

India considers allowing 49% foreign stakes in nuclear power plants

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Synopsis

India is considering allowing foreign companies to hold up to a 49% stake in its nuclear power plants, according to government sources. This move aims to boost nuclear capacity and reduce reliance on coal as part of the country's carbon reduction goals.



Agencies

India could allow foreign companies to take a stake of up to 49% in its nuclear power plants, three government sources said, as New Delhi draws up plans to open up its most guarded sector to help achieve goals to cut carbon emissions.

Representative Image.

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The government has considered changing its nuclear foreign investment framework since 2023. The need to increase nuclear capacity, however, has become pressing as India seeks to replace carbon-intensive coal with cleaner sources of energy.

Investment in the sector has the potential to spur tariff negotiations with the United States, although the officials could not say whether the issue would be linked to any trade deal.

In 2008, a civil nuclear agreement with the United States provided for deals worth many billions of dollars with U.S. companies. The companies, however, have been deterred by the risk of unlimited exposure in the event of any accident and no foreign investment has been allowed in India's nuclear plants.

If the latest proposals go through, together with plans to ease nuclear liability laws and allow domestic private players into the sector, they could remove the impediments to government aims to expand nuclear power capacity by 12 times to 100 gigawatts by 2047.

The sources said any foreign nuclear investments would still require prior government approval rather than be allowed automatically.

India's finance ministry, department of atomic energy and the prime minister's office did not respond to Reuters' queries. All three sources asked not to be named because the proposals are still under consideration.

They said the necessary legal changes were likely to be placed before the federal cabinet soon and that the government aims to get the amendments to the Civil Liability for Nuclear Damage Act of 2010 and the Atomic Energy Act of 1960 passed in the monsoon session of Parliament in July.

Amendments to the Atomic Energy Act would allow the government to issue licences to private companies to build, own and operate a plant and mine and manufacture atomic fuel, the three sources said.

Government Monopoly

Under the government's control, total Indian nuclear generation is just over 8 GW, 2% of the country's installed electricity capacity.

As the country seeks to shift away from coal, it is seeking to supplement wind and solar with atomic energy to meet high night-time energy demand.

The atomic energy department has said foreign companies including Westinghouse Electric, GE-Hitachi, Electricite de France and Rosatom were interested in participating in the country's nuclear power projects as technology partners, suppliers, contractors and service providers. Indian conglomerates, including [Reliance Industries](#), [Tata Power](#), [Adani Power](#), and [Vedanta Ltd](#), have also held discussions with the government to invest about \$26 billion in the nuclear power sector.

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