

India's finance minister announces new clean energy funds

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Indian Finance Minister Nirmala Sitharaman, poses for the media holding a pouch containing a digital tablet as she leaves her office along with her colleagues for President's house before presenting the federal budget for the financial year 2023-24 in the Parliament in New Delhi, India, Wednesday, Feb. 1 2023. Credit: AP Photo/Manish Swarup

Indian finance minister Nirmala Sitharaman announced several new clean energy initiatives in the government's annual federal budget speech on Wednesday, saying "green growth" is a top priority for the country.

More than \$8 billion dollars were announced for projects like mangrove restoration which help suck carbon dioxide out of the atmosphere, converting waste into biogas and speeding up renewable energy initiatives. But details of how the funds will be spent are yet to be disclosed.

The minister said the injection of 35,000 crore rupees (\$4.3 billion) into India's energy transition will be channeled through the ministry of petroleum and natural gas to help India reach its goal of net zero emissions by 2070. India is currently the world's [third highest-emitting nation](#).

The new funds form part of the government's \$550 billion budget aimed at ramping up spending to spur economic growth and create jobs ahead of the general election next year. Sitharaman mentioned the scaling up of [clean energy](#) for the economy and jobs within the first few minutes of her speech.

Sitharaman also proposed government incentives for [energy storage systems](#) in India that would aid round-the-clock renewable energy use and announced a new framework for pumped [storage systems](#) for hydropower.

She set out an additional 20,700 crore rupees (\$ 2.5 billion) to facilitate new clean energy production in the Himalayan region of Ladakh, where electricity grid infrastructure remains a key sticking point.



Indian Finance Minister Nirmala Sitharaman, in red, leaves her office for President's house before presenting the federal budget for the financial year 2023-24 in the Parliament in New Delhi, India, Wednesday, Feb. 1 2023. Credit: AP Photo/Manish Swarup

Other programs to incentivize the use of alternative, less-polluting fertilizers and to cut down on [chemical fertilizers](#) were also announced, but details of how much will be spent were unclear.

Import taxes for components required to produce [lithium-ion batteries](#), a key component in many electric vehicles, will be slashed, Sitharaman said. But no exemption was provided for protective taxes in the solar power sector.

The budget will now be debated by both houses of parliament before it can be enacted, which is likely to happen as Modi's party holds a strong majority.

The move toward clean energy and away from [fossil fuels](#) has increasingly become a priority for India and nations around the world as countries try and limit [global warming](#).

India's government recently announced a [green hydrogen](#) initiative for clean fuel and a climate action program to encourage more sustainable lifestyles. But the country is still [heavily dependent on planet-warming coal burning](#) for its energy needs.

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