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ACME's Green Ammonia and Methanol Deals with Japan

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CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

linkedin.com/in/epicbharat

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WHY IN NEWS

In early July 2026, ACME Group signed long-term binding offtake agreements with two Japanese firms to export green ammonia and green methanol from Odisha, among India's largest green-hydrogen-derivative export commitments under the National Green Hydrogen Mission.

THE TWO DEALS

ACME Group, an Indian renewable-energy and green-molecules company, locked in two decade-long export contracts with Japanese buyers. An offtake agreement is a long-term commitment by a buyer to purchase a fixed volume of output, which gives the producer the revenue certainty needed to raise finance and build the plant.

FEATURE	GREEN AMMONIA DEAL	GREEN METHANOL DEAL
Japanese buyer	IHI Corporation	Mitsubishi Gas Chemical
Annual volume	405,000 tonnes per year	100,000 tonnes per year
Contract length	10-year contract	10-year deal (about $1 billion)
Signing	Early July 2026	July 3, 2026
Production site	ACME's Odisha facilities	Paradeep (Odisha)
Price support	Japan's Contract-for-Difference (CfD), run by METI	Buyer-backed offtake

The Odisha Chief Minister noted that the broader ACME-IHI partnership on green ammonia and methanol is expected to generate over 7,600 jobs in the state, with ACME also setting up a much larger green-ammonia plant at Paradeep.

Why the Standards Matter

The green methanol from Paradeep is built to comply with two demanding international standards:

- **EU RFNBO norms:** Renewable Fuels of Non-Biological Origin rules under the European Union's Renewable Energy Directive certify that hydrogen and its derivatives are made using genuinely renewable electricity. Meeting RFNBO norms opens European markets and premium pricing.
- **International Maritime Organization (IMO) marine-fuel standards:** the IMO is pushing global shipping to cut greenhouse-gas emissions. Green methanol is a leading low-carbon marine fuel, so IMO-compliant methanol has a ready and growing buyer base in the shipping industry.

The green-ammonia deal is underpinned by Japan's Contract-for-Difference (CfD) scheme run by the Ministry of Economy, Trade and Industry (METI). Under a CfD, the government pays the buyer the gap between the higher green price and a market reference price, making clean imports commercially viable while the technology scales.

THE NATIONAL GREEN HYDROGEN MISSION BACKDROP

These exports fall squarely under the National Green Hydrogen Mission (NGHM).

FEATURE	DETAIL
Launched	2023 (approved January 2023)
Nodal Ministry	Ministry of New and Renewable Energy (MNRE)
Production target	5 Million Metric Tonnes (MMT) of green hydrogen per year by 2030
Associated renewable capacity	About 125 GW of new renewable-energy capacity
Total outlay	About Rs 19,744 crore
Key sub-scheme	SIGHT (Strategic Interventions for Green Hydrogen Transition), which incentivises electrolyser manufacturing and green-ammonia production

Green hydrogen is hydrogen produced by splitting water (electrolysis) using renewable electricity, so it releases no carbon during production. Green ammonia and green methanol are made from green hydrogen and are easier to store, ship and use, which is why they are the practical export molecules.

ANALYSIS AND WAY FORWARD

These deals mark a shift from India talking about a green-hydrogen future to India actually exporting green molecules. They matter for three reasons. First, they help decarbonise hard-to-abate sectors, shipping, fertiliser and heavy industry, that cannot easily run on electricity alone. Second, they turn India's abundant solar and wind potential into export earnings, an export-led green industrialisation model. Third, they deepen the India-Japan clean-energy partnership, with Japanese demand and finance (via CfD) de-risking large Indian projects.

Challenges remain. India's own MNRE has cautioned that the 5 MMT target for 2030 is ambitious and may be missed without faster electrolyser deployment and cheaper renewable power. High production costs, water availability for electrolysis, and the need for dedicated port and pipeline infrastructure at hubs like Paradeep are real constraints. The way forward lies in scaling electrolyser manufacturing under SIGHT, securing more binding offtake deals to bankroll plants, and building green-hydrogen export corridors around east-coast ports.

UPSC RELEVANCE

GS Paper 3: Infrastructure (energy); conservation and environmental impact; growth and development; India's energy transition and hard-to-abate-sector decarbonisation (https://ujiyari.com/vocab/decarbonisation/).

GS Paper 2: Bilateral (https://ujiyari.com/vocab/bilateral/) groupings and agreements involving India; effect of policies of developed countries (Japan, EU) on India's interests.

Prelims pointers:

- NGHM launched in 2023, nodal ministry MNRE, outlay about Rs 19,744 crore, target 5 MMT green hydrogen per year by 2030 with about 125 GW renewable addition; sub-scheme SIGHT.
- ACME to supply 405,000 tonnes per year of green ammonia to IHI Corporation and 100,000 tonnes per year of green methanol to Mitsubishi Gas Chemical (about $1 billion), from Paradeep, Odisha.
- RFNBO = Renewable Fuels of Non-Biological Origin (EU norm); CfD scheme run by Japan's METI.
- Green hydrogen is made by electrolysis of water using renewable electricity.

Mains question: "Green hydrogen and its derivatives offer India both an energy-transition tool and an export opportunity." Discuss the objectives of the National Green Hydrogen Mission and the challenges in making India a green-molecule export hub. (15 marks, 250 words)

FACTS CORNER

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The deals: ACME Group will supply 405,000 tonnes per year of green ammonia to IHI Corporation (10-year contract) and 100,000 tonnes per year of green methanol to Mitsubishi Gas Chemical (about $1 billion, signed July 3, 2026).

Production hub: Paradeep, Odisha; the projects are expected to create over 7,600 jobs in the state.

Standards: the green methanol complies with EU RFNBO (Renewable Fuels of Non-Biological Origin) norms and International Maritime Organization (IMO) marine-fuel standards; green methanol is a leading low-carbon shipping fuel.

Japan's support: the green-ammonia deal is backed by Japan's Contract-for-Difference (CfD) scheme run by METI (Ministry of Economy, Trade and Industry).

NGHM: National Green Hydrogen Mission, launched 2023, run by the Ministry of New and Renewable Energy (MNRE); outlay about Rs 19,744 crore; target 5 MMT green hydrogen per year by 2030 with about 125 GW of associated renewable capacity; key sub-scheme is SIGHT.

Green hydrogen: hydrogen made by electrolysis of water using renewable electricity, emitting no carbon; green ammonia and green methanol are its transportable derivatives.

Sources: Business Standard (https://www.business-standard.com), PV Magazine India (https://www.pv-magazine-india.com), MNRE (https://mnre.gov.in)

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