

# INDEPENDENCE DAY: PM MODI ANNOUNCES NATIONAL HYDROGEN MISSION

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**NEW DELHI** : In a push for India's energy security, Prime Minister Narendra Modi in his Independence Day speech on Sunday announced a National Hydrogen Mission for the country.

This comes against the backdrop of India spending 12 trillion annually to meet the energy needs. Green hydrogen is produced by splitting water into hydrogen and oxygen using an electrolyzer powered by electricity from renewable energy sources such as wind and solar can be a game changer for India, which imports 85% of its oil and 53% of gas demand.

Stressing on the need for energy independence, PM Modi while announcing the mission said that the plan involves India becoming a global hub for green hydrogen production and exports.

*Mint* earlier reported about National Hydrogen Mission to bat for green hydrogen exports and geographical production zones. Given India's major dependence on energy imports, the playbook involves leveraging the country's large land mass and low solar and wind tariffs to produce low-cost green hydrogen and ammonia for exports, thereby bolstering India's geopolitical heft.

PM Modi said that for India to progress and become self reliant, it is important to become energy independent. It is for this reason that the country will need to take this oath that we will need to make India energy independent before 100 years of independence, he added.

India is considering a proposal to make it mandatory for fertilizer plants and oil refineries to purchase green hydrogen as part of plans to cut the nation's dependence on fossil fuels. A draft cabinet note for the same has been moved.

Modi said that green hydrogen is the biggest goal and will help provide a quantum jump to India. India's strategy will be to leverage scale for its ambitious green hydrogen plan in the likes of its renewable energy programme, leading the country to run the world's largest clean energy programme.

The government plans to implement the Green Hydrogen Consumption Obligation (GHCO) in fertilizer production and petroleum refining, similar to what was done with renewable purchase obligations (RPO). RPOs require electricity distribution companies to buy a fixed amount of renewable energy to cut reliance on fossil fuels. India's total hydrogen demand is expected to touch 11.7 million tonnes (mt) by 2029-30 from the current 6.7 mt.

This comes at a time when India's domestic oil and gas production has been faltering. The domestic crude and oil and gas production fell by 5.22% and 8.06% respectively during April 2020 to March 2021, compared with the corresponding period in the previous financial year.

With the current cost of green hydrogen produced by electrolysis estimated at around 350 per kg, the plan is to more than halve it to 160 per kg by 2029-30. The government also aims to extend the production-linked incentive (PLI) scheme for manufacturing electrolyzers to produce green hydrogen.

“Mass deployment of renewable energy in India helped us to produce electricity cheaper than any other sources of energy, similar deployment of green hydrogen at the lowest cost will help us in cost leadership position not only to meet our green hydrogen and ammonia demand internally, we can also become a major exporter of Green Hydrogen and Green ammonia to worldwide. This initiative on green hydrogen can help us to build an ecosystem of a 2-3 trillion dollar industry in the next 20-25 years,” said Manoj K. Upadhyay, founder and chairman, ACME Group in a statement.

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