

# Energy and CGD Trends

Summary Trends

September 2025



## Global oil & gas field decline poses supply risks

With global oil and gas reserves depleting at a faster pace, the IEA warns of rising risks for energy-import-dependent India. The agency stresses the importance of timely investments, diversification, and a transition to cleaner fuels.

## US links Russia-China sanctions to NATO oil ban, spares India amid signs of separate US-India deal.

The sanctions will follow only if NATO nations cease importing Russian oil and suggests imposing 50–100% tariffs on China until the Russia-Ukraine conflict concludes. Also, Indicated a shift from earlier pressure on India, hinting at ongoing US-India discussions.

## New exploration and emerging strategic petroleum reserve player in Indian market

Oil India to begin exploration in the Kerala-Konkan basin, acquire seismic data over 40,000 sq km in Mahanadi & KG basins, and drill 80+ new wells across key regions in FY26. Targets 4 MMT oil and 5 BCM gas output in FY26.

Megha Engineering has secured a Rs 5,700 crore contract to build and manage India's first private strategic petroleum reserve in Padur, Karnataka. This 2.5 MMT facility will significantly boost India's energy security, supplementing the existing reserve

## GST Rate Changes on Oil & Gas (E&P)

Increased revised rates from 12% to 18% on petroleum operations(Mining, Drilling), Offshore works contracts leads to higher project and production costs. Government is working on scheme to compensate upstream entities for the higher input costs.

## Strengthening midstream operation with LNG Integration

GAIL to pump LNG from Adani's Dhamra terminal (Odisha) into its Mumbai–Nagpur–Jharsuguda pipeline, enabling two-way flow from both east and west coasts.

## Potential of Coal Bed Methane

India's coal bed methane (CBM) resources stand at 2,600 bcm, with 15 active blocks and the Special CBM 2025 set to unlock an additional 34 bcm across West Bengal and Gujarat. Government reforms, including the 2024 Oilfield Amendment Bill, and Rs 75 billion investment in data-driven exploration are boosting CBM and unconventional hydrocarbon development.

## Gas Infrastructure Development

The PNGRB issued public comments on proposed ~450 km pipeline from Ennore LNG Terminal (Tamil Nadu) to Kondapalli (Andhra Pradesh) aiming a minimum capacity of 5 MMSCMD. Stakeholders are invited to provide feedback on the route, length, and capacity by October 18, 2025, as part of the public consultation process.

## Import Dependency on Gas Consumption

India's natural gas consumption in August 2025 recorded a year-on-year decline of 3%, with the country continuing to rely heavily on imports for its gas requirements.

## Policy Push & Regulation

PNGRB issued public notice to seeks stakeholder feedback on LPG interoperability to Ensure Timely Refills. With over 32 crore LPG connections in India, persistent delays in refills affect millions of consumers. The regulator invites suggestions to enable seamless access through flexible delivery and coordination among distributors.

## Sustainability through partnership

GAIL will deliver 31,000 SCMD of natural gas from September, increasing to 43,000 SCMD after March 2026, via a dedicated 23-km pipeline. The supply supports Tata Steel's carbon reduction goals and marks GAIL's largest industrial customer addition in the East Singhbhum City Gas Distribution area, with plans to connect more industrial units in the region.

# Green Hydrogen & Clean Nuclear Trends

## Reduced Projection for 2030 Green Hydrogen Production

The International Energy Agency (IEA) has revised its 2030 green hydrogen production forecast downward by 25%, now projecting 37 million tonnes instead of the previously expected 49 million tonnes. This adjustment is attributed to economic and regulatory hurdles impacting project timelines and investments

## Strategic Initiatives & Project Development

India has commissioned its first ‘Make in India’ 1MW green hydrogen plant at Deendayal Port, Kandla, entirely developed by Indian engineers using domestically manufactured electrolyzers—marking a key milestone in the country’s clean energy journey. The government targets capturing around 10% of the global green hydrogen demand by 2030, projected to exceed 100 million tonnes, under the National Green Hydrogen Mission, with 19 companies already allocated a combined production capacity of 862,000 tonnes per year.

## New chapter to Clean Nuclear Development

Prime Minister to Lay Foundation for Mahi-Banswara Nuclear Power Project, Marking NTPC’s Entry into Atomic Energy. The MBRAPP (Mahi-Banswara nuclear power project) in Rajasthan will feature four 700 MWe indigenously developed PHWRs (Pressurised Heavy Water Reactors), developed by Ashvini—a joint venture of NTPC and NPCIL. This project is part of India’s fleet-mode plan to expand nuclear capacity to 100 GW by 2047, with NPCIL’s total generation expected to reach 22,480 MWe by 2031-32.

The project will mark the National Thermal Power Corporation’s (NTPC) entry into India’s atomic energy sector.

## Government is booting Renewable energy sector

Decreased GST rate from 12% 5% on renewable energy devices and parts (including solar, wind, biogas, waste-to-energy) & Fuel cell / hydrogen vehicles. It leads to lower project and manufacturing costs with reduced capex, boosting domestic production and accelerating clean energy adoption

## Solar Capacity expansion & New projects

Andhra Pradesh Solar Capacity Hits 5 GW with rooftop initiatives underway in schools, hostels, and public building, tenders ongoing for 3,550 kW rooftop systems under PM SHRI scheme; free rooftop solar being provided to eligible SC/ST consumers. State targets to expand solar capacity to 78.5 GW under Clean Energy Policy.

NTPC Floats EPC Tender for 2 MW Solar Project in Jharkhand, bids invited by October 08, 2025.

State-owned NRL has awarded Solarium Green Energy Ltd. an EPC contract for grid-connected rooftop solar PV projects across multiple locations, ranging from 51 kW to 20 MW, supporting the refinery's renewable energy and sustainability goals.

## MNRE Extends timeline for Solar Park Scheme

Extension aims to complete ongoing solar parks and clear committed liabilities, while fresh sanctions allowed only until March 31, 2026. Target expanded from 20,000 MW to 40,000 MW; CFA up to ₹20 lakh per MW or 30% of project cost is linked to milestone-based execution.



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# Thank You!