

CARBON CREDIT TRADING SCHEME

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The Carbon Credit Trading Scheme (CCTS) has been notified with the objective of reducing, removing, or avoiding greenhouse gas emissions from the Indian economy by pricing such emissions through the trading of Carbon Credit Certificates (CCC).

The Government has taken several measures to operationalise the Indian Carbon Market (ICM), including establishment of the requisite institutional framework, notification of Greenhouse Gas Emission Intensity (GEI) targets for seven energy-intensive sectors under the compliance mechanism. Further, approved methodologies under the offset mechanism, a robust monitoring, reporting and verification framework, and procedures for accreditation of carbon verification agencies have been put in place.

In the ICM, industries, as obligated entities, are envisaged to reduce emissions by improving efficiency and adopting low-carbon technologies. Entities that over-achieve their notified Greenhouse Gas Emission Intensity (GEI) targets are eligible for issuance of CCC, which are tradable through power exchanges. Non-obligated entities, including renewable energy producers, may voluntarily register approved mitigation activities for the purpose of seeking issuance of CCC.

The financial support for implementation of the CCTS is to be met by the Bureau of Energy Efficiency from the fees and charges collected from entities under the Scheme and its own resources. Regulatory support for trading activities under the Indian Carbon Market, including matters relating to trading of carbon credit certificates, is provided by the Central Electricity Regulatory Commission.

The institutional arrangements for implementation of the Scheme comprise a National Steering Committee co-chaired by the Secretaries of the Ministry of Power and the Ministry of Environment, Forest and Climate Change, with Grid Controller of India Limited functioning as the Registry and the Bureau of Energy Efficiency serving as the Administrator.

This Information was given by The Minister of State in the Ministry of Power, Shri Shripad Naik, in a written reply in the Lok Sabha today.

NR/AP/MD

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