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ENERGY, INFRASTRUCTURE & TELECOM - REGULATORY UPDATE

September 2026

We are pleased to introduce the ***Energy, Infrastructure & Telecom – Regulatory Update***, an initiative dedicated to tracking and analyzing key legal and regulatory developments across core sectors, including energy, infrastructure, telecom, mining, and sustainability.

1. Renewable Energy, Carbon Credits and Sustainability and ESG

(a) Call for Proposals — Concentrating Solar Thermal (CST) Technology for Indian Industry

On September 8, 2026, the Ministry of New and Renewable Energy ("**MNRE**") issued a call for proposals under the Renewable Energy Research and Technology Development ("**RE- RTD**") programme, inviting applications to accelerate the adoption of concentrating solar thermal ("**CST**") technologies for industrial heating applications. The initiative is aimed at reducing fossil-fuel consumption in process heat-intensive industries and developing commercially viable green-heat solutions at scale. MNRE will provide partial capital expenditure support of up to 50% of the project cost, subject to a ceiling of INR 20 million per project. The call specifically targets pilot demonstration projects that integrate solar thermal systems with thermal energy storage and hybrid arrangements to deliver reliable, continuous process heat for industrial use, addressing the intermittency limitation that has historically hindered the deployment of solar thermal in the manufacturing sector. This initiative forms part of the broader RE-RTD programme, for which MNRE received administrative approval for continuation during the 16th Finance Cycle period from FY 2026–27 to FY 2030–31.

(b) Draft Central Electricity Authority (Technical Standards for Construction of Electric Plants and Electric Lines) Second Amendment, Regulations, 2026

On September 3, 2026, the Central Electricity Authority (CEA) notified the draft making it mandatory for ground-mounted solar and onshore wind projects to include co-located energy storage systems. This proposal reflects India's growing recognition that grid integration challenge particularly the variability of renewable energy generation which must be addressed at the project level, rather than relying solely on grid-level balancing mechanisms. Co-location of storage with generation assets would enable firming of renewable power output, reduce grid curtailment, and help meet the demands of discoms for dispatchable and schedulable RE power. If formally notified, this requirement would materially affect project costs, bidding structures, and design specifications for all new utility-scale solar and wind projects. It would also accelerate demand for battery energy storage systems, a sector that the government has been actively promoting.

(c) Draft Second Amendment to MPERC (Recovery of Expenses and Other Charges for Providing Electric Line or Plant Used for the Purpose of Giving Supply) Regulations, 2022

On September 9, 2026, Madhya Pradesh Electricity Regulatory Commission ("**MPERC**"), proposed the Second Amendment to the Madhya Pradesh Electricity Regulatory Commission (Recovery of Expenses and Other Charges for Providing Electric Line or Plant Used for the Purpose of Giving Supply) Regulations, 2022. One of the key proposed amendments relates to Supply Affording Charges. While the charge of Rs.1,260 per kVA or part thereof of Contract Demand would continue to be payable by consumers, in the case of consumers availing supply at 33 kV and above, Rs.1,100 per kVA or part thereof is proposed to be remitted directly to the Transmission Licensee. This amount is intended to partly finance the Transmission Licensee's expenditure towards system infrastructure development at EHT substations.

The draft amendment also proposes revised supervision charges for shifting of electric lines, poles and substations in connection with Bharatmala projects and other infrastructure projects of national importance or wider public interest. For Bharatmala Projects, supervision charges are proposed at 2.5% where the work is executed by the developer and nil where executed by the owner. For other infrastructure projects of national importance or wider public interest, the proposed supervision charges are 2.5% for developer-executed works and 15% for owner- executed works

2. Oil and Gas

(a) Draft Petroleum (Amendment) Rules, 2026

Ministry of Petroleum and Natural Gas issued the Draft Petroleum (Amendment) Rules, 2026, on September 3, 2026, for proposing amendments to the Petroleum Rules, 2002, particularly concerning the import and transportation of petroleum in ISO tank containers. The draft introduces a permission framework administered through Petroleum and Explosives Safety Organization, including online applications, specified safety and technical documentation, a proposed three-year validity for permissions, and deemed approval within seven working days for complete applications.

(b) Petroleum and Natural Gas Regulatory Board ("PNGRB") invites Comments on the PNGRB (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) First Amendment Regulations, 2026

PNGRB vide Public Notice No. PNGRB/Tech/10-Cap/NGPL&PPPL/(2)/2022(E-3745), dated September 7, 2026, has invited views and comments from stakeholders and the general public on the draft PNGRB (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) First Amendment Regulations, 2026. The principal regulations, notified in 2010 and subsequently amended in 2015 and 2022, prescribe the framework for determining the capacity of petroleum, petroleum products and natural gas pipelines. The proposed amendment primarily seeks to revise the constitution of the "capacity assessment group" responsible for assessing pipeline capacity, by permitting assessment by PNGRB-nominated officials, a Board-approved group comprising PNGRB officials and representatives of another entity/transporter, or a Board- approved agency/third party. Comments may be submitted by email or post to the Secretary, PNGRB within 21 days from the date of issuance of the Public Notice, i.e., by September 28, 2026.

3. Transport and Logistics

(a) Notification of the Merchant Shipping (Carriage of Cargoes and Oil Fuels) Rules, 2026

The Ministry of Ports, Shipping and Waterways, on September 2, 2026, notified the Merchant Shipping (Carriage of Cargoes and Oil Fuels) Rules, 2026 under the Merchant Shipping Act, 2025. The rules have been issued to operationalise the Merchant Shipping Act, 2025, which came into force with effect from March 15, 2026, and has repealed the Merchant Shipping Act, 1958. They follow closely on the Merchant Shipping (Registration of Vessels) Rules, 2026 notified on August 21, 2026, the Merchant Shipping (Port State Control and Flag State Implementation) Rules, 2026 notified on August 13, 2026, and the Merchant Shipping (Ballast Water and Sediments Control and Management) Rules, 2026 and Merchant Shipping (Safety of Navigation) Rules, 2026 both notified on August 5, 2026.

Cargo carriage and oil fuel rules are of direct contractual relevance to charterparties, bills of lading and bunker supply arrangements, because the statutory standards they prescribe operate as the compliance baseline against which seaworthiness, cargo worthiness and fuel quality warranties are measured, and against which liability is apportioned in cargo claims. Owners, charterers, terminal operators and bunker suppliers trading to Indian ports should map their existing documentary suite against the notified rules, since contractual references to the repealed Merchant Shipping Act, 1958 and to rules made thereunder which will require updating even though Section 324(2) of the Merchant Shipping Act, 2025 preserves instruments made under the repealed enactment until revoked.

(b) Interim procedure for reimbursement of GST on royalty pending Supreme Court adjudication

NHAI has issued Policy Circular No. 2.5.18/2026 dated September 5, 2026, prescribing an interim procedure for processing reimbursement/release of GST on royalty pending adjudication of the issue relating to applicability of GST on royalty by the Hon'ble Supreme Court of India. The circular traces the position from policy circular No. 2.5.11/2019 dated May 17, 2019, which prescribed the procedure for reimbursement or recovery of increase or decrease in royalty under the change in law provisions of EPC and DBFOT contracts, and from policy circular No. 2.5.17/2025 dated March 13, 2025, issued after the judgment of the Supreme Court of India in the case of *Mineral Area Development Authority v. Steel Authority of India*[1] wherein it was held that royalty is not a tax but a contractual consideration, which clarified continuation of the existing policy framework. It records that the applicability of GST or service tax on royalty paid for a mining lease remains sub-judice in the case of *Udaipur Chambers of Commerce and Industry and Others v. Union of India*[2], and that by interim order dated January 11, 2018, the Supreme Court of India directed that until further orders payment of service tax on royalty for grant of a mining lease will remain stayed. The interim mechanism operates in two limbs: (a) where GST-TDS has already been deducted by NHAI as on the date of the circular while releasing payment against royalty claims and the corresponding GST liability has crystallised, the corresponding GST amount may be released to the concessionaire or contractor subject to verification of actual payment of royalty through valid challans or permits, verification of payment or settlement of GST with supporting documentary evidence, and submission of an unconditional indemnity bond in favour of NHAI in the format annexed; (b) in all other cases, where GST-TDS has not been deducted and no corresponding GST liability has crystallised, the claim is to remain pending until final adjudication. The circular clarifies for the avoidance of doubt that GST-TDS on royalty shall not be deducted by Regional Offices, Project Implementation Units or field units until final adjudication.

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[1] (2024) 10 SCC 1.

[2] SLP (Civil) 37326 of 2017, now registered as Civil Appeal No. 10560 of 2025.

(c) Standard Operating Procedure for examination and approval of General Arrangement Drawings for railway structures crossing National Highways:

NHAI has issued policy circular No. 7.3.6/2026 dated September 7, 2026, on the ‘Standard Operating Procedure for Examination and Approval of General Arrangement Drawings for Railway Structures crossing National Highways under the jurisdiction of NHAI’. The circular institutionalises the process by which NHAI examines and approves the general arrangement drawings submitted where a railway structure crosses a national highway within its jurisdiction, an interface that has historically been a significant source of schedule slippage on both highway and railway works because approval sits with one authority while construction risk sits with another.

4. Telecommunications, Data Centre and GCC

(a) The Standards of Quality of Service (Duration of Advertisements in Television Channels) (Repealing) Regulations, 2026

On September 10, 2026, the Telecom Regulatory Authority of India (TRAI) issued the Standards of Quality of Service (Duration of Advertisements in Television Channels) (Repealing) Regulations, 2026, formally repealing the 2012 regulations that had capped television advertisements at 12 minutes per clock hour. The repeal follows a notification dated August 21, 2026, by the Ministry of Information and Broadcasting (MIB), which omitted sub- rule (11) of Rule 7 of the Cable Television Networks Rules, 1994, the provision that had imposed the 12-minute advertising-duration cap. The government cited significant changes in the television broadcasting sector (growth from 62 TV channels in 2006 to over 900 now), increased competition and consumer choice, and the objective of facilitating ease of doing business in the sector.

(b) MOEFCC Clarification on AI Data Centres

The Ministry of Environment, Forest and Climate Change clarified in a response to a parliamentary question in August 2026 that AI/data centres do not automatically require Environmental Clearance merely because they are data centres. However, AI Data Centres proposed as part of a “Building and Construction Project” under Item 8(a), i.e. built up area exceeding 20,000 sq. m or a “Township and Area Development Project” i.e. covering an area ≥ 50 ha and /or built up area ≥ 1,50,000 sq. m under Item 8(b) of the schedule to the EIA Notification, 2006 require prior EC. The EC for such a building project is granted by the State Environment Impact Assessment Authority (SEIAA) at the State/UT level.