Review of India’s Energy Policies

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Why in News

International Energy Agency (IEA) The has released the first in-depth review of India's energy policies.

- The report highlights the achievements of India's energy policies and provides recommendations to support the government’s goals of promoting well-functioning energy markets and boosting deployment of renewables.
- first review carried out for India IEA-association country since March 2017. IEA regularly conducts in-depth reviews of energy policies for its member and association countries. This is the , which has been an

Key Findings

- Policies Appreciated
  - SAUBHAGYAUJALA UJJWALA Government’s achievements in extending citizens’ access to electricity, affordable efficient lighting and clean cooking through historic schemes like , and .
  - Energy efficiency improvements in India avoided 15% of additional energy demand, oil and gas imports, and air pollution as well as 300 million tonnes of CO2 emissions between 2000 and 2018.
  - Government policies designed to conduct large-scale renewable energy auctions, open up coal mining to private companies, and promote access to oil and gas markets for foreign investors.

- Status of Renewables: 23% of the country's total installed capacity. There is a strong growth of renewables in India, which now accounts for almost
India's Demand for Energy

- **Country's demand for energy double by 2040, electricity triple.** The demand is set to double by 2040, and its demand may triple. Indian oil consumption is expected to grow faster than that of any other major economy (including China). This makes further improving energy security a key priority for India's economy.

- **Oil demand 6 million barrels per day (bpd) by 2024 vulnerable to supply disruption in the Middle East.** India's oil demand is expected to reach 6 million bpd by 2024, but its domestic production is expected to rise only marginally, making the country more reliant on crude imports and more vulnerable to supply disruption in the Middle East.

- **Oil refining capacity is expected to rise to 5.7 million bpd by 2024,** making it a very attractive market for refinery investment.

Recommendations

- NITI Aayog can play a strong role in working with the states to implement power sector reforms, advance grid integration, improve flexibility and coordinate energy policy decisions.

- In renewables-rich states, the share of variable renewables in electricity generation is already above 15%, a level that calls for dedicated policies to ensure they integrate smoothly into the power system.

- The review encourages India to institutionalise energy policy coordination across government with a national energy policy framework.

- **Strategic Petroleum Reserves (SPR).** India should also expand its strategic petroleum reserves.

Note

- **Third in terms of global oil consumption** India ranks after China and the United States.

- **Strait of Hormuz.** India ships in over 80% of its oil needs, of which 65% is from the Middle East through the Strait of Hormuz.

- **World's fourth largest oil refiner net exporter of refined fuels,** India is the world's fourth largest oil refiner and a net exporter of refined fuels, mainly gasoline and diesel.

International Energy Agency

- **1974** The International Energy Agency (IEA) was created in 1974 to help coordinate a collective response to major disruptions in the supply of oil.

- **30 member countries.** It is made up of 30 member countries and includes 8 association countries.

- **Autonomous inter-governmental organisation within the OECD framework.** It is an autonomous inter-governmental organisation within the OECD framework.

- **Paris, France.** It is headquartered in Paris, France.