

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.2401
ANSWERED ON 13.03.2025**

NATIONAL FRAMEWORK FOR INDIAN CARBON MARKET

2401. MS IQRA CHOUDHARY:

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

- (a) the specific timeline set to introduce the 'National Framework for Indian Carbon Market' (ICM) and the steps taken by the Government to ensure that there are no delays in its rollout;**
- (b) the details of the sectors to be considered under the scheme and the number of sectors be covered in different phases of the scheme;**
- (c) the number of entities being covered under the scheme, State-wise; and**
- (d) the manner in which the framework incentivize participation from high-emission sectors and the mechanism being developed to ensure compliance without disproportionately burdening on small and medium enterprises?**

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) : Carbon Credit Trading Scheme (CCTS), which provides framework for Indian Carbon Market, has already been notified in June, 2023 and amended in December, 2023 under the Energy Conservation Act, 2001(as amended). CCTS provides two mechanisms namely, compliance mechanism and offset mechanism. The accreditation procedure and eligibility criteria for Accredited Carbon Verification Agencies have already been published. Detailed procedure for compliance mechanism has also been published. Detailed procedures and methodologies under the Offset Mechanism are currently being developed. The trading of carbon credits under compliance mechanism is expected to begin in 2026-27.

(b) : The compliance mechanism presently covers Aluminium, Cement, Chlor - Alkali, Fertilizer, Iron & Steel, Petrochemical, Petroleum Refinery, Pulp & Paper and Textile sector. Approved sectors under offset mechanism are Energy, Industries, Agriculture, Waste handling and disposal, Forestry, Transport, Fugitive Emissions, Construction, Solvent use, Carbon capture, utilization and storage of CO₂ and other removals.

(c) : Approximately 795 obligated entities have been estimated to be covered under the compliance mechanism of CCTS. State wise details are as follows:

State	Obligated Entities
Andhra Pradesh	41
Assam	8
Bihar	5
Chhattisgarh	76
Goa	5

Gujarat	101
Haryana	12
Himachal Pradesh	14
Jammu Kashmir	1
Jharkhand	25
Karnataka	55
Kerala	4
Madhya Pradesh	33
Maharashtra	48
Meghalaya	10
Odisha	83
Punjab	28
Rajasthan	70
Tamil Nadu	49
Telangana	26
Union territory of Puducherry	2
Uttar Pradesh	45
Uttarakhand	7
West Bengal	47
Grand Total	795

(d) : Under the compliance mechanism, the greenhouse gas emission intensity (GEI) targets are given to only those obligated entities whose annual energy consumption are above certain thresholds. The present energy consumption thresholds for different sectors under compliance mechanism are as below:

Sl. No.	Sector	Threshold Limit (tonnes of oil equivalent)
1	Aluminium	7500
2.1	Cement (Integrated)	30000
2.2	Cement (Grinding)	10000
3	Chlor - Alkali	7500
4	Fertilizer	30000
5	Iron & Steel	20000
6	Petrochemical	100000
7	Petroleum Refinery	90000
8	Pulp & Paper	7500
9	Textile	3000

Further, while finalizing the GEI targets for different obligated entities, the marginal abatement cost of possible technological measures in the facility of obligated entities are taken into consideration to ensure that such entities are given achievable targets.
