

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 705
TO BE ANSWERED ON: 24.07.2026

FORMULATION OF GREEN DATA CENTRE POLICY

705. SMT. SANGEETA YADAV:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether Government proposes to formulate a Green Data Centre Policy to promote energy-efficient, water-efficient and environmentally sustainable data centres in the country;
- (b) whether any standards or guidelines are being developed for renewable energy use, energy efficiency, water conservation and carbon footprint reduction in data centres;
- (c) whether consultations have been held with industry, academia and other stakeholders in this regard;
- (d) whether any incentives are proposed to encourage the establishment of green and energy-efficient data centres, if so, the details thereof?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (d): Data Centre industry in India has been growing at a steady pace. The rapid growth of AI and high-performance computing is driving increasing demand for data centre capacity in the country.

Data centres are located across the country such as Mumbai, Navi Mumbai, Chennai, Hyderabad, Bengaluru, Noida and Jamnagar. The installed capacity has grown from 375 MW in 2020 to current capacity of about 1575 MW.

Government is further developing the data centre and digital infrastructure ecosystem required to support large-scale AI deployment. Union Budget 2026-27's proposal of granting Tax holiday till 2047 to companies providing cloud services globally by using data centres from India, is a step in this direction.

At the same time, the Government is cognisant of the importance of sustainable data centre ecosystem. The data centre requirements, including electricity, water and other infrastructure, are considered as part of broader planning and consultations with relevant stakeholders.

Energy Efficiency & Water Conservation

- Electricity demand from data centres is estimated to reach 13.56 GW by 2031-32. The expansion of the national transmission network is being planned accordingly.
- Bureau of Energy Efficiency (BEE) has notified Energy Conservation Building Code (ECBC 2017) and Energy Conservation & Sustainable Building Code (ECSBC 2024)

prescribing energy efficiency and water conservation norms for buildings, including provisions relevant to data centres.

- Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Act has been enacted to strengthen reliable clean power for emerging sectors such as AI and data centres, including future deployment of Small Modular and Micro Nuclear Reactors.
- Government of India is promoting renewable energy through measures such as Green Energy Open Access Rules, Green Energy Corridor Scheme, Green Term Ahead Market (GTAM), National Green Hydrogen Mission, National Programme on High Efficiency Solar PV Modules, Offshore Wind VGF Scheme and Solar Park Scheme.
- Groundwater extraction is regulated under the guidelines issued by the Ministry of Jal Shakti.

The industry is increasingly adopting advanced cooling technologies such as direct-to-chip liquid cooling, adiabatic cooling and immersion cooling.

With the evolution of AI infrastructure, cooling technologies are also moving towards closed-loop liquid cooling systems. This has significantly reduced water consumption, improve energy efficiency and enable higher-density AI computing.

Industry is also deploying high density racks to efficiently support high-performance computing & AI workloads for further reduction of power and water consumption.

Together, these technologies are significantly improving water use efficiency (WUE) by lowering the water requirement across data centre operations.
