

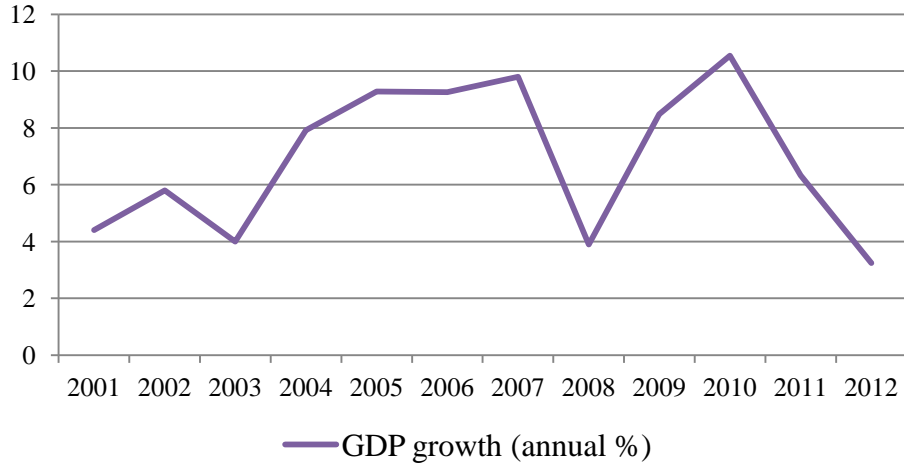
# Low Carbon Path for the Indian Economy

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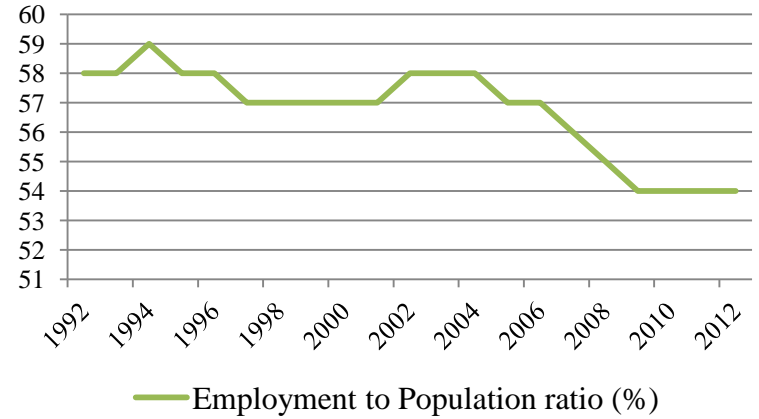
ICRIER, June 12, 2014

# Macroeconomic Indicators

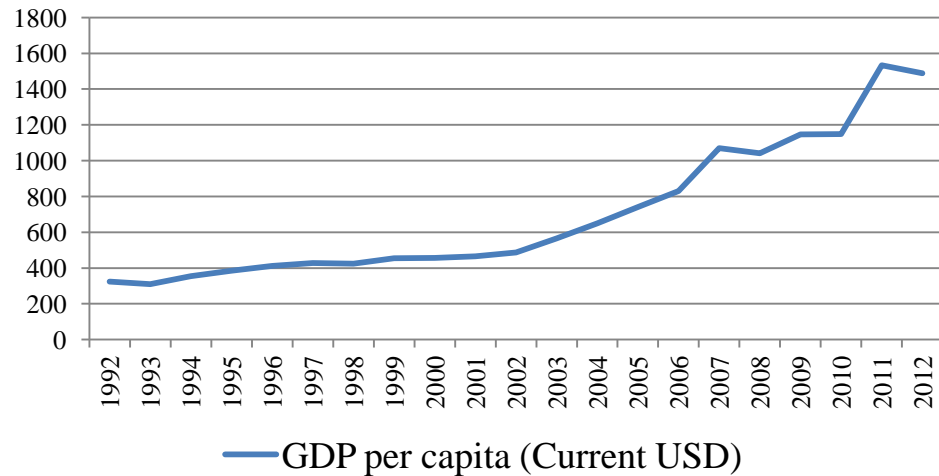
## GDP growth (annual %)



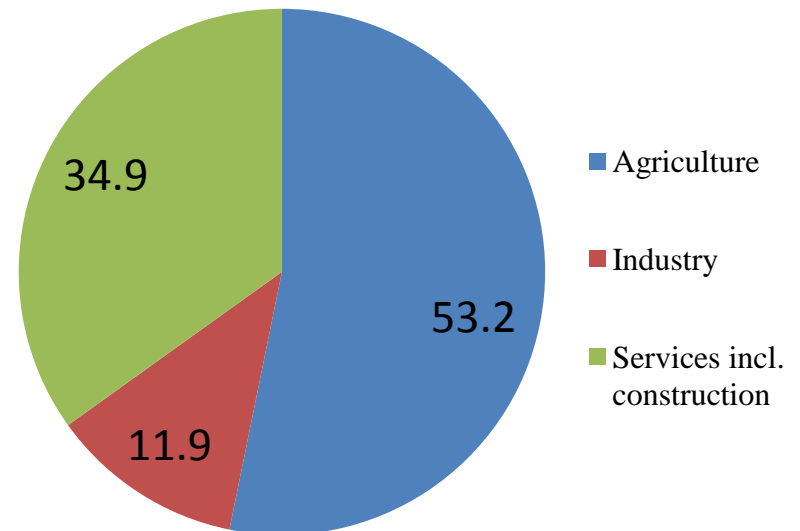
## Employment to Population ratio (%)



## GDP per capita (Current USD)

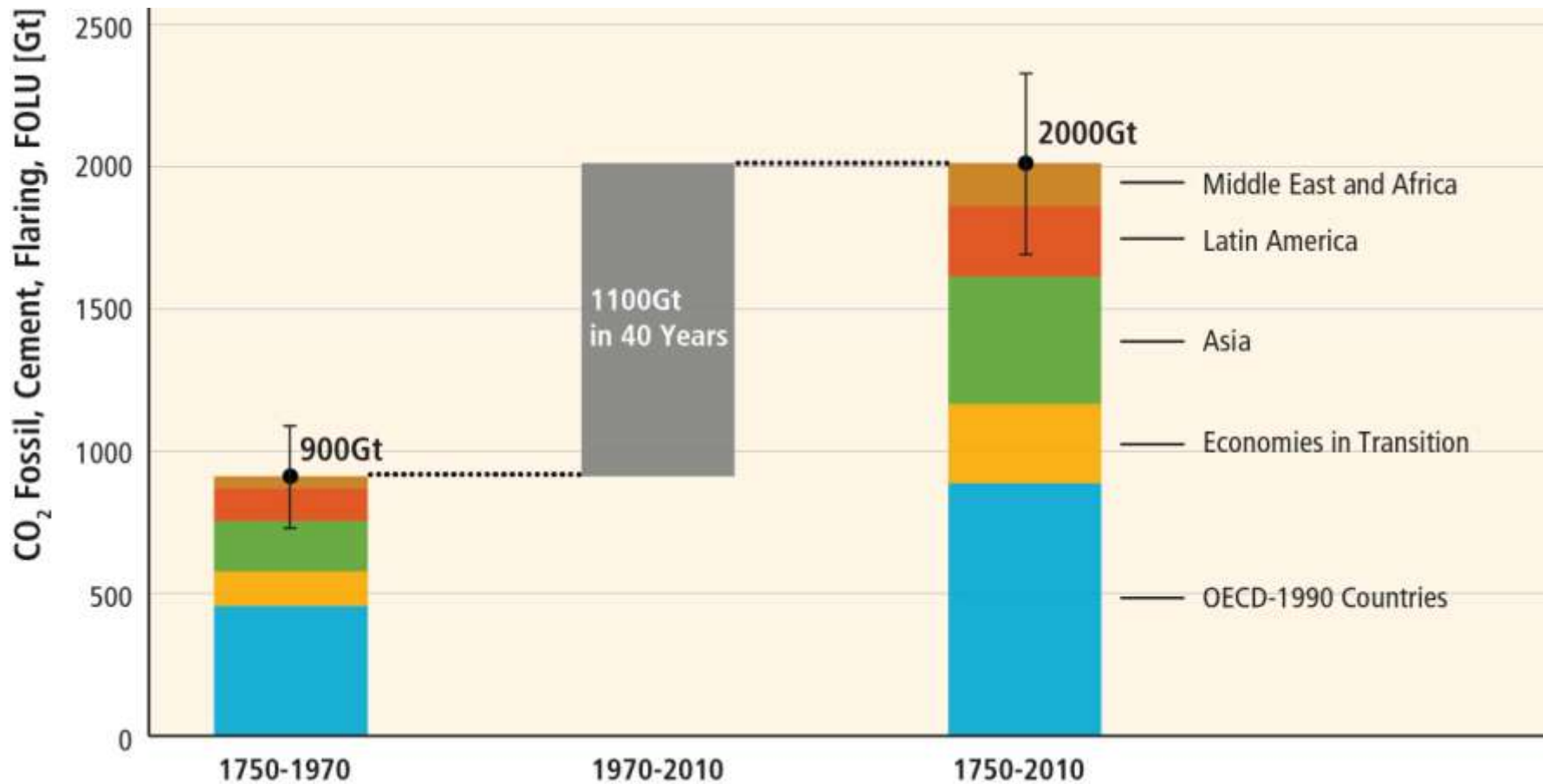


## Share in Employment (%)



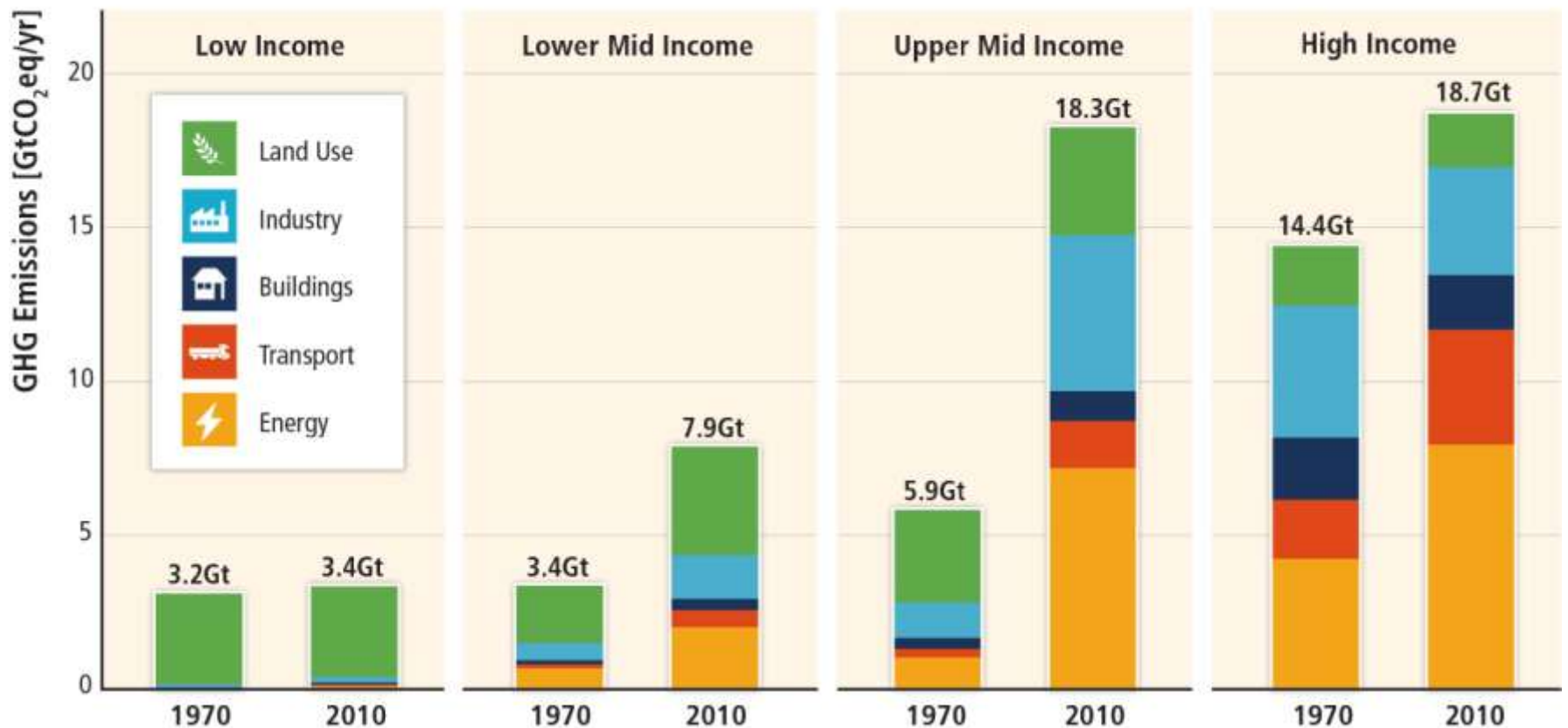
# Economic Growth, Sustainability and Climate Change

- **Gains in the recent decade: GDP, per capita income, poverty alleviation, average real wage rates.**
- **An energy intensive growth phase**
- **Long term sustainability : resource availability, negative externalities , ethical concerns**
- **Globally, GHG growth inspite of reduction efforts**



Source: Presentation to the SED 2014, WG III Contribution to IPCC, AR5.

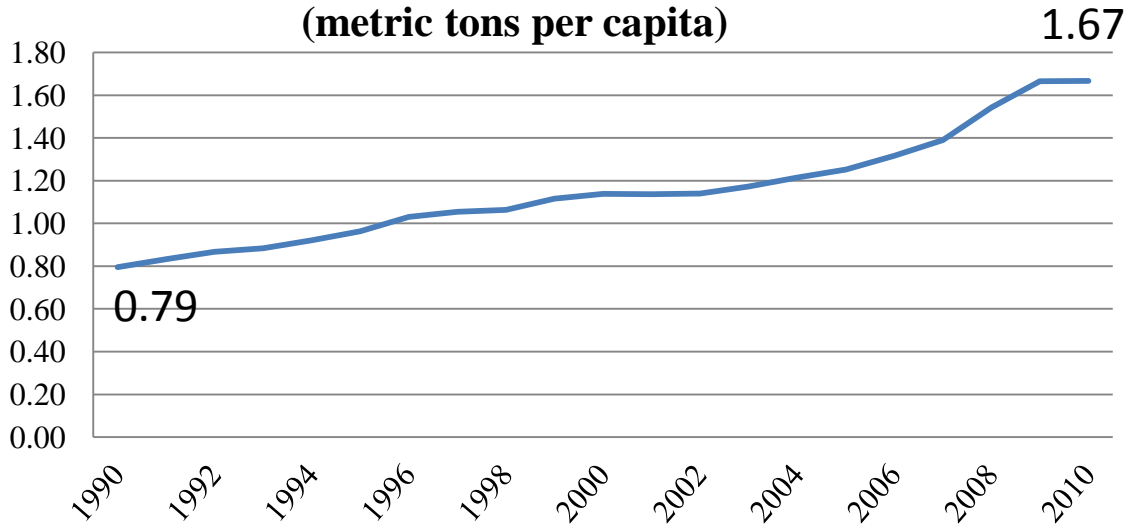
## GHG Emissions by Country Group and Economic Sector



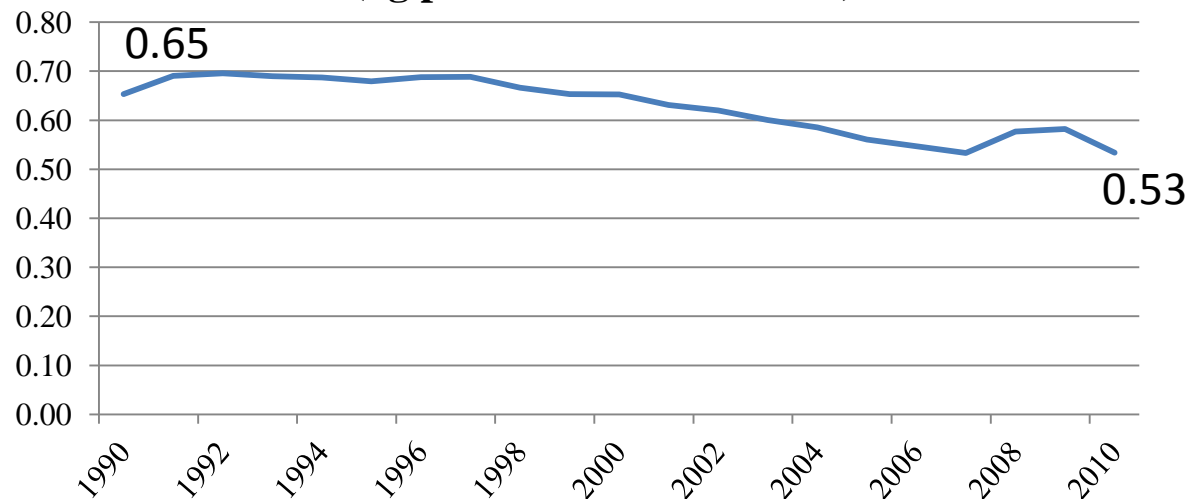
Source: Presentation to the SED 2014, WG III Contribution to IPCC, AR5.

# Emission Indicators

## India CO2 emissions (metric tons per capita)

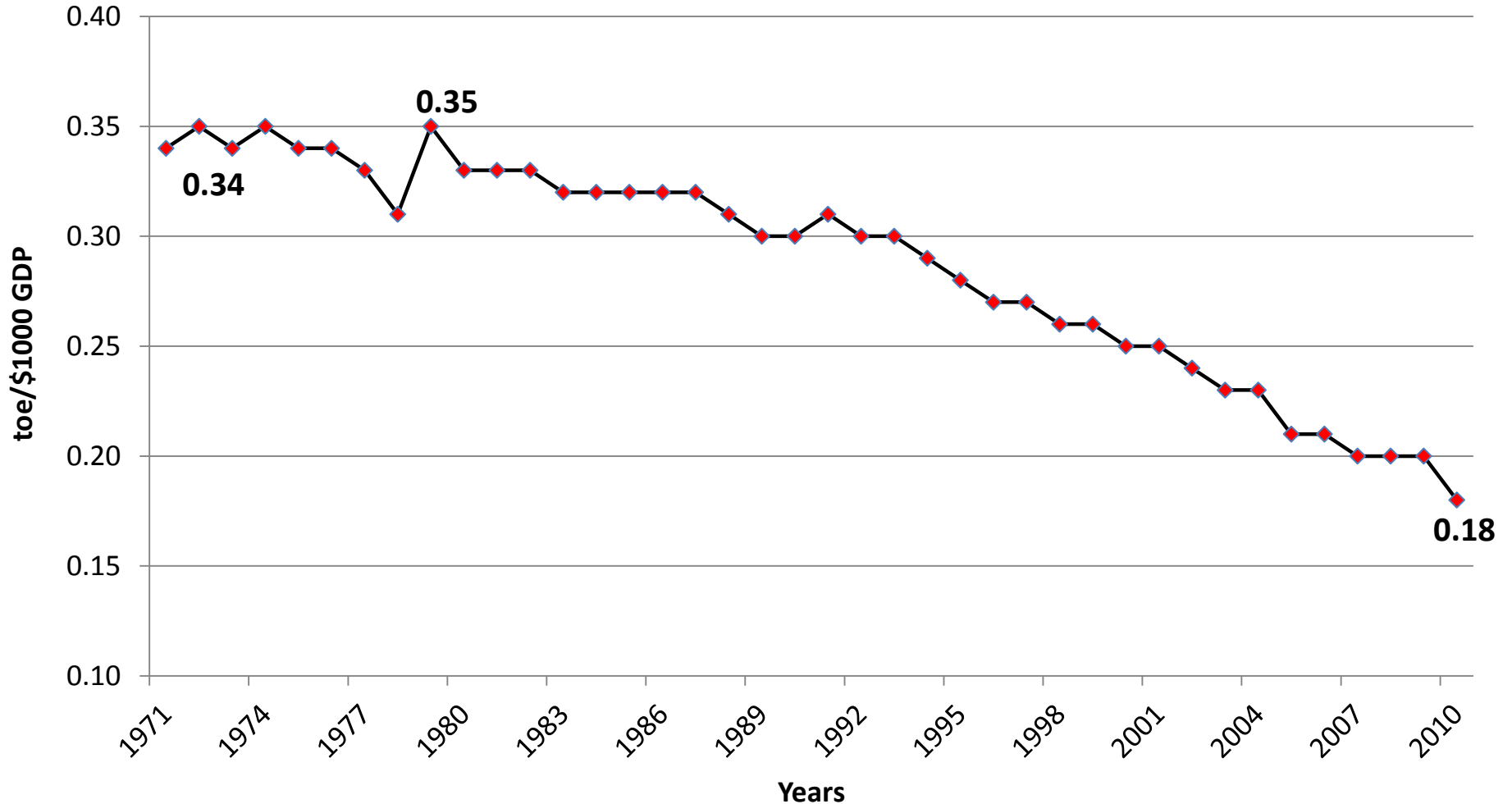


## India CO2 emissions (kg per 2005 PPP \$ of GDP)



# India's Energy Intensity (1971 – 2010)

Tonnes of oil equivalent (toe) per thousand 2000 US dollars of GDP calculated using PPPs

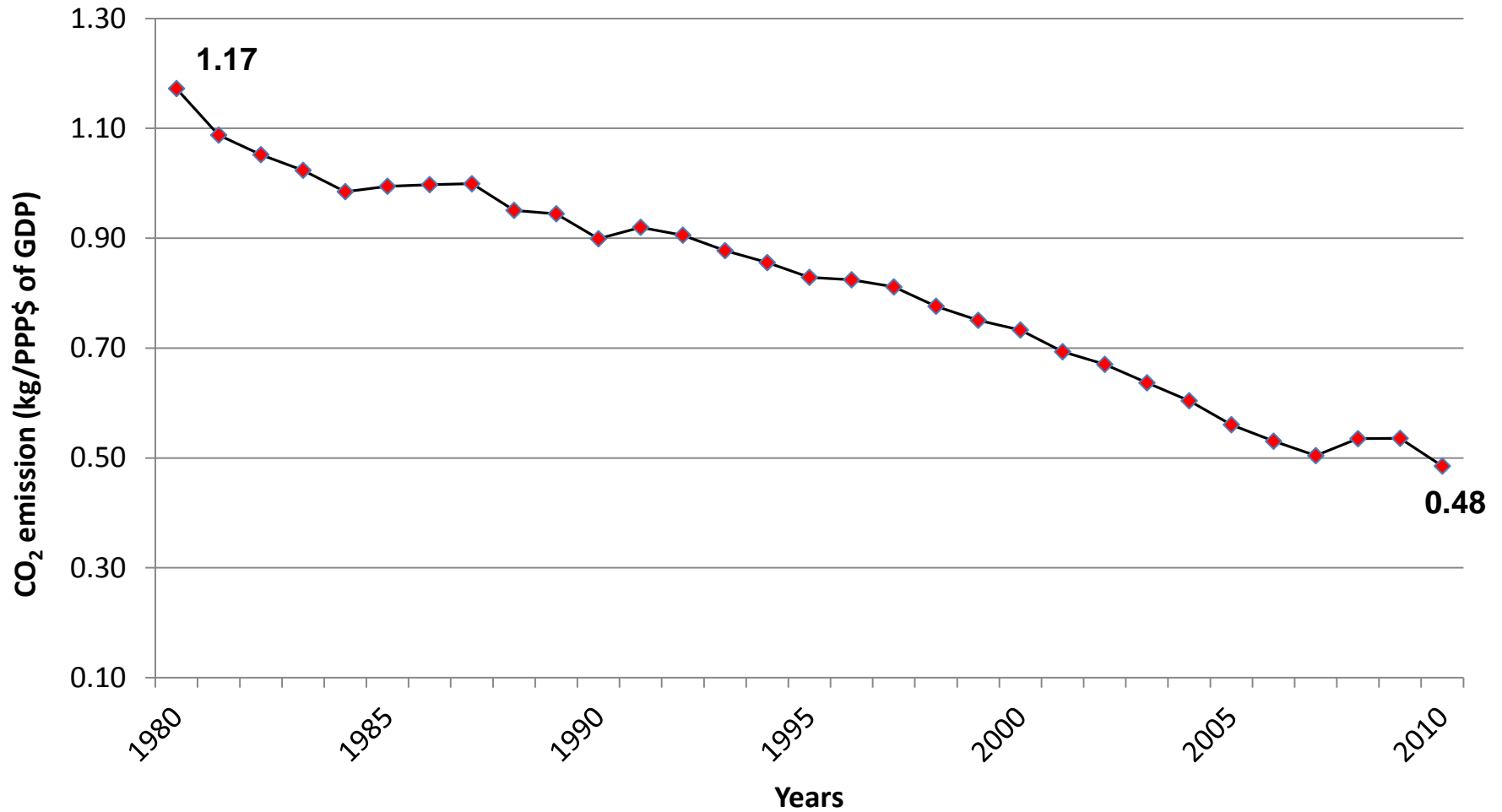


The ratios are calculated by dividing each country's annual TPES by each country's annual GDP expressed in constant 2000 prices and converted to US dollars using purchasing power parities (PPPs) for the year 2000.

Source: OECD database; available through OECD's iLibrary

# India's Carbon Intensity (1980 – 2010)

CO<sub>2</sub> emissions (kg per PPP \$ of GDP)

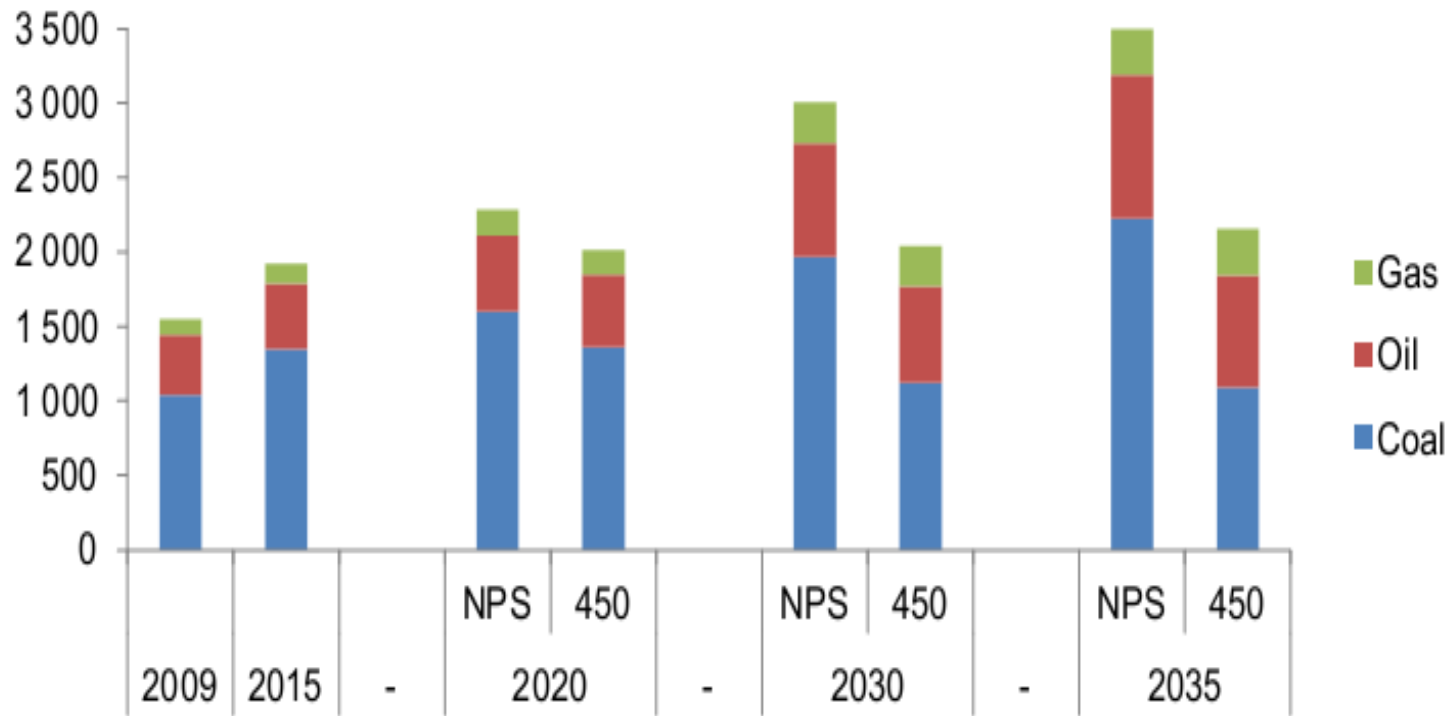


Source: World Bank Database



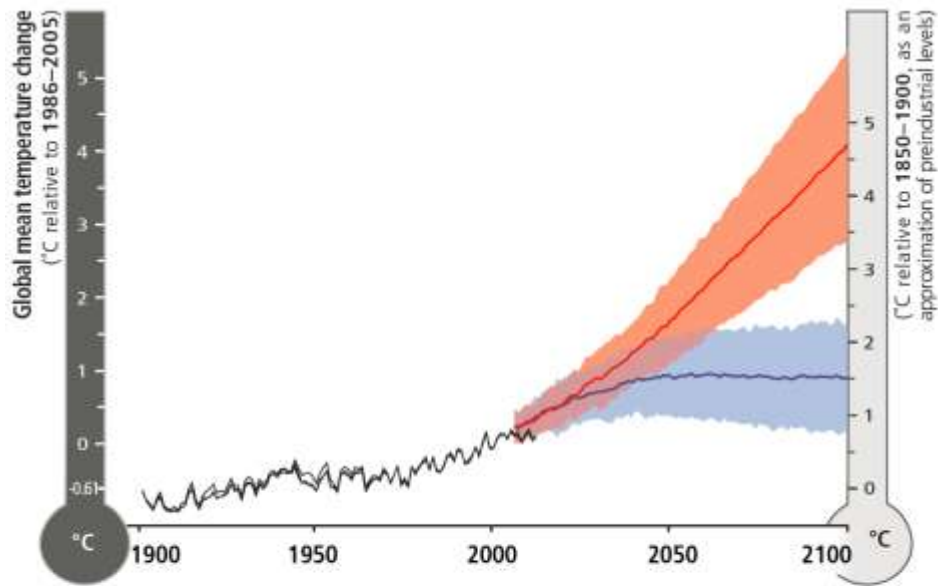
# Carbon emissions in India 1990-2035 (MtCO<sub>2</sub>)

Figure 8 • Carbon emissions in India, 1990-2035 (MtCO<sub>2</sub>)

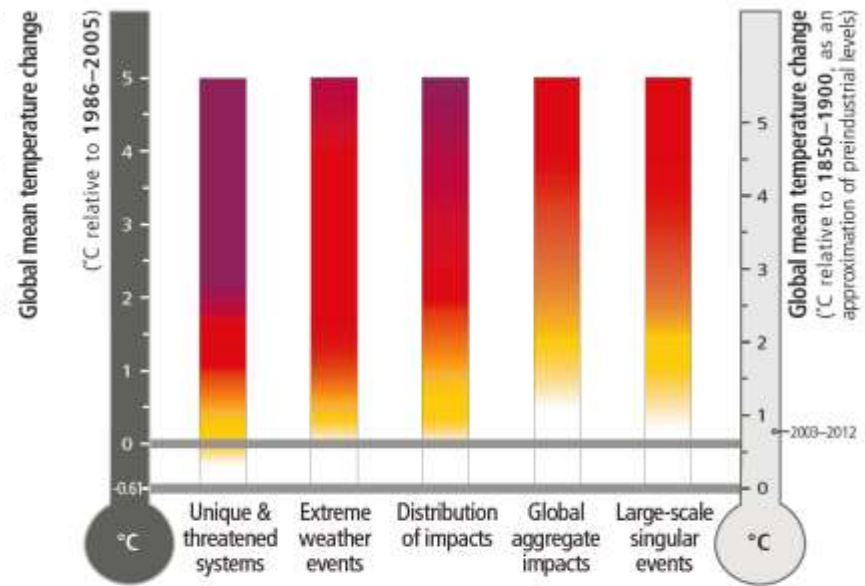


Source: IEA, 2011a.

Source: Understanding Energy Challenges in India Policy, Players and Issues. OECD/IEA, 2012



- Observed
- RCP8.5 (a high-emission scenario)
- Overlap
- RCP2.6 (a low-emission mitigation scenario)

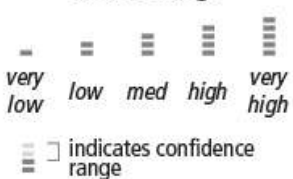


Source: Summary for Policy Makers, WG II Contribution to IPCC, AR5.

(A)



**Confidence in attribution to climate change**



**Observed impacts attributed to climate change for**

**Physical systems**



**Biological systems**



**Human and managed systems**

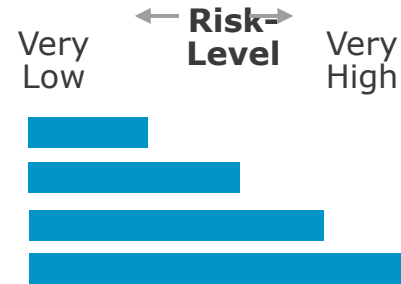


Regional-scale impacts

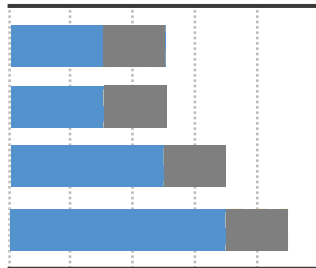
**Outlined symbols = Minor contribution of climate change**  
**Filled symbols = Major contribution of climate change**

# Projected Risks for Asia

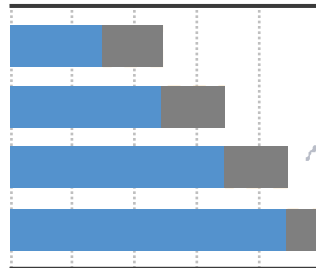
Present  
 Near Term (2030-2040) 2°C  
 Long Term (2080-2100) 4°C



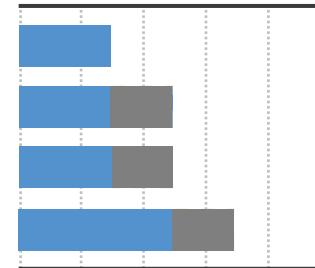
Increased Flood Damage to Infrastructure , Livelihoods, and Settlements



Heat-Related Human Mortality

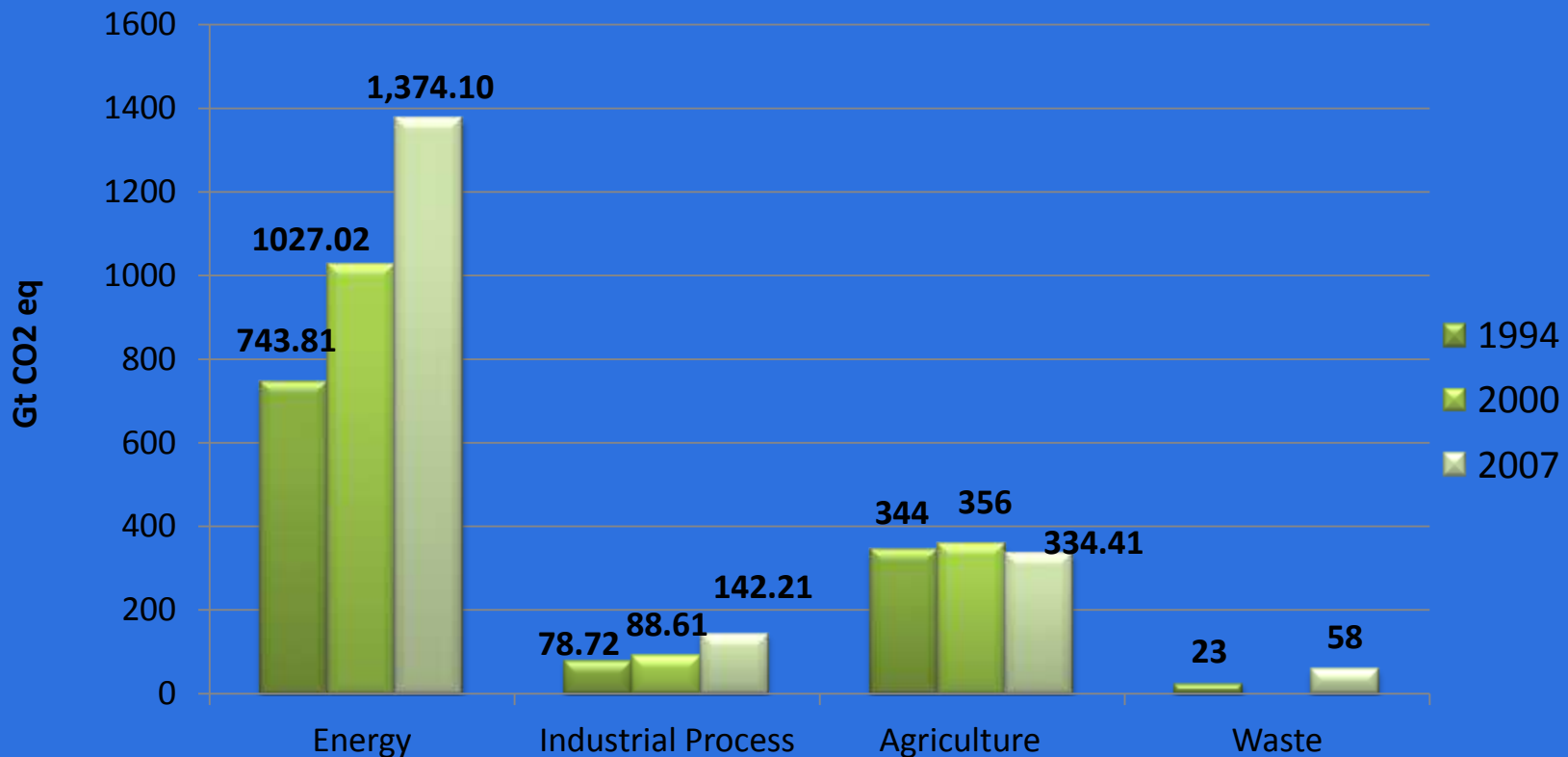


Increased Drought-Related Water and Food Shortage



# India's Sectoral GHG Emission (1994, 2000 and 2007)

- 1994 - India's 1<sup>st</sup> National communication to UNFCC on GHG Emission
- 2000 - India's 2<sup>nd</sup> National communication to UNFCC on GHG Emission
- 2007 - INCCA\* Prepared an inventory of GHG emission for the year 2007



Source: India's Second National Communication to UNFCC, 2012

\*India : Greenhouse Gas Emission 2007, INCCA Indian Network for Climate Change Assessment, 2007

# Options for a Low Carbon Pathway:

Focus:

Maximise Synergies (multiple objectives, co-benefits, low regret strategies)

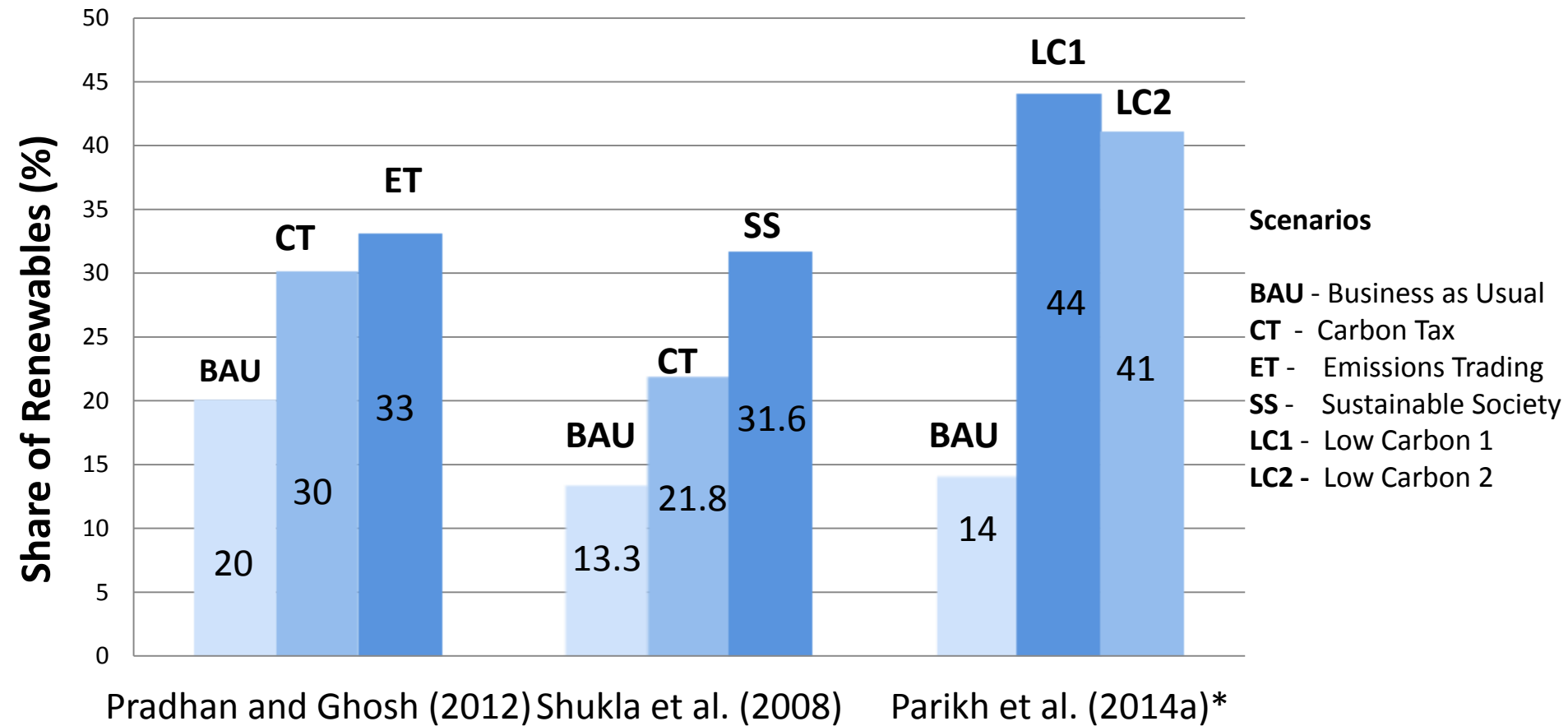
Reduce trade-offs (GDP, poverty)

Share of Low Carbon Energy in Low Carbon Path –  
renewables, nuclear, CCS

# Energy Production, Consumption and *Efficiency*

- Across sectors, in industrial production technology and switching of fuels (transport, electricity)
- End use energy efficiency
- In particular, Low carbon technologies in electricity generation  
(additional: Fuel switching, T & D loss reduction)
- Regional Co-operation : Energy and electricity trade (hydro), and effective use of shared water resources.

## % Share of renewable energy in total energy, with and without climate policy in 2050



\* Parikh et al. (2014a) - share of renewables in total electricity generation



## Table 1 : Mitigation Options and Potential:

Emissions of selected electricity supply technologies (gCO<sub>2</sub>eq/kWh)

Options	Lifecycle emissions* (gCO <sub>2</sub> eq/kWh)
<b>Currently Commercially Available Technologies</b>	
Coal – PC	820
Gas - Combined Cycle	490
Biomass – CHP	230
Hydropower	24
Nuclear	12
Concentrated Solar Power	27
Solar PV - rooftop	41
Solar PV - utility	48
<b>Pre-commercial Technologies</b>	
CCS - Coal - PC	220
CCS - Coal	200
IGCC-CCS - Gas - Combined Cycle	170

\* Represents the median value

Source: As reported in IPCC, AR5, WG III calculations

# ***Is a low carbon transition pathway consistent with attaining the goals set for the economy?***

- 25% emission intensity reduction over 2005 levels
  - possible by 2020 with GDP growth rate of 8-9% in short term (Interim report, Expert Committee, Planning Commission) , 29% (WB 2011), 24-25% (Parikh 2014)
- Climate change a threat multiplier, adding to constraints, and competition over resources
- Low carbon path offers potential economic gains, apart from climate mitigation benefits
- Energy security : EE improvements, share of renewables
- Health Co-benefits: Air pollution major issue already in cities
- Technological innovation and its attendant implications for investment gains; impacts on quality of life (varying extent in most models)