

GOVERNMENT OF INDIA  
MINISTRY OF POWER  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO.2399**  
ANSWERED ON 21.03.2023

**INCENTIVES FOR PUMPED STORAGE HYDROPOWER PROJECTS**

**2399 # SHRI BRIJLAL:**

Will the Minister of **POWER**  
be pleased to state:

- (a) whether Government proposes to provide incentives like tax exemption, hassle-free environmental clearance and land allotment at concessional rates to promote pumped storage hydropower projects in the country;
- (b) if so, the details thereof, and the steps taken, in this regard; and
- (c) whether Government has framed any draft guidelines regarding pumped storage projects (PSPs) and if so, the details thereof?

**A N S W E R**

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

**(a) to (c) :** The Government has proposed draft guidelines to promote the development of Pumped Storage Projects (PSP) in the country. The draft guidelines are presently at consultation stage with the stakeholders.

The draft guidelines envisage the promotion of PSPs in the country with the proactive support of State Governments. Some of the features therein include formulating a transparent criteria for awarding project sites, no upfront premium for project allotment, market reforms for monetization of ancillary services provided by PSPs, reimbursement of SGST by the States to make PSPs viable, provision of Government land to the developers on annual lease rent basis, exemption of PSPs from free power obligation, rationalization of Environmental Clearances for off-river PSP sites and utilization of exhausted mines for development of PSPs.

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