

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
STARRED QUESTION NO.41
ANSWERED ON 25.07.2024**

CARBON TRADING MARKET

***41 DR. PRADEEP KUMAR PANIGRAHY:**

**Will the Minister of POWER
be pleased to state:**

- (a) whether the Government has taken any steps to ensure simpler validation and verification process of carbon credits to quickly scale-up ecologically sustainable practices;**
- (b) if so, the details of such initiatives proposed by the Government in this regard; and**
- (c) the future projection of the carbon trading market during the next five years?**

A N S W E R

THE MINISTER OF POWER

(SHRI MANOHAR LAL)

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) IN RESPECT OF LOK SABHA STARRED QUESTION NO.41 FOR REPLY ON 25.07.2024 REGARDING CARBON TRADING MARKET ASKED BY DR. PRADEEP KUMAR PANIGRAHY

(a) & (b) : The Government of India have notified the Carbon Credit Trading Scheme (CCTS) in June, 2023. Under this scheme the Bureau of Energy Efficiency (BEE) has published Accreditation Procedure and Eligibility Criteria for Accredited Carbon Verification Agencies. BEE has also published detailed procedure for Compliance Mechanism which includes validation and verification process of carbon credits. The said procedures are broadly in alignment of the global standards.

The CCTS includes two mechanisms namely Compliance Mechanism and Offset Mechanism. The compliance mechanism is a mandatory scheme where Greenhouse Gas Emission (GHG) Intensity (t CO₂/t) targets would be given to industries from energy intensive sectors and based on performance against the targets, the industries will be issued or required to purchase the carbon credit certificates.

The offset mechanism is a voluntary mechanism under which entities can register their GHG mitigation projects including ecologically sustainable practices. Such projects would be eligible for issuance of carbon credits based on the validation and verification of GHG emission reduction.

(c) : The growth of Indian Carbon Market in the next five years would depend on several key factors including evolving regulatory framework, voluntary commitments by entities seeking carbon credits, technology availability and investment capabilities of entities.
