

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.689
ANSWERED ON 06.02.2025**

FUNDS FOR HYDRO ELECTRIC PROJECTS

689. SHRI V K SREEKANDAN:

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

- (a) whether the State Government of Kerala has demanded the Union Government to announce 40% viability gap funding for hydroelectric projects and pumped storage projects and if so, the details thereof;**
- (b) whether it is also true that the State of Kerala has also sought financial support for establishing battery energy storage systems with capacity ranging between 3,000 MW and 5,000 MW for managing peak demand;**
- (c) if so, the steps taken/being taken by the Government in this regard;**
- (d) whether the Government has reviewed the power projects in the said State recently; and**
- (e) if so, the details thereof?**

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) : Government of Kerala vide letter dated 22.12.2024 has requested the Union Government for at least 40% Viability Gap Funding for HEPs and PSPs with a capacity of 1,700 MW and 3,300 MW respectively.

If the Government of Karala comes up with a specific HEP/PSP project, the Union Government may provide grant for enabling infrastructure under the existing scheme.

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(b) & (c) : Government of Kerala vide letter dated 22.12.2024 has also requested financial support from the Union Government for establishing Battery Energy Storage Systems (BESS) with capacity ranging from 3,000 MW to 5,000 MW for managing peak demand.

Additionally, in a separate communication dated 10th October 2024, the Government of Kerala had sought financial support from the Union Government for setting up of BESS of 270 MW/540MWh capacity. In response, Ministry of Power has allocated 500 MWh BESS capacity to Kerala, with a VGF support of Rs 27 lakh/MWh or 30% of the capital cost, whichever is lower, under the VGF scheme for the development of BESS.

(d) & (e) Presently, two hydroelectric projects, Pallivasal (60 MW) and Mankulam (40 MW) are under construction in Kerala which are regularly monitored and reviewed by Central Electricity Authority (CEA). Further, one project namely Idukki Extension Scheme (800 MW) is under Survey & Investigation stage, which is also regularly reviewed by CEA.
