

# Soon, a carbon credit market for energy, steel, cement sectors

**BLOOMBERG**

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India is planning to start a carbon trading market for major emitters in the energy, steel and cement industries, as part of its efforts to hasten the transition to cleaner fuels.

The platform is likely to be announced by Prime Minister Narendra Modi at the Independence Day celebrations on August 15, according to people with the knowledge of the plan.

It's been in the works since March, when consultation with ministries and companies began, said the people who asked not be named because discussions are private. The Prime Minister's Office and NITI Aayog didn't immediately respond to emails seeking comment.

The market will initially be limited to hard-to-abate sectors, allowing participants to trade credits earned from cutting emissions, the people said. One



of the goals is to ensure state-owned energy firms such as ONGC, Indian Oil Corp and NTPC Ltd, as well as steel and cement companies, can benefit from planned investments in carbon-capture projects, they said.

## Climate challenge

India, the world's third-biggest emitter, surprised pundits by announcing a plan to achieve net zero by 2070 at the COP26 summit in Glasgow late last year. While that's a decade behind its fellow Asian behemoth China, the South Asian economy is less developed and faces greater climate challenges. The country is looking to cut one billion tonnes

of emissions by 2030 as a first step in reaching its goal.

India's proposed market follows a similar one in China, which last year launched a mandatory trading system for all large power plants.

But the market has been plagued by delays and problems with data collection, and has seen only lacklustre buying and selling of allowances.

## 'Likely in Q4'

A detailed plan for establishing the carbon market is likely to be ready in the fourth quarter, the people said. India is also looking to introduce methanol-blended fuels in land and marine transport, build more carbon capture projects, and encourage the adoption of electric vehicles as part of its climate goals, they said.

The carbon-market plan was previously reported by the *Mint* newspaper.