

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.2030
ANSWERED ON 30.07.2026**

SETTING UP OF PUMPED STORAGE PROJECTS IN MADHYA PRADESH

†2030. SHRI BUNTY VIVEK SAHU:

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

(a) whether the Government has made any assessment of the possibilities of setting up of Pumped Storage Projects (PSPs) in the Chhindwara district of Madhya Pradesh for the integration of renewable energy and management of peak electricity demand keeping in view its geographical suitability and if so, the details thereof;

(b) whether any special positive steps are taken in collaboration with the private and public sectors to encourage the establishment of such projects to promote green energy through proper utilization of water resources in the district and if so, the details thereof; and

(c) the budgetary or technical assistance being provided by the Government for the speedy implementation of proposed PSPs in the State including Chhindwara?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a): As per information available in Central Electricity Authority (CEA), one Pumped Storage Project (PSP) namely Satpura-2 with installed capacity of 1000 MW has been identified in Chhindwara, Madhya Pradesh.

(b): The Government has taken several policy measures to promote the development of Pumped Storage Projects (PSPs) across the country, including in Madhya Pradesh, through participation of Central and State Public Sector Undertakings as well as private developers. These measures include:

- (i) Ministry of Power has notified guidelines to promote development of Pumped Storage Projects in the country on 10.04.2023.**
- (ii) To provide a transparent, fair, standardized procurement framework based on open competitive bidding with appropriate risk-sharing between various stakeholders, MoP vide Gazette notification dated 06.02.2025, has notified tariff based competitive bidding (TBCB) guidelines for procurement of storage capacity/stored energy from pumped storage plants.**
- (iii) Budgetary Support towards Cost of Enabling Infrastructure, i.e., roads/bridges, railway sidings, ropeways, communication infrastructure and transmission line from power house to nearest pooling point.**

- (iv) The Central Electricity Regulatory Commission (CERC), vide its Notification dated 26.06.2025, has provided for 100% waiver of Inter-State Transmission System (ISTS) charges for Pumped Storage Projects (PSPs) for a period of 25 years from the Commercial Operation Date (COD), in respect of projects for which the construction work is awarded on or before 30.06.2028.**
- (v) The Government of India, vide Gazette notification dated 01.08.2025, has revised the capital expenditure limit for schemes related to setting up hydro generating stations to ₹3,000 crore, requiring the concurrence of the CEA. Further, the Government has exempted off-stream closed-loop pumped storage schemes, irrespective of the quantum of capital expenditure, from the requirement of concurrence by the CEA.**
- (vi) Central Electricity Authority (CEA) has revised Guidelines for formulation and concurrence of Detailed Project Report (DPR) of PSPs. Under the revised guidelines, the timeline for concurrence of DPR has been reduced from 90 days to 50 days for PSPs. Further, the clearance of Inter-State Aspects is not required for PSPs.**
- (vii) Ministry of Environment, Forest & Climate Change (MoEF&CC), vide its notification dated 18.05.2023, has enabled appraisal of PSPs under B2 category subject to certain conditions.**
- (viii) The MoEF&CC on 14.08.2023, has issued specific Terms of Reference (TOR) for the proposals involving off stream PSPs wherein collection of baseline data for one season (other than monsoon) is prescribed for off stream closed loop PSPs and collection of baseline data for two seasons (pre-monsoon & post-monsoon) is prescribed for off stream open loop PSPs.**
- (ix) The MOEF&CC on 20.08.2024, has extended the provisions relating to survey in the forest areas for mining projects to other development projects including hydel/PSPs.**
- (x) MOEF&CC vide letter dated 10.09.2025 has enhanced the number of boreholes for undertaking survey and explorations in the forest area for mining and developmental projects including hydel / PSPs.**
- (c) : The Government facilitates the timely implementation of Pumped Storage Projects (PSPs), including those in Madhya Pradesh, by providing technical support through the Central Electricity Authority (CEA), including appraisal of Detailed Project Reports (DPRs), issuance of technical guidelines and monitoring of project implementation. In addition, the Government provides Budgetary Support, under the Scheme, to eligible PSPs towards the cost of enabling infrastructure, including roads and bridges, railway sidings, ropeways, communication infrastructure, and the transmission line from the powerhouse to the nearest pooling point.**
