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## ICRA's CLIMATE SERIES

### Green Hydrogen

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Adequate projects announced to meet targeted production capacity; however, negligible progress on the ground

 JUNE 2025

## CLIMATE CHANGE

The biggest crisis of our time

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*Over 12 MTPA of Green Hydrogen production capacity announced, meeting NGHM's targets.*

*Significant progress under the scheme is expected once these projects become operational and begin contributing to the Green Hydrogen ecosystem.*

- The National Green Hydrogen Mission (NGHM), launched by the Union Cabinet on January 4, 2022, underscores India's strategic vision to become a global hub for Green Hydrogen production.
- This initiative is designed to foster production, exports, create employment, reduce dependence on fossil fuels and decrease greenhouse gas (GHG) emissions.
- With an initial budget of Rs. 197 billion allocated in FY2022, the Mission targets an annual production capacity of 5 million tonnes of Green Hydrogen, aiming to scale up to 10 million tonnes (with export growth) by 2030.
- Though the budgetary allocation for NGHM in FY2026 Budget Estimates (BE) is twice as high as that in FY2025 Revised Estimate (RE), only 5% of the initial budget of Rs. 197 billion is estimated to be utilised by FY2026, indicating slow progress.
- The NGHM envisions the use of Green Hydrogen across key sectors—refineries, fertilisers, city gas, steel, heavy-duty transport, and shipping—by 2030. These industries contribute over 25% of the country's total GHG emissions.
- Within industry sector's GHG emissions, around 10 states contribute to 80% of the GHG emissions from manufacturing. These states are expected to take initiatives towards clean energy to reduce GHG emissions.
- Since the NGHM's launch in January 2022, several states have initiated Green Hydrogen policies or taken initiatives towards its production, aiming to de-carbonise their industries and align with national climate goals. This marks a significant step toward sustainable industrial transformation.
- Projects with more than 12 million tonnes per annum (MTPA) of Green Hydrogen production capacity has been announced, which are enough to meet the NGHM's targeted production capacity. However, out of the 164 projects under Green Hydrogen production and electrolyser manufacturing, more than 140 projects are yet to be commissioned. The scheme's progress depends on the projects' operational status.



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