

Carbon credit trading scheme

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In news- The Union Power Ministry has recently issued a draft 'Carbon Credit Trading Scheme(CCTS)' with an aim to set up a framework for Indian carbon market and sought feedback from stakeholders.

Background-

- The parliament has passed the Energy Conservation (Amendment) Bill, 2022 and a notification for the same was issued in December 2022.
- One of the provisions of this amendment included empowering the central government to "specify carbon trading scheme", in consultation with the Bureau of Energy Efficiency (BEE).

Key features of the scheme-

- **The CCTS provides that an 'Accredited Carbon Verifier'** means an agency accredited by the BEE to carry out validation or verification activities in respect of the CCTS.
- The 'Carbon Credit Certificate' (CCC) means the certificate issued to the registered entity by the central government, or any agency authorised by it, in the CCTS where each certificate issued shall represent reduction or removal of one tonne of CO₂ equivalent (tCO₂e).
- The '**CCTS'** means the scheme for reduction or removal of **green house gas (GHG) emissions** notified by the central government.
- The scheme provides for **setting up of the Indian Carbon Market Governing Board** (ICMGB).
- The governance of the Indian Carbon Market (ICM) and direct oversight of its administrative and regulatory functioning shall vest in the governing board, to be

called as ICMGB.

- The ICMGB will be power and environment secretaries would be the ex-officio co-chairmen of ICMGB. It shall meet at least once in a quarter of every year, or as may be required.
- It will recommend procedures for institutionalising the Indian carbon market for the approval of the central government.
- The board will also recommend the central government the rules and regulations for the functions of ICM.
- It will recommend methodologies to be used under voluntary mechanism for the approval of the central government.
- It will also recommend guidelines regarding sale of carbon credit certificates to outside India to the central government.
- It will also approve projects under the voluntary mechanism and recommend the central government or its designated agency for issuance of carbon credit certificate (CCC).
- It will approve the process/conditions for crediting period/renewal/ retirement of CCC and have oversight of the administrative and regulatory functions of Indian carbon market.
- It will constitute any committee or working group as required in connection with ICM.
- The **Bureau of Energy Efficiency shall be the administrator for the Indian carbon market** and shall also work as the secretariat for the ICMGB.
- **The Grid Controller of India Ltd shall be the registry for the Indian Carbon Market.**
- The **Central Electricity Regulatory Commission (CERC) shall be the regulator** for the trading activities under the Indian carbon market.