

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
STARRED QUESTION NO.179
ANSWERED ON 09.03.2026

GRID STABILITY AND ENERGY STORAGE MANDATES

179. SHRI SUJEET KUMAR:

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

- (a) the manner in which Government is ensuring the timely commissioning of Pumped Storage Projects (PSPs) such as Pinnapuram and Tehri, and coordinating land and water allocation with the States;
- (b) the reasons behind urging States to waive local charges for PSPs, and the expected financial impact of such waivers;
- (c) the manner in which the Renewable Consumption Obligation (RCO) for energy storage will differ from previous voluntary obligations; and
- (d) whether the Tariff-Based Competitive Bidding (TBCB) guidelines for PSP energy procurement have been finalised, and manner in which they will ensure optimal pricing?

A N S W E R

THE MINISTER OF POWER

(SHRI MANOHAR LAL)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO.179 FOR REPLY ON 09.03.2026 REGARDING GRID STABILITY AND ENERGY STORAGE MANDATES ASKED BY SHRI SUJEET KUMAR.

(a): The Government has adopted the following measures to ensure time-bound completion of Pumped Storage Projects (PSPs):

- i. The Ministry of Power in April, 2023 issued guidelines to promote development of PSPs. These guidelines provide various methods of allotment of PSP sites, exemption from free power obligation/Local Area Development Fund and utilization of exhausted coal mines etc.
- ii. Central Electricity Authority (CEA) has revised Guidelines for formulation and concurrence of Detailed Project Report (DPR) of PSP. Under the revised guidelines, the timeline for concurrence of DPR has been reduced from 90 days to 50 days for all type of PSPs. Further, the clearance of Inter-State Aspects is not required for PSPs.
- iii. CEA has launched the “Jal Vidyut DPR” portal for monitoring Survey and Investigation (S&I) activities of HEPs and PSPs. The portal enables tracking of workflows and pending tasks across appraising agencies and developers, helping to identify and address delays effectively.
- iv. Ministry of Environment, Forest & Climate Change (MoEF&CC), vide its notification dated 18.05.2023, has enabled appraisal of PSPs under B2 category subject to certain conditions.
- v. The MoEF&CC, on 14.08.2023, issued specific Terms of Reference (TOR) for the proposals involving off stream PSPs wherein collection of baseline data for one season (other than monsoon) is prescribed for off stream closed loop PSPs and collection of baseline data for two seasons (pre-monsoon & post-monsoon) is prescribed for off stream open loop PSPs.
- vi. The MOEF&CC, in August 2024, has extended the provisions relating to survey in the forest areas for mining projects to other development projects including hydel/PSPs.
- vii. MOEF&CC vide letter dated 10.09.2025 has enhanced the number of boreholes for undertaking survey and explorations in the forest area for mining and developmental projects including hydel / PSPs.
- viii. The Government of India, vide notification dated 01.08.2025, has revised the capital expenditure limit for schemes related to setting up hydro generating stations to ₹3,000 crore, requiring the concurrence of the CEA. Further, the Government has exempted off-stream closed-loop pumped storage schemes, irrespective of the quantum of capital expenditure, from the requirement of concurrence by the CEA. However, Developers may seek technical guidance from the CEA for projects under exempted category.

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The issues related to land and water allocation are taken up by the developers with the concerned State Government in accordance with the respective State policies.

(b) : States have been urged to waive any local levies/charges, no duty on energy stored for PSPs keeping in view that PSPs do not generate energy but shift the time of energy availability. In fact, they consume more energy. PSPs are also important from the point of view of grid stability in terms of providing greater inertia and balancing power.

(c) : The Renewable Consumption Obligation (RCO) notification dated 20.10.2023 was superseded by the revised RCO Gazette Notification dated 27.09.2025, issued by the Ministry of Power under the Energy Conservation Act, 2001. There is no Renewable Consumption Obligation for energy storage under the RCO notification dated 27.09.2025. It provides that Designated consumers may fulfil the specified Renewable Consumption Obligation through consumption of renewable electricity, either directly or through an energy storage system.

(d) : Ministry of Power vide Resolution dated 06.02.2025, issued the “Tariff Based Competitive Bidding Guidelines for Procurement of Storage Capacity/ Stored Energy from Pumped Storage Plants”. The Tariff-Based Competitive Bidding Guidelines ensure that power is procured through a transparent and competitive process, enabling participation from multiple project developers submitting their most competitive tariff offers thereby facilitating discovery of optimal prices.
