

GAIL Plans to Double Capacity at Its Dabhol LNG Terminal

Sanjeev.Choudhary
@timesgroup.com

New Delhi: GAIL is planning to more than double the capacity of its LNG terminal at Dabhol, Maharashtra, and build new terminals in the country to tap opportunities expected to emerge from the future growth in gas imports.

The nation's largest natural gas marketer and transporter plans to raise the capacity of its Dabhol terminal to 12 million tonnes per annum (mtpa) in a phased manner by 2030-31, GAIL chairman Sandeep Kumar Gupta told ET.

The Dabhol terminal has a nameplate capacity of 5 mtpa but operates at about 2.9 mtpa as it remains idle during the monsoon season. The company is building a breakwater infrastructure, which will help the terminal operate also during monsoon.

GAIL is also drawing up plans for new LNG import terminals but those are in the preliminary stages, Gupta said.

"Around half the current gas consumption is met by imports and the share is unlikely to come down by

2030. If more gas has to be imported, more terminals will be needed," Gupta said.

The country has about 48 mtpa of LNG import capacity and another 20 mtpa is said

Of the 7 LNG terminals in the country, 4 operate below 25% capacity and another 2 below 40%. Just one terminal at Dahej operates above 95%

to be in the pipelines. "But if the gas goals are to be met, these terminals will not be sufficient, and we will need to add more," Gupta said, referring to the national goal of increasing the share of natural gas in the primary energy

mix to 15% by 2030 from around 6.5% now.

The government's goal of increasing the use of natural gas in the economy has spurred the growth of multiple LNG terminals in recent years. Gas consumption or imports, however, haven't increased at the same pace, resulting in a deep underutilisation of terminals.

Gupta said the underutilisation would be addressed over time by rising domestic demand and imports.

Of the seven LNG terminals in the country, four operate below 25% capacity and another two below 40%. Just one terminal at Dahej, India's oldest and largest, operates above 95%.

GAIL also has a 12.5% stake in Petronet LNG Ltd, which operates the Dahej terminal. Petronet's spectacular earnings for years have helped draw new players into the LNG terminal business.