



India's place in the new hydrogen world order

In the midst of a war-driven energy shock, the case for the 'cleanest fuel' is growing stronger than ever



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MAR 10 2022 7 MINS READ

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The Russian invasion of Ukraine has rattled energy markets worldwide. With the climate crisis already increasing the urgency of weaning the global economy off carbon, soaring oil and gas prices driven by the war **hammer home the message that fossil fuels are a risky business.**

India is betting on solar and wind expansion to reduce its dependence on imported fuels and meet its climate goals, but still meets 80 percent of its energy needs through coal, oil and solid biomass. The country is tackling this vulnerability not only by ramping up renewables, but also **by striving to become a world leader in the green hydrogen sector.**

Weaning India off imported carbon

According to new analysis by the International Energy Agency (IEA), in 2021 the **amount of power generated by burning coal in India broke a new record**, with an additional 13 percent above 2020 levels. Carbon dioxide emissions strongly rebounded due to increased coal use. The energy watchdog also predicted that as energy demand rises, **India's heavy reliance on imported oil and gas could leave the country vulnerable to price volatility and potential disruptions in the supply chain.** The analysis proved prescient when the government reportedly prepared to raise the cost of petrol and gasoline to match a sudden price spike in imported crude, which accounts for 80 percent of India's oil usage.

Solar is considered one of the most powerful tools to build India's energy independence, and it is poised to keep growing. But policy bottlenecks and a trade war with China, which still provides the bulk of the components fueling India's clean revolution, are slowing this progress. While it may be too late to rectify some of these market trends for the solar sector, **green hydrogen development is still in its infancy globally**, and Indian policymakers intend to learn from past mistakes and establish more robust supply chains.

Last month, the government **launched a green hydrogen policy with the goal of producing 5 million tonnes of the fuel per year by 2030**, about half of the EU's