# Daily Editorial Analysis 27 March 2026

March 27, 2026 • vajiramandravi.com


## Energy Insecurity to Energy Sovereignty – Reimagining India's Energy Architecture

### Context:

- The ongoing geopolitical turbulence in West Asia highlights a structural reality for India: energy insecurity is systemic, not episodic.
- With over **85% dependence** on crude oil imports, India remains highly vulnerable to supply disruptions, price shocks, and regional conflicts—leading to inflationary pressures, fiscal strain, and current account deficits.
- However, this crisis also presents a **strategic opportunity** to transform vulnerability into long-term energy resilience and leadership.

### Structural Challenge – Import Dependence and Vulnerability:

- **Heavy reliance** on imported fossil fuels exposes India to geopolitical risks, volatile oil prices, and macroeconomic instability.

- Energy security is thus directly linked to economic stability, **strategic autonomy**, and climate commitments (NDCs).

## Scaling Renewable Energy – From Incrementalism to Transformation:

- **Need for ambition reset:**
    - India’s existing target of 500 GW of RE by 2030 was bold when announced, but it’s no longer sufficient today. A **revised target** of 1,500 GW by 2030 is both necessary and achievable.
    - For example, China added almost 1,600 GW in clean energy (solar and wind) in 2025, whereas India added a mere 49 GW.
- **Policy imperatives:**
    - **Strengthening procurement mechanisms**: Central agencies must aggregate and contract at least 200 GW+ annually, complemented by aggressive state-level procurement.
    - **Strengthening:** Renewable Purchase Obligations (RPOs), and Renewable Consumption Obligations (RCOs).

## Grid Infrastructure and Storage – The Missing Link:

- **Transmission bottlenecks:**
    - **Renewables-rich states**: Gujarat, Rajasthan, Karnataka, and Tamil Nadu.
    - Last year, over 50GW of energy capacity remained stranded due to a lack of evacuation and over 35GW is likely to be curtailed this year.
    - As storage is equally critical, grid infrastructure must be treated as a **national priority**.
- **Key reforms:**
    - Develop high-capacity transmission corridors that are seamlessly integrated with storage systems.
    - Expand Renewable Energy Management Centres (REMCs).
    - Integrate Battery Energy Storage Systems (BESS) and Pumped Hydro Storage
    - Make storage mandatory in RE tenders.
    - Reduce GST on storage systems.

## Household Energy Transition – From LPG to Electrification:

- **Issues with LPG**: Significant import dependence, which increased further with the success of schemes like PM Ujjwala Yojana.
- **Suggestions:**
    - Promote electric induction cooking.
    - Replicate **UJALA model** (demand aggregation for affordability).

- Use Ujjwala database for targeted distribution.

## Transport Electrification as Economic Strategy:

- **Clear and time-bound roadmap:** Full electrification of new two-wheelers and three-wheelers by 2030, buses in the near term, and cars and trucks by 2035.
- **Challenges:** Weak battery ecosystem, and underperformance of PLI for Advanced Chemistry Cells.
- **Solutions:** Restructure PLI scheme, expand charging infrastructure, and create viable business models and standards.

## Nuclear Energy – Backbone of Grid Stability:

- **Strategic role:** As nuclear power provides the firm, non-intermittent supply that is essential for grid stability, it must be scaled as a long-term backbone of India's energy mix.
- **Targets and innovations**: India's ambition to reach 100 GW of nuclear capacity by 2047 is strategic and necessary. Small modular reactors offer a scalable pathway.
- **Policy priorities:** Enable private sector participation, strengthen global partnerships, and streamline regulatory processes.

## Critical Minerals – Securing the Supply Chain:

- **Core issues:** Overdependence on concentrated global supply chains, lack of domestic processing and refining capacity.
- **Strategic measures:** Develop end-to-end domestic capabilities; secure assured offtake agreements, price support mechanisms, deepen partnerships with resource-rich countries, and invest in human capital (battery tech, mineral processing).

## Clean Energy Manufacturing Hub – India's Next Growth Engine:

- **Key sectors:** Solar modules, batteries, electrolysers, grid technologies and green hydrogen represent the next wave of global manufacturing.
- **Policy direction:** Align PLI schemes across sectors, reduce logistics costs, and boost export competitiveness. Leverage domestic demand, policy incentives, and scale advantage.

## Financing the Energy Transition:

- **Challenges:** High capital requirements, risk perception in emerging sectors.
- **Best practice:**
    - India's renewable sector has attracted private capital from across the world, thanks to predictable policies and actions through the Solar Energy Corporation of India (**SECI**).
    - Similar policy frameworks are necessary across sectors to enable the private sector to attract capital and technology.
- **Solutions:**

- India must deepen its green finance ecosystem, including green bonds, blended finance structures, and sovereign-backed risk mitigation instruments.
- Strengthen role of domestic financial institutions, Multilateral Development Banks (MDBs), and develop robust carbon markets.

## Governance and Execution – Whole-of-Government Approach:

- Execution must be anchored in institutional coordination and accountability.
- India has demonstrated its ability to deliver at scale, whether through digital public infrastructure (DPI), financial inclusion, or RE deployment.
- Therefore, energy transition now requires an **integrated action** across centre, states, and municipal bodies.

## Conclusion:

- The instability in West Asia is both a **warning** and an **opportunity**.
- India stands at a critical juncture where it can either remain vulnerable to external shocks or emerge as a global leader in clean energy and energy security.
- By adopting a holistic, ambitious, and execution-driven approach, India can transition from energy dependence to **energy sovereignty**, shaping not just its own future but also contributing to global energy transformation.

## Energy Insecurity to Energy Sovereignty FAQs

**Q1**. Why is energy insecurity in India systemic rather than episodic?

**Ans**. India’s heavy dependence on imported fossil fuels makes it structurally vulnerable to recurring geopolitical shocks.

**Q2**. What is the need for scaling up India’s renewable energy targets?

**Ans**. A higher target (e.g., 1,500 GW by 2030) is essential to ensure energy sovereignty, meet climate commitments, etc.

**Q3**. What is the role of grid infrastructure and storage systems in India’s energy transition?

**Ans**. They are critical to manage intermittency, prevent curtailment, and enable large-scale renewable energy integration.

**Q4**. How can transport electrification contribute to India’s economic and energy security goals?

**Ans**. It reduces oil imports, lowers emissions, and drives domestic manufacturing and battery ecosystem development.

**Q5**. What is the strategic importance of critical minerals in India’s clean energy transition?

**Ans**. It is vital for building resilient supply chains and supporting technologies like batteries, renewables, and electric mobility.

**Source: IE**

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