

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.1592
ANSWERED ON 05.08.2024

WAIVING OF ISTS CHARGES

1592 SHRI K.R.N. RAJESHKUMAR:

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

- (a) whether Government is considering waiving inter-State transmission system (ISTS) charges for all renewable energy projects and if so, the details thereof, if not, the reasons therefor;
- (b) the measures taken by Government to ensure proper integration of renewable energy projects into the power grid; and
- (c) whether Government is considering the establishment of more joint ventures by the power grid with State Governments to enhance the inter-State power transmission system and if so, the details thereof?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) : Waiver of Inter State Transmission System (ISTS) Charges has been provided for specific category of projects including Renewable Energy (RE), Energy Storage Systems (ESS) and Green Hydrogen/Green Ammonia projects in order to promote addition of renewable energy capacity in the country. The details are enclosed at **Annexure**.

(b) : In order to facilitate integration of large scale Renewable Energy (RE) generation capacity addition in the country, various measures have been taken which include:

- i. Establishment of a robust National Grid to facilitate the transfer of power from power surplus regions to power deficit regions. The inter-regional transmission capacity has been increased from 35,950 MW as on 31st March, 2014 to 1,18,740 MW as on 31st March 2024. The capacity of National Grid is being augmented on a continuous basis commensurate with the growth in electricity generation and electricity demand.
- ii. Setting up of Green Energy Corridor to enhance the capacity of the grid to integrate and transmit renewable energy.
- iii. Transmission plan for integration of more than 500 GW RE generation capacity by 2030. The transmission schemes associated with RE generation projects are under various stages viz. Commissioned, under construction, being taken up for implementation in a phased manner.

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- iv. 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.
- v. Flexibilization of coal-fired power plants to better accommodate the variable and intermittent nature of renewable energy sources.
- vi. Implementation of Green Term Ahead Market (GTAM) , Green Day Ahead Market (GDAM) and Real Time Market (RTM) for sale of renewable energy to facilitate sale of RE power by generators and to help distribution licensees in meeting the challenge in maintaining generation-demand balance due to intermittent and variable nature of RE generation.
- vii. Waiver of Inter-State Transmission charges on transmission of electricity generated from RE sources.
- viii. Facilitating development of Energy Storage Systems (ESS) through various policy interventions including issuance of National Framework for ESS and the Guidelines to promote development of Pump Storage Projects (PSP), providing Viability Gap Funding (VGF) for development of Battery Energy Storage Systems (BESS) and waiver of ISTS charges.

(c): Presently, no Joint Ventures (JV) have been formed by POWERGRID with State Governments for taking up inter-state transmission projects. However, POWERGRID has signed an MoU with Rajasthan Rajya Vidyut Prasaran Nigam Ltd (RVPNL), Rajasthan for formation of a JV for taking up intra-state transmission system.

ANNEXURE REFERRED IN REPLY TO PART (a) OF UNSTARRED QUESTION NO. 1592 ANSWERED IN THE RAJYA SABHA ON 05.08.2024

Waiver of ISTS charges for Solar, Wind, Hydro, Hydro Pumped Storage Plant, Battery Energy Storage System, Offshore Wind, Green Hydrogen

Sl. No.	Type of project	Deadline for 100% waiver*	Duration of waiver from commissioning date
1	Solar/ Wind	Commissioning of the project by 30 June 2025	25 years
2	Hydro Pumped Storage Plant	Award of construction work by 30 June 2025	25 years
3	Battery Energy Storage System	Commissioning of the project by 30 June 2025	12 years
4	Large hydro projects (>25 MW)	Award of construction work and signing of Power Purchase Agreements by 30 June 2025	18 years
5	Green Hydrogen/Green Ammonia Plants that utilize renewable energy from Solar, Wind, Large Hydro or Energy Storage Systems or any hybrid combination of the aforementioned technologies	Commissioning of the project by 31 Dec 2030	25 years
6	Offshore wind power	Commissioning of the project by 31 Dec 2032	25 years

*100% waiver of ISTS charges is subject to the Projects adhering to the terms and conditions as well as timelines specified in the relevant orders issued by Ministry of Power. For the Projects meeting waiver requirements (Commissioning or award of construction work and / or signing of PPA) after these dates, the applicable ISTS charges shall increase gradually in successive years to become 100% from the fourth year. In the first following year after the deadline, the applicable ISTS charges would be 25%; in the second year, 50%; in the third year, 75%; and thereafter, 100%.
