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Govt notifies first legally binding emission cut targets for 4 sectors

The Greenhouse Gas Emission Intensity Target Rules have been notified for 282 cement, aluminium, paper and pulp and chlor-alkali units.

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Greenhouse Gas Emission Intensity (GEI) Target Rules, 2025, were initially proposed through a draft notification in April (Representative image: Unsplash).

The Centre has notified the first legally binding Greenhouse Gas Emission Intensity (GEI) Target Rules, 2025, for four high-emission sectors—aluminium, cement, chlor-alkali, and pulp and paper.

The Rules set targets on greenhouse gas (GHG) emissions per unit of product output—for example, the gases released in the production of a tonne of cement or aluminium. Industries will earn carbon credits in lieu of meeting emissions targets, while those that fail to do so will have to buy credits or pay environmental compensation.

While the Rules were initially proposed through a draft notification in April, the emission targets were notified by the Ministry of Environment, Forest and Climate Change on October 8.

The Rules will help operationalise the country's domestic carbon market under the Carbon Credit Trading Scheme (CCTS), 2023, which was launched to create a framework to trade carbon credits, facilitate slashing of carbon dioxide (CO_2) emissions and back India's climate commitments under the Paris Climate Agreement of 2015.

India has committed to reducing the emissions intensity of its gross domestic product (the amount of energy used per unit of GDP) by 45 per cent by 2030 compared to 2005 levels, as part of its domestic commitments under the global agreement.

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What the GEI Rules say

Under the GEI Rules, 282 high-emission industrial units will have to comply with the mandatory targets for two years, 2025-26 and 2026-27. These 282 units consist of 186 cement units, 13 aluminium units, 30 chlor-alkali units and 53 pulp and paper units. Greenhouse gas (GHG) emissions intensity or GEI is the amount of GHGs that are emitted per unit of product output. For instance, the gases released in the production of a tonne of product, such as cement or aluminium.

The Rules define GEI targets in terms of tCO_2e per equivalent output or product. tCo_2e or tonnes of carbon dioxide equivalent is the standard unit used to measure the impact of all GHGs and not just CO_2, based on their potential to warm the planet.

The reduction of the planet-warming CO_2 gas will get the industries carbon credits in return, as part of the carbon credit trading scheme. These credits can then be traded on the domestic carbon market. The Bureau of Energy Efficiency will issue the carbon credits certificate.

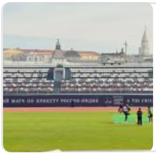
Industries that do not achieve their targeted emissions reduction will have to plug the shortfall by buying carbon credits from the carbon market. In case the industries fail to comply or contravene with the provisions of the GEI Rules, the Central Pollution Control Board is mandated to impose environmental compensation.

Among the large corporations that have been assigned targets under the Rules are Vedanta, Hindalco, Bharat Aluminium, JSW Cement, Ultratech, Nalco, JK Cement, Dalmia Cement, Shree Cement, Grasim Industries, and JK Paper.

As per an analysis by Down to Earth magazine, in 2025-26, the targets require modest reductions averaging roughly 2-3 per cent, and increase to up to 7.5 per cent by 2026-27. Targets for the cement sector, such as ordinary Portland cement units, range from 4.7 per cent to 7.6 per cent and in pulp and paper, they reach up to 15 per cent over two years.

Prior to the introduction of the CCTS, the Centre was implementing the Perform, Achieve, Trade or PAT scheme since 2012 to get industries to become energy efficient. However, the PAT scheme did not involve a domestic market framework to trade credits earned for meeting emission targets.

FROM THE HOMEPAGE



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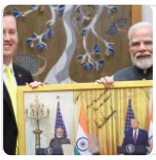

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