

Press Release

“India’s decarbonisation strategy must emerge from a national energy planning exercise” Montek Singh Ahluwalia at CSEP Flagship Seminar

New Delhi, 7 August 2021: “India needs to change its traditional approach towards climate change negotiations. It is possible to pursue a development path while keeping emissions low. But we will need a structural change in our policies,” said Montek Singh Ahluwalia, former Deputy Chairman, Planning Commission and Distinguished Fellow, Centre for Social and Economic Progress (CSEP), at a seminar on August 6.

The seminar, organised by CSEP, featured global experts, industry insiders and policymakers to discuss an actionable approach to emission reduction and the challenges, ahead of the CoP-26 meeting in November. The session was moderated by Laveesh Bhandari, Senior Fellow, CSEP and chaired by Rakesh Mohan, President, CSEP.

“The CoP-26 presents an opportunity for India to present its own development transition and help the world secure its climate transition,” said Amitabh Kant, CEO, NITI Aayog. Kant said that a large part of India’s energy consumption will have to come from non-electricity sources like hydrogen. India already consumes 8-10% of gray hydrogen, an imported natural gas, and it could cut down imports by substituting this with green hydrogen, especially in the refining and fertilizing sectors.

Nicholas Stern, Chairman of the Grantham Research Institute on Climate Change and the Environment and Head of the India Observatory at the London School of Economics, called this a “major investment story”. He urged India to seek the cooperation of the private sector and multilateral development banks to greatly expand their lending on sustainable investments, particularly to renewable, and particularly to India.

“If India is to make this century India’s century, this actually is the moment. This is not the moment for any hesitation, this is the moment for leadership,” said Stern. “Eighty per cent of India’s infrastructure, including its power structure that will exist in 2050 is yet to be built. India is actually creating its economy in large measure over these next 30 years. From that perspective, there is some advantage is starting late. India carries much less dirty baggage than China,” he said.

Indu Shekhar Chaturvedi, Secretary, Ministry of New and Renewable Energy highlighted how India has done well in the renewable energy sector with measures such as renewable purchase obligations for Discoms, a robust demand aggregation mechanism, interstate transmission waiver, and huge fiscal and financial incentives in the initial years of RE.

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“As the share of RE in the electricity mix goes up, the nature of challenges also changes,” said Chaturvedi. “Grid integration will be major issue and therefore, there will be much greater importance attached to storage and storage costs. Storage will have a bearing on ability to deal with intermittency.”

Mohua Mukherjee, who formerly headed the World Bank’s India Solar Programme, highlighted that India was also vulnerable to climate change. “Compared to other countries in India the public discourse is less, there is no general awareness of the vulnerability,” she said.

The panel also discussed larger issues of a just transition, climate resilience, and financing climate justice as well as the more specific challenges such as the financial viability of Discoms, carbon taxes, and investing in newer technologies such as batteries and hydrogen.

Ahluwalia and Utkarsh Patel, Associate Fellow, CSEP, were sharing insights from several studies and models to examine the possibility of a low carbon trajectory for India as it aims to balance the energy needs of a rapidly urbanising economy with global CoP-26 commitments.

The full session featured **Nicholas Stern**, Chair of the Grantham Research Institute of Climate Change and Environment at London School of Economics; **Amitabh Kant**, CEO, NITI Aayog; **Indu Shekhar Chaturvedi**, Secretary, Ministry of New and Renewable Energy, Government of India; **Mohua Mukherjee**, Former World Bank Head of India Solar Programme. The panel discussion included **Jamshyd Godrej**, Managing Director, Godrej & Boyce; **Ajay Mathur**, Director General, International Solar Alliance; **Arunabha Ghosh**, CEO, Council on Energy, Environment and Water; **Ulka Kelkar**, Director, Climate Program, World Resources Institute, India; **Rahul Tongia**, Senior Fellow, CSEP.

The Centre for Social and Economic Progress is an independent Indian think tank and research institution based in New Delhi.

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