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WEATHER NEWS

Budget 2022 Focuses on Energy Transition, Increases Allocation for Renewable and Atomic Energy

By Anuja Vartak · 3 days ago ·

TWC India



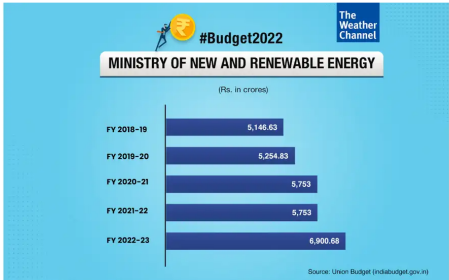
Solar power plant
(IANS)

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While the world is marching towards green solutions to combat the climate crisis, India, too, is on the lookout for phasing down fossil fuel and expanding cleaner energy sources. From electric vehicles to solar cells, India is doubling down for 'green' and renewable energy sources to reduce its dependence on carbon-intensive sources like coal.

The Budget 2022-23 appears to be another significant step in this direction. Among the seven primary areas that the Union Budget focuses on, Energy Transition and Climate Action are the two areas that will help the nation achieve its carbon emission targets promised during the COP26.

While the Ministry of New and Renewable Energy allowance saw a marginal increase from 2018 till 2021, the allocation has now gone up to ₹6,900.68 crores to the ministry this year.



India bets big on solar power

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During the budget speech on Tuesday, Finance Minister Nirmala Sitharaman also announced an additional allocation of ₹19,500 crores to boost the manufacturing of solar modules under the government's flagship Production Linked Incentive scheme. She further mentioned that the scheme has the potential to create 60 lakh new jobs and additional production of 30 lakh crore jobs during the next five years.

"To facilitate domestic manufacturing for the ambitious goal of 280 GW of installed solar capacity by 2030, an additional allocation of ₹19,500 crores for Production Linked Incentive for the manufacture of high-efficiency modules, with priority to fully integrated manufacturing units from polysilicon to solar PV modules, will be made," she announced.

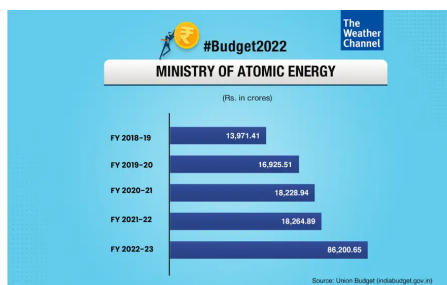
Electric vehicles gain the spotlight

In the budget speech, Nirmala Sitharaman also stressed that a battery swapping policy would be brought in, and interoperability standards would be formulated. The private sector will be

encouraged to develop sustainable and innovative business models for 'Battery or Energy as a Service' to improve efficiency in the EV ecosystem.

The government also promised to promote a shift to the use of public transport in urban areas through this budget. "This will be complemented by clean-tech and governance solutions, special mobility zones with zero fossil-fuel policy, and EV vehicles," said Sitharaman.

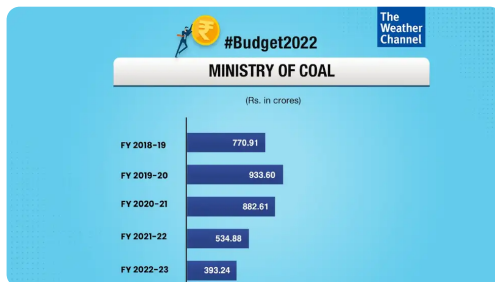
Time for nuclear energy to replace coal?



In addition to renewables, nuclear power may also be in the limelight this year, while opting for green solutions. A whopping ₹86,200.65 crores budget that has been allocated to the Ministry of Atomic Energy this year in what appears to be an effort to combat carbon emissions. On a global level, the European Union is drawing plans to classify nuclear power as green

investments to help Europe cut carbon emissions.

Consistent attempts to phase down coal



A major coal crisis in October 2021 paved the way to explore green and renewable energy sources in India. Yet, the dependency on coal would not have reduced if the budgets allocated towards the Ministry of Coal remained high.

While the 2019 budget surprisingly increased the Ministry of Coal's allocation, the subsequent years have seen a gradual cut in the budget allocations. From ₹933.60 crores in 2019, the funding has decreased sharply to ₹393.24 crores in 2022, hinting at a clear resolve to reduce the dependence on coal.

All-in-all, Budget 2022 has highlighted the Indian aspirations to continue its proud history of encouraging renewable energy towards meeting the COP26

commitments and using newer clean energy technologies to phase out coal in the coming decades.

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