

Stepping on gas for green energy switch, net-zero emission

TEAM TOI

The government has matched its words with money by putting Rs 35,000 crore on the table for transition to green energy, as part of India's 2070 'net zero' emission ambition.

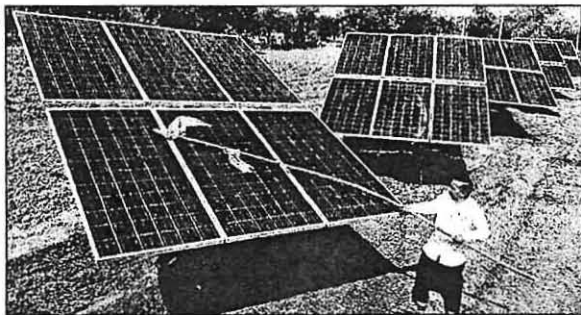
The money will be used to support new-age energy solutions ranging from green hydrogen and ammonia, battery storage and transmission lines for evacuating renewable power and biofuels such as biogas and ethanol — petrol laced with ethyl alcohol.

The Budget intent takes a cue from the Economic Survey that had on Tuesday said that the government needs to

show the money for its ambitious green agenda.

True to the Budget intention, part of the money will be used for providing VGF (viability gap funding) for 4,000 MWh (megawatt-hour) to reduce the tariff initially till a domestic market scales up and prices come down. A framework for pumped storage generation projects will also be formulated.

Both these technologies will play a key role in the government's bid to promote round-the-clock solar or wind power projects by providing standby power during night or no-wind scenarios. They will be an important element for maintain-



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ing grid stability as the share of renewables rises.

VGF of Rs 8,000 crore for the proposed Rs 20,700-crore transmission line for evacuating power from the proposed 13 GW solar-wind-bat-

ttery storage project in Ladakh. The support will reduce the transmission tariff and breathe life into the proposed showstopper renewable project that has the potential to change the socio-

economic scenario in the Union territory.

The Budget also turned its focus on biofuels by reducing customs duty on denatured ethyl alcohol to improve availability as the government moves for blending 20% ethanol — petrol blended with ethyl alcohol — and flex engines with the aim of reducing automotive emission.

As natural gas has been identified as the transition fuel, all natural gas entities marketing natural gas will have to earmark 5% of sales to CGD (city gas distribution) projects. This is expected to raise supply for CNG and PNG projects being set up in 400 districts at an investment

of Rs 80,000 crore.

GST-paid biogas used for blending in CNG (compressed natural gas) has been exempted from excise duty to promote biogas projects that have a positive bearing on waste management in cities and potential to create rural earning avenues.

The government last month announced Rs 19,700 crore funding to seed the green hydrogen market, including domestic manufacturing of electrolyzers, with the aim of achieving 5 million tonne annual green hydrogen production capacity by 2030. It also wants to achieve 500 gigawatts of non-fossil fuel-based power capacity by 2030.