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Policy Advocacy

Transition to Market Driven Renewable Gas Economy

CII believes that there is a need to accelerate India's transition to a market-driven renewable gas economy by strengthening indigenous renewable gas production to enhance energy security.

It made recommendations to include rationalizing GST to 5% across the entire CBG value chain, operationalizing Renewable Gas Certificates (RGCs) with transparent trading mechanisms, enabling private trading of Fermented Organic Manure (FOM/LFOM) and mandating fertilizer companies to procure FOM at remunerative prices.

CII has also recommended expanding CGD and pipeline infrastructure with dedicated CBG injection facilities and promoting the co-location of CBG plants with CNG stations alongside robust downstream distribution networks.

These measures will improve the commercial viability of renewable gas and support sustainable energy growth.

CERC Order on One-Time Framework for Connectivity Linked to LoAs Without PPAs

The Central Electricity Regulatory Commission (CERC) came out with an order on 10 July 2026 to on the issue of renewable energy projects holding interstate transmission connectivity based on Letters of Award (LoAs) that have not translated into Power Purchase Agreements (PPAs).

The order introduces a one-time framework for projects with LoAs issued between 2019 and May 2025, offering options to retain, substitute, surrender, or continue with existing connectivity rights. The measure is intended to unlock stranded transmission capacity, improve infrastructure utilization, and accelerate renewable energy deployment. CERC estimates that nearly 15.7 GW of blocked connectivity could be released or reallocated.

CERC order gives developers three options. Option-I: Exit from the LoA route, without surrendering the Connectivity; Option-II: Substitution of the LoA with a PPA signed under another LoA and Option-III Surrendering of such Connectivity with return of Conn-BGs (Conn-BG1, Conn-BG2 and Conn-BG3)

Monthly Activities

Powering India's Energy Security Through Compressed Biogas

CII Conference on Compressed Biogas was held on 2 July 2026 in New Delhi. Themed, 'Powering India's Energy Security Through Compressed Biogas,' the conference brought together policymakers, regulators, industry leaders, financial institutions and other key stakeholders to discuss the advancement of India's CBG ecosystem.

The deliberations underscored the importance of coordinated action among government agencies, industry, financial institutions and state governments to unlock the full potential of CBG as a critical pillar of India's energy security, circular economy and clean energy transition.

Discussions focused on the policy measures required to scale up the sector, including long-term policy certainty, feedstock security, financing mechanisms and stronger implementation at the state level.

The conference highlighted the role of CBG in improving air quality through the efficient utilization of agricultural residues and municipal solid waste, while contributing to rural livelihoods and sustainable waste management. It reinforced the need to strengthen energy security by accelerating the development of India's compressed biogas industry.

Strategic Dialogue on Nuclear Energy: Accelerating India's Pathway to 100 GW

CII Strategic Dialogue on India's Nuclear Energy was held on 6 July 2026 bringing together senior officials from the Department of Atomic Energy, industry leaders and experts to deliberate on the roadmap for achieving 100 GW of nuclear capacity by 2047.

The discussions focused on policy reforms, technology diversification, manufacturing and supply chain development, financing, human capital and emerging industrial applications of nuclear energy.

(L-R): **Ms Soma Banerjee**, Deputy Director General, CII; **Mr Rajesh Verma**, Chairperson, Commission for Air Quality Management; **Mr Alok Tripathi**, Joint Secretary (Gas), Ministry of Petroleum and Natural Gas, and **Dr Ranjit Rath**, Chairman, CII National Hydrocarbon Committee and Chairman and Managing Director, Oil India Ltd





(L-R): **Soma Banerjee**, Deputy Director General, CII; **Anil Sardana**, Chairman, National Committee on Nuclear Power; **PS Karthigeyan**, Joint Secretary (ER & Power), DAE; **Jamshyd N Godrej**, Chairman and Managing Director, Godrej & Boyce and **Sandeep Raj**, Joint Secretary & FA, DAE.

The dialogue also highlighted nuclear energy's strategic role in energy security, industrial competitiveness, decarbonisation, green hydrogen, process heat and data centres, while emphasising greater collaboration among government, regulators, industry and academia to build a globally competitive nuclear ecosystem.

First Meeting of CII Renewable Energy Manufacturing Council

The first meeting of the CII Renewable Energy Manufacturing Council for the year was held on 9 July 2026 in New Delhi.

The deliberations focused on strengthening India's renewable energy manufacturing ecosystem through discussions

on strategic manufacturing, energy security, resilient supply chains, export competitiveness, innovation, MSME integration and workforce development.

First Meeting of CII National Committee on Renewable Energy

The first meeting of the CII National Committee on Renewable Energy was convened on 9 July 2026. Members discussed key sectoral priorities, including grid readiness, renewable energy integration, regulatory stability, power market reforms, innovation, digitalisation and international collaboration.



(L-R): **Girish Tanti**, Chairman, CII National Committee on Renewable Energy and Chairman, CII Renewable Energy Manufacturing Council; **Soma Banerjee**, Deputy Director General, CII

Recognising the role of technology in driving the energy transition, members identified innovation and digitalisation as key enablers for improving operational efficiency, forecasting, asset management, and grid optimisation. The Committee also stressed the importance of creating an enabling ecosystem for innovation across the renewable energy value chain.

Interview Series: Expert Speak



Mr Girish Tanti

Vice Chairman and founding member of Suzlon Energy Chairman of the CII Renewable Energy Manufacturing Council and the CII National Committee on Renewable Energy

Q. India has emerged as one of the world's fastest-growing renewable energy markets. Do you think we have reached critical milestones in manufacturing so that the country moves from mere deployment to manufacturing leadership?

A. India's renewable energy transition is no longer just an energy story; it is fast becoming a manufacturing success story. In just a few years, the country has built one of the world's largest clean energy manufacturing ecosystems. Today, India has >200 GW of solar PV module capacity, ~30 GW of solar cell manufacturing capacity expanding under the PLI scheme, and ~8–10 GW of electrolyser manufacturing capacity announced or under commissioning, laying the foundation for the green hydrogen economy.

Wind has been India's original success story in domestic manufacturing with 24 GW of annual wind manufacturing capacity, up from around 12 GW in 2022, making it one of the largest manufacturing bases. Policy measures such as RLMM reforms, domestic content requirements, and sustained government support have strengthened local supply chains across blades, towers, nacelles, gearboxes, and generators. So, in wind, we already have the manufacturing leadership, where we see that India can become a global hub with an export potential of 10% by 2030 and 20% by 2040.

Q. India has made significant progress in expanding clean energy manufacturing, but the next phase requires building a complete domestic value chain from raw materials and components to advanced equipment. What are the biggest gaps that still need to be addressed for the next phase?

A. India has already created a strong manufacturing base, but critical components such as rare-earth permanent magnets, large bearings, power electronics, semiconductors, and certain specialized forgings are still largely imported. The next challenge is not adding more, it is strengthening the ecosystem behind them.

For instance, we must secure access to critical minerals. Today, China processes nearly 90% of rare earth magnets, around 70% of lithium, and a significant share of graphite and cobalt refining. These materials are fundamental for wind turbines, batteries and electric mobility. India should accelerate overseas mineral partnerships, strengthen strategic agreements with resource-rich countries such as Australia, Chile and Africa, while simultaneously investing in domestic exploration.

Q. As the global clean energy market becomes increasingly competitive, how can India strike the right balance between protecting domestic manufacturing through policy

measures and ensuring that Indian manufacturers remain globally competitive and export-oriented?

A. India's manufacturing success story has been underpinned by bold policy interventions such as ALMM, the PLI scheme and domestic content requirements, which have created the confidence for long-term investments. But the next phase should be about building global competitiveness, not just expanding domestic capacity.

India should now focus on deepening value addition across the supply chain, accelerating innovation, strengthening export competitiveness through trade partnerships and financing, and aligning with global quality and sustainability standards. As global companies diversify supply chains under the 'China+1' strategy, India has a unique opportunity to emerge as a trusted clean energy manufacturing and export hub.

Q. Supply chain resilience today goes beyond manufacturing capacity, it also depends on access to critical minerals, advanced technologies, logistics, and strategic international partnerships. In your view, what should be India's top priorities over the next five years to build secure, resilient, and globally integrated clean energy supply chains?

India has a once-in-a-generation opportunity to emerge as a trusted global clean energy manufacturing and export hub as supply chains diversify under the "China+1" strategy.

Top priorities:

1. **Deepen the domestic supply chain** localising high-value components that are still import-dependent. This includes rare-earth magnets, specialised bearings, power

electronics, advanced composites and electrolyzers. Reducing dependence on a handful of global suppliers will make Indian manufacturing more resilient to geopolitical disruptions and price volatility.

2. **Investing in next-generation technologies** rather than only scaling existing manufacturing. Digital twins, robotics, advanced materials, and grid technologies will determine future competitiveness.

Q. As turbine technology continues to evolve with larger machines, digital monitoring, artificial intelligence, and predictive maintenance, how can Indian wind equipment manufacturers ensure they innovate to bring in efficiencies?

A. The next phase of competitiveness will be driven as much by technology as by manufacturing scale. India has long been a global leader in wind technology, and we must continue to build on that strength through sustained innovation. Our focus should not simply be on deploying larger turbines, but on developing technologies that are engineered for India's unique wind regimes, strengthen grid stability, and enable higher efficiency and reliability. Innovation must also serve a larger purpose—creating a resilient domestic ecosystem, deepening local supply chains, and reinforcing India's position as a global manufacturing and technology hub for renewable energy.

Q. Looking ahead, what do you see as the biggest opportunities for India's wind energy sector?

A. One of the biggest opportunities lies in repowering ageing wind farms with modern, higher-capacity turbines, enabling significantly higher energy generation from existing sites. At the same time,



hybrid and Firm & Dispatchable Renewable Energy (FDRE) projects will become increasingly important, as wind complements solar by generating more power during evening and night hours, improving grid reliability.

Equally important is India's opportunity to become a global manufacturing and export hub for wind equipment. With an annual manufacturing capacity of around 20 GW and 70–80% localisation, India already has a strong foundation to serve both domestic and international markets.

Q. What would be your top three recommended policy reforms to accelerate India's clean energy manufacturing ecosystem?

A.

1. Strengthen domestic value addition beyond final assembly: While ALMM has been an important step, the focus should now shift to localising critical sub-components such as gearboxes, generators, bearings, carbon composites and power electronics, ensuring manufacturing, not just assembly.
2. Build supply chain resilience for critical materials: Recent export restrictions on specialised carbon composites and epoxy materials have exposed vulnerabilities in wind manufacturing. India needs a strategic framework to secure critical inputs through diversified sourcing, domestic manufacturing and government-to-government partnership.
3. Create a globally competitive manufacturing ecosystem through export-oriented policies. This includes export financing, leveraging FTAs, harmonising standards with key markets and building dedicated partnerships such as an India-EU Wind Alliance. As global

supply chains diversify, India has an opportunity to become a trusted manufacturing and export hub for clean energy technologies.

"India has a once-in-a-generation opportunity to emerge as a trusted global clean energy manufacturing and export hub as supply chains diversify under the "China+1" strategy.

In this regard, it is important to deepen the domestic supply chain and invest in next-generation technology".

"India has long been a global leader in wind technology, and we must continue to build on that strength through sustained innovation. Our focus should not simply be on deploying larger turbines, but on developing technologies that are engineered for India's unique wind regimes, strengthen grid stability, and enable higher efficiency and reliability".

Ready Reckoner

Corporate Average Fuel Efficiency

What is CAFE-III?

Corporate Average Fuel Efficiency norms provide a regulatory framework for India and are designed to improve vehicle fuel efficiency and reduce carbon emissions from passenger vehicles.

CAFE-III represents the next stage in India's automotive energy transition, focusing on improved fuel efficiency, reduced CO₂ emissions, lower petroleum consumption, enhanced energy security and promotion of cleaner vehicle technologies.

How does CAFE-III Impact Overall Efficiency?

CAFE-III shifts the focus from individual vehicle performance to the overall efficiency of a manufacturer's entire vehicle portfolio. A manufacturer's compliance will depend on the average CO₂ emissions of all vehicles sold during the compliance period. This encourages companies to balance their portfolio with efficient internal combustion engine vehicles, hybrid vehicles, electric vehicles and advanced low-carbon technologies.

How it impacts Indian automobile industry?

Automobile companies will need to make higher investment in research and development, battery technology and electric powertrains, vehicle electronics and testing and certification facilities.

The transition towards cleaner mobility will require battery manufacturers, charging infrastructure providers, power electronics companies, and software and digital mobility companies to coordinate and provide renewable energy integration solutions.

The automotive supply chain will gradually shift from traditional mechanical components towards advanced energy technologies.

It will also lead to lower fuel consumption, reduced operating costs, more efficient vehicle choices and improved access to cleaner mobility solutions.

Evolution of CAFE Regulations in India

Phase	Period	Focus
CAFE-I	2017-2022	Introduction of fleet average fuel efficiency standards
CAFE-II	2022-2027	Stricter emission and efficiency requirements
CAFE-III	2027-2032	Advanced efficiency standards and accelerated adoption of cleaner technologies

What are the key challenges?

Higher initial cost of advanced technologies, need for charging infrastructure development and requirement for consumer awareness and acceptance are some of the challenges in meeting CAFE-III norms.

Business Requirements for CAFE

Automotive R&D Investment	Biofuel Compatible Engine Components	Manufacture Emission Control Systems
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Report Launch

CII Report on Compressed Biogas (CBG)

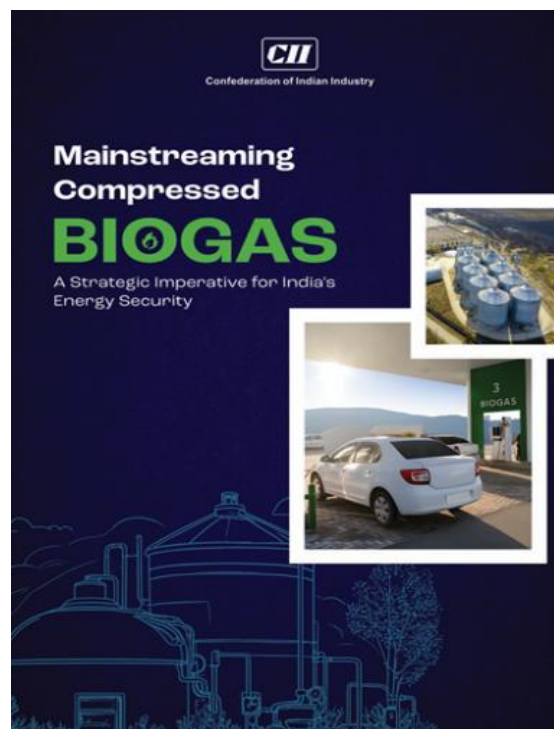
"Mainstreaming Compressed Biogas: A Strategic Imperative for India's Energy Security"

The report presents a strategic roadmap for positioning Compressed Biogas (CBG) as a key pillar of India's energy security, circular economy, rural prosperity, and decarbonisation agenda. Prepared against the backdrop of rising global energy demand, geopolitical uncertainties, and India's dependence on imported fossil fuels, the study highlights the need to scale up indigenous renewable gas resources to strengthen national energy security and resilience.

It assesses the global and Indian energy landscape, policy and regulatory frameworks, feedstock availability, technology pathways, infrastructure readiness, state-level initiatives, and stakeholder perspectives. The report also presents scenario-based modelling of CBG supply and demand up to 2030 under Business-as-Usual, Moderate, and Aggressive growth pathways, providing actionable insights for policymakers, industry, and investors.

To accelerate India's transition towards a market-driven renewable gas economy, the report recommends a comprehensive policy and market reform agenda. Key measures include rationalising GST to 5% across the CBG value chain, operationalising Renewable Gas Certificates (RGCs), enabling private trading of Fermented Organic Manure (FOM/LFOM), mandating fertiliser companies to procure FOM at remunerative prices, expanding City Gas Distribution (CGD) infrastructure with dedicated CBG injection facilities, and promoting co-location of CBG plants with CNG stations. It also calls for strengthening biomass aggregation, improving access to project finance, encouraging community-led feedstock mobilisation, and establishing a National Bioenergy Mission for coordinated implementation.

The report concludes that while the CBG Blending Obligation creates assured demand, enhances project bankability, and boosts investor confidence, the sector's long-term sustainability will depend on diversified offtake across transport, industrial, commercial, institutional, and CGD segments. Drawing on international best practices and India's vast biomass potential, the study envisions a resilient, investment-ready CBG ecosystem capable of reducing fossil fuel imports, generating rural livelihoods, advancing the circular economy, and contributing to Atmanirbhar Bharat and India's long-term Net Zero goals.



The report can be purchased by scanning the QR code



Sectoral News

INDIA

India joins select group of nations operating hydrogen power trains

Reuters | 17 July 2026

India joins Germany, Japan, China and U.S. Thee trains produce only heat and water vapour as by-products. The first train will be plying between Sonipat and Jind in Haryana.

Read More at:

<https://www.reuters.com/world/india/india-joins-select-group-nations-operating-hydrogen-powered-trains-2026-07-17/>

New Scheme for Promotion of surface coal/lignite gasification Projects

PIB | 20 July 2026

Government is promoting production of coal to chemical, methanol and synthetic natural gas through coal gasification by providing financial incentives facilitating coal availability, strengthening regulatory support, simplifying approvals and promoting indigenous technology.

Read More at:

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2286591®=48&lang=1>

India's peak power demand rises 12% in April-June period this year: Power Ministry

The Economic Times | 23 July 2026

India's electricity peak demand registered sharp increase of approximately 12 percent during the April-June 2026 period as compared to the corresponding period last year due to El Nino conditions.

Read more at:

<https://energy.economictimes.indiatimes.com/news/power/indias-electricity-demand-surges-12-in-april-june-2026-renewable-energy-hits-new-high/132581889>

India says sustained oil price spike could strain fiscal

deficit, current account balances

Reuters | 29 July 2026

Sustained high crude oil prices could pressure India's fiscal deficit and current account balance again stated a finance ministry report released this month.

The caution comes after the outbreak of conflict in the Middle East drove up oil prices, lifting India's import bill and pressuring inflation and external balances.

Read More at:

<https://www.reuters.com/business/energy/india-says-sustained-oil-price-spike-could-strain-fiscal-deficit-current-account-2026-07-29/>

PNGRB plans to open city gas for external investors

The Economic Times | 30 July 2026

PNGRB plans to open city gas for external investors to enable third party capital investment in city gas distribution areas where infrastructure exclusivity has expired. An integrated digital PNGRB consumer portal is also on agenda to facilitate registration tracking and resolution of consumer grievance.

Read More at:

<https://economictimes.indiatimes.com/industry/energy/oil-gas/pngrb-plans-to-open-city-gas-for-external-investors/articleshow/132721527.cms>

State insurers undercut rivals to win NPCIL nuclear insurance cover

ET Energy | 31 July 2026

Oriental Insurance emerged lowest bidder followed by United India Insurance to insure Tarapur Units 3 and 4.

Read More at:

https://energy.economictimes.indiatimes.com/news/power/state-insurers-secure-npcil-nuclear-insurance-with-unprecedented-discount/132754053?utm_source=top_story&utm_medium=latestNews

Sectoral News

WORLD

ADB Sees Slower Growth for Asia and the Pacific in 2026 Amid Global Energy Crisis

Reuters | 8 July 2026

The Asian Development Bank (ADB) has lowered its growth forecast for developing Asia and the Pacific economies to 4.9% for 2026 compared to 5.5% growth in 2025. This is a reduction of 0.2 percentage points from April projections. Prolonged disruptions to energy markets caused by the Middle East conflict have weighed more heavily on the region's prospects than anticipated, according to ADB's latest economic outlook released.

Read More at:

<https://www.adb.org/news/adb-sees-slower-growth-asia-and-pacific-2026-amid-global-energy-crisis>

New US fusion regulations set to spur deployment

Reuters | 22 July 2026

The Nuclear Regulatory Commission (NRC) in February proposed a new framework to regulate fusion machines under the Byproduct Material Framework, underscoring the lower safety risks of fusion devices.

Read More at:

<https://www.reuters.com/business/energy/new-us-fusion-regulations-set-spur-deployment--reeii-2026-07-22/>

Australia invests \$2.3bn into renewable energy projects

Reuters | 29 July 2026

Australia's Clean Energy Finance Corporation

invested a record \$2.3 billion in renewable energy projects and grid infrastructure during the 2024-25 financial year, marking a 2.5-fold increase from the previous year as the country accelerates its transition from fossil fuels.

Read More at:

<https://www.energyconnects.com/news/renewables/2025/july/australia-invests-23bn-into-renewable-energy-projects/>

China produces less than half of its electricity using coal

World Energy News | 30 July 2026

China, which is the world's biggest coal consumer, produced less than 50% of its electricity in the six-month period ending June

Read More at:

<https://www.worldenergynews.com/news/for-the-first-time-china-produces-less-777094>

Hydropower plants brace for heavy rains in southern Brazil as severe El Niño looms

Reuters | 31 July 2026

Hydropower plants are gearing up for rains to grow heavier in southern Brazil amid what scientists believe will be a severe El Niño in the coming months, with generators reviewing plans to handle large volumes of water that may need to be discharged

Read More at:

<https://www.reuters.com/sustainability/cop/hydropower-plants-brace-heavy-rains-southern-brazil-severe-el-nio-looms-2026-07-31/>

ENERGY DIARY

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Confederation of Indian Industry

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Confederation of Indian Industry

The Mantosh Sondhi Centre
23, Institutional Area, Lodhi Road
New Delhi - 110003
Tel: +91-11-45771000
Email: info@cii.in
Web: www.cii.in