

LARGE HYDRO PROJECTS GET 'RENEWABLE ENERGY' STATUS

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The Union Cabinet on Thursday approved a new hydroelectric policy aimed at boosting the sector, including according large hydro projects the status of renewable energy projects.

According to the new policy, large hydro projects will also be designated as renewable energy projects. So far, only smaller projects of less than 25 MW in capacity were categorised as renewable energy.

With the removal of this distinction, large hydro projects will be included as a separate category under the non-solar renewable purchase obligation policy. Under this policy, power purchasers will have to source a portion of electricity from large hydro projects.

"The hydro policy was in the works for a long time," Power and Renewable Energy Minister R.K. Singh said.

He also said the new policy had increased the debt repayment period for hydro projects to 18 years from the current 12 years with the provision to introduce an escalating tariff of 2%.

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