GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.2870
ANSWERED ON 18.08.2025

COMPENSATION FOR TRANSMISSION PROJECTS

2870 SMT. KIRAN CHOUDHRY:

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

(a) whether Government is aware of the fact that reduction of value of a land takes place when a transmission line passes through it; and

(b) if so, steps Government have taken to compensate the affected land owners?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) & (b): Yes, there is diminution in the value of the affected land parcels when a transmission line passes through it.

Accordingly, to compensate the affected land owners for diminution of land value, Ministry of Power had issued Guidelines for payment of compensation in regard to Right of Way (RoW) for laying Inter- State Transmission System (ISTS) lines on 14.06.2024 **(Annexure-I)**, with the provisions for compensation for tower base @200% and RoW corridor @30% of the market value. States may adopt these guidelines in their entirety or issue their own modified guidelines.

Further, this Ministry issued Supplementary Guidelines for payment of compensation in regard to RoW on 21.03.2025 **(Annexure-II)**. These supplementary guidelines provide for assessment of market rate of land, to be determined by a Market Rate Committee (MRC) based on the valuation by independent land valuers, for the payment of RoW compensation. The compensation amount for RoW corridor for ISTS lines has been revised as 30% to 60% of the land value, based on its location in rural areas, municipalities/ other urban planning areas, municipal corporations/ metropolitan areas notified by the State Government.

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ANNEXURE-I

ANNEXURE REFERRED IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 2870 ANSWERED IN THE RAJYA SABHA ON 18.08.2025

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F. No. 3/4/2016-Trans-part(4)
Government of India
Ministry of Power
Shram Shakti Bhavan, New Delhi - 110001

Dated: 14.06.2024

To

1. Chief Secretaries/Administrators of all the States/UTs.
2. Chairperson, CEA, New Delhi-with a request to disseminate the subject guidelines to all the stakeholders.
3. Additional Chief Secretaries/Principal Secretaries/Secretaries of Energy of all States/UTs.
4. Secretary, CERC, New Delhi.
5. CMD, Grid India, New Delhi.
6. COO, CTUIL, Gurugram,
7. CMDs of State Power Utilities/SEBs.
8. All Transmission Licensees through COO, CTUIL.

Subject: Guidelines for payment of compensation in regard to Right of way (RoW) for transmission lines.

Reference: (i) MoP letter No. 3/7/2015-Trans dated 15.10.2015
(ii) MoP letter No. 3/4/2016-Trans dated 16.07.2020
(iii) MoP letter No. 3/4/2016-Trans-part (1) dated 27.06.2023

Sir,

The Ministry of Power, as referenced above, has issued Guidelines for the payment of Right of way (RoW) compensation concerning transmission lines including those in urban areas. It is imperative to address the RoW issues effectively to expedite the construction of transmission lines and ensure timely completion.

2. After careful consideration of the matter, the Central Government has issued the following guidelines for determining compensation for damages regarding the RoW for laying transmission lines under Sections 67 and 68 of the Electricity Act, 2003, read with Sections 10 and 16 of the Indian Telegraph Act, 1885, in addition to the compensation for normal crop and tree damages. These guidelines are issued in supersession of the earlier guidelines mentioned in the references above.

COMPENSATION GUIDELINES FOR TRANSMISSION LINES

(1) ***Applicability****:* The compensation shall be payable only for transmission lines supported by a tower base of 66 kV voltage level and above, and not for sub-transmission and distribution lines below 66 kV.

(2) ***Authority for determination of Compensation:*** District Magistrate/District Collector/Deputy Commissioner shall be the authority for determining the compensation.

(3) ***Determination of compensation:*** The compensation shall ordinarily be based on the circle rate/Guideline value/Stamp Act rates of the land, except where the market rate exceeds the circle rate/Guideline value/Stamp Act rates. In such instances, the land value shall be determined based on the prevailing market rate as ascertained by the District Magistrate/District Collector/Deputy Commissioner in the manner as may be specified by the State Government. The determined land value shall serve as the basis for compensation and shall be promptly communicated by the respective District Magistrate/District Collector/Deputy Commissioner.

(4) ***Tower Base compensation:*** Compensation for the tower base area shall be 200% of the land value. The tower base area shall be the area enclosed by the four legs of the tower at ground level, plus an additional one (1) meter extension on each side.

(5) ***RoW Corridor compensation:*** The compensation amount for Right-of-way (RoW) corridor shall be 30% of the land value. Land within the RoW corridor, as defined in Schedule VII of the Central Electricity Authority (Technical Standards for construction of Electrical Plants and Electric Lines) Regulations, 2022 (Annexure-I), shall be eligible for compensation. This compensation will address the potential diminution of land value due to the presence of overhead lines or underground cables within the RoW corridor. No construction activity of any kind would be permitted within the RoW of the transmission line. States/UTs may decide higher rate depending on the area and urgency of the work.

(6) ***Alternate compensation:*** In areas where land owner/owners have been offered/accepted alternate mode of compensation by Corporation/Municipality concerned under Transfer of Development Rights (TDR) policy of the State/UT, the licensee/utility shall deposit compensation amount as per (4) to (5) above with the Corporation/Municipality/Local Development Authority or the State Government concerned.

(7) ***Areas with RoW constraints:*** When laying transmission lines in areas with RoW constraints, various technologies can be considered to optimize the use of space. These technologies are outlined in the Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2022. Some options include: steel pole structures, narrow-based lattice towers, multi-circuit and multi-voltage towers, single-side stringing with lattice or steel poles, XLPE underground cables, Gas Insulated Lines (GIL), compact towers with insulated cross arms, Voltage Source Converter (VSC) based High Voltage Direct Current (HVDC) systems, and more. A cost matrix comparing these technologies is attached in Annex-II for reference by implementing agencies. This matrix can help them choose the most cost-effective option for each project.

(8) ***Landowner Identification:*** During the check survey conducted at the execution stage, the names of landowners whose property falls within the transmission line's Right-of-Way (RoW) will be documented. This process shall adhere to the Regulation 84(8) of the Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2022.

(9) ***Compensation Payment:*** Compensation payment shall be one-time and upfront. Whenever possible, compensation will be paid through various digital payment methods, such as the Aadhaar Enabled Payment System (AEPS) and Unified Payments Interface (UPI).

(10) ***Standard Operating Procedure (SOP):*** States/UTs and transmission developers should refer to the Standard Operating Procedure (SOP) at Annex-III for detailed guidelines.

3. The States/UTs may adopt these guidelines in their entirety or issue their own modified guidelines. In the absence of State Government guidelines, these guidelines issued by the Central Government shall apply for determining compensation.

4. This issues with the approval of the Minister of Power.

Yours faithfully,
Sd/-
(Om Kant Shukla)
Director (Trans)
Tele: 011-23716674

Copy to :

1. Secretaries to the Government of India.
2. Prime Minister's Office.
3. Technical Director, NIC, Ministry of Power – with the request to upload on the website of Ministry of Power.
4. PS to MoP
5. Addl. PS to MoSP
6. Sr.PPS/PPS/PS to Secretary (Power)/AS(Trans)/JS&FA/AS(IC)/All Joint Secretaries/ EA/ All Directors/Deputy Secretaries, Ministry of Power

Annex-I

Right-of-way (ROW) for normal route, forest area, urban area, populated area and approach section near substation

Voltage level	Configuration	Conductor type	Terrain	Design Span	String Type	RoW width in m (for compensation purpose)
765kV D/C	Vertical	ACSR ZEBRA	Normal route without constraint	400	"I" String "V" String Tension	67
			Forest	300	"V" String Tension	56
			Urban area/ populated area/ approach section near substation	250	"V" String Tension	54
765kV S/C	Vertical/Delta	ACSR BERSIMIS	Normal route without constraint	400	"I" String "V" String Tension	64
			Forest	300	"V" String Tension	54
			Urban area/ populated area/ approach section near substation	250	"V" String Tension	52
765kV S/C	Horizontal	ACSR BERSIMIS	Normal route without constraint	400	"I" String "V" String Tension	74
			Forest	300	"V" String Tension	65
			Urban area/ populated area/ approach section near substation	250	"V" String Tension	62
± 800kV HVDC	Horizontal	ACSR Lapwing		400	"Y" String	69
± 500kV HVDC	Horizontal	ACSR Lapwing		400	"V" String	52
400kV D/C	Vertical	ACSR MOOSE	Normal route without constraint	400	"I" String "V" String Tension	46
			Forest	300	"V" String Tension	40
			Urban area/ populated area/ approach section near substation	250	"V" String Tension	38
400kV S/C	Horizontal / Vertical	ACSR MOOSE	Normal route without constraint	400	"I" String "V" String Tension	52
			Forest	300	"V" String Tension	47
			Urban area/ populated area/ approach section near substation	250	"V" String Tension	44

1200kV	Horizontal	ACSR Moose	Normal route without constraint/ Forest/Urban Normal route without constraint	400	"V" String	89
220kV D/C	Vertical	ACSR ZEBRA		350	"I" String "V" String Tension	32
			Forest	300	"V" String Tension	28
			Urban area/ populated area/ approach section near substation	200	"V" String Tension	24
132kV D/C	Vertical	ACSR PANTHER	Normal route without constraint	320	"I" String "V" String Tension	25
			Forest	200	"V" String Tension	21
			Urban area/ populated area/ approach section near substation	150	"V" String Tension	19
110kV D/C		ACSR PANTHER	Normal route without constraint	305	"I" String "V" String Tension	22
			Forest	200	"V" String Tension	19
			Urban area/ populated area/ approach section near substation	150	"V" String Tension	17
66kV	Vertical	ACSR PANTHER	Normal route without constraint	250	"I" String "V" String Tension	18
			Forest	150	"V" String Tension	14
			Urban area/ populated area/ approach section near substation	100	"V" String Tension	13

Annex-II

Indicative Cost Matrix for various alternatives at different voltage levels				
Voltage Level	Type of Tower	Span (in m)	Type of Conductor	Indicative cost for laying of transmission line per Km based on past experience (Rs. In Crore)
765 kV D/C	Normal	400	Hexa Zebra	3.83
		250	Hexa Zebra	4.79
	Narrow Base	400	Hexa Zebra	9.72
		250	Hexa Zebra	12.14
	Pole**	250	Hexa Zebra	13.41
	Underground Cable	Technologically not feasible		
400 kV D/C	Normal	400	Quad Moose	2.11
			Twin HTLS	1.41
			Twin Moose	1.24
		250	Quad Moose	2.64
			Twin HTLS	1.76
			Twin Moose	1.55
	Narrow Base	400	Quad Moose	5.36
			Twin HTLS	3.58
			Twin Moose	3.15
		250	Quad Moose	6.7
			Twin HTLS	4.48
			Twin Moose	3.94
	Pole	250	Quad Moose	7.39
			Twin HTLS	4.94
			Twin Moose	4.34
	Underground Cable @			12
	GIL***			70
220kV D/C	Normal	350	Zebra	0.53
			HTLS	0.64
		200	Zebra	0.66
			HTLS	0.8
	Narrow Base	350	Zebra	1.34
			HTLS	1.63
		200	Zebra	1.68
			HTLS	2.04
	Pole	250	Zebra	1.86
			HTLS	2.24
	Underground Cable @			7.2
132 kV D/C	Normal	320	Panther	0.36
		150	Panther	0.45
	Narrow Base	320	Panther	0.76
		150	Panther	1.14
	Pole	250	Panther	1.26
	Underground Cable @			1.8
800 kV HVDC (Horizontal)	Normal	400	Lapwing	2.69
		250	Lapwing	3.36
	Pole	250	Lapwing	9.42
500 kV HVDC (Horizontal)	Normal	400	Lapwing	1.32
		250	Lapwing	1.65
	Pole	250	Lapwing	4.62

All costs are indicative exclusive of RoW Cost. For transmission lines mounted on poles, design span used is lower than normal span.

Note: Different insulator string configurations (l and V Types) would not account for considerable difference in per km cost of transmission lines, hence not have been factored in the matrix.

** Poles prevalent are only for S/c. 765 kV D/C Pole under Design / R&D

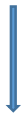
@ Underground Cable for short distances.

*** No GIL experience in country.

Annex-III

Standard Operating Procedure (SOP)

Identify Landowners and issue notice to proceed (by TSP)



Collect documents (e.g. proof of identity and ownership) (by TSP)

Verify land records with revenue maps/officials(by revenue officials)

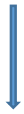
In case of multiple landowners, obtain NOC from all co-owners attested by Sarpanch and Revenue officer (by TSP)

Measure tower footing/corridor area in the presence of landowners and obtain signature of landowners/revenue officials (by TSP)

In case of grievances relating to land rates, DM to issue orders on land rates

DM or authorised Executive Magistrate to fix compensation

TSP to pay compensation. Compensation payment to include: tower footing, corridor surface, working area and access road. It will also include permanent and temporary structures like hutment, house, line shifting etc. based on assessment. The measurement sheet will be verified by project RoW lead and countersigned by landowner and revenue officials concerned



Disburse the Payment (by TSP)

Collect receipt from landowners (by TSP)

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ANNEXURE-II

ANNEXURE REFERRED IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 2870 ANSWERED IN THE RAJYA SABHA ON 18.08.2025

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F.No. 3/4/2016-Trans-Part(4)
Government of India
Ministry of Power
Shram Shakti Bhavan, New Delhi –110 001.
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Dated: 21.03.2025

To

1. Chief Secretaries/Administrators of all the States/UTs.
2. Chairperson, CEA, New Delhi – with a request to disseminate the subject guidelines to all the stakeholders.
3. Additional Chief Secretaries/Principal Secretaries/Secretaries of Energy of all States/UTs.
4. Secretary, CERC, New Delhi.
5. CMD, Grid India, New Delhi.
6. COO, CTUIL, Gurugram.
7. CMDs of State Power Utilities/SEBs.
8. All Transmission Licensees through COO, CTUIL

Subject: Supplementary Guidelines for payment of compensation in regard to Right of Way (RoW) for transmission lines.

Sir,

The Central Government vide letter No. 3/4/2016-Trans-Part (4) dated 14.06.2024 has issued guidelines for determination of compensation for laying Inter-State Transmission System (ISTS) lines under Sections 67 and 68 of the Electricity Act, 2003, read with Sections 10 and 16 of the Indian Telegraph Act, 1885, in addition to the compensation for normal crop and tree damages (hereinafter referred as *RoW Guidelines*). As per these guidelines, compensation shall ordinarily be based on the Circle rates/Guideline value/Stamp Act rates of the land, except where the market rate exceeds the Circle rate/Guideline value/Stamp Act rates. In such instances, the land value shall be determined based on the prevailing market rate as ascertained by the District Magistrate/District Collector/Deputy Commissioner in the manner as may be specified by the State Government. However, many States have yet to specify the manner of determination of market rate, and land owners have raised concerns that compensation is still being proposed at unacceptable circle rates which are significantly lower than market rates.

2. This issue is more pronounced in urban and semi-urban areas, where District Collectors face difficulties in arriving at a fair market rate. Additionally, while land falling under RoW corridors can still be used for agriculture in rural areas, land in urban planning and urban areas cannot be used for development due to changes in land use. As a result, the 30% compensation paid for RoW in rural areas has been reported to be inadequate for urban and urban-planning areas, where landowners incur higher opportunity costs.

3. After careful consideration of the matter, the Central Government hereby issues the following supplementary guidelines for assessing the market rate of land for the limited purpose of payment of RoW compensation for laying of ISTS lines.

SUPPLEMENTARY GUIDELINES FOR DETERMINATION OF MARKET RATE AND ROW COMPENSATION FOR ISTS LINES

1. Applicability: These supplementary guidelines shall apply to Inter-State Transmission System lines only in cases where landowners have objected to the compensation because the Circle Rates are below the Market Rates. State Governments may adopt these guidelines in their entirety or issue their own modified guidelines. These guidelines shall apply in cases where State Governments have yet to specify the manner of determination of market value of land.

2. Committee for Market Rate Determination: The market rate of land shall be determined by the following Market Rate Committee (MRC) based on the valuation by independent land valuers:

i. District Magistrate/District Collector/Deputy Commissioner or his/her nominee (not below Sub-Divisional Magistrate) - Chair
ii. Representative of land owners - Member
iii. Nominee of ISTS Transmission Service Provider (TSP) – Member

The District Magistrate/District Collector/Deputy Commissioner may co-opt upto two additional members as may be required.

3. Land Valuation Methodology:

(1) MRC shall appoint two valuers—one nominated by the TSP and the other by the representative of landowners. The MRC shall engage the land valuers empanelled by the Insolvency and Bankruptcy Board of India (IBBI) as per the list available at website of IBBI (https://ibbi.gov.in). The valuers should preferably be from the same State or, if an adequate pool of valuers is not available, from adjoining States. The reference market rate shall be determined as specified below:

(i) If the difference in the market rates worked out by valuers is less than 20% over the lowest value, then average value of the two valuations shall be taken as the reference market rate.

(ii) If the difference exceeds 20%, MRC may negotiate the reference market rate.

(iii) Else, or if negotiation fails, then MRC shall engage a third valuer, and the reference market value shall be determined as the average of the two closest valuations.

(2) The assessed reference market rate shall serve as the basis for determination of market rate by the MRC.

(3) The professional fee/charges of the land valuers shall be borne by the TSP and shall form part of the RoW compensation cost.

4. Compensation Rates: (1) The compensation for tower base shall be as per RoW guidelines dated 14.06.2024.
(2) The compensation amount for Right-of-Way (RoW) corridor shall be as follows for ISTS lines:

i. 30% of the land value in rural areas.
ii. 60% of the land value in municipal corporations and metropolitan areas notified by the State Government.
iii. 45% of the land value for municipalities, nagar panchayats and all other urban planning areas notified by the State Government.

5. The District Collector may allow the construction of ISTS lines to proceed without obstruction on the condition that compensation would be paid based on the market rate determined by the MRC. The market rate determination should ideally be completed within one month from the date of application by TSP.

6. Pass through by CERC: If the actual RoW compensation paid by the TSP due to implementation of these guidelines or the extant guidelines /policy of the appropriate government differs from the base RoW compensation determined for the ISTS Scheme as per Tariff Based Competitive Bidding (TBCB) Guidelines, the same shall be eligible for pass through under Change in Law (CIL) by the Central Electricity Regulatory Commission.

Yours faithfully,

Sd/-
(Naorem Indrakumar Singh)
Under Secretary (Trans)
Tele: 011- 23325242

Copy to:

1. Secretaries to the Government of India.
2. Prime Minister's Office.
3. Technical Director, NIC, Ministry of Power – with the request to upload on the website of Ministry of Power.
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