

Cabinet approves Green Energy Corridor Phase-III scheme for Development of Intra-State Transmission System with Battery Energy Storage Systems

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the Green Energy Corridor Phase-III (GEC-III) scheme. This historic initiative will strengthen India's Intra-State Transmission System (InSTS) to enable evacuation of up to 135 Gigawatt (GW) of renewable energy across States/ Union Territories.

The scheme also provides for deployment of 50 GWh of Battery Energy Storage Systems (BESS) at the Renewable Energy (RE) developer/generator end or any other location of importance for grid flexibility to address intermittency, congestion, peak-hour curtailment and meet non-solar hour demand. The scheme will facilitate grid integration and power evacuation within the States/UTs of India.

The scheme is targeted to be set up by FY 2032-33 with total project outlay of Rs.1,86,405 crore, comprising Rs.1,36,378 crore for the development of Intra-State Transmission Systems (InSTS) under GEC-III, Rs.50,000 crore for 50 GWh of Battery Energy Storage Systems (BESS). The Scheme involves a total Central Financial Support of Rs.54,082 crore. The Central Financial Assistance (CFA) will help in offsetting the Intra-State transmission charges and thus keep the power costs down. Thus, the Government support will ultimately benefit the end users – the citizens of India.

All Greenfield projects under the InSTS component will be implemented through Tariff Based Competitive Bidding (TBCB) mode, while brownfield upgradation and network strengthening works will be executed under Cost Plus Basis (CPB). The State Transmission Utilities will be the overall implementing agency, and Transmission Service Providers (TSPs) will participate under TBCB on a Build-Own-Operate-Maintain (BOOM) model.

The scheme will help in achieving the target of 900 GW installed Non-Fossil capacity by 2035. The scheme will also contribute to long term energy security of the country and promote ecologically sustainable growth by reducing carbon footprint. It will generate large direct & indirect employment in the power sector, manufacturing, and construction industries. Battery Energy Storage System (BESS) manufacturing and deployment will additionally generate employment in the domestic energy storage industry. The scheme will also generate long-term skilled employment in operation, maintenance, and grid management across participating States.

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