

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.4333
TO BE ANSWERED ON 11.08.2016**

PROMOTION OF HYDRO ELECTRICITY

†4333. SHRI RATTAN LAL KATARIA:

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

- (a) whether the Government has formulated any tariff policy to promote Hydro Electricity;**
- (b) if so, the details thereof;**
- (c) whether the Government has decided to provide long term loan to power projects, and if so, the details thereof;**
- (d) whether Government has formulated any scheme to revive 1200 MW Teesta Hydro Electric Project through the economical restructuring of the same; and**
- (e) if so, the details thereof?**

A N S W E R

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES**

(SHRI PIYUSH GOYAL)

(a) & (b) : Ministry of Power, Government of India has notified the revised Tariff Policy on 28th January, 2016, with the objectives, *inter-alia*, to promote hydroelectric power generation. In view of geological uncertainties and clearance issues faced by Hydro projects, Hydro projects have been exempted from competitive bidding till 15th August 2022. A provision has been made for extension of PPA for hydro projects beyond 35 years for a further period of 15 years. Further, hydro power has been excluded for estimating Renewable Purchase Obligations. A provision has also been made that the developer shall have the option of indicating, while seeking approval of tariff, long rate of depreciation subject to the upper ceiling determined by Appropriate Commission.

(c) : Two Public Sector Undertakings under Ministry of Power i.e. Power Finance Corporation Ltd. and Rural Electrification Corporation Limited are already providing long term loans. Also, the Subordinate debt has been provided by the Government of India in a few cases with a low rate of interest for period up to 30 years alongwith a moratorium period.

(d) & (e) : Due to fund constraints, the works of Teesta-III HEP (1200 MW) was held up from September, 2014 to October, 2015. However, due to interventions by Ministry of Power, Government of Sikkim has increased its shareholding in Teesta Urja Ltd. (TUL) to 51%. The work on the project has re-started from October, 2015 and the project is now scheduled to be commissioned during the year 2016-17.
