

Industry welcomes National Hydrogen Policy

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New Delhi, Feb 17 (PTI) Renewable energy companies on Thursday welcomed National Hydrogen Policy but sought clarity on charges for intra-state wheeling of electricity. Manoj K Upadhyay, founder and chairman, ACME Group said, the policy is the first concrete step in the direction of creating a favourable regulatory and enabling environment for the green hydrogen and ammonia sector in India.

"The government has tried to address some of the key demands of the industry in terms of open access, grid banking and faster approvals for green hydrogen and ammonia projects," he said welcoming the provisions to set up bunkers near ports for the export of green ammonia. Going forward, it will be important to build upon the first phase of the policy and for the government to subsequently come up with policy measures for initial demand creation by means of mandatory green hydrogen and ammonia purchase obligations and at the same time, an equivalent of PLI scheme for green ammonia to make India competitive globally, he added. ReNew Power Chief Commercial Officer Mayank Bansal said the policy is "a very good step in the right direction as India looks to become a net-zero economy by 2070 and will add to the momentum to that crucial goal." **[NEWS IN BRIEF \(HTTPS://TIMESOFINDIA.INDIATIMES.COM/BRIEFS/BUSINESS\)](https://timesofindia.indiatimes.com/briefs/business)**

"Currently, manufacturing green hydrogen is a costly proposition and in cognizance of this, the government has correctly waived inter-state transmission charges for a period of 25 years, which will help in bringing down the cost of green hydrogen.

"The government has also allowed banking of power for 30 days, which will help improve the utilization of capital-intensive electrolyser assets," he said.

The firm however sought more clarity on application of cross-subsidy surcharge and additional cross-subsidy surcharge since the policy allows production at different locations by different parties.

"Further, the decision to include biomass as a fuel for generation of green hydrogen is a step in the right direction," added Bansal.

He said it's a much-needed initiative and now state governments should take the cue from this policy and extend benefits such as waiver of intra-state transmission charges and electricity duty.

"This will help the cause of making India a green hydrogen hub," said Bansal.

Anish De, National Head - Energy, Natural Resources and Chemicals, KPMG in India, said transmission charges waiver till 2025 is open ended in terms of capacity.

"Double edged sword - if a lot of capacity comes in it will be policy success but at the cost of other transmission users and ratepayers. There is already a lot of noise on high transmission charges," he said.

Stating that not all capacity will be on inter-state, he said, how state regulators play needs to be seen. "They are not obliged by law to comply on charges."

"Cross subsidy surcharge implications need to be understood especially for third party developers. The policy talks of own or third party development in the same breath, but the law sees it differently," he added.

Anvesha Thakker, Partner and Lead, Renewable Energy, KPMG in India, said green hydrogen is one of the most critical clean energy sources for decarbonizing India's energy needs and enhancing energy security in a sustainable manner.

"In the newly announced Green Hydrogen Policy, the government has touched upon several factors to bring down costs and improve ease of implementation of green hydrogen/ green ammonia projects," he said.

"However, the policy needs to address the expectations of hydrogen producers by providing clarity on demand side measures

such as hydrogen purchase obligation clarity as yet on measures to facilitate localization of electrolyzer manufacturing. Further, there is no mention of derivatives of green hydrogen other than green ammonia, such as methanol." PTI

