

GOVERNMENT OF INDIA  
MINISTRY OF POWER

**RAJYA SABHA**  
**STARRED QUESTION NO.120**  
**ANSWERED ON 10.03.2025**

**ALLOCATION OF OFFSHORE WINDMILLS GENERATED BY TAMIL NADU**

**120 SHRI P. WILSON:**

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

- (a) whether the Central Government will consider allowing power generated from offshore windmills to be allocated to the State of Tamil Nadu through State connectivity instead of Central connectivity as requested by State of Tamil Nadu;
- (b) whether the Central Government has considered reducing the interest rates charged by the Power Finance Corporation (PFC) to 8 per cent as requested by the Tamil Nadu Government to ease the financial burden of TANGEDCO; and
- (c) whether the Central Government has reviewed the proposal submitted by the State of Tamil Nadu for System Modernization works, and if so, by when will the necessary approvals be granted?

**A N S W E R**

THE MINISTER OF POWER

(SHRI MANOHAR LAL)

**(a) to (c) :** A Statement is laid on the Table of the House.

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## STATEMENT

### **STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO.120 FOR REPLY ON 10.03.2025 REGARDING ALLOCATION OF OFFSHORE WINDMILLS GENERATED BY TAMIL NADU ASKED BY SHRI P. WILSON.**

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**(a) :** The Government of India as part of its "Strategy for the Establishment of Offshore Wind Energy Projects," outlined a bidding trajectory of 37 Giga Watt (GW) by 2030. Of the total planned capacity, 5 GW is allocated off the Tamil Nadu coast. To support this, MNRE is providing Viability Gap Funding for the development of up to 0.5 GW. The timely development of offshore transmission evacuation infrastructure is an important risk factor affecting the tariff levels. To facilitate evacuation of the first 0.5 GW of offshore wind power from the Tamil Nadu coast, POWERGRID - a Public Sector Enterprise of Central Government - has been entrusted with the implementation of transmission evacuation infrastructure under Inter State Transmission System (ISTS). However, if Tamil Nadu intends to build its own Intra-State Transmission System (InSTS) to directly evacuate any additional capacity of offshore wind power, the Central Government would provide the necessary facilitation.

**(b) :** Power Finance Corporation Ltd. (PFC) is an independent board-run, publicly listed company, with the Central Government having no role in determining its lending rates. PFC has informed that its interest rates are determined in line with the market trend considering its cost of borrowing.

**(c) :** Central Government launched Revamped Distribution Sector Scheme (RDSS) in July 2021, to improve operational efficiencies and financial sustainability of Government owned Distribution Licensees. Under RDSS, loss reduction works amounting to Rs. 9,568 Crores have already been sanctioned to TANGEDCO. The progress of the works is slow with less than 10% of the funds utilised till date and RDSS is nearing closure, further approvals under the scheme are not envisaged.

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