

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:4973  
ANSWERED ON:02.09.2011  
DECENTRALISED DISTRIBUTION GENERATION UNDER RGGVY  
Joshi Shri Pralhad Venkatesh

**Will the Minister of POWER be pleased to state:**

- (a) whether on an average rural areas receive erratic, inadequate and poor quality power supply as compared to their urban counterparts;
- (b) if so, whether decentralized grids for rural areas can help alleviate the problem while reducing the burden of the Government subsidies on under-recoveries to the distribution companies;
- (c) if so, whether the Government has launched a Decentralised Distribution Generation (DDG) programme under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) to improve the situation;
- (d) if so, whether the number of mini-grids planned to be established under the DDG programme is very small as compared to the magnitude of the problem;
- (e) if so, whether the Government proposes to scale-up the DDG programme or replace it with a more ambitious programme during the Twelfth Five Year Plan; and
- (f) if so, the details of the plan being envisaged by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a): Power supply in rural areas varies from State to State. Electricity being a concurrent subject, supply and distribution of electricity in a State is the responsibility of the concerned State Government/Power Utilities in the State which decide the priorities for supply of power to various areas within the State. Government of India supplements the efforts of the State Governments by setting up power plants and bulk transmission system through Central Public Sector Undertakings in the Central Sector for the benefit of beneficiary States/UTs. Power from Central Generating Stations allocated to states is utilized by the State Governments/Power Utilities for supply to various areas/categories of consumers in the State.

(b): Decentralised Distributed Generation (DDG) on the basis of local resources can add to the availability of power. Where grid cannot be extended at present due to cost and technical constraints, locally owned DDG projects are advantageous since they can operate as self-sustaining units.

(c) & (d): Government of India launched Rajiv Gandhi Grameen Vidyutikaran Yojana in 2005. The scheme was continued further in 11th Plan and there is a provision of subsidy of Rs.540 crore for Decentralised Distributed Generation (DDG) under RGGVY. DDG from conventional or renewable sources such as Biomass, Biogas, Mini Hydro, Solar, etc. is for villages where grid connectivity is either not feasible or not cost effective. DDG scheme has also been extended to grid connected villages in Left Wing Extremism affected areas where supply from grid is absent/inadequate by relaxing the conditions of grid connectivity. So far, a total of 87 Projects covering electrification of 129 remote villages/hamlets in various states for a total amount of Rs.133.55 Crores have been sanctioned under DDG Scheme.

(d) & (f): At present, no such proposal is under consideration of the Government