

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.2554
ANSWERED ON 11.08.2025

IMPACT OF NEP ON JOB CREATION AND INVESTMENT IN POWER SECTOR

2554 SHRI SANJAY SETH:

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

- (a) the details of the economic impact of the National Electricity Plan (NEP) on job creation and investment in the power sector;
- (b) the details of the agreements/collaborations with global institutions to promote advanced technologies, such as energy storage and grid management, for achieving NEP targets;
- (c) whether Government has introduced incentives for private companies to invest in renewable energy generation and grid modernization projects under the NEP, if so, the details thereof; and
- (d) whether there is any consideration for the new NEP, if so, the details thereof, and if not, the reasons therefor?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) : The NEP provides a long-term outlook on generation and transmission capacity addition, offering visibility to investors, developers, equipment manufacturers, and transmission service providers. Implementation of NEP is expected to generate substantial direct and indirect employment across design, engineering, manufacturing, construction, operations, and maintenance. The total fund requirement for generation and transmission infrastructure for the period 2022–23 to 2031–32 is estimated at ₹42.76 lakh crore. Job creation estimates are not separately maintained, but large-scale infrastructure development is expected to create lakhs of employment opportunities.

(b) : No formal agreements or collaborations with global institutions have been signed specifically for achieving the NEP targets. However, the government continues to engage with international forums and bilateral platforms on areas like energy storage, smart grids, and grid management, which indirectly support NEP implementation.

(c): The Government has taken several steps to promote private sector investment in line with NEP goals:

1. Electricity generation is delicensed under the Electricity Act, 2003.
2. 100% Foreign Direct Investment (FDI) is allowed under the automatic route in the power sector.
3. Tariff-based competitive bidding guidelines have been issued for procurement of renewable power and transmission services.

4. Inter-State Transmission System (ISTS) charges are waived for inter-state sale of solar and wind power for projects commissioned by 30th June 2025, with graded charges applicable thereafter.
5. A Project Development Cell (PDC) has been established in the Ministry of New and Renewable Energy to facilitate investments.
6. A Solar Parks Scheme is being implemented to provide land and transmission infrastructure for large-scale renewable energy projects.
7. A bidding trajectory of 50 GW per annum has been issued for renewable energy procurement bids from FY 2023–24 to 2027–28.

These initiatives aim to accelerate renewable energy deployment, encourage private participation, and modernize the grid infrastructure.

(d) : The present National Electricity Plan covers the period 2022-32. Further, a Committee has been constituted for preparing the next NEP from 2027-28 to 2036-37 in accordance with statutory requirement to prepare the plan every five years. This overlapping planning ensures continuity and periodic revision based on evolving demand, technology, and policy landscape.
