

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.1475  
ANSWERED ON 13.02.2025**

**INTER-STATE TRANSMISSION SYSTEM**

**†1475. SHRI JASWANTSINH SUMANBHAI BHABHOR:  
SHRI RAJKUMAR CHAHAR:**

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

- (a) the specific tariff revision measures introduced to reduce hydropower tariff;**
- (b) the time by which the Inter-State Transmission System charge waiver for hydro electric projects and pumped storage projects are likely to remain effective; and**
- (c) the specific benefits being provided to large hydropower projects after being declared as renewable energy sources?**

**A N S W E R**

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

**(SHRI SHRIPAD NAIK)**

**(a) & (c) : To make hydropower attractive, the Government of India has approved the following measures:**

- 1) Budgetary support for flood moderation/ storage hydro electric projects (HEPs).**
- 2) Budgetary support for cost of enabling infrastructure for HEPs viz. reimbursement of cost incurred against (i) roads/ bridges (ii) railway sidings (iii) transmission system upto pooling point including upgradation of pooling sub-station (iv) communication infrastructure and (v) ropeways.**
- 3) Waiver of Inter-State Transmission System (ISTS) charges for transmission of power from HEPs and Pumped Storage Projects (PSPs).**
- 4) Ministry of Power vide OM dated 08.03.2019 has given flexibility to the developers to determine tariff by (i) back loading of tariff after increasing project life to 40 years, (ii) increasing debt repayment period to 18 years and (iii) introducing escalating tariff of 2%.**

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Besides, the Government has provided following benefits to large hydro power projects:

- 1) **Hydro Purchase Obligation (HPO) as a separate entity within Non-solar Renewable Purchase Obligation (RPO).**
- 2) **Central Financial Assistance (CFA) to the State Governments of North Eastern Region (NER) towards their equity participation for development of HEPs in the NER through Joint Venture (JV) collaboration between State entities and Central Public Sector Undertakings.**

(b): As per Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023, no ISTS charges are to be levied on the transmission of power from HEPs where (a) PPAs are signed on or after 01.12.2022 but on or before 30.06.2025 and (b) construction work is awarded on or before 30.06.2025. Subsequently, ISTS charges shall be levied on hydroelectric projects where construction work is awarded and PPA is signed after 30.06.2025 as per the following trajectory:

Sl. No.	Date of signing of PPA and award of construction work	ISTS charges
1.	01.07.2025 to 30.06.2026	25% of applicable ISTS charges
2.	01.07.2026 to 30.06.2027	50% of applicable ISTS charges
3.	01.07.2027 to 30.06.2028	75% of applicable ISTS charges
4.	From 01.07.2028	100% of applicable ISTS charges

The waiver has been granted for a period of 18 years from the date of commissioning of these projects.

For Pumped Storage Projects, as per Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023 read with Ministry of Power's Order No. 12/07/2023-RCM dated 29.05.2023, no ISTS charges are to be levied on the transmission of power from PSPs where construction work is awarded till 30.06.2025. Subsequently, ISTS charges are to be levied on PSPs where construction work is awarded after 30.06.2025 as per the following trajectory:

Sl. No.	Award of construction work	ISTS charges
1.	01.07.2025 to 30.06.2026	25% of applicable ISTS charges
2.	01.07.2026 to 30.06.2027	50% of applicable ISTS charges
3.	01.07.2027 to 30.06.2028	75% of applicable ISTS charges
4.	From 01.07.2028	100% of applicable ISTS charges

The waiver has been granted for a period of 25 years from the date of commissioning of these projects.

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