



# Pumped Storage Policy Made in the State for Cheap Electricity Generation

## Why In News?

On September 12, 2023, Uttarakhand's Energy Secretary R Meenakshi Sundaram said that the state government has brought a pump storage policy to provide cheap electricity in the state. The Cabinet has approved this.

## Key Points:

- Under the pump storage policy, those setting up projects on the rivers of the state will not have to pay 12.5 percent royalty to the state government, but they will also get exemption from local area development charges and transmission charges.
- After the introduction of the pump storage policy, cheap electricity will be available during peak times. During the day, water will be sent from bottom to top with cheap electricity coming from solar or other means. After this, at night when there is huge demand for electricity (expensive electricity in the market), then electricity will be generated from the project.
- The proposed policy includes inter-state transmission charges, local area development fund, free royalty power (12.5 per cent), transfer on land, quick permission for extraction, water tax and transfer of government land to circles for a period of 45 years for quick development of projects. A discount will be given on allotment at the rate linked to the annual lease rate.
- The Energy Secretary said that companies will be given priority in the projects already running on rivers. These projects will be for 45 years, after which they will be handed over to the state government.
- Private investors will be selected through tender to build projects in the identified areas on the rivers. He can also identify the place at his level and bring a proposal before the government.
- Along with on stream, off stream projects can also be implemented. The project will have to be constructed within three years of receiving all approvals.
- On the lines of liquefied gas coming from abroad, now VAT will be zero on CNG coming for two gas-based power plants located in Kashipur in Udham Singh Nagar district of the state.
- With this, gas-based plants will be able to operate and the shortage of power supply in the state can be overcome. The electricity generated from these will also be cheap.

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