

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.25
ANSWERED ON 20.07.2023**

INDIAN CARBON CREDIT MARKET SCHEME

**25. SHRI CHANDRA SEKHAR SAHU:
DR. PRITAM GOPINATHRAO MUNDE:
SHRI RAHUL RAMESH SHEWALE:**

**Will the Minister of POWER
be pleased to state:**

- (a) whether the Union Government has notified the Indian Carbon Credit Market Scheme recently;**
- (b) if so, the objectives and salient features thereof;**
- (c) whether the Union Government proposes to constitute a National Steering Committee for the Indian Carbon market;**
- (d) if so, the details of the intended objectives, its composition and terms and reference thereof;**
- (e) whether the Union Government has decided the sectors to be included under compliance mechanism of the Indian Carbon Market and if so, the details thereof;**
- (f) whether the Union Government proposes to incentivize entities with low reduction costs to reduce emissions beyond their mandate and trading in the carbon market;**
- (g) if so, the details thereof; and**
- (h) the steps taken by the Union Government to achieve the zero carbon emission target by 2070?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) & (b): The Union Government have notified the Carbon Credit Trading Scheme (CCTS), 2023 vide S.O. 2825 (E) dated 28th June 2023 under the powers conferred by clause (w) of section 14 of the Energy Conservation Act, 2001 with an objective to reduce or remove or avoid the greenhouse gases emissions from the Indian economy by pricing the greenhouse gases emission through trading of the carbon credit certificates.

The salient features of the CCTS scheme include overarching framework for the functioning of Indian Carbon Market and required details related to the issuance, trading, roles and responsibilities of stakeholders towards operationalization of the scheme.

(c) & (d): The Central Government under the clause (3) of the Carbon Credit Trading Scheme has constituted the National Steering Committee for Indian Carbon Market with the following composition:

Secretary, MoP	Chairperson
Secretary, MoEFCC	Co-Chairperson
Joint Secretary or above, MoP	Member
Joint Secretary or above, MoEFCC	Member
Joint Secretary or above, MNRE	Member
Joint Secretary or above, Ministry of Finance	Member
Joint Secretary or above, NITI Aayog	Member
Joint Secretary or above, MoPNG	Member
Joint Secretary or above, Ministry of Steel	Member
Joint Secretary or above, Ministry of Coal	Member
Joint Secretary or above, MoC&F	Member
Joint Secretary or above, MoA& FW	Member
Chairperson, CEA	Member
Chairman and Managing Director, GRID - INDIA	Member
Principal Secretary (2) from the Department of Environment of respective State Government representing the States as nominated by the Central Government	Member
Two expert Members coopted by the National Steering Committee	Member
Any other Members not exceeding three as coopted by the National Steering Committee for Indian carbon market	Member
Director General, Bureau of Energy Efficiency	Member

The terms of reference of the Committee are as follows:

- a. To monitor the functions of Indian Carbon Market
- b. To recommend to the Bureau to formulize and finalize procedures, rules and regulations institutionalizing the Indian carbon market and regarding trading of carbon credit certificates outside India;
- c. To recommend to the Bureau to issue carbon credit certificate
- d. To recommend to the Bureau for formulating specific greenhouse gases emission targets for the obligated entities

- e. To recommend to the Bureau to constitute any Committee or Working group as required
- f. Any other functions assigned to it by the Central Government

(e) : No, Sir.

(f) & (g) : As notified under the CCTS, the obligated entities shall be issued carbon credit certificates for their achievement in reducing the greenhouse gases emission intensity exceeding the target set for such obligated entities. These certificates will be traded in the trading exchanges, thereby providing them monetary incentives for reducing emissions.

(h) : 1. To meet the Net Zero target by 2070, emissions from electricity generation shall be reduced by increasing the contribution of non-fossil fuel generation. As per National Electricity Plan (NEP) for 2022-2027 and its perspective plan for 2027-2032, the %age of year-wise installed capacity and generation from non-fossil fuels is given as under:

Year	% of non-fossil fuel installed Capacity	% of non-fossil fuel generation
2021-22	41%	25%
2026-27	57%	39%
2031-32	68%	49%

Further to promote the generation of Renewable Energy in the country, Government of India has taken the following steps:

- (i) Permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route.
- (ii) Waiver of Inter State Transmission System (ISTS) charges for inter-state sale of Solar, Wind, Green Hydrogen/Green Ammonia, Pumped Storage Plants & Energy Storage Sources.
- (iii) Declaration of trajectory for Renewable Purchase Obligation (RPO) up to the year 2029-30.
- (iv) Setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to RE developers for installation of RE projects at large scale.
- (v) Schemes such as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), Solar Rooftop Phase II, 12000 Mega Watt (MW) Central Public Sector Undertaking (CPSU) Scheme Phase II, etc.

- (vi) Laying of new transmission lines and creating new sub-station capacity under the Green Energy Corridor Scheme for evacuation of renewable power.**
- (vii) Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar photovoltaic (PV) and Wind Projects.**
- (viii) Notification of Promoting Renewable Energy through Green Energy Open Access Rules 2022.**
- (ix) Launch of Green Term Ahead Market (GTAM) to facilitate sale of Renewable Energy Power through exchanges.**

2. Towards improving energy efficiency in various sectors of the Indian economy which would also contribute towards achieving reduction of GHG emissions, the various initiatives undertaken by Bureau of Energy Efficiency under the guidance of Ministry of Power are as follows:

I. Domestic Sector

- (i) Standards and Labelling (S&L) scheme of Bureau of Energy Efficiency (BEE) prescribes minimum energy performance norms for appliances / equipment. Implementation of the programme has resulted in annual electricity savings of about 70.43 Billion Units in FY 2021-22 and covers 34 appliances.**
- (ii) Unnat Jyoti by Affordable LEDs for All (UJALA) scheme facilitated faster uptake of LED lamps, through aggregation of demand. Under this programme, 36.86 Crore LED bulbs have been distributed till 12th July 2023.**

II. Commercial Sector

- i. To promote energy efficiency in commercial buildings sector, the updated Energy Conservation Building Code (ECBC) was launched in 2017. ECBC has been developed by BEE, its enforcement lies with the State Governments and urban local bodies. Till 12th July 2023, 24 States and UTs have notified ECBC for implementation in their respective states.**
- ii. Under Street Light National Programme (SNLP), about 1.32 crore LED street lights were replaced across India till 12th July 2023 resulting in annual electricity savings of 8.8 Billion Units.**

III. Large Industries and Establishments

- i. In respect of large energy intensive sectors, Ministry of Power is implementing a flagship program called Perform, Achieve and Trade (PAT). The scheme covers 1333 units from 13 sectors has resulted in annual energy savings of about 25.9 Million Tonnes of Oil Equivalent (MTOE) translating into avoiding of about 109 million tonne of CO2 emissions annually.**

IV. Transport Sector

- i. In the transport sector, fuel efficiency norms for passenger cars; Heavy Duty Vehicles; and Light & Medium Commercial Vehicles have been notified to reduce carbon footprints.**
- ii. Government of India has taken several initiatives to promote electric mobility across the country including accelerated deployment of public Electric Vehicle (EV) charging infrastructure in the country. Details of the initiatives taken by Ministry of Power are as follows:**
 - a) Ministry of Power on 13.04.2018 clarified that charging of EV batteries through public charging stations does not require any license under the provisions of Electricity Act, 2003.**
 - b) Issue of guidelines and Standards for EV Charging Infrastructure and subsequent amendments with the following salient features:**
 - Support creation of EV Charging Infrastructure; with the objective to provide affordable tariff chargeable from Public EV Charging Station Operators/Owners and Electric Vehicle (EV) users.**
 - Enable EV owners to charge EVs at their residence/offices using their existing electricity connections.**
 - Introduction of Revenue Sharing Model for provision of land at affordable rates for public charging stations.**
 - Stipulating timelines in accordance with Electricity (Rights of Consumer) Rules 2020 for providing electrical connectivity to public charging stations.**
 - Prescribe single part EV tariff for public charging stations not exceeding Average Cost of Supply (ACoS) till 31.03.2025.**
 - Specify ceiling limits on service charges being levied by public charge point operators on the EV customers to recover the cost of servicing the capital investments (including GST) made by it in setting up the Public Charging Stations (PCS).**
