

353/40/2023-NT
Government of India
Ministry of New and Renewable Energy
(Hydrogen Division)

Atal Akshay Urja Bhawan,
Lodhi Road, New Delhi 110003
Date: 03/07/2024

To

The Pay & Accounts Officer,
Ministry of New and Renewable Energy,
New Delhi- 110003

Sub: Scheme Guidelines for implementation of "Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme – Component II: Incentive Scheme for Green Hydrogen Production (under Mode 1)-Tranche-II" of the National Green Hydrogen Mission

Sir/Madam,

I am directed to convey the sanction of the President of India for the implementation of the "Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme – Component II: Incentive Scheme for Green Hydrogen Production (under Mode 1)-Tranche-II" of the National Green Hydrogen Mission for the period from FY 2025-26 to FY 2029-30 with a total outlay of Rs. 13050 crore for all modes under this component.

2. Objectives:

- i. To maximize production of Green Hydrogen and its derivatives in India.
- ii. Enhance cost-competitiveness of Green Hydrogen and its derivatives vis-à-vis fossil-based alternatives.
- iii. Encourage large scale utilization of Green Hydrogen and its derivatives.

3. Implementation Methodology: The Scheme will be implemented as per the detailed Scheme Guidelines at **Annex**.

4. The expenditure on this scheme will be met from the budget provisions given under the Hydrogen Mission Head.

5. Solar Energy Corporation of India (SECI) shall be the implementing agency for implementation of this scheme.

6. This issues in exercise of the powers conferred on this Ministry and with the concurrence of IFD vide their Diary. No. 133 dated 03/07/2024

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7. This has the approval of Hon'ble Minister of New and Renewable Energy.

Yours faithfully,


(Dr. Prasad Chaphekar)
Deputy Secretary

Email: prasad.chaphekar@gov.in

Enclosed: **Annex**

Copy to:

1. All Central Government Ministries and Departments
2. All Members of the Empowered Group under the Mission
3. All Members of the Advisory Group under the Mission
4. CEO, NITI Aayog, Sansad Marg, New Delhi
5. State Nodal Agencies (SNAs) of all States/UTs
6. Major Public Sector Enterprises operating in Renewable Energy/Power Sector
7. Principal Director of Audit, Scientific Audit-II, DGCAR, I.P. Estate, Delhi-11002
8. Director General (Local Bodies), Office of the Comptroller & Auditor General, Deendayal Upadhyay Marg, New Delhi
9. Solar Energy Corporation of India (SECI), 6th floor, Plate-B, NBCC office, Block tower-2, East Kidwai Nagar, New Delhi. 110023
10. Indian Renewable Energy Development Agency Limited (IREDA), 3rd floor, August Kranti Bhavan, Bhikaji Cama place, New Delhi-110066

Internal distribution

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(Dr. Prasad Chaphekar)
Deputy Secretary

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Scheme Guidelines for implementation of "Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme – Component II: Incentive Scheme for Green Hydrogen Production (under Mode 1)-Tranche-II" of the National Green Hydrogen Mission

1. Introduction

The Union Cabinet has approved the National Green Hydrogen Mission with an outlay of ₹19,744 crore up to FY 2029-30. The Strategic Interventions for Green Hydrogen Transition (SIGHT) programme is a major financial measure under the Mission, with an outlay of ₹17,490 crore. The programme proposes two distinct financial incentive mechanisms to support domestic manufacturing of electrolysers and production of Green Hydrogen. These incentives are aimed at enabling rapid scale-up, technology development and cost reduction.

There could be several modes for implementation of "Incentive Scheme for Green Hydrogen Production". Following are presently identified as follows:

- i. **Mode 1:** Bidding on least incentive demanded over the three-year period, through a competitive selection process.
- ii. **Mode 2:** The implementing agency shall aggregate demand and will call for bids for procurement of Green Hydrogen and its derivatives at the lowest cost through a competitive selection process.
 - Mode 2A: The implementation agency/agencies shall aggregate demand and call bids for production and supply of Green Ammonia at the lowest cost through a competitive selection process with the incentive being fixed.
 - Mode 2B: The implementation agency/agencies shall aggregate demand and call bids for production and supply of Green Hydrogen at the lowest cost for a single refinery or multiple refineries, as decided by the Implementing Agency, through a competitive selection process with the incentive being fixed.

This document lays down the framework for the proposed incentives for production of Green Hydrogen under Mode I, Tranche-II.

2. **Title of Scheme:** Incentive Scheme for Green Hydrogen Production (under Mode 1)-Tranche-II
3. **Outlay for Incentive Scheme for Green Hydrogen Production (all modes):** ₹ 13,050 crore

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4. Objectives:

- i. To maximize production of Green Hydrogen and its derivatives in India.
- ii. Enhance cost-competitiveness of Green Hydrogen and its derivatives vis-à-vis fossil-based alternatives.
- iii. Encourage large scale utilization of Green Hydrogen and its derivatives.

5. Implementation Methodology:

The scheme will be implemented through a transparent selection process for award of incentives, details of which are furnished in this Section.

5.1. Implementing Agency

- i. The Scheme will be implemented by Ministry of New and Renewable Energy (MNRE) through Solar Energy Corporation of India Limited (SECI) as the Implementing Agency. SECI will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MNRE from time to time. The responsibilities of SECI, inter alia, include receipt of applications, examination and appraisal of applications as per the provisions of the scheme, issuing acknowledgements and letters of award to applicants, examination of claims of beneficiaries for disbursement of incentives, verification and reconciliation of disbursement claims with prescribed documents, compilation of data regarding progress and performance of the scheme through Quarterly Review Reports and other information / documents. SECI will also submit progress to MNRE on a quarterly basis along with details of disbursement claims received for Incentives, amount disbursed, reasons for delay in disbursement of the incentives etc. SECI will be eligible to get 0.5% of the incentive amount disbursed as administrative charges on annual basis.
- ii. SECI will have the right to carry out physical inspection of an applicant's production plants. It may take help from third-party agencies for verification of technical parameters. If required, MNRE may also designate National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited labs or other third-party certification agencies, etc. for such verification.

5.2. Green Hydrogen

To be eligible for incentives under the scheme, the bidder must ensure Green Hydrogen production in accordance with the detailed criteria laid down in the "National Green Hydrogen Standard" as notified by the Ministry of New and Renewable Energy.

In cases where the end-product is a derivative of Green Hydrogen such as Green Ammonia, the incentive would be made available based on the amount of Green