



July 2024

## **New scheme guidelines for funding of testing facilities and support for standards development for green hydrogen**

The Ministry of New and Renewable Energy, Government of India (“**MNRE**”) had launched National Green Hydrogen Mission (“**Mission**”) in January 2023. One of the important components of the Mission is to provide support for the development of quality and performance testing facilities and infrastructure to validate and certify technology used in the green hydrogen value chain.

In line with this initiative, the MNRE on July 4, 2024, notified scheme guidelines for funding of testing facilities, infrastructure and institutional support for development of standards and regulatory framework (“**Scheme**”) with a budgetary outlay of INR 200,00,00,000 (Indian Rupees two hundred crore) till financial year 2025-2026 (“**Total Financial Support**”). The objective of the Scheme is, *inter alia*, to create new facilities to test, validate and certify the components, technologies and processes being used in the green hydrogen value chain as well as identify gaps in the existing testing facilities.

### **Funding support and focus of the Scheme**

Under the Scheme, financial support will be provided for setting up of new testing facilities/ infrastructure as well as upgradation of existing testing facilities.

The Scheme also intends to create and disseminate technology knowledge and experience. The Scheme is available to both public and private players. Further, necessary guidelines will be introduced to protect any intellectual property rights such as publications, patents, registered designs or trademarks, arising from the projects funded under this Scheme.

### **Implementation of the Scheme**

1. The National Institute of Solar Energy is the Scheme Implementing Agency (“**SIA**”) for the Scheme. Additionally, a Steering Committee (“**SC**”), set up under the chairpersonship of the Secretary, MNRE and a Project Appraisal Committee (“**PAC**”) will be set up to oversee the projects allowed to avail the benefits under the Scheme.
2. For extending the benefits of the Scheme, the SIA will invite/call for proposals (“**CfP**”) for the testing facilities in consultation with MNRE.

## Funding and disbursement

1. The following financial support will be made available under the Scheme:
  - a) **For Government Entities:** MNRE will fund 100% of the capital cost for equipment, as well as commissioning and installation of equipment.
  - b) **For Non-Government Entities:** MNRE will fund upto 70% of the capital cost for testing equipment, as well as commissioning and installation of equipment.
2. **Support for operational expenses:** Upto 15% of the Total Financial Support has been allotted for providing support for operational expenses spread over up to a period of 4 (four) years, from the date of completion of the project.
3. The funds for the project will be released in 3 (three) installments in the following manner:
  - (a) 20% at the time of selection;
  - (b) 70% as per the Project milestones specified in the Cfp; and
  - (c) 10% upon completion of the Project.
4. SIA or MNRE may inspect and verify the project before the release of the installments. MNRE will monitor the expenditure of funds and for this SIA will be responsible for issuing utilisation certificates as per the provisions of General Finance Rules, 2017.

## Project timelines

**Project timeline:** New facilities should be completed in 18 (eighteen) months from the date of sanction provided by MNRE. In cases where testing and certification projects are required to be upgraded, the project is to be completed within 12 (twelve) months. SIA may provide an extension of upto 6 (six) months, with the approval of the SC, without imposing any penalty. However, in case of any delay in completion beyond the extension period is subject to the approval of MNRE, and suitable penalties will be imposed as specified in the Cfp.

**Project completion:** Upon completion of the project, SIA will issue a Project Completion Report (“PCR”) to MNRE through PAC, in the prescribed format. The PCR is required to contain technical aspects of the project, challenges encountered during the implementation and the outcome of the project. It should also contain recommendations for future projects.

## Conclusion

The Scheme and the funding support proposed is a lucrative step towards fostering and enhancing participation from the private and government entities for setting up test facilities in the green hydrogen sector. Such financial support will help in faster adoption of green hydrogen and will further the development and standardisation of green hydrogen value chain components and processes. Moreover, the Scheme will also help in developing a data repository which will help in the development of future policy and testing standards.

## Energy (Clean Energy & Climate Change) Practice

We are known for our specialist domain-focused Energy practice - acknowledged for strengths in grappling with complex legal issues involving public policy, market economics, technology, finance, project management. Our practice has contributed to several landmark and precedent-setting work related to legislative and policy framework governing the industry, commercial strategies for regulated industry, presenting cases before various regulatory and judicial fora in the country, advice on tariff, licensing, market development and design, de-regulation and dispute resolution.

As part of our Energy practice, we are also involved in advising clients in the renewable energy and cleantech space. Our team's climate change and sustainability practice is regarded as a leading specialized practice acknowledged for its domain knowledge, multi-dimensional expertise and strengths in grappling with complex issues involving public policy, economics, technology, finance, project management besides law.

This Prism has been prepared by:



**Venkatesh Raman Prasad**  
Partner



**Ashish Suman**  
Partner



**Ashwin Nayar**  
Principal Associate



**Shruti Maheshwari**  
Associate



18 Practices and  
25 Ranked Lawyers



13 Practices and  
38 Ranked Lawyers



Recognised in World's 100 best  
competition practices of 2024



19 Practices and  
19 Ranked Lawyers



12 Practices and  
42 Ranked Partners  
**IFLR1000 APAC  
Rankings 2023**

-----  
Banking & Finance Team  
of the Year  
-----  
Fintech Team of the Year  
-----  
Restructuring & Insolvency  
Team of the Year



Among Top 7 Best Overall  
Law Firms in India and  
9 Ranked Practices

-----  
11 winning Deals in  
IBLJ Deals of the Year  
-----  
12 A List Lawyers in  
IBLJ Top 100 Lawyer List



Innovative Technologies Law Firm  
of the Year 2023

Banking & Financial Services  
Law Firm of the Year 2022

Dispute Resolution Law  
Firm of the Year 2022

Equity Market Deal of the  
Year (Premium) 2022

Energy Law Firm of the  
Year 2021

Employer of Choice 2021



7 Ranked Practices,  
16 Ranked Lawyers

Elite – Band 1 -  
Corporate/ M&A Practice

3 Band 1 Practices

4 Band 1 Lawyers, 1 Eminent  
Practitioner



**Ranked #1**  
**The Vahura Best Law Firms to**  
**Work Report, 2022**

Top 10 Best Law Firms for  
Women in 2022



7 Practices and  
2 Ranked Lawyers

For more details, please contact [km@jsalaw.com](mailto:km@jsalaw.com)

[www.jsalaw.com](http://www.jsalaw.com)



Ahmedabad | Bengaluru | Chennai | Gurugram | Hyderabad | Mumbai | New Delhi



This prism is not an advertisement or any form of solicitation and should not be construed as such. This prism has been prepared for general information purposes only. Nothing in this prism constitutes professional advice or a legal opinion. You should obtain appropriate professional advice before making any business, legal or other decisions. JSA and the authors of this prism disclaim all and any liability to any person who takes any decision based on this publication.