

Power sector eyes green policy push, tax breaks

Sector execs expect funding for green hydrogen, offshore wind

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With India accelerating green energy transition, the energy sector is pinning its hopes on the upcoming Union Budget to catalyse policy support and tax benefits. Sector executives are expecting a relook at GST rates across the renewable energy supply chain, and viability gap funding for newer sectors such as green hydrogen, offshore wind and energy storage, among others.

Global CEO of Hero Future Energies Srivatsan Iyer said the green energy industry is looking for reduction of GST rates on renewable energy components. "Lowering GST on solar modules, wind turbines and electrolyzers from the current rates to 5 per cent would significantly reduce project costs and thereby cut cost of renewable power and hydrogen to consumers," Iyer said, adding that reducing or eliminating customs duties as well on imported solar cells and modules would enhance the economic feasibility of solar projects and projects involving green hydrogen.

Resonating the same hopes, AMPIN Energy Transition CFO SK Gupta said the government

POLICY ACTIONS FOR GREEN ENERGY SO FAR

₹19,744 cr

Outlay for National Green Hydrogen Mission

₹6,500 cr

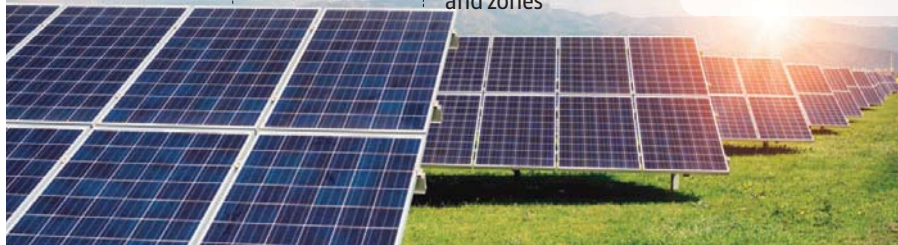
Offshore wind viability gap funding

₹2 trn

For transmission network to connect renewable projects and zones

PLI scheme for

- ▶ High efficiency solar equipment
- ▶ Advances chemistry cells



should also consider removing the mandate on procuring Approved List of Models and Manufacturers (ALMM)-approved solar modules requirement, especially for the commercial and industrial segment. He said as the capacity of the ALMM list of firms is lower and there is no direct subsidy, the government should relax this mandate. ALMM has only domestic players.

Gupta, however, added that the Budget should encourage key equipment manufacturing for module and cell manufacturing in India through promoting suitable policy, regulatory, financial and tax regimes

for the same. "India has a strong history of in-house equipment manufacturing, yet our reliance on RE manufacturing machinery and equipment is almost 100 per cent. In the next phase, this reliance should be reduced to zero," he said.

In recent years, newer clean energy sectors have emerged, which include fuels such as green hydrogen, plant-based biofuels and energy storage, among others. Energy sector experts point out that initial subsidy support and tax relaxation on import of crucial raw materials would help the indigenous industry grow rap-

idly. Iyer said the industry is hopeful of the Budget to support growth of green hydrogen and battery storage through viability gap funding and subsidies. "Support is essential for making hydrogen competitive with other alternatives and fostering development of a robust battery storage market," he said.

Raju Kumar, partner and energy tax leader, EY India, said the green hydrogen mission launched in 2021 would require policy support to address infrastructure, storage and transportation-related challenges.