



No. 45/02/NMEEE/Energy Efficiency-CCTS/2024

20th September 2024

OFFICE MEMORANDUM

<u>Subject: Approved Sectors in Offset Mechanism under CCTS by Central Government</u>

The Energy Conservation (Amendment) Act, 2022 empowered the Central Government to specify the Carbon Credit Trading Scheme. The framework for Indian Carbon Market was developed by notifying the Carbon Credit Trading Scheme (CCTS) vide S.O. 2825(E), dated 28th June 2023 and amendment notification S.O. 5369(E), dated 19th December 2023.

Under the CCTS, the Central Government has constituted the National Steering Committee for Indian Carbon Market (NSC-ICM) co-chaired by Secretary Ministry of Environment, Forest and Climate Change and Secretary, Ministry of Power to have direct oversight of the functioning of Indian carbon market. With reference to the sub paragraph (2) (ba) of the paragraph (5) of the notification, one of the functions of Bureau as ICM Administrator is "to identify the sectoral scope and develop the methodologies to be used under offset mechanism".

Further, with reference to the sub-paragraph (2) of paragraph 11A of the notification, "the Bureau on the recommendation of National Steering Committee for Indian carbon market and after approval of the Central Government, shall publish sectoral scope and methodologies from time to time.

Further, during the 6th meeting of the NSC-ICM, the committee recommended the sectoral scope under the offset mechanism. The list of the sectors as recommended by the NSC-ICM and approved by the Central Government are enclosed.

Yours sincerely,

(Saurabh Diddi) Director

List of approved sectors in Offset Mechanism under CCTS

Phase 1:

S. No	Sector	Sub-Sector	Illustrative Technologies
1	Energy	 Energy Industries (renewable / non- renewable), Energy distribution & Energy demand 	 Green Hydrogen production through electrolysis RE with Storage Offshore Wind Green Hydrogen production through Biomass Compressed Biogas Energy efficiency improvements of a lime production facility through installation of new kilns
2	Industries	 Manufacturing Industries Chemical Industries Mining/Mineral production & Metal production 	 Green Ammonia usage Feed switch in integrated Ammonia-urea manufacturing industry
	Waste handling and disposal	Waste handling and disposal	Biochar Landfill Gas Capture
4	Agriculture	Agriculture	 Systematic Rice Intensification Biochar Agroforestry
5	Forestry	 Afforestation and reforestation 	Afforestation activity Institutional Forestry
6	Transport	Transport	Modal Shift Electric Vehicles/Bus



Phase 2:

S. No	Sector	Sub-Sector	Illustrative Technologies
7	Construction	Construction	Limestone Calcined Clay Cement (LC3)
8	Fugitive Emissions	 From fuels (solid, oil, and gas) From Industrial gases (halocarbons and sulphur hexafluoride) 	 CF₄ emission reduction in semiconductor manufacturing facility Recovery and utilization of gas from oil fields
9	Solvent use	Solvents use	-
10	ccus	 Carbon capture, utilisation and storage of CO₂ and other removals 	Post combustion – CCS

