

Rewiring power for a new Era

- Amitabh Kant**

The latest crisis in West Asia has once again reminded the world that energy security remains hostage to geography. Shipping through the Strait of Hormuz has been severely disrupted amid the U.S.-Israel-Iran war with major powers openly acknowledging the risk to global energy flows. Roughly one-fifth of global oil and LNG moves through this narrow passage and the repercussions of its closure have begun to reverberate across the world.

India depends on imports for more than 90% of its oil needs and roughly half of its gas requirements. Moreover, around 60% of India's LPG consumption is met through imports, and about 90% of those imports normally come through the Strait of Hormuz. On crude, India has diversified meaningfully, but the Middle East's share in its import basket had still climbed to 59% in February 2026. Even before this war began, India's oil and gas import bill had hovered around \$180 billion over a period of a year.

This dependence on fossil fuels is a systemic security problem for India. Imported hydrocarbons bind the economy to regions over which it exercises limited control. The longer this war lasts, the higher will be India's import bill and the pressures on industry, agriculture, transport and households will continue to rise.

Non-fossil fuel energy, on the other hand, alters that equation in a way fossil imports cannot. Solar PV systems now commonly operate for 25 to 35 years, while wind turbines are typically designed for lifespans in the 20-to-25-year range. That does not eliminate all risk of course because there are still grid, storage and manufacturing dependencies to manage. But it does mean that non-fossil capacity, once installed, goes on producing through wars, shipping disruptions and maritime stand-offs that would otherwise send imported fuel prices soaring.

India has already come a long way in its energy transition and has over 275 GW of non-fossil fuel capacity. Yet the present crisis suggests that the current pace, while significant, is still too cautious relative to the scale of India's exposure. Building on its current progress, it is time for India to reset the terms of its energy transition.

The first step is to expand the renewable energy target from 500 GW to 1500 GW by 2030. This would be ambitious, certainly, but not unachievable. A 1500 GW goal would send a powerful signal to markets, manufacturers, states and investors that India intends to compress the next decade of energy transformation into the next five years.

Secondly, India cannot seriously aim for a 1500 GW target while leaving transmission and balancing infrastructure to catch up later. The renewable-rich corridors of Gujarat, Rajasthan, Karnataka and Tamil Nadu need accelerated grid strengthening to reduce congestion and speed evacuation. The eleven Renewable Energy Management Centres

that were established to help integrate variable renewables were a forward-looking move, but India now needs more of them, and it needs them with much greater capacity.

Thirdly, every renewable tender should include battery storage, doing away with solar or wind only tenders. Pumped hydro storage should also be pushed in mission mode. Storage is what turns renewable capacity from a daytime supplement into round-the-clock strategic infrastructure. India is already projected to ramp up both battery and pumped hydro storage sharply over the coming decade. The GST for storage assets should be reduced to 5% as it is with most renewable energy devices and parts.

Fourthly, LPG in India is central to household energy consumption and import dependence remains substantial. Much like the UJALA scheme drove down LED bulb prices through bulk procurement, a demand aggregation programme for induction cookers could sharply reduce upfront costs. By leveraging the Ujjwala beneficiary database, this can be scaled quickly, positioning clean cooking as part of a wider shift from imported fuels to domestically produced electricity.

India will also need to go all out on electric mobility and charging infrastructure. That means announcing a clear transport electrification roadmap: full electrification of new bus procurement, full electrification of two-wheelers and three-wheelers by 2030, and the electrification of cars and trucks by 2035. It also means fixing the Production Linked Incentive scheme for Advanced Chemistry Cell battery storage, which has badly underperformed. Every successful electric vehicle and every domestically produced battery pack will take a small bite out of future oil dependence.

Finally, a system dominated by renewables will still need firming capacity beyond storage alone. That is where nuclear energy, including small modular reactors, comes in. India's target of achieving 100 GW of nuclear capacity by 2047 is both strategically important and increasingly indispensable. With the policy framework already in place, the focus now should shift to execution, beginning with early project tenders and a clear, sustained pipeline.

Still, India must not look towards escaping from one dependency only to walk into another. The clean energy transition will be strategically durable only if India addresses the critical mineral value chain. These minerals – such as lithium, cobalt, nickel and rare earth elements – are essential inputs for clean technologies. China remains the dominant refiner for nearly all strategic minerals, with an average market share of around 70 to 90%. India will need to diversify critical mineral feedstocks, build up its midstream processing capabilities and leverage international strategic partnerships for technology transfer and capacity building.

A country that remains tethered to imported fossil fuels will keep importing geopolitical risk along with them. A country that builds domestic clean power, domestic manufacturing, domestic storage and domestic mineral processing capacity will be better placed to ride out external shocks. That is the strategic opportunity hidden inside

the present turmoil, and India must move with urgency to convert this moment into a decisive shift toward energy sovereignty.

***Amitabh Kant is Chancellor, NIIT University, Chairman, Fairfax, Centre for Free Enterprise and Ex-G20 Sherpa & Ex-CEO, Niti Aayog. Views are personal.*