

ICRA ESG's Comments on the UNION BUDGET 2024

July 2024

Energy and Climate Transition



- Roadmap for 'hard to abate' industries to move to 'emission targets' from 'energy efficiency' targets
- Transition from current 'Perform, Achieve and Trade' mode to 'Indian Carbon Market' mode



- Investment-grade energy audit of micro & small industries in 60 clusters with financial support for shifting to cleaner and efficient energy



- Climate finance taxonomy for enhancing capital availability for adaptation and mitigation projects

***The shift in focus from 'energy' to 'emission' for large industries and incentive for energy efficiency in small industries will strengthen commitment towards country's net zero targets.
The much-needed local climate taxonomy will boost the sustainable investment ecosystem.***

Renewable Energy



- Outlay on Solar Power (Grid) more than doubled to Rs.10,000 crore for FY2025
- Basic Custom Duty exemption (earlier 7.5%) for specified machinery/equipment used in the manufacture of solar cells and modules.



- Launch of PM Surya Ghar Muft Bijli Yojana to install rooftop solar plants enabling 1 crore households obtain free electricity up to 300 units every month.



- Pumped Storage Policy for facilitating storage and smooth integration of the growing share of renewable energy.

Solar power to be a core sector to drive energy mix change at both grassroots and industry level

Other Initiatives



- Review of the agriculture research setup to bring focus on raising productivity and developing climate resilient crop varieties
- 109 new high-yielding and climate resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers



- Setting up of Bharat Small Reactors
- Research & development for Bharat Small Modular Reactor and newer technologies for nuclear energy.



- Thrust towards use of indigenous technology for Advanced Ultra Super Critical (AUSC) thermal power plants that have higher efficiency and lower emissions.
- A joint venture between NTPC and BHEL to set up a full scale 800 MW AUSC commercial plant.

Promising initiatives which would need a fast paced and wide adoption for a meaningful and timely impact towards transition and climate resilience