GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1214
ANSWERED ON:17.08.2012
FUND UTILIZATION FOR NRE SOURCES
Balram Shri P.

Will the Minister of POWER be pleased to state:

(a) the funds proposed to be allocated by the Union Government to various States including Uttar Pradesh for generating power through New and Renewable Energy (NRE) sources during the XII Five Year Plan;

(b) whether the Government has ensured proper utilization of the funds provided during previous years;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

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

(a) : Projects for power generation from various renewable energy sources are being set up mostly in private sector with largely private investment backed by fiscal and financial incentives from the Union Government. Funds are not allocated state-wise in advance. The eligible Central Financial Assistance (CFA)/subsidy is based on specific proposals and disbursed to project developers either directly or through State Nodal Agencies/Departments. The 12th Plan allocation for Ministry of New and Renewable Energy (MNRE) has not been communicated by the Planning Commission.

(b) to (d) : The utilization of funds is an ongoing process. Mostly the funds are released to project developers only after the completion of projects to ensure complete utilization. Some funds are released to developers through State Nodal Agencies (SNAs)/State Departments and the instalments are linked with projects` progress and further releases are made after utilization of the instalments released earlier. To ensure proper utilization of the funds, the MNRE obtains periodic physical & financial progress reports, utilization certificates and audited statements of expenditure. MNRE also holds periodic meetings with implementing agencies to review the progress of projects and the pace of utilization of funds and undertakes random inspection visits to project sites to ascertain the quantity and quality of project implementation and systems deployed, etc. In addition, periodic audit of the SNAs is also undertaken.