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Small Hydro Power Scheme to Boost Reliable Energy in Challenging Terrains

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The Government of India has launched the Small Hydro Power (SHP) Development Scheme (2026–31) to promote reliable and sustainable electricity generation in difficult and remote terrains, particularly hilly and North-Eastern regions. The scheme aims to harness untapped hydro potential and provide round-the-clock clean energy, especially in areas where grid connectivity is limited or unreliable.

Key Features of the Scheme

The scheme has been approved with a total outlay of ₹2,584.60 crore for the period FY 2026–27 to 2030–31. It targets the addition of around 1,500 MW of small hydro power capacity across the country.

Small hydro projects (capacity up to 25 MW) are being promoted through:

- Financial support to improve project viability
- Focus on remote, hilly, and border areas
- Encouragement of decentralised power generation
- Utilisation of existing water infrastructure like canals and streams
- Focus on Challenging Terrains

The scheme prioritises regions with difficult geography, such as:

- Himalayan states
- North-Eastern states
- Remote tribal and border areas

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These areas often face energy access challenges due to terrain and infrastructure constraints. Small hydro projects, being run-of-the-river and decentralised, are suitable for such regions and ensure reliable, continuous power supply without heavy dependence on fossil fuels.

Significance for Energy Security and Sustainability

Small hydro power plays a crucial role in India's energy mix because:

It provides firm (non-intermittent) renewable energy, unlike solar and wind

Helps in grid stability and balancing

Has low environmental impact compared to large dams

Supports local economic development and employment generation

The scheme is expected to generate about 51 lakh person-days of employment during the construction phase.