



# Establishment of Small Hydroelectric Projects to Get a Boost in Chhattisgarh

## Why in News?

- In a meeting of the Council of Ministers held under the chairmanship of Chhattisgarh Chief Minister Bhupesh Baghel on September 6, 2022, the cabinet decided to increase the duration of the small hydropower policy by 10 years.

## Key Points

- In the cabinet meeting, the proposal to increase the period of Departmental Policy-2012 to encourage the establishment of small hydro power projects in the state was approved.
- It was decided to increase the notification issued for setting up of small hydro power project of 25 MW capacity at present, which expired in February 2022, by 10 years.
- It is worth mentioning that the Small Hydro Electric Policy was launched by the Department of Energy in the year 2012 to encourage the establishment of hydro power projects up to 25 MW capacity under small hydro power projects, whose deadline has expired in February, 2022 after 10 years.
- According to the guidelines issued by the Ministry of Power, Government of India and Chhattisgarh State Electricity Regulatory Commission, it is in the state's interest to extend the duration of the Small Hydro Electricity Policy with a view to encourage proper exploitation and investment of available water sources in the state.
- It is noteworthy that power management in peak hours is a big problem for the distribution company of the state. Therefore, under pump-based hydro power projects, additional power can be generated in peak hours by proper storage and management of water, which will help in meeting the power management and energy purchase obligation of the state distribution company.
- At present, small hydro power projects of 75.65 MW capacity are being operated in the state. Further, PPA execution by investors for small hydro power projects of about 83 MW capacity is under process and inter-State clearance of projects of 171 MW capacity is under process.
- After preliminary survey, about 25 sites have been identified for setting up of small hydro power project of 385 MW capacity. In order to attract investment in small hydro power projects in the state, it has been decided to extend the duration of small hydro power policy by another 10 years.