller
- Neither ToP nor SoP applicable during this period

➤ **Flexible Term of the contract, starts from earlier of**

- Date of actual gas commencement or 15 days before expiry of offtake window.

➤ **Signing of GSA**

- To be signed within 15 days of issuance of NOA.



➤ **Contracted Quantity (CQ)**

- Quantity allocated to the Buyer through e-auction process

➤ **Sellers Nomination**

- Daily Contracted Quantity (DCQ)
- To be Notified on 20th of each month
- Not Less than 90% of CQ

➤ **Buyers Nomination**

- Daily Nominated Quantity (DNQ)
- To be Notified on 25th of each month
- May be equal to or less than DCQ
- Buyer may request to modify DNQ (for any unanticipated reason) no later than 48 hours, before gas delivery date.

Salient features of RFP & GSA

- **Quarterly Take Or Pay Obligations [80 % of DCQ]**
 - MGO will be on Quarterly Short-lifted Quantity
 - Make up right against the MGO paid by Buyer
 - Additional Claim Period of 30 days after expiry of Term
- **Quarterly Supply or Pay Obligation [70 % of DNQ]**
 - SOP would be on Quarterly basis
 - Maximum aggregate liability is upto 15 days gas supply

Salient features of RFP & GSA

➤ **Security deposit**

➤ Lump sum of INR 50 Lakh

➤ LC or BG

➤ **Payment Security equivalent of 45 days of gas supply**

➤ LC or Bank transfer

➤ Submitted at least 60 days prior to ONGC's readiness date

Last but not the least

- ***Replies to the queries of the respective Bidder will be uploaded in the Bidding Portal after this meeting***
- ***Looking forward for your active participations***

Thanks