

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2220
ANSWERED ON 08/08/2023

SUBSIDY FOR NATIONAL GREEN HYDROGEN MISSION

2220. SHRI G.C. CHANDRASHEKHAR

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether Government intends to subsidise the high cost of producing hydrogen energy in order to ensure demand for the resource;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether Government is offering additional benefits aside from free power transmission to ensure consumers choose hydrogen power over other sources such as biogas;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the details of timelines and estimated costs of the National Green Hydrogen Mission?

ANSWER

**THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER
(SHRI R.K. SINGH)**

(a) to (e) On 4th January 2023, the Union Cabinet approved the National Green Hydrogen Mission with an outlay of ₹ 19,744 crore. The overarching objective of the Mission is to make India a Global Hub for production, usage and export of Green Hydrogen and its derivatives.

The Mission is expected to lead to development of 5 MMT Green Hydrogen production capacity per annum by 2030.

The Mission aims to develop and scale up Green Hydrogen production technology and make it affordable and widely accessible.

The costs of the electrolyzers and input renewable energy are the two major components of Green Hydrogen production cost. The costs of capital, supply and treatment of water, storage and distribution, conversion of hydrogen to suitable derivatives, and enabling infrastructure would also contribute to the final delivered cost of Green Hydrogen for any particular application. The Mission seeks to undertake the necessary steps to enable cost reduction in these aspects.

The Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme, is a major financial measure with an outlay of ₹ 17,490 crore. The programme composes of two distinct financial incentive mechanisms to support domestic manufacturing of electrolyzers and production of Green Hydrogen. However, the Mission does not have a provision of incentives for consumption of Green Hydrogen or its derivatives.

Other steps are also being taken by the Government to turn India into a global hub for the production, use and export of Green Hydrogen, including inter-alia:

- i. Waiver of inter-state transmission charges has been granted for a period of 25 years to the producer of Green Hydrogen and Green Ammonia for the projects commissioned before 31st December 2030.
- ii. The Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022, notified in June 2022 have specified provisions for facilitating supply of renewable energy through Open Access for Green Hydrogen production.
