GOVERNMENT OF INDIA
MINISTRY OF POWER

LOK SABHA
UNSTARRED QUESTION NO.730
ANSWERED ON 23.07.2026

POLICY TO REDUCE OVER-DEPENDENCE ON COAL

730. SHRI BIPLAB KUMAR DEB:

Will the Minister of POWER be pleased to state:

(a) whether the Government has formulated any policy to reduce over-dependence on coal and promote the integration of renewable energy sources and if so, the details thereof; and

(b) the outcome of such measures in terms of improving power supply reliability and sustainability during the last three years?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) : India's updated Nationally Determined Contribution (NDC) outlines voluntary actions for transitioning towards a low-carbon pathway, including increasing the share of non-fossil-fuel-based energy and reducing the emissions intensity of GDP. The updated NDC target inter alia contains the target of achieving about 50% cumulative electric power installed capacity from non-fossil fuel-based sources by 2030.The target of 50% of installed electric capacity from non-fossil fuel sources was achieved nearly five years ahead of schedule.

Third version of India's NDCs were submitted in March 2026 to the United Nations Framework Convention on Climate Change (UNFCCC), to achieve 60% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2035.

In line with these targets, Government of India has consistently diversified its electricity generation mix to strengthen the energy security. As on 30.06.2026, the country's total installed generation capacity has reached to 5,48,858 Mega Watt (MW), comprising of 2,51,489 MW (45.82 % of total installed capacity) of fossil-fuel sources i.e. Coal & Lignite, Gas, Diesel and 2,97,369 MW (54.18 % of total installed capacity) of non-fossil fuel sources i.e. Solar, Wind, Hydro, Nuclear and Biomass. The Government has taken several steps for promotion of Renewable Generation and its integration. The details are enclosed at Annexure-I.

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(b) : During the last three years, there has been steady increase in the share of Renewable Energy in meeting the country's electricity demand, along with a continuous reduction in the gap between energy requirement and energy supplied in the country. The details of all India energy requirement and supply status as well as percentage contribution from renewable energy sources, for last three years, are enclosed at Annexure-II.

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ANNEXURE-I

ANNEXURE REFERRED IN REPLY TO PART (a) OF UNSTARRED QUESTION NO. 730 ANSWERED IN THE LOK SABHA ON 23.07.2026

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Measures taken for Promotion of Renewable Generation and its integration

i. **Thrust is on capacity addition from non-fossil sources, which now exceeds 54% of the total installed electricity generation capacity. Further, Government has planned to achieve 500 Giga Watt (GW) of non-fossil fuel based installed generation capacity by 2030. During Financial Year 2025-26 alone, India added around 55.3 GW of non-fossil generation capacity, including 44.6 GW of solar capacity and 6.1 GW of wind capacity.**

ii. **Nuclear power has huge potential to ensure long term energy security and is vital for India's clean energy transition towards Net Zero by 2070. It is a clean and environment friendly source of base load power. The lifecycle emissions of nuclear power are comparable to those of renewables like hydro and wind. The Government of India has set an ambitious target of 100 GW nuclear power capacity by 2047.**

iii. **100% Inter State Transmission System (ISTS) charges have been waived for solar and wind power projects to be commissioned by 30th June 2025, for large Hydro projects for which construction work is awarded and Power Purchase Agreement (PPA) is signed on or before 30.06.2025, for Green Hydrogen Projects commissioned till December 2030 and for offshore wind projects commissioned till December 2032. The ISTS charges waiver tapering off 25% annually thereafter.**

iv. **To encourage Renewable Energy (RE) consumption, Renewable Purchase Obligation (RPO) followed by Renewable Consumption Obligation (RCO) trajectory has been notified till 2029-30. The RCO which is applicable to all designated consumers under the Energy Conservation Act, 2001 will attract penalties on non-compliance.**

v. **Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM) have been launched to facilitate sale of Renewable Energy Power through power exchanges.**

vi. **Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar, Wind, Wind-Solar Hybrid and Firm & Dispatchable Renewable Energy (FDRE) projects have been issued.**

vii. **Foreign Direct Investment (FDI) has been permitted up to 100 percent under the automatic route.**

viii. **To augment transmission infrastructure needed for steep RE trajectory, transmission plan has been prepared till 2032.**

ix. **Central Financial Assistance (CFA) is being provided to the States for setting up Transmission infrastructure for Renewable Energy (RE) integration within their State under the Green Energy Corridor Scheme.**

x. **Setting up of Regional Energy Management Centers (REMCs) for better forecasting of renewable power and to assist grid operators to manage variability and intermittency of renewable power.**

xi. **Flexibilization of thermal generation is mandated to address the variability of RE generation.**

xii. Scheme for setting up of Solar Parks and Ultra Mega Solar Power projects is being implemented to provide land and transmission to RE developers for installation of RE projects at large scale.

xiii. Schemes such as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), PM Surya Ghar Muft Bijli Yojana, National Programme on High Efficiency Solar Photo Voltaic (PV) Modules, New Solar Power Scheme (for Tribal and Particularly Vulnerable Tribal Groups (PVTG) Habitations/Villages) under Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM JANMAN) and Dharti Aabha Janjatiya Gram Utkarsh Abhiyan (DA JGUA), National Green Hydrogen Mission, Viability Gap Funding (VGF) Scheme for Offshore Wind Energy Projects have been launched.

xiv. "Strategy for Establishment of Offshore Wind Energy Projects" has been issued.

xv. Production Linked Incentive (PLI) scheme has been launched to achieve the objective of localization of supply chain for solar PV Modules.

xvi. Development of Energy Storage Systems (ESS) has been promoted for integration of large scale RE in the grid with the following measures:

a. ISTS Charges Waiver: 100% waiver for BESS projects commissioned by June 2025 with 25% annual reduction in waiver thereafter and Hydro Pumped Storage Projects (PSP) projects wherein construction work is awarded by June 2028. For Co-located Battery Energy Storage Systems (BESS) projects, 100% ISTS charges waiver has been extended for the projects commissioned upto June 2028. For Co-located PSP projects, 100% ISTS charges waiver has been extended for the projects for which construction work is awarded by June 2028.
b. Viability Gap Funding is provided for development of 43.8 GWh BESS capacity.
c. Closed loop off-stream PSP projects have been exempted from the requirement of concurrence by the Central Electricity Authority.
d. PLI scheme has launched the with a total outlay of ₹18,100 crore to establish 50 GWh of domestic Advanced Chemistry Cell manufacturing capacity, out of which 10 GWh is earmarked for Grid Scale Stationary Storage applications.
e. Tariff Based Competitive Bidding Guidelines for Procurement of BESS and PSP have been notified.
f. Guidelines to promote development of PSP in the country has been notified.
g. Central Electricity Authority (CEA) issued an advisory on 18.02.2025 recommending the co-location of Energy Storage Systems (ESS) with solar power projects to enhance grid stability and cost efficiency.
h. CEA (Measures Relating to Safety and Electric Supply) (First Amendment) Regulations, 2025 has been notified on 30.03.2026, which includes the safety requirements for BESS.
i. CEA's (Technical Standards for Construction of Electrical Plants and Electric Lines) Amendment Regulations, 2026 has been notified to specify the construction standards for BESS.

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ANNEXURE-II

ANNEXURE REFERRED IN REPLY TO PART (b) OF UNSTARRED QUESTION NO. 730 ANSWERED IN THE LOK SABHA ON 23.07.2026

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Financial Year	Energy Requirement (Billion Units)	Energy Supplied (Billion Units)	Energy not Supplied (Billion Units)	% Share of RE Energy (including large Hydro) in Energy Supplied
2023-24	1626.1	1622.0	4.1	22%
2024-25	1694.0	1692.4	1.6	24%
2025-26	1707.5	1707.0	0.5	28%

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