



Government Undertaking Measures to Optimise Energy Mix and Reduce Costs for Green Hydrogen Production

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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.

India's Green Hydrogen production capacity is likely to reach 5 Million Metric Tonnes per annum by 2030.

Significant steps have been taken under NGHM for reducing the cost of green hydrogen, details of which are provided below:

- i. Under the incentive scheme for Electrolyser Manufacturing, 15 companies have been awarded a total manufacturing capacity of 3,000 MW per annum. The total incentive awarded is Rs. 4440 crores.
- ii. Under the incentive scheme for Green Hydrogen production, 18 companies have been awarded a cumulative production capacity of 8,62,000 tonnes per annum.
- iii. Under the incentive scheme for procurement of Green Hydrogen for refineries, 2 companies have been awarded a total capacity of 20,000 tonnes per annum.
- iv. Prices have been discovered by Solar Energy Corporation of India for the production and supply of 7,24,000 tonnes per annum of Green Ammonia (a derivative of Green Hydrogen) to 13 fertilizer units across India.

Other steps taken to facilitate reduction in green hydrogen cost, are as follows:

- i. Green Hydrogen/Green Ammonia Plants commissioned on or before 31.12.2030, and which utilize renewable energy for the production of green hydrogen or green ammonia, have been granted exemption from the payment of Inter State Transmission System (ISTS) charges for a period of 25 years, starting from the date of commissioning of the project.
- ii. Duty benefits under Section 26 of SEZ Act, 2005 have been allowed to the units for installation as well as Operation and Maintenance (O&M) of renewable energy equipment exclusively for captive consumption of the unit.

The above incentives ensure stable and predictable demand for green hydrogen by securing long - term offtake agreements and integration of green hydrogen for industrial decarbonisation.

India is optimising its energy mix for green hydrogen production by rapidly expanding low - cost renewable energy capacity, supported by competitive tariff - based bidding, large - scale solar and wind deployment, and enabling policy frameworks. To support this objective, the following policy measures have been undertaken:

- Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar, Wind, Wind-Solar Hybrid and Firm & Dispatchable Renewable Energy (FDRE) projects have been issued.
- Exemption has been granted from Approved List of Models & Manufacturers (ALMM) for Solar PV Modules and Revised List of Models & Manufacturers (RLMM) for Wind Turbine models requirements for Renewable Energy plants located inside an Special Economic Zone (SEZ) or Export Oriented Unit (EOU) and supplying power exclusively for production plants of Green Hydrogen (or its derivatives), which are located inside an SEZ or set up as an EOU.
- Foreign Direct Investment (FDI) has been permitted up to 100 percent under the automatic route.
- Scheme for setting up of Solar Parks and Ultra Mega Solar
- Power projects is being implemented to provide land and transmission to RE developers for installation of RE projects at large scale.
- Inter State Transmission System (ISTS) charges were waived for inter-state sale of solar and wind power for projects commissioned by 30th June 2025, for Green Hydrogen Projects till December 2030 and for offshore wind projects till December 2032.
- Laying of new transmission lines and creating new sub-station capacity has been funded under the Green Energy Corridor Scheme for evacuation of renewable power.
- To augment transmission infrastructure needed for steep RE trajectory, transmission plan has been prepared till 2030.

This information was submitted by Union Minister of State for New and Renewable Energy Shri Shripad Yesso Naik in a written reply in Rajya Sabha.

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