

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 6035
ANSWERED ON 01.04.2026

INCENTIVES UNDER SIGHT PROGRAMME

6035. SHRI NARAYAN TATU RANE

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

- (a) the details of quantum and types of financial incentives sanctioned under the Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme;
- (b) the amount disbursed to project developers and manufacturers under SIGHT Programme so far;
- (c) whether these incentives have resulted in a reduction in the cost of green hydrogen production and if so, the details thereof; and
- (d) the norms adopted for monitoring cost competitiveness in this regard?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER

(SHRI SHRIPAD YESSO NAIK)

(a) to (c) The Government of India is implementing the National Green Hydrogen Mission (NGHM), with an objective to make India a global hub of production, usage and export of green hydrogen and its derivatives.

The details regarding the quantum and types of financial incentives under Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme, are provided below:

i. Incentive scheme for electrolyser manufacturing

- Under this scheme, incentive is provided for a period of 5 years for electrolyser manufacturing, in terms of Rs. /kW corresponding to the electrolysers manufactured as given below:

Year of Sales	Year 1	Year 2	Year 3	Year 4	Year 5
Base Incentive Available (Rs. /kW)	4440	3700	2960	2220	1480

- 3000 MW per annum electrolyser manufacturing capacity has been awarded to 15 companies, at a total financial incentive of Rs. 4440 crores.

ii. Incentive schemes for green hydrogen production

- Under this scheme, incentive is provided for a period of 3 years for green hydrogen production, in terms of Rs. /kg of green hydrogen produced as given below:

Year of Production	Year 1	Year 2	Year 3
Incentive cap (Rs. /kg)	50	40	30

- 8,62,000 tonnes per annum of green hydrogen production capacity has been awarded to 18 companies, at a total financial incentive of Rs. 5294 crores.
- Prices have been discovered by Solar Energy Corporation of India (SECI) for the production and supply of 7,24,000 Metric Tonnes per Annum (MTPA) of Green Ammonia (a derivative of Green Hydrogen) to 13 fertilizer units across India. The total financial incentive for this is Rs. 1534 crores.
- 20,000 tonnes per annum of green hydrogen production and supply capacity has been awarded for supply to refineries of Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited, at a total financial incentive of Rs. 240 crores. Additionally, a price of Rs. 329.22/kg of green hydrogen (inclusive of GST), has been discovered for production and supply of 10,000 tonnes per annum of green hydrogen to Numaligarh Refinery Limited, Assam.

In accordance with the scheme guidelines, disbursement of incentives to green hydrogen project developers and electrolyser manufacturers is linked to commissioning of the awarded capacities.

These assured incentives improve project bankability, reduce financing costs, and facilitate long - term offtake arrangements for green hydrogen and its derivatives. The above schemes also support efficiency improvements by incorporating specific energy consumption as one of the incentive calculation parameters, leading to lower electricity consumption per unit of green hydrogen produced. Collectively, these measures progressively reduce the cost of green hydrogen production.

(d) The cost competitiveness of green hydrogen is being monitored through comparison with prevailing market prices of grey hydrogen currently used by refineries, which is produced from naphtha or natural gas. The cost of grey hydrogen produced in Indian refineries is in the range of approximately Rs. 180 – Rs. 240 per kg.

Under the SIGHT Scheme, the discovered Levelized Costs of Hydrogen (LCOH) through competitive bidding serve as a benchmark for assessing the cost trajectory of green hydrogen. The discovered prices are Rs. 397 per kg (inclusive of 18% GST) for supply to the refinery of Indian Oil Corporation Limited and Rs. 387 per kg (inclusive of 18% GST) for supply to the refineries of Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited.

These benchmark prices are used to track the cost reduction trends for green hydrogen in order to assess the cost competitiveness with conventional grey hydrogen.
