



14 August 2023

The President  
Confederation of Indian Industry  
The Mantosh Sondhi Centre  
23, Institutional Area, Lodi Road, New Delhi – 110003

The President  
ASSACHAM  
4<sup>th</sup> Floor, YMCA Cultural Centre & Library Building  
01, Jai Sing Road, New Delhi – 110001

The President  
FICCI  
Federation House, Tansen Marg, New Delhi – 110001

The President  
Carbon Market Association of India  
A-65, Sector-71  
Noida, Uttar Pradesh - 201304

Sub: MOP draft Carbon Credit Trading Scheme

Dear Sirs,

I am writing to introduce myself and my organization to you, and to offer our assistance as you work with the Ministry of Power on the development of the Carbon Credit Trading Scheme (CCTS).

The Regulatory Assistance Project is an independent global NGO advancing policy innovation and thought-leadership within the energy community. Our mission is to assist decision-makers develop and implement policies that will effect the transition to a low-cost, low-carbon energy future, for the benefit of all. Our work extends to the broad range of technical and policy matters that confront the power sector, e.g., market design, regulatory reforms, long-term planning, etc. In this context, RAP has been intimately involved in the design of carbon-trading regimes in China, Europe, and the United States. We stand ready to assist you in this critical effort, in whatever ways we can be most helpful.

A well-designed carbon emissions trading program can achieve multiple, complementary goals: reduce carbon emissions, accelerate investment in non-emitting resources, drive efficiency in both end-use and generation, and actually lower total energy costs. In so doing, it will help India achieve important public policy goals (including its COP-26 commitments) and improve the overall welfare of Indian society.

The draft CCTS takes its cue from the December 2022 amendments to the Energy Conservation Act, which, recognizing of the complexity of the endeavor, do not specify the parameters of a carbon trading program but rather call for a broad inter-governmental structure and stakeholder-focused process for the development of one. This is a good approach. Effective carbon markets in other regions (e.g., Europe, parts of the US) have been designed and implemented by similar means. We note, however, that neither the Energy Conservation Act as amended nor the CCTS sets deadlines for achievement of the goals of the Act. Express deadlines and consequences for missing them would go a long way to assuring achievement of the laudable public policy goals that the amendments identify.

Please let us know if we can be of assistance to you. Our interest is solely to assist Indian decision-makers and stakeholders as you seek, through the design and implementation of market-based mechanisms, to drive India's transition to a low-carbon, clean energy future.

Thank you.

Sincere regards,

Alejandro Hernandez  
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<https://www.raponline.org>