

**GOVERNMENT OF INDIA  
MINISTRY OF POWER  
LOK SABHA  
UNSTARRED QUESTION NO.680  
ANSWERED ON 25.07.2024**

**PARTICIPATION OF PRIVATE SECTOR IN POWER GENERATION SECTOR**

**680 SHRI ARVIND GANPAT SAWANT:  
SHRI OMPRAKASH BHUPALSINH  
ALIAS PAVAN RAJENIMBALKAR:  
SHRI SHRIRANG APPA CHANDU BARNE:**

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

- (a) whether the private sector power generators and foreign investors are not yet ready to enter the power generation sector in a major way;**
- (b) if so, the details in this regard alongwith the reasons therefor;**
- (c) whether non-participation of the private sector generators and foreign investors has placed the responsibility largely on the public sector which is under financial pressure;**
- (d) if so, the response of the Government on the non-participation of the private sector generators and foreign investors in power generation sector; and**
- (e) the steps/action taken by the Government to address the issues relating to participation of the private sector generators and foreign investors in power generation sector?**

**A N S W E R**

**THE MINISTER OF STATE IN THE MINISTRY OF POWER**

**(SHRI SHRIPAD NAIK)**

**(a) to (d): No. Private sector is playing an important role in India's power generation. Generation is a de-licensed activity as per the Electricity Act, 2003 and 100% Foreign Direct Investment (FDI) in the power sector in India is permitted for generation from all sources (except atomic energy). As on 30.06.2024, total installed capacity in the country is 4,46,190 MW and out of which the contribution of private sector is approximately 2,34,065 MW i.e. 52.5%. Also, most of the renewable energy projects in the country are being set up by private sector developers selected through a transparent bidding process.**

**(e) : Major initiatives taken by the Union Government in promoting private sector investment in power generation sector are as under:-**

- i. Issued notification of Revised Tariff Policy on 28.01.2016 with various provisions to encourage investment including from private sector in power generation sector.**
- ii. Issued guidelines for procurement of power by DISCOMs from Generators on Long Term, Medium Term and Short term basis, which in turn facilitated promoting investment in power generation.**
- iii. Issued notification of Electricity (Late Payment Surcharge) Rules 2022 to provide payment security mechanism to generators for the energy supplied by them.**
- iv. Issued notification of Promoting Renewable Energy through Green Energy Open Access Rules 2022.**
- v. Setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to Renewable Energy (RE) developers for installation of RE projects at large scale.**
- vi. Laying of new transmission lines and creating new sub-station capacity under the Green Energy Corridor Scheme for evacuation of renewable power.**

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