

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.921
ANSWERED ON 05.02.2026**

EFFECTIVENESS OF CARBON MARKET

**†921. SHRI MANISH JAISWAL:
DR. MANNA LAL RAWAT:
SHRI DAMODAR AGRAWAL:
SMT. SHOBHANABEN MAHENDRASINH BARAIYA:
SHRI PRAVEEN PATEL:**

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

- (a) the salient features of the framework for the Indian Carbon Market launched to facilitate emission reduction and climate mitigation efforts;**
- (b) the details of the progress made in establishing institutional arrangements such as the carbon registry, trading mechanisms and sectoral coverage, State-wise;**
- (c) the role envisaged for industries and other stakeholders by participating in the carbon market and towards achieving national climate goals;**
- (d) whether the Government has instituted any mechanism to assess the effectiveness of the carbon market in driving emission reductions and facilitating investment in clean technologies; and**
- (e) if so, the details thereof?**

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) : The Indian Carbon Market (ICM) under the Carbon Credit Trading Scheme (CCTS) operates through two mechanisms, namely the Compliance Mechanism and the Offset Mechanism. Under the Compliance Mechanism, emission-intensive industries notified as Obligated Entities are required to meet assigned Greenhouse Gas Emission Intensity (GEI) targets, and entities that over-achieve their targets are eligible for issuance of Carbon Credit Certificates. Under the Offset Mechanism Non-obligated entities, may voluntarily register approved mitigation activities for the purpose of seeking issuance of Carbon Credit Certificates.

(b) : The institutional framework required for the operationalization of the Indian Carbon Market (ICM) is already in place. Grid Controller of India Limited is functioning as the Registry, while the Central Electricity Regulatory Commission serves as the regulator for trading activities under the ICM.

Under the compliance mechanism of ICM, the Central Government has notified Greenhouse Gas Emission Intensity (GEI) reduction targets for seven energy-intensive sectors—Aluminium, Cement, Chlor-Alkali, Pulp & Paper, Petrochemicals, Petroleum Refinery, and Textiles. These targets cover 490 obligated entities, with detailed State-wise information provided in Annexure-I.

Under the offset mechanism, nine different methodologies (list Annexure-II) have been developed by the Bureau of Energy Efficiency.

In addition, procedures for the accreditation of carbon verification agencies have been finalized to ensure robust, transparent, and credible measurement, reporting, and verification of emission reductions.

(c) : Industries and other stakeholders are envisaged to drive emissions reduction under the ICM by improving efficiency, adopting low-carbon technologies, and meeting notified emissions-intensity targets, as mentioned at reply to Part (a) above.

(d) & (e) : A structured Monitoring, Reporting and Verification (MRV) framework and periodic review of emissions-intensity targets by the National Steering Committee for Indian Carbon Market have already been envisaged for assessing the effectiveness of the Indian Carbon Market.

ANNEXURE-I**ANNEXURE REFERRED IN REPLY TO PART (b) OF UNSTARRED QUESTION NO. 921 ANSWERED IN THE LOK SABHA ON 05.02.2026**

State	Total number of Obligated Entities
Andhra Pradesh	30
Assam	8
Bihar	4
Chhattisgarh	11
Dadra & Nagra	17
Gujarat	71
Haryana	9
Himachal Pradesh	14
Jammu & Kashmir	1
Jharkhand	7
Karnataka	22
Kerala	3
Madhya Pradesh	29
Maharashtra	29
Meghalaya	8
Odisha	18
Puducherry	2
Punjab	26
Rajasthan	64
Tamil Nadu	41
Telangana	21
Uttar Pradesh	34
Uttarakhand	6
West Bengal	15
Total	490

ANNEXURE-II

ANNEXURE REFERRED IN REPLY TO PART (b) OF UNSTARRED QUESTION NO. 921 ANSWERED IN THE LOK SABHA ON 05.02.2026

- i. BM EN01.001: Grid-connected electricity generation from renewable sources;**
- ii. BM EN01.002: Hydrogen production from electrolysis of water;**
- iii. BM IN02.001: Energy efficiency and fuel switching measures for industrial facilities;**
- iv. BM IN02.002: Hydrogen production using methane extracted from biogas;**
- v. BM WA03.001: Landfill methane recovery;**
- vi. BM WA03.002: Flaring or use of landfill gas,**
- vii. BM AG04.002: Methane recovery from livestock and manure management at households and small farms;**
- viii. BM FR05.001: Afforestation and reforestation of degraded mangrove habitats;**
- ix. BM FR05.002 Afforestation and reforestation of lands except wetlands**
