

# Clean energy gets duty boost, transition roadmap en route

TEAM TOI

A policy paper on energy transition pathways, promised in the Budget, is expected to help a smooth shift, without any shock, and give investors the confidence to take a long-term view.

The paper will balance the imperatives of employment, growth and environmental sustainability, Sitharaman said, echoing the suggestion for a multi-pronged approach to energy transition made in the Economic Survey.

It will outline the roles that various types of energy sources will play through the transition. In the Indian context, this means a using mix of energy, including fossil fuels, and focus on clean technology for carbon mitigation.

To this end, the Budget expanded the list of exempted capital goods for use in the manufacture of solar cells and panels in the country, a move that will reduce costs and speed up expansion of solar capacity, especially



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through rooftop solar schemes. However, Customs duty exemption for solar glass and tinned copper interconnect was not extended in view of sufficient domestic manufacturing capacity.

The Budget also promised a policy paper for promoting pumped storage power projects, seen as a cheaper alternative to battery storage systems for safe integration of rising solar capacity into the grid.

In line with the suggestion

of Economic Survey, the Budget made it clear that coal will continue to play a major role in fuelling economic growth. But the focus will shift to developing 'clean tech' such as ultra-super critical power plants with 800 MW capacity.

The Budget also promised a roadmap to shift "hard-to-abate" industries, such as shipping, aviation, iron and steel and chemicals, from focusing on energy-efficiency targets to emission targets.