GOVERNMENT OF INDIA
MINISTRY OF POWER

LOK SABHA
UNSTARRED QUESTION NO.1912
ANSWERED ON 31.07.2025

PER UNIT COST OF POWER GENERATION

†1912. SHRI IMRAN MASOOD:

Will the Minister of POWER
be pleased to state:

(a) the total power generation capacity across the country since 2015, year-wise;

(b) the steps taken by the Union Government to increase power generation capacity since 2014;

(c) whether the per unit cost of power generation has increased due to coal imports during the last few years and if so, the details thereof; and

(d) the steps taken by the Government to reduce the per unit cost of power generation?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) : The year wise details of total power generation capacity in the country from 2014-15 to 2025-26 (upto June, 2025) are given at Annexure.

(b) : Government of India has taken following steps to increase the power generation capacity in the country since 2014:

(i) Increase in installed capacity from 2,48,554 MW in March 2014 to 4,84,819 MW in June 2025 including increase in installed capacity of coal based thermal power plants from 1,39,663 MW to 2,42,040 MW and Renewable Energy (RE) (including Large Hydro) from 75,519 MW to 2,33,999 MW during this period.

(ii) Addition of 2,01,088 circuit kilometer (ckm) of transmission lines, 7,78,017 MVA of Transformation capacity and 82,790 MW of Inter-Regional capacity with capability of transferring 1,18,740 MW from one corner of the country to another.

(iii) Waiver of ISTS charges on transmission of electricity generated from Solar, Wind, Pumped Storage Plants and Battery Energy Storage Systems.

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(iv) Renewable Purchase Obligations (RPOs) and Energy Storage obligations Trajectory till 2029-30.

(v) Construction of Green Energy Corridors and putting in place 13 Renewable Energy Management Centres.

(vi) Setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to RE developers for installation of RE projects at large scale.

(vii) Reduction of AT&C losses from 22.62% in 2013-14 to 16.28 % in 2023-24. All current payment of GENCOs are up-to-date and the legacy dues of GENCOs have come down from Rs. 1,39,947 crore to Rs. 18,857 Crore.

(viii) In 2019, Government announced measures to promote Hydro Power Sector such as Declaring Large Hydro Projects (> 25 MW) as Renewable Energy source, Tariff rationalization measures for bringing down hydropower tariff, Budgetary Support for Flood moderation / Storage Hydro Electric Projects (HEPs), Budgetary Support towards Cost of Enabling Infrastructure i.e., roads / bridges, etc. The scope of Budgetary support towards cost of enabling infrastructure has been subsequently expanded on 08.10.2024 to include : (a) Transmission line upto nearest pooling point including upgradation of pooling sub-stations, (b) Railway sidings, (c) Communication infrastructure, and (d) Rope ways.

(ix) Introduction of SHAKTI policy for transparent allocation of coal to Thermal Power plants. This enabled efficient domestic coal allocation to Thermal Power Plants and also ensured revival of various stressed Thermal Power Projects.

(x) Construction of the Inter-State transmission system ahead of the generation capacity.

(c): The cost of generation of electricity from coal based power plant is dependent upon the price of coal and cost of freights and in case of blending also the price of the blended imported coal. The price of imported coal is linked with International Indices, source of origin and factors like ocean freight, insurance etc. which vary with international demand supply scenario. Further, every generating company consumes imported coal as per its requirement.

With sustained supplies of domestic coal to Domestic Coal Based (DCB) plants, the advisory for blending of imported coal has been withdrawn from 16th October, 2024.

Average Power purchase cost has decreased by 5 Paisa between FY 2022-23 and FY 2023-24.

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(d): Government of India have taken following steps to reduce the cost of power generation in the county:

(i) Setting up of Power Exchanges to ensure fair, neutral, efficient and robust electricity price discovery.

(ii) Introduction of flexibility in utilization of domestic coal by State/Central Generation Companies (GENCOs).

(iii) Rationalization of linkage sources of State/Central Generating Companies (GENCOs) and Independent Power Producers (IPPs) with a view to optimize transportation cost.

(iv) Issuance of guidelines for tariff based bidding process for procurement of electricity under Section 63 of Electricity Act, 2003 to promote competitive procurement of electricity by distribution licensees.

(v) Reduction of Aggregate Technical & Commercial (AT&C) losses under RDSS will improve the finances of the utilities, which will enable them to better maintain the system and buy power as per requirements; benefitting the consumers.

(vi) The operationalisation of National Merit Order Dispatch with the objective of lowering the cost of electricity to consumers.

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ANNEXURE

ANNEXURE REFERRED IN REPLY TO PART (a) OF UNSTARRED QUESTION NO. 1912 ANSWERED IN THE LOK SABHA ON 31.07.2025

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The year wise details of total power generation capacity in the country from 2014-15 to 2025-26 (upto June 2025):

Year (as on 31st March)	Installed Capacity (in MW)
2014-15	2,75,895
2015-16	3,06,330
2016-17	3,28,146
2017-18	3,45,631
2018-19	3,57,871
2019-20	3,71,334
2020-21	3,83,521
2021-22	3,99,497
2022-23	4,16,059
2023-24	4,41,970
2024-25	4,75,212
2025-26 (upto June, 2025)	4,84,819

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