

Press Release

CMD, IREDA Advocates for Innovative Financing to Bridge Green Hydrogen Cost Gap



New Delhi, 13th September 2024

Shri Pradip Kumar Das, Chairman & Managing Director of Indian Renewable Energy Development Agency Limited (IREDA), today participated in a panel discussion on “Financing Green Hydrogen: Bridging the Cost Gap” at the 2nd International Conference on Green Hydrogen held at Bharat Mandapam. Emphasizing the need to make green hydrogen projects cost-competitive and bankable, Shri Das underscored IREDA’s commitment to driving down project costs through innovative financing solutions, aligning green hydrogen with established renewable technologies like solar, wind, and hydro.

IREDA is already making significant strides in this direction, having recently financed its first green ammonia project, marking its entry into the green hydrogen domain. Also, IREDA aims to facilitate foreign-currency loans for export-oriented developers through its subsidiary at GIFT City, Gujarat. These loans will help developers save 250-350 basis points on hedging costs, making green hydrogen and related derivatives more attractive for global markets. The International Financial Services Centre Authority (IFSCA) has recently granted provisional registration to IREDA Global Green Energy Finance IFSC Limited (a wholly owned subsidiary of IREDA) as a finance company at GIFT City.

IREDA is also working on an in-house, standardized credit appraisal model. This model is designed to capture the risks associated with green hydrogen projects more accurately, integrating these risks into interest rates. Such financing interventions are expected to bring down project costs and enhance the overall bankability of green hydrogen ventures.



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Shri Das highlighted the importance of building holistic solutions to tackle the challenges of creating a green hydrogen financing ecosystem. This includes developing robust testing facilities for electrolyser manufacturers, establishing central agencies to test plant designs, and implementing standardized offtake agreements to mitigate risks and ensure long-term project sustainability.



The panel also comprised distinguished industry leaders and experts, including Mr. V K Dewangan, CMD, REC; Mr. Ranjit Gupta, Chief Executive Officer, Ocior; Mr. Tarun Shankar, Senior Investment Professional, International Finance Corporation; Mr. Nishaanth Balashanmugam, Country Manager - India, Green Hydrogen Organisation; Mr. Moez Cherif, India Energy Lead, The World Bank; Mr. K Mukundan, Senior Principal - Strategic Initiatives and Policy Advisory, National Investment and Infrastructure Fund; and Mr. Hitesh Sachdeva, Partner, KPMG, as moderator.