



INDIA'S GREEN HYDROGEN POLICY

WHAT YOU NEED TO KNOW

Catalysing India's decarbonisation journey through Green Hydrogen manufacturing

Key policy highlights (Unveiled Feb 17)

- The Policy addresses Green Hydrogen and Green Ammonia to be produced using renewable energy (RE), including banked RE.
- Projects commissioned before 30th June 2025 will be provided waiver on interstate transmission charges for 25 years.
- Any entity can set up a renewable energy (RE) capacity anywhere in the country. The policy provides open access for sourcing RE.
- The State Regulatory commission shall fix the banking charges. These shall not be more than the cost difference between the average tariff of renewable energy bought by the distribution licensee during the previous year and the average market clearing price (MCP) in the Day-Ahead Market (DAM) during the month in which RE has been banked.
- Green Hydrogen/ Green Ammonia manufacturing plants can be set up in Manufacturing Zones.
- RE consumed for Green Hydrogen/Green Ammonia production shall be considered towards the entity's Renewable Purchase Obligation (RPO) compliance. Production beyond obligation shall count towards compliance in the relevant DISCOM area.
- Distribution licensees can procure and supply RE for producing Green Hydrogen/ Green Ammonia by adding the cost of wheeling charges and a small margin, as determined by the state commission.
- The concerned agencies/authorities will provide clearances and permissions in a time-bound manner, preferably within 30 days from the date of application.
- For ease of implementation, a single portal will be created under The Ministry of New and Renewable Energy for statutory clearances and permissions required for manufacturing, transportation, storage and distribution.
- Manufacturers of Green Hydrogen / Green Ammonia shall be allowed to set up bunkers near Ports for storage of Green Ammonia for export / use by shipping. The land for the storage for this purpose shall be provided by the respective Port Authorities at applicable charges.
- Connectivity, at the generation end and the Green Hydrogen / Green Ammonia manufacturing end, to the ISTS for Renewable Energy capacity set up for the purpose of manufacturing Green Hydrogen / Green Ammonia shall be granted on priority.

India's commitment to climate change

At the 26th Session of the Conference of Parties (COP-26) to the United Nations Framework Convention on Climate Change (UNFCCC) in Glasgow, in November 2021, Hon'ble Prime Minister of India has made the following announcements:

- India's non-fossil energy capacity to reach 500 GW by 2030.
- India will meet 50 per cent of its energy requirements with renewable energy by 2030.
- India will reduce its total projected carbon emissions by one billion tonnes from now to 2030.
- India will reduce the carbon intensity of its economy by 45 per cent by 2030, over 2005 levels.
- By 2070, India will achieve the target of net-zero emissions.

Foundational steps to global Green Hydrogen leadership

National Hydrogen Policy will play a pivotal role in India's endeavour to achieve net-zero by 2070 as pledged in COP26 in Glasgow while targeting a 45% reduction in carbon intensity by 2030. In this journey, domestic demand for Green Hydrogen shall rise to 8 million tonnes by 2030. India has a huge opportunity to become a world leader in Green Hydrogen manufacturing while catalysing its decarbonisation journey.

Our Take



Mr. Davinder Sandhu
Co-founder & Chairman

The government has issued the first part of the National Hydrogen Policy to promote the manufacturing of Green Hydrogen. Any entity can set up a renewable energy (RE) capacity anywhere in the country. The government will provide open access, accessible storage for 30 days and free transmission if the facility is set up before 2025.

The major application of Green Hydrogen in industrial processes will be seen in metal and steel industries. These are hard to abate sectors because the technology process is baked into the industry over the life of the assets. The Government's long-term vision can be seen in the policy announcement and will give comfort to investors and industrial units in taking the next steps.

The policy looks promising, and next announcements will be keenly awaited. Indian researchers are already working on various possibilities of lowering electrolyser costs, and the final announcements in addressing this aspect will be crucial. Considering the scale involved, there is an opportunity for India to become a world leader in Green Hydrogen manufacturing while catalysing its decarbonisation journey.

Contributors



Isha Gakhar
Vice President



Adith Charlie
Vice President



Ayushi Gupta
Consultant



Ankush Sharma
Consultant

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Bengaluru

T1, GN, 25th A Cross,
25th Main, HSR Layout,
Bengaluru – 560102

Chandigarh

2nd Floor, NetSMART,
Rajiv Gandhi Chandigarh
Technology Park,
Chandigarh – 160019

Delhi

Rear Block, Upper Ground
Floor,
ALPS Building,
56 Janpath,
New Delhi – 110001

Mumbai

601, 6th floor,
Raheja Centre,
Nariman point,
Mumbai – 400021

 Primus Partners India  @partners_primus

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