



India 2026 Article 6 Strategy: Carbon Credits, MRV and Industrial Decarbonisation

By Sudarshan Karweer · 05 September 2026 · growthifye.com

A practical 2026 guide to Article 6, MRV, CCTS alignment and carbon-credit strategy for Indian industry, exporters and project developers.

India's carbon strategy in 2026 is no longer only about compliance, disclosure or renewable procurement. It is increasingly about whether an industrial company, project developer or lender can turn verified emissions reductions into a bankable asset without undermining its own net-zero claims, export competitiveness or future compliance position. That is where Article 6 enters the conversation.

For Indian corporates, Article 6 is often discussed in abstract terms: international transfers, bilateral deals, corresponding adjustments and carbon-credit exports. In practice, the opportunity is much more specific. A steel re-rolling mill considering waste heat recovery, a chemical plant evaluating fuel switch, a wastewater operator capturing methane, or a developer structuring a distributed clean-energy portfolio all need to answer the same set of commercial questions. Which reductions should be retained for internal targets? Which can be monetised? What MRV standard will buyers accept? How do these projects interact with India's Carbon Credit Trading Scheme (CCTS)? And what price level makes the transaction worth the effort?

This article offers a practical 2026 view of Article 6 for India's C&I consumers, renewable developers, lenders, utilities and policymakers.

Why Article 6 matters to India in 2026

Article 6 under the Paris Agreement enables international cooperation on emissions reduction through market and non-market approaches. The most commercially relevant element for many project sponsors is Article 6.2, under which emission reductions can be transferred between countries as internationally transferred mitigation outcomes, subject to robust accounting and bilateral arrangements.

For India, this matters for four reasons.

- First, high-quality decarbonisation projects need more revenue stacks. Many industrial abatement measures still face payback hurdles if assessed only on energy savings.
- Second, export-facing sectors are under pressure from product-level carbon scrutiny, especially in steel, aluminium, cement, chemicals and downstream manufacturing.
- Third, the domestic CCTS architecture is evolving, which means corporates must think carefully about double counting, future compliance use and asset ownership.
- Fourth, global buyers are increasingly selective. They do not want generic carbon credits; they want measurable, additional, legally transferable reductions backed by credible MRV.

In 2026, Article 6 should not be seen as a substitute for decarbonisation. It is a monetisation and finance-enablement tool for projects that already make strategic sense within a broader decarbonisation plan.

Which Indian sectors and projects are most relevant

The strongest Article 6 candidates in India are not necessarily the most visible ones. They are the projects where emissions reductions are clear, baselines are defensible, data systems are reliable, and policy overlap can be managed.



The most relevant categories include:

- Industrial energy efficiency with measurable fuel or power savings
- Electrification of thermal or mechanical loads where grid and renewable sourcing can be demonstrated
- Methane abatement in wastewater, landfill-adjacent systems, agro-processing and oil and gas value chains
- Fuel switch from coal or furnace oil to lower-carbon alternatives where additionality remains credible
- Renewable thermal integration and process heat decarbonisation
- Green hydrogen pilots for hard-to-abate process applications, though cost remains high
- Waste heat recovery linked to defined process baselines
- Municipal and industrial circularity projects with quantifiable avoided emissions

Not every renewable-energy project is automatically a strong Article 6 candidate. In several market segments, plain-vanilla solar and wind assets may struggle on additionality if tariffs are already market-competitive without carbon revenues. In 2026, utility-scale solar in India can still clear in roughly INR 2.4-3.2/kWh in many contexts, while C&I open-access delivered tariffs often land around INR 4.0-6.5/kWh depending on state charges, banking terms, scheduling risk and contract structure. If a project is fully bankable on those economics alone, carbon-credit issuance may not pass buyer scrutiny unless the methodology clearly establishes incremental abatement beyond business-as-usual.

By contrast, industrial decarbonisation measures with capex-heavy retrofits and complex operational integration often have a stronger claim. Examples include electric boilers replacing fossil thermal systems where delivered power economics are still tight, biomass or biogas substitution with feedstock-security risks, advanced process controls that permanently lower specific energy consumption, and methane capture projects where baseline emissions would otherwise continue.

The core commercial questions: additionality, ownership and pricing

Before spending time on registration pathways, project sponsors need to settle three issues.

The first is additionality. Buyers under Article 6-linked structures will ask whether the project needs carbon revenue to proceed, or whether it was already mandatory, economically compelling or otherwise common practice. If your project already meets internal hurdle rates with no carbon upside, additionality may be weak. This does not mean monetisation is impossible, but documentation standards become much stricter.

The second is environmental-attribute ownership. In India, many projects involve shared value chains: host plant, EPC contractor, O&M partner, captive SPV, open-access generator, utility interface, lender security package and sometimes an offtaker claiming avoided emissions. Unless contracts clearly define who owns carbon attributes, who is authorised to issue or transfer them, and who bears reversal or invalidation risk, monetisation can stall late in diligence.

The third is price realism. Carbon-credit pricing in 2026 remains highly segmented by standard, methodology, buyer geography, co-benefits and authorization status. A generic voluntary credit benchmark is not enough for project finance. Developers should model at least three scenarios:

- Conservative case with low authorization premium and higher transaction costs
- Base case with moderate premium for robust MRV and credible co-benefits
- Upside case only if a bilateral channel, premium buyer or compliance-linked demand is visible



Transaction costs are often underestimated. Baseline development, methodology selection, legal drafting, validation, monitoring systems, verification cycles, registry fees and country-authorization processes can materially reduce net realization per tonne. Small projects with fragmented data may find that aggregation is necessary to reach economic scale.

MRV is where most Article 6 strategies succeed or fail

In board discussions, Article 6 is often framed as a market question. On the ground, it is first an MRV question.

If an industrial facility cannot establish a robust baseline, meter abatement accurately, reconcile production variability and maintain audit trails, there is no credible carbon asset. This is especially true in sectors where emissions intensity moves with product mix, maintenance cycles, throughput and utility quality.

A 2026-ready MRV system for Article 6-oriented projects should include:

- Asset-level metering for fuel, power, steam, thermal output and key process variables
- Calibrated instruments with documented QA/QC protocols
- Clearly defined baseline period and baseline-adjustment logic
- Production normalization for variable-output facilities
- Evidence chain for grid-emission factors, fuel properties and process assumptions
- Data segregation where one asset serves both compliance and voluntary or transfer markets
- Contractual governance on data access, verifier access and retention periods

For many Indian corporates, the practical starting point is not carbon-credit registration. It is improving plant-level data architecture. That is why [Carbon accounting & disclosure](/coreservices/netzerodecarbonisation/carbonaccountinganddisclosure) and [Carbon markets & MRV](/coreservices/netzerodecarbonisation/carbonmarketsandmrv) should sit close together rather than in separate workstreams. If enterprise emissions reporting says one thing, BRSR Core documentation says another, and project-level MRV uses a third data logic, buyers and verifiers will flag inconsistency immediately.

MRV also affects financing. Lenders increasingly want confidence that any projected carbon revenue is not speculative. They may discount carbon income heavily unless monitoring systems, issuance pathways and legal rights are already de-risked. In project-finance terms, uncontracted carbon upside should usually be treated as upside, not base-case debt service support, unless there is exceptional visibility.

How Article 6 should be aligned with India's CCTS and corporate net-zero claims

One of the biggest strategic errors is treating Article 6 as isolated from domestic compliance and corporate decarbonisation.

India's CCTS evolution means industrial companies must preserve optionality. If a reduction generated today may later become relevant for domestic compliance, or if the same reduction is reflected in a company's own net-zero progress claims, then transfer decisions need governance at board or sustainability-committee level.

Key alignment questions include:

- Is the project in a sector likely to face domestic carbon constraints over time?



- Will exported mitigation outcomes require corresponding adjustments that affect how the host company can claim them?
- Is the reduction already counted toward internal SBTi-aligned targets or customer-facing product claims?
- Does the company want cash today, or retained abatement value for future compliance and competitive positioning?

This matters because a tonne reduced inside the fence can carry multiple strategic values:

- Lower operating cost
- Lower product carbon intensity
- Better BRSR Core and customer disclosure performance
- Reduced future CCTS exposure
- Potential export-market advantage
- Possible carbon-credit monetisation

These values are not always fully stackable. Management teams need a hierarchy for allocation.

A sensible 2026 approach is to segment the portfolio. Some projects should be “retain only” because they are critical for internal targets, product-carbon advantage or future compliance resilience. Some may be “monetise selectively” if they produce surplus reductions beyond internal needs. Others can be developed explicitly as transferable mitigation outcomes if they are structurally additional and ring-fenced from internal claims.

This is where [Net-zero roadmaps & MACC](/coreservices/netzerodecarbonisation/netzeroroadmapsandmacc) becomes commercially useful. A marginal abatement cost curve should not only rank projects by cost per tonne; it should also classify each tonne by strategic use case, MRV complexity, monetisation feasibility and policy interaction.

A practical screening framework for Indian project developers and industrials

For companies assessing Article 6 opportunities in 2026, the fastest way to avoid wasted effort is a disciplined screening framework.

Start with seven filters.

- Abatement integrity: Is the reduction direct, measurable and durable?
- Additionality: Would the project proceed without carbon revenue?
- Data readiness: Can the baseline and monitoring plan survive third-party scrutiny?
- Ownership clarity: Are carbon rights contractually unambiguous?
- Policy overlap: Could CCTS, subsidies, mandates or internal claims create conflicts?
- Buyer fit: Is there a likely demand pool for this project type and geography?
- Scale: Is the expected annual volume large enough after transaction costs?

Then move to economics. For industrial energy projects, evaluate carbon monetisation alongside energy and operational impacts, not separately. A fuel-switch project that saves INR 1.5-2.5 crore per year in fuel costs but requires INR 12-15 crore capex may already be investable with a 5-7 year payback; carbon revenue may compress payback by 6-18 months, which can still be decisive for management approval. Conversely, a project with weak operating economics and uncertain credit issuance should not be rescued on optimistic



carbon-price assumptions.

For renewable-linked decarbonisation, be especially careful on claims architecture. If a corporate is already counting open-access renewable procurement toward Scope 2 reduction, trying to separately monetise the same environmental benefit as an external carbon asset can create claim conflicts unless boundaries are clearly defined.

What policymakers, utilities and lenders should focus on next

For Article 6 to become meaningful in India beyond a small number of pilot transactions, ecosystem institutions need to reduce friction.

Policymakers should prioritize:

- Clear authorization processes and transparent approval timelines
- Consistent guidance on corresponding adjustments and claim boundaries
- Harmonization between domestic CCTS evolution and international transfer frameworks
- Standardized MRV templates for high-potential project classes
- Data-governance protocols that protect confidentiality while enabling verification

Utilities and state agencies can support progress by improving data access, especially for grid emissions factors, consumption histories and renewable-settlement records. Poor utility data quality often slows verification even when the underlying project is sound.

Lenders should develop differentiated underwriting approaches. A methane abatement project with strong methodology fit and robust monitoring deserves a different treatment from a generic carbon-revenue line item embedded in an otherwise weak decarbonisation proposal. The financing market will mature faster if carbon revenues are assessed with the same discipline as merchant power exposure or by-product sales.

For corporates, the immediate lesson is straightforward: do not wait for perfect policy clarity before building project pipelines and MRV systems. Companies that prepare early will have better optionality when bilateral channels, domestic trading rules and buyer preferences become clearer.

India's Article 6 opportunity in 2026 is real, but it is not a shortcut. The winners will be organisations that treat carbon assets as an extension of engineering, metering, contracting and policy strategy—not as a standalone sustainability narrative. For industrials, exporters, developers and lenders, the right sequence is clear: identify high-integrity abatement, establish rigorous MRV, clarify ownership, align with CCTS and net-zero claims, and only then take credits to market.

If your organisation is evaluating transferable carbon opportunities, plant-level MRV upgrades or a portfolio-wide carbon monetisation strategy, contact Growthifye's advisory desk for a practical assessment of project eligibility, revenue potential and implementation risk.

Explore Growthifye's related capabilities

This analysis connects directly to our advisory practice: [\[Carbon accounting & disclosure\]\(/coreservices/netzerodecarbonisation/carbonaccountinganddisclosure\)](#) · [\[Net-zero roadmaps & MACC\]\(/coreservices/netzerodecarbonisation/netzeroroadmapsandmacc\)](#) · [\[RE-led decarbonisation\]\(/coreservices/netzerodecarbonisation/releddecarbonisation\)](#) · [\[Industrial efficiency & electrification\]\(/coreservices/netzerodecarbonisation/industrialefficiencyandelectrification\)](#).

**ABOUT THE AUTHOR****Sudarshan Karweer — Chief Executive Officer, Growthifye**

Over 23 years in management consulting — concept to scale — building and scaling new-age digital and energy businesses. An EY alumnus, Sudarshan leads Growthifye's renewable energy & storage advisory, EPC, transmission engineering and green-financing practices for developers, utilities and C&I consumers across India.

Contact: info@growthifye.com · +91 84510 99371 · growthifye.com

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