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Big Push for Battery Energy Storage: 30 GWh VGF Scheme Launched

Ultra-High Voltage AC Transmission System to Reshape India's Grid by 2034

Compensation for Power Transmission Lines Increased

Boost for Storage: ISTS Waiver Extended for Storage Projects

Posted On: 10 JUN 2025 6:22PM by PIB Delhi

Union Minister Shri Manohar Lal highlights 11 years of transformative growth in power sector in a press conference in New Delhi today.

Union Minister Shri Manohar Lal said that it is our goal to make power accessible to everyone and at all times and the government is aiming for 100% electrification of households across the country. Union Minister Shri Manohar declared that India has become power sufficient meeting all its power demands and well on the path of power surplus country.



1. India Meets Peak Demand with Zero Shortage

Union Minister Shri Manohar Lal informed that demonstrating remarkable growth and resilience, India successfully met peak power demand of 241 GW on 9th June, 2025.

This achievement, underscores the nation's robust power infrastructure, with zero peak shortage reported.

2. Big Push to Battery Energy Storage: VGF Scheme for 30 GWh Battery Storage

Shri Manohar Lal announced that in a massive push for energy security and renewable integration, the Ministry of Power has approved a Viability Gap Funding (VGF) scheme for 30 GWh of Battery Energy Storage Systems (BESS), in addition to the 13.2 GWh already underway.

This Rs 5,400 Crore scheme aims to attract Rs 33,000 Crore in investment, meeting the country's BESS requirement by 2028.

3. Boost for Storage: ISTS Waiver Extended for Storage Projects



Union Minister Shri Manohar Lal in the press conference stated that the waiver of Inter-State Transmission System (ISTS) charges for storage projects has been extended until 30th June, 2028, benefitting Pumped Storage Projects awarded and Battery Energy Storage Systems commissioned before this date.

This extension is crucial for meeting India's growing storage needs and optimising the utilisation of transmission lines.

4. UHV AC Transmission System to Reshape India's Grid by 2034

Shri Manohar Lal said that India is set to revolutionize its power transmission with the rollout of an Ultra High Voltage Alternating Current (UHV AC) Transmission System.

Nine 1100 kV lines and ten substations have been identified for development by 2034, with testing facilities under development by the Central Power Research Institute. Investment would be Rs 53,000 Cr

5. Compensation for Power Transmission Lines Increased

Shri Manohar Lal said that in a landmark move, the central government has increased the compensation for land used in laying transmission lines to ease the Right of Way issues.

Compensation for the tower area has jumped from 85% to 200% of the land value, and for the Right of Way (RoW) corridor from 15% to 30%, directly linking land value to market rates. Haryana and Delhi have already adopted the new guidelines issued on March 21, 2025.

6. More Private Investments in State Transmission Grids

In a move set to attract more private investment and ensure financial discipline, the Late Payment Surcharge (LPS) Rules have been expanded to include Intra-State Transmission Systems. This crucial reform, previously applied only to Inter-State Transmission Systems, aims to expand the Intra-State Transmission networks to absorb Renewable Electricity.

7. India Adds Historic 34 GW Generation Capacity in FY25, Led by Renewables

Shri Manohar Lal also stated that in an unprecedented feat, India added its highest-ever generation capacity of 34 GW during 2024-25, with renewable energy accounting for 29.5 GW. The nation's total installed capacity now stands at 472.5 GW, up from 249 GW in 2014.

8. 250 MW Tehri Pumped Storage Project (PSP) Commissioned

Adding flexibility to the grid, 250 MW first unit of Tehri Pumped Storage Project (PSP) in Uttarakhand has been commissioned. This project will help in managing peak demand and integrating renewable energy.

9. Energy Shortages Plummet to Record Low of 0.1% Nationally

A testament to significant additions in generation and transmission capacities, India's national energy shortage has drastically reduced to a mere 0.1% as of April 2025. This marks a monumental improvement from the 4.2% shortage experienced in 2013-14, ensuring greater power availability for all.

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(Release ID: 2135450)