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Policy Advocacy

Strengthening India's Upstream Investment Climate Through a Stable GST Framework

A competitive and predictable tax regime remains a key enabler for attracting long-term investments in India's upstream petroleum sector. The recent increase in the GST rate on petroleum operations from 12% to 18%, following the earlier revision from the concessional 5% rate in 2022, has brought renewed focus on the importance of maintaining a stable fiscal framework for exploration and production activities.

Upstream petroleum projects are characterised by high capital intensity, long gestation periods, and significant geological and commercial risks. Any increase in indirect tax incidence has the potential to raise project capital expenditure, impact investment viability, and influence future exploration decisions.

In this context, there is a strong case for exploring policy measures that can mitigate the impact of the increase in IGST from 12% to 18% while considering the restoration of the concessional GST rate of 5% for petroleum operations. Such measures would enhance fiscal certainty, strengthen investor confidence, improve the competitiveness of domestic exploration and production, and support sustained capital inflows into the sector.

A stable and investment-friendly taxation framework will play a vital role in accelerating domestic hydrocarbon production, reducing import dependence, and advancing India's long-term energy security objectives.

Proposed One-Time Relief Package

In the month of June 2026, CII submitted detailed industry recommendations on the proposed One-Time Relief Package to both the Ministry of Power and the Ministry of New and Renewable Energy (MNRE) concerning approximately 44.8 GW of renewable energy capacity awarded through Letters of Award (LoAs) but awaiting execution of Power Purchase Agreements (PPAs) and Power Sale Agreements (PSAs).

The industry is appreciative of the Government's initiative to address the challenges faced by these stranded projects, the industry recommended certain refinements to strengthen the framework, facilitate timely implementation and provide greater

regulatory and commercial certainty for developers and procurers.

The recommendations broadly covered retention of ISTS waiver benefits in cases of no-fault delays, extension of timelines for PPA/PSA execution, inclusion of Battery Energy Storage Systems (BESS) and hybrid projects within the relief framework, financial neutrality for connectivity migration, detailed implementation guidelines for deemed tariff adoption and RPO/RCO compliance, utilisation of stranded capacity for alternative buyers and C&I consumers, rationalisation of milestone and exit provisions, and clarity on PBG and REIA processes.

It also sought introduction of safeguards to ensure timely PPA/PSA execution in future bidding cycles to prevent recurrence of similar stranded capacity situations.

Seeking Clarification on Explanation to Rule 3(A) Of the Electricity Rules

The Electricity (Amendment) Rules, 2026 introduced an important clarification to Rule 3(a) of the Electricity Rules, 2005 by recognizing that a captive user includes a company along with its holding company, subsidiaries, and fellow subsidiaries, thereby facilitating group captive arrangements and long-term renewable energy investments.

However, the amendment does not expressly cover SEBI-registered business trusts such as REITs and InvITs, creating interpretational uncertainty despite their functionally similar group structures.

To ensure regulatory parity, CII proposed that the Explanation to Rule 3(a) be amended to include business trusts, their underlying SPVs, and group entities under common control within the definition of a single captive user. This clarification would enhance legal certainty, improve the viability and bankability of captive renewable energy projects, promote ease of doing business, and support India's clean energy transition.

Real Estate Investment Trusts (REITs) are companies that own, operate, or finance income-generating real estate. By pooling investor capital, they allow individuals to earn fractional ownership and dividend income from commercial properties like office spaces, malls, and warehouses, without the burden of direct property management.

Infrastructure Investment Trusts (InvITs) are collective investment schemes that pool money from investors to finance operational infrastructure assets like highways, power transmission lines, and telecom infrastructure.

Monthly Activities

India–Kenya Dialogue on Bioenergy Cooperation

The Confederation of Indian Industry (CII) hosted a dialogue with a Kenyan delegation comprising senior officials from the Ministry of Energy and Petroleum, Government of Kenya, industry leaders, development partners including GIZ Kenya, and representatives of key institutions. The dialogue reaffirmed the long-standing relationship between India and Kenya and explored avenues for strengthening cooperation in bioenergy as a pathway for energy security, rural development, and sustainable growth.

Prior to their interaction with CII members, the delegation visited several facilities during its study tour, including Systema Bio manufacturing facilities in Pune, BioFuel Circle's aggregation model, a CBG plant in Karnal, and engagements with GIZ India on policy, bio slurry management, and agriculture linkages. The visit highlighted opportunities in methanization, compression technologies, and decentralized clean cooking solutions.

CII highlighted the evolution of India–Kenya relations from traditional trade to deeper strategic partnerships. Bioenergy was identified as a unique solution at the intersection of economic development, energy access, environment sustainability, waste management, and rural prosperity. Given the strong agricultural base and biomass availability in both countries, participants recognized significant opportunities for collaboration across the bioenergy value chain.

CII presented its Africa engagement strategy, anchored on six strategic pillars comprising capacity building and skill development, trade and investment promotion, project and business exchanges, collaboration with regional and global institutions, expanding physical presence, and knowledge creation and dissemination. The institution's A+++ approach of Affordability, Adaptability, and Access was highlighted as a key enabler for enterprise-led cooperation. The India–Africa Business Conclave, organized in partnership with the Government of India since 2005, was cited as the largest platform for India–Africa economic collaboration.

Participants at the India–Kenya Dialogue on Bioenergy Cooperation

Representatives from Kenya emphasized the historical and enduring ties between the two nations,

including Indian participation in the development of the Kenya–Uganda Railway prior to Kenya's independence in 1963. It was noted that India is among the largest investors in Kenya, with Indian foreign direct investment exceeding USD 2 billion. The Kenyan side highlighted three priorities for future cooperation: learning, technology cooperation, and joint economic development.

The discussions concluded with a shared commitment to deepen India–Kenya cooperation through technology transfer, joint ventures, policy exchange, business linkages, and institutional partnerships. CII invited Kenyan stakeholders to participate in its upcoming bioenergy platforms and reaffirmed its commitment to advancing enterprise-led cooperation for sustainable development, energy security, and climate resilience.

India-Israel Energy Dialogue

The Economic and Trade Mission in New Delhi, in collaboration with the Confederation of Indian Industry, hosted an engaging roundtable discussion with Dr Amit Mor, a leading Israeli energy economist, strategist, and financial analyst, and CEO of Eco Energy Financial & Strategic Consulting Ltd.

The session commenced with opening remarks by Ms. Ofir Amami, Economic Counsellor, Embassy of Israel in India, and was moderated

Discussions with Industry Members at the India–Israel Energy Dialogue held in New Delhi

by Ms Jyoti Mukul, Chief – Energy, Confederation of Indian Industry (CII). Dr. Amit Mor delivered an insightful presentation on energy trends in Israel, the evolving energy landscape, and opportunities for cooperation in the energy sector, followed by an engaging discussion with participants.

Such interactions play an important role in strengthening ties between the Indian and Israeli energy sectors and creating opportunities for greater collaboration between industry, policymakers, innovators and technology providers from both the countries. The roundtable benefited from the active participation of senior industry leaders, including Mr. Subhash Kumar, Former Chairman of Oil and Natural Gas Corporation Limited; Mr. Rajesh K Mediratta, Managing Director & CEO, Indian Gas Exchange; and representatives from Oil and Natural Gas Corporation Limited Green Limited, NTPC Limited, GMR Group, and BHEL.

Interview Series: Expert Speak

Mr Sumant Sinha, Chairman, CII Energy Transition Council, and ReNew Chairman and Managing Director spoke on the importance of energy transition in the context of energy

1. **India is emerging as a leading voice in the global clean energy transition. What unique role do you see India playing in shaping international energy cooperation and ensuring that the transition remains equitable and inclusive?**

A: India's role in the global clean energy transition is uniquely powerful - and uniquely responsible. We are the world's 3rd largest renewable energy nation with over 283 GW of non-fossil capacity, and we achieved our Paris NDC milestone 5 years ahead of schedule. But beyond our own numbers, India's greatest contribution is demonstrating to the Global South that rapid economic growth and energy transition are not in tension- they are mutually reinforcing. With nearly 1.5 billion people and aspirations for a developed economy by 2047,

India's transition model is the one the world is watching. The Government's 500 GW target by 2030, the National Green Hydrogen Mission, and the PM Surya Ghar scheme are proof-of-concept for equitable, inclusive transition at scale.

2. As energy security and climate goals become increasingly intertwined, how can India leverage strategic partnerships with major economies and the Global South to accelerate investments in renewable energy, green hydrogen, and clean technology supply chains?

A: India imports over 85% of its crude oil - an annual bill exceeding $100 billion that is simultaneously a macroeconomic vulnerability and a strategic imperative for transition. Every additional gigawatt of domestic renewable capacity is, in essence, a unit of crude oil that is not imported. Energy security, in fact, has become a stronger driver of clean energy transition in countries, like India, than climate as an issue ever was. India can leverage this in several ways – by strengthening our investment regimes for global capital seeking predictable and attractive returns; through trade deals and structured export promotion activities to diverse markets as a viable alternative supply chain source for clean tech, especially as India is rapidly building manufacturing capabilities across the cleantech supply chain spectrum.

3. Initiatives such as the International Solar Alliance and the Global Biofuels Alliance have positioned India as a convening force in clean energy. What additional collaborative frameworks should India champion to drive the next phase of the energy transition?

A: India's convening power - through the ISA now covering 120+ member countries and the GBA launched at G20 - is a genuine diplomatic asset. The next phase requires India to leverage the BRICS

platform, where is has been a founding member and has influence.

India could aim to build an alternative Clean Energy Finance Architecture, working through the New Development Bank to establish a substantial concessional finance window specifically for developing-nation clean energy, addressing the 2-3x higher cost of capital that emerging markets face relative to advanced economies.

India could also curate with partners a BRICS Critical Minerals Alliance - securing lithium, cobalt, nickel and rare earth supply chains that underpin batteries, EVs and electrolysers, leveraging BRICS's collective resource endowment into a strategic common.

4. Looking ahead to the next decade, what are the most important policy, diplomatic, and industry-led actions that India should take to become a global catalyst for clean energy deployment and climate action?

A: India has an opportunity to achieve its Viksit Bharat by 2047 goal by adopting an economic model of an Electrostate.

On policy, India must deepen the reforms that have already made it the world's fastest-growing major renewable market: accelerating transmission infrastructure as critical economic infrastructure, strengthening DISCOM financial health, and extending the PLI framework across the full solar and battery storage value chain.

India has grown solar manufacturing capacity from 2.3 GW in 2014 to approximately 172 GW today - this is the manufacturing template to replicate in wind, storage, batteries and electrolysers.

Additionally, it must complement with decisive push on firm clean power- especially nuclear power, that the Government of India is already pursuing. India's success will be a template for the rest of the world to follow.

5. If you were advising global leaders today, what one collaborative initiative led by India could have the greatest impact on accelerating the world's energy transition while balancing economic growth and energy access?

A: India has already driven global institutions like the International Solar Alliance. It is now time to strengthen them and aim for concrete outcomes.

Having laid the groundwork over the years in building membership across the globe, a strong Secretariat that can drive initiatives and most critically, credibility and value add, is important.

"India could also curate with partners a BRICS Critical Minerals Alliance - securing lithium, cobalt, nickel and rare earth supply chains that underpin batteries, Electric Vehicles and electrolysers, leveraging BRICS's collective resource endowment into a strategic common"

Ready Reckoner

SATCOM in the Energy Sector

What is SATCOM?

Satellite Communication (SATCOM) is a wireless communication system that uses satellites to transmit voice, data, and video signals over long distances. It provides reliable connectivity where terrestrial communication networks are unavailable or disrupted. SATCOM can ensure uninterrupted communication for grid operations, especially in remote locations and during natural disasters or network outages. It supports real-time monitoring, control, and coordination of critical power infrastructure.

What are the different types of SATCOM systems?

SATCOM systems are typically categorized based on the orbit of satellites. Geostationary Earth Orbit (GEO) satellites provide wide coverage and are commonly used for broadcasting and stable communication services.

Medium Earth Orbit (MEO) satellites strike a balance between coverage and latency. Low Earth Orbit (LEO) satellites offer low-latency, high-speed connectivity that is particularly suited for data-intensive applications such as smart grids, IoT networks, and real-time analytics.

How does SATCOM support the energy sector?

SATCOM enables real-time monitoring and control of critical energy infrastructure such as oil and gas pipelines, offshore platforms, and renewable energy installations. It supports grid management by ensuring seamless data flow between generation points and control centres, especially in geographically dispersed systems. Additionally, SATCOM ensures business continuity during network disruptions and helps facilitate remote operations, predictive maintenance, and IoT-based asset tracking.

How is SATCOM used in electricity transmission and distribution?

Utilities use SATCOM to connect substations, renewable energy installations, remote generating stations, and State Load Dispatch Centres (SLDCs). It enables Supervisory Control and Data Acquisition (SCADA), Wide Area Monitoring Systems (WAMS), and emergency communication.

What are the key benefits of SATCOM for utilities?

SATCOM offers wide geographical coverage, high network availability, resilience against terrestrial network failures, secure communication, and rapid deployment in inaccessible areas.

How does SATCOM enhance grid resilience?

By providing redundant communication links, SATCOM enables utilities to maintain operational continuity during cyberattacks, fibre cuts, extreme weather events, and other emergencies, supporting faster fault detection and service restoration.

Can SATCOM support renewable energy integration?

Yes. SATCOM facilitates communication with geographically dispersed solar, wind, and hydro installations, enabling real-time data transmission and efficient integration into the grid.

What role does SATCOM play in disaster management?

During floods, cyclones, earthquakes, or other disasters that damage terrestrial networks, SATCOM enables utilities to coordinate restoration activities, maintain command-and-control functions, and communicate with field teams.

What are the challenges associated with SATCOM deployment?

Challenges include higher initial costs, signal latency for certain applications, spectrum management, and the need for specialized ground equipment.

How can SATCOM enable digital transformation in energy?

SATCOM is a key enabler of digital transformation by supporting advanced technologies such as IoT, artificial intelligence, and big data analytics. It facilitates smart metering, grid automation, and real-time decision-making by ensuring reliable data transmission even in remote locations. This capability is essential for building intelligent, adaptive, and decarbonized energy systems.

What is the outlook for SATCOM in India's energy and power sector?

SATCOM's outlook in India is strong, driven by LEO satellites and 5G integration, making it more affordable and efficient. With the rise of smart grids, renewables, and AI-enabled systems, it will become a key enabler of secure, resilient, and real-time grid operations, especially in remote and high-risk areas.

Empowering India's Energy Markets: Coal Exchange for Viksit Bharat

The notification of the Coal Exchange Rules, 2026 marks a transformative reform in India's coal sector by enabling the establishment of regulated Coal Exchanges for transparent and competitive trading of coal. Enabled through the Mines and Minerals (Development and Regulation) Amendment Act, 2025, the reform shifts coal marketing from the traditional "one-to-many" allocation model to a market-driven "many-to-many" trading framework. Under the new rules, the Coal Controller Organisation (CCO) will regulate Coal Exchanges,

which will facilitate transparent price discovery and wider market access for coal producers and consumers.

Impact on Power Sector

For the power sector, the reform has the potential to significantly improve fuel procurement efficiency. Thermal power generators, particularly those without long-term coal linkages or those requiring additional coal, can benefit from a transparent marketplace with multiple suppliers, reducing procurement uncertainties and transaction costs.

Improved competition among coal suppliers is also expected to enhance coal availability, strengthen fuel security, and minimize disruptions in power generation.

Impact on Tariffs

The impact on electricity tariffs is likely to be positive over the medium to long term. Transparent and competitive price discovery can help optimize fuel costs, which constitute the largest component of thermal power generation costs. Lower procurement costs, combined with greater operational efficiency, may reduce the fuel cost pass-through in electricity tariffs, especially for competitively bid projects and regulated generating stations. While market-based pricing may introduce short-term price fluctuations, the overall reform is expected to improve market efficiency, encourage investment, and contribute to more cost-reflective and stable power tariffs. The initiative complements the Government's broader objective of enhancing ease of doing business, strengthening energy security and supporting sustainable economic growth under the vision of Viksit Bharat.

Commercial primary energy consumption in India has grown by about 700% in the last four decades, according to the Union ministry of coal. The current per capita commercial primary energy consumption in India is about 350 kgoe/year. Driven by the rising population, expanding economy and a quest for improved quality of life, energy usage in India is expected to rise. "Considering the limited reserve potentiality of petroleum & natural gas, eco-conservation restriction on hydel project and geo-political perception of nuclear power, coal will continue to occupy centre-stage", says the ministry of coal on its website.

Indian coal offers a unique ecofriendly fuel source to domestic energy market for the next century and beyond. Hard coal deposit spread over 27 major coalfields, are mainly confined to eastern and south-central parts of the country. The lignite reserves stand at a level around 36 billion tonnes, of which 90 % occur in Tamil Nadu.

Sectoral News

INDIA

India Revises Windfall Tax on Petroleum Product Exports

The Economic Times | 30 June 2026

India has revised its windfall tax structure on petroleum product exports in response to easing global crude oil prices. Export duties on diesel and aviation turbine fuel (ATF) have been reduced, while the duty on petrol has been increased to ensure adequate domestic fuel availability. The revised rates came into effect from 1 July 2026.

Read More at:

https://economictimes.indiatimes.com/industry/energy/oil-gas/government-revises-windfall-tax-on-fuel-exports-from-june 1/articleshow/131414132.cms?from=mdr

Ministry of Power Releases Draft Electricity Data Sharing Framework

The Times of India | 30 June 2026

The Ministry of Power has released the draft National Electricity Data Sharing Framework to standardise the collection and sharing of electricity sector data through a proposed National Electricity Data Centre and Data Portal. The framework aims to improve data accessibility and transparency while safeguarding consumer privacy and critical infrastructure.

Read More at:

https://timesofindia.indiatimes.com/india/draft-framework-for-power-data-sharing-released/articleshow/132089106.cms

MNRE Launches Green Hydrogen Certification Portal

PIB | 17 June 2026

The Ministry of New and Renewable Energy (MNRE) has launched the Green Hydrogen Certification Portal of India (GHCI) to facilitate transparent certification and regulatory compliance under the Green Hydrogen Certification Scheme. Six states have notified dedicated Green Hydrogen Policies, while seven others have incorporated green hydrogen into their existing policy frameworks.

Read More at:

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2274212&reg=3&lang=1

India Launches World's First Nuclear Process Heat-Based Hydrogen Production Facility

News On AIR | 27 June 2026

The Department of Atomic Energy has inaugurated the world's first hydrogen production facility based on the Copper-Chlorine (Cu-Cl) thermochemical cycle, using nuclear process heat from the Fast Breeder Test Reactor at IGCAR, Kalpakkam. The indigenous technology demonstrates the potential of nuclear energy for large-scale, low-carbon hydrogen production.

Read More at:

https://newsonair.gov.in/india-commissions-worlds-first-nuclear-process-heat-based-hydrogen-production-facility/

India Expands Domestic Coal Use to Reduce Import Dependence

Reuters | 24 June 2026

India is increasing the use of domestically mined coal at power plants originally designed for imported coal, with local coal expected to account for over 50% of fuel consumption at these facilities. The initiative aims to reduce import dependence, lower fuel costs, and strengthen energy security.

Read More at:

https://www.reuters.com/business/energy/india-nears-50-domestic-coal-use-import-based-power-plants-sources-say-2026-06-24/

MNRE Identifies Over 100 Renewable Energy Components for Domestic Manufacturing

The Economic Times | 27 June 2026

The Ministry of New and Renewable Energy (MNRE) has constituted six sector-specific working groups to identify over 100 critical renewable energy components for domestic

manufacturing across the solar, wind and green hydrogen sectors. The initiative aims to reduce import dependence, strengthen supply chains, and enhance India's clean energy manufacturing ecosystem.

Read More at:

https://sustainability.economictimes.indiatimes.com/news/policy-and-regulation/india-sets-sights-on-domestic-solar-and-hydrogen-components-to-reduce-import-risks/132023781

Coal India to invest $201 million in research and development by fiscal 2030

Reuters | 30 June 2026

Coal India announced plans to invest ₹19 billion (about $201 million) in research and development by FY2030 to improve mining efficiency, safety, automation, and sustainability. The investment is aimed at modernizing coal production while supporting India's growing energy demand and long-term energy security.

Read More at:

https://www.reuters.com/world/india/coal-india-invest-201-million-research-development-by-fiscal-2030-2026-06-30/

India, Japan to sign LNG supply pact at Modi -Takaichi summit

The Economic Times | 30 June 2026

India and Japan are set to sign a strategic liquefied natural gas (LNG) supply agreement to improve energy security amid ongoing global supply disruptions. The partnership is expected to include cooperation on LNG stockpiling and supply-chain resilience, strengthening bilateral energy collaboration.

Read More at:

https://economictimes.indiatimes.com/industry/energy/oil-gas/iran-exploring-oil-sales-to-japan-buyers-seek-longer-sanctions-waiver-sources-say/articleshow/132205900.cms?from=mdr

Sectoral News

WORLD

European Hydrogen Bank Awards Funding to Four Additional Green Hydrogen Projects

Hydrogen Insight | 22 June 2026

The European Commission has selected four additional green hydrogen projects under the European Hydrogen Bank's third auction to prepare grant agreements. The projects will receive nearly €148 million in funding over 10 years to support renewable hydrogen production.

Read More at:
https://www.hydrogeninsight.com/policy/exclusive-european-hydrogen-bank-awards-funding-to-four-more-green-hydrogen-projects/2-1-2006867

Japan Launches Voluntary Hydrogen Procurement Initiative

Hydrogen Insight | 5 June 2026

The Japan Hydrogen Association (JH2A) has launched a voluntary initiative encouraging members to source at least 1% of their procurement from hydrogen-based products and solutions. More than 60 companies and organisations have joined the initiative to accelerate hydrogen market development.

Read More at:
https://www.hydrogeninsight.com/industrial/japanese-industry-and-transport-giants-sign-hydrogen-procurement-pledge/2-1-2000130

China Targets 50% Non-Fossil Electricity Generation by 2030

Reuters | 25 June 2026

China has unveiled a new energy roadmap targeting 50% of electricity generation from non-fossil sources by 2030, including 30% from wind and solar, alongside plans to deploy 300 GW of energy storage and produce 2 million tonnes of renewable hydrogen annually. The roadmap reinforces China's long-term clean energy and decarbonisation strategy.

Read More at:
https://www.reuters.com/business/energy/china-targeting-half-power-non-fossil-sources-by-2030-2026-06-25/

Europe's heatwave curbs French nuclear plants

Reuters | 24 June 2026

A severe heatwave across Western Europe forced France to reduce electricity production from several nuclear reactors as high river temperatures limited the availability of cooling water. The disruption affected France's nuclear generation capacity and reduced electricity exports, highlighting how climate-related events are increasingly impacting power systems and energy security.

Read More at:
https://www.reuters.com/business/energy/europes-heatwave-curbs-french-nuclear-plants-2026-06-24/

US power companies scramble to secure equipment as surging data center demand strains supplies

Reuters | 9 July 2026

Rising AI demand is accelerating advance transformer orders in US.

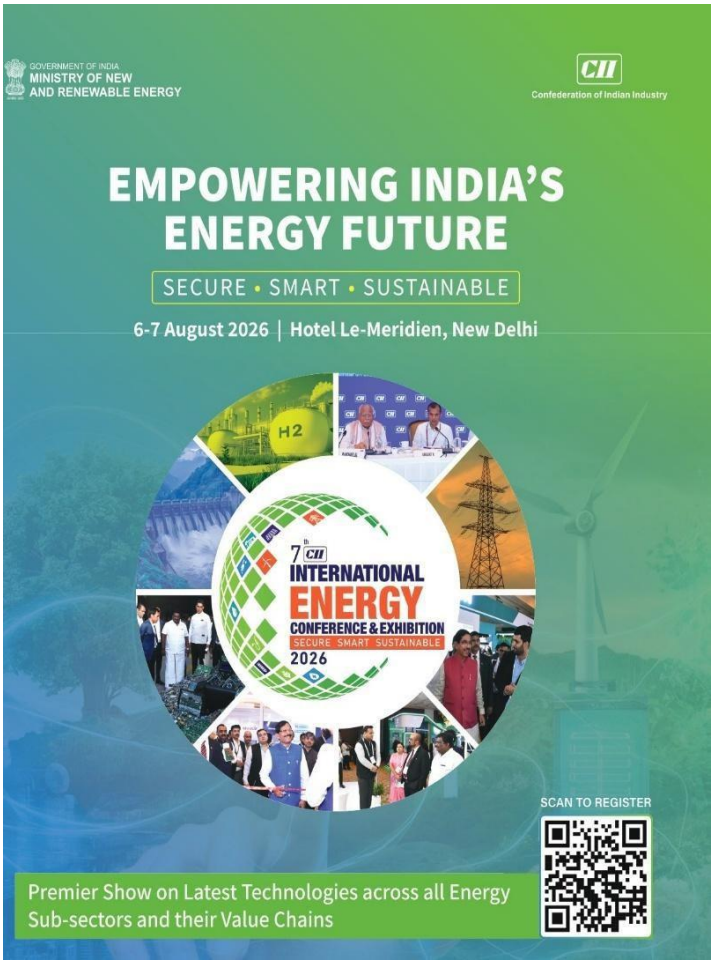
Read More at:
https://www.reuters.com/business/energy/us-power-companies-scramble-secure-equipment-surging-data-center-demand-strains-2026-07-09/

REPORT WATCH

IEA Global Hydrogen Review 2026

The Review assesses global hydrogen production, demand, policies, investment, infrastructure, trade and innovation, while evaluating progress toward low-emissions hydrogen deployment and identifying challenges to scaling the hydrogen economy by 2030.

ENERGY DIARY
June 2026



DIARY

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