India

The preference of most Indian executives (84%) for a shift to renewables by 2035 supports the government's objectives of moving towards a "viksit" (developed) India by 2047.

The positioning of renewables by successive governments as an accelerator of sustainable economic development for all Indians has near universal backing from business executives polled. Almost all senior executives (99%) in Indian companies support a transition from fossil fuels to renewables-based electricity generation, with most (84%) wanting such a move within the next decade. This will require a large-scale ramping up of renewables in the national grid, where fossil fuels currently account for 75% of electricity generation (mostly in the form of coal, at 72%).[1] The direction of travel is positive. Recent years have seen a major uptick in the installation of new renewables generation, with renewable electricity now comprising 23% of total electricity generation.[2] This growth trend is particularly evident for solar; in 2024, India added about 24.5GW of solar capacity, its highest ever yearly amount.[3] Supporting this trend is the obligation on the country's electricity distribution companies to source nearly 44% of their supply from renewable sources by 2030, among other measures.[4]

To stimulate the market for renewables-based electricity, over two-thirds (68%) of business executives would like to see India switch directly to a renewables-based power system from coal with no reliance on fossil gas as an interim fuel. Doing so would align the power sector more closely with the government's desire to drive national economic growth (59%) and provide reliable and affordable electricity for all (59%), argue almost three-fifths of Indian business leaders. At present, fossil gas comprises only 2.6% of total electricity generation, with limited plans for expansion.[5] However, pledges to restrict coal investments have been slow to materialise.[6] Indeed, India is one of the few G20 countries to be actively investing in new coal capacity, maintaining that it supports energy security and keeps electricity prices lower.[7] On the other hand, business leaders want to see new investments in renewables

1 https://www.iea.org/countries/india/energy-mix

2 https://cea.nic.in/wp-content/uploads/installed/2025/01/IC_Jan_2025_allocation_wise.pdf

3 https://www.powerengineeringint.com/solar/india-adds-a-record-24-5gw-of-solar-power-capacity-in-2024/; https://cea.nic.in/wp-content/uploads/resd/2024/12/Broad_Overview_of_RE_Generation_Dec_2024.pdf

4 In addition to renewable purchase obligations, the government has other incentives in place, including a carbon credit trading scheme, renewable generation obligations , production linked incentive schemes. https://www.enerdata.net/publications/daily-energy-news/india-will-require-discos-source-43-their-supply-renewables-2030.html; https://www.grantthornton.in/globalassets/1.-member-firms/india/assets/pdfs/achieving-500-gw-of-re-capacity-by-2030.pdf

5 https://ember-energy.org/data/electricity-data-explorer/

6 The 2023 National Electricity Plan included a stated goal to reduce coal-fired power to 33% of India's total installed capacity by 2031-2032. At COP 27, the government also signalled its support for discussions around a general fossil-fuel phase-out (i.e. not just coal). Until that point, India was locked into the argument that the industrialised North should take the lead in decarbonising.

7 Nearly 30 GW of new coal capacity was under construction in January 2025, with a further 81.44 GW in pre-construction development. https://globalenergymonitor.org/projects/global-coal-plant-tracker/summary-tables/ [Coal plants by country (MW)]

prioritised by the government, the bulk (93%) of whom support a phase-out of coal by 2035. The fact that the recent tenders for Firm and Dispatchable Renewable Energy projects (i.e. renewables backed with storage) are comparable to the cost of new coal power gives weight to this preference.[8] If India is to avoid experiencing stranded fossil fuel capacity and unsustainable lock-in in the future, restrictions on new investments in coal will be necessary. In addition, decommissioning old and inefficient coal-fired power plants can help in improving system efficiency.[9] Meeting the desire of both government and business for a more reliable electricity supply will require accelerating investments in storage and strengthening grid infrastructure.

Electricity policy

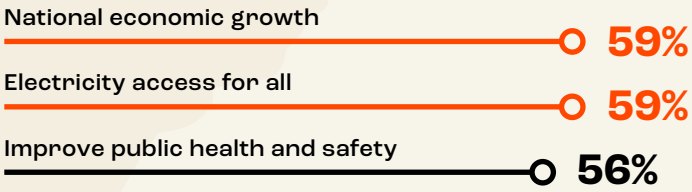
More than two-fifths (44%) of business executives would like to see greater clarity by the Indian government in its climate plans regarding the scale-up of renewable electricity. To date, the administration of Prime Minister Narendra Modi, in power since 2014, has publicly endorsed clean electricity. Back in 2019, the government confirmed a domestic target of 450GW of new generation capacity from renewables by 2030.[10] More recently, it has pledged under its Viksit Bharat@2047 policy to extend this to 900GW and 1,500GW by 2040 and 2047, respectively.[11] Further out, India is on a trajectory to achieve net zero by 2070.[12]

The poll finds that business executives want greater speed from the government, with 84% of respondents saying that they would like to see India transition from fossil fuels to renewables by 2035. Over two-fifths (44%), in fact, would like to see the specific role of renewables-based electricity more clearly defined in India's climate plans.

Business 'asks'

From the business-sector perspective, numerous compelling business arguments exist to transition to renewables at pace. Chief among these is the declining price of renewables, which promises to dramatically reduce operating costs and improve competitiveness for India's expanding industrial and manufacturing sectors. For a large minority (45%) of business executives, however, financing new renewable projects remains a concern. Detailed strategies on how to address the upfront costs of renewables would help address concerns among those (49%) who see this as a major barrier.[13] One potential option here would be for the government to introduce stricter mandates on the procurement of renewables-based electricity by state-owned enterprises, which occupy a significant position in many transition-critical sectors. Reskilling the workforce in coal-dependent states and skilling up those already working in the renewable sector is also high on the wish list of many (51%) of those polled.

Top benefits to your country for transitioning away from fossil fuels
(% who chose the following)



8 https://ember-energy.org/latest-updates/navigating-risks-to-unlock-indias-500-gw-renewable-energy-target-by-2030/

9 https://energy.economictimes.indiatimes.com/news/renewable/discoms-prefer-new-age-re-tenders-over-plain-vanilla-solar-wind-experts/109275655

10 https://www.pmindia.gov.in/en/news_updates/pms-remarks-at-climate-action-summit-2019-during-74th-session-of-unga/

11 https://www.phdcci.in/wp-content/uploads/2024/04/Viksit-Bharat@2047-A-Blueprint-of-Micro-and-Macro-Economic-Dynamics.pdf

12 https://climateactiontracker.org/countries/india/net-zero-targets/

13 India must invest US$600 billion annually, till 2050, for energy transition alone. Front loading of investments could push this number to US$1 trillion in the early years. https://fsr.eui.eu/looking-at-the-costs-of-the-energy-transition-from-an-indian-perspective/