

STANDING COMMITTEE ON ENERGY

(2004-05)

FOURTEENTH LOK SABHA

4

MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES

DEMANDS FOR GRANTS (2004-05)

*[Action Taken by the Government on the recommendations contained in the Second Report of the Standing Committee on Energy (Fourteenth Lok Sabha)]*

FOURTH REPORT

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LOK SABHA SECRETARIAT  
NEW DELHI  
February, 2005/ Magha, 1926 (Saka)

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(2004-05)

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MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES

DEMANDS FOR GRANTS  
(2004-2005)

*[Action Taken by the Government on the recommendations contained in the Second Report of the Standing Committee on Energy (Fourteenth Lok Sabha)]*

Presented to Lok Sabha on 2 March, 2005

Laid in Rajya Sabha on 1 March, 2005

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NEW DELHI

February , 2005 / Magha, 1926 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2004-05)**

**LOK SABHA**

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4. Shri Nandkumar Singh Chauhan
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31. Shri Jesudas Seelam

**SECRETARIAT**

1. Shri John Joseph - Additional Secretary
2. Shri Anand B.Kulkarni - Joint Secretary
3. Shri P.K.Bhandari - Director
4. Shri N. K. Jha - Executive Officer

## INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorised by the Committee to present the Report on their behalf, present this Fourth Report (Fourteenth Lok Sabha) on the Action taken by the Government on the recommendations contained in the 2<sup>nd</sup> Report of the Standing Committee on Energy on Demands for Grants (2004-2005) of the Ministry of Non-Conventional Energy Sources.

2. The Second Report of the Standing Committee on Energy was presented to Lok Sabha on 19<sup>th</sup> August 2004. Replies of the Government to all the recommendations contained in the Report were received on 27<sup>th</sup> December, 2004.

3. The Standing Committee on Energy considered and adopted this Report at their sitting held on 28<sup>th</sup> January, 2005.

4. An Analysis on the Action Taken by the Government on the recommendation contained in the Second Report of the Committee is given at Annexure-II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;  
10 February, 2005  
21 Magha, 1926 (Saka)

GURUDAS KAMAT,  
Chairman,  
Standing Committee on Energy.

## **Chapter-I**

### **Report**

This Report of the Committee deals with the Action Taken by the Government on the recommendations contained in the 2<sup>nd</sup> Report (14<sup>th</sup> Lok Sabha) of the Standing Committee on Energy on the Demands for Grants (2004-05) of the Ministry of Non-Conventional Energy Sources which was presented to the Lok Sabha on 19<sup>th</sup> August, 2004.

2. Action taken notes have been received from the Government in respect of all the recommendations contained in the Report. These have been categorized as follows: -

(i) Recommendations/Observations which have been accepted by the Government: SI No.3,4,5,7,8,10,11,13,14,16 and 17

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies: SI No. 15

(iii) Recommendations/Observations in respect of which the replies of the Government have not been accepted by the Committee: SI Nos. 1, 2,6 and 9

(iv) Recommendations/Observations in respect of which the final replies of the Government are still awaited: SI No. 12

3. **The Committee desire that the final replies in respect of recommendation for which only interim reply have been given by the Government ought to be furnished to the Committee within 3 months.**

4. **The Committee also desire that utmost importance should be given to the implementation of recommendations accepted by the Government. In case, where it is not possible for the Government to implement the recommendations in letter and spirit for any reasons, the matter should be reported to the Committee in time with reasons for non-implementation.**

5. The Committee will now deal with action taken by the Government on some of their recommendations.

## **A. Uneven utilisation of Budgetary Allocation**

### **Recommendation Serial No. 1**

### **Paragraph No 2.9**

6. The Committee had expressed their concern over the under and uneven utilisation of Budgetary Allocation during the last two financial years 2002-03 and 2003-04. Rs. 423.74 crore were utilised during the year 2003-04 out of the B.E. of Rs. 624.25 crore at the level of G.B.S. Similarly, Rs. 384.41 crore only could be utilised out of the B.E. of Rs. 625 crore at the level of G.B.S. during the year 2003-04. Furthermore, Rs. 14.40 crore only was utilized during the 1<sup>st</sup> quarter of the year 2003-04. During 2<sup>nd</sup> and 3<sup>rd</sup> quarters Rs. 56.74 crore and Rs. 37.45 crore respectively were spent. Thus, Rs. 108.59 crore only out of Rs. 384.41 crore spent during the first three quarters of the year 2003-04. The Committee were of the view that it was against the directions of the Ministry of Finance depicting the need to ensure that expenditure should be evenly spread over all the four quarters of the financial year. The Committee were of the considered opinion that such variations in expenditure was due to inherent lacunas in the budgetary mechanism of the Ministry which required urgent attention and intensive discussions with the Ministry of Finance and the Planning Commission to ensure the full utilization of allocated budget in a uniform manner spreading over all the four quarters of the financial year

7. In their Action Taken Reply, the Ministry of Non-Conventional Energy Sources have stated that the Ministry seek budgetary support essentially for developing and deploying new and renewable energy technology systems/devices as also for spurring private investment in grid interactive renewable power and the sector as a whole. In addition, the Ministry are electrifying unelectrified villages and hamlets numbering over 25,000 where grid extension is either not cost effective or feasible, termed remote villages/hamlets. The Ministry, in turn, provide Central Financial Assistance (CFA) to a host of agencies, including state governments. Thus, for implementation purposes, the Ministry are solely dependent upon them and consequently the quantum and pattern of utilization of funds is sometimes affected by field level constraints over which the Ministry have no direct control. This issue somewhat gets compounded indirectly since the Ministry exercise strict control on systems / devices meeting requisite standards and specifications and that CFA targeting to beneficiaries is effective in order that public funds are properly utilized. Despite the aforesaid, every effort shall be made to ensure that the recommendations of the committee are complied with.



8(a) The Committee had recommended earlier that the Ministry of Non-Conventional Energy Sources should hold intensive discussion with the Ministry of Finance and the Planning Commission to ensure full utilisation of allocated budget in a uniform manner over all the four quarters of a financial year. In their reply, the Ministry have stated that they are totally dependent upon a host of agencies including State Governments over which they have no direct control and therefore the quantum and pattern of utilisation of funds got affected. The issue is further aggravated since the Ministry exercise strict control on systems/ devices so that requisite standards and specifications are met and the public funds are utilised properly. The Committee cannot accept the reply of the Ministry. The basic purpose of control over the systems is to utilise the allocated fund fully and uniformly over all the four quarters of a financial year. The Committee feel that there is an urgent need to have discussions with the Ministry of Finance and the Planning Commission to evolve an appropriate, effective and dynamic budgetary mechanism so that the allocated fund may be utilised fully and uniformly through all the four quarters of the financial year. The Committee would like to know the steps taken by the Government in this regard.

8(b) the Committee feel that there is a need to utilise alternate sources of power even in the villages which are even grid connected but have not been provided electric connection so far.

B. Over-Optimistic targets set for IEBR

Recommendation Serial No. 2

Paragraph No. 2.10

9. The Committee had observed that over-optimistic targets, which were seldom achieved, had been proposed for mobilization of Internal and Extra Budgetary Resources (IEBR). The Ministry of Non-Conventional Energy Sources/ IREDA had failed not only on the front of direct external aid received from KFW and IBRD but also in mobilizing internal resources from internal accruals, Opening Balance Cash in Hand, repayment of IREDA loan and bank loan etc. resulting in erratic variations in BE, RE and actuals at the level of gross IEBR increasing from Rs. 600.50 crore (BE) to Rs. 976.36 crore (RE) and then decreasing to Rs. 828.47 crore during 2003-04. Furthermore, net IEBR decreased from Rs. 454.15 crore (BE) to Rs. 437.52 crore (RE) which further went down to Rs. 332.31 crore, on account of sharp variations among BE, RE and actuals in the free bonds (Call & Put) during the year 2003-04. The Committee had noted that such variations are to some extent due to the inability of the projects promoters to furnish the requisite documents before the end of financial years. The Committee had, therefore, recommended that the MNES/ IREDA should take effective steps to review their procedures etc. and simplify requirements of documents so that the targeted utilization of funds could be achieved.

10. In their reply, the Ministry have, *inter-alia*, stated the main reasons for variations are (i) utilization of international lines of credit is contingent upon drawal of funds by borrowers; and (ii) Non-payment of principal and interest by some borrowers. Despite the fact that IREDA has been making sustained and vigorous efforts to ensure projections of a realistic IEBR, the matter is not fully within their control and as such there would always be some variation between estimated and actual IEBR.

11. The Committee had expressed their concern over the failure of the Ministry to project realistic targets for the Internal and Extra Budgetary Resources (IEBR) year after year and noted that one of the reasons attributed for variations at BE, RE and actual level of the IEBR was due to the difficulties faced by the promoters / borrowers to furnish the requisite documents before the end of the financial year. The Committee, therefore, had recommended earlier that the MNES/ IREDA should take effective steps to review their procedures etc., and minimise the requirement of documents so that the projected target for IEBR could be achieved. Extending the same reasons, as furnished by the Ministry in their earlier reply, the Ministry have repeated that the utilisation of international lines of credit is contingent upon drawal of funds by the borrowers/ promoters. The Committee disapprove the reply of the Ministry which are repetitive in nature. The Committee feel that the Ministry have not paid adequate attention to this vital issue, as recommended earlier. The Committee reiterate their earlier recommendation that the Ministry should review their procedures, etc. so that the proposed mobilisation of Internal and Extra Budgetary Resources (IEBR) could be achieved easily and fully.

**C. Small Hydro Power Programme**

**Recommendation Serial No. 6**

**Paragraph No. 2.34**

12. The Committee had found that there exist a potential of 15,000 MW for the Small Hydro Projects up to 25 MW. The Committee had noted the efforts of the Ministry in the form of providing financial support ranging between Rs. 15.00 lakhs to Rs. 30.00 lakhs from 2003-04 onwards to identify new potential sites in special category States containing North-Eastern region, Sikkim, Jammu& Kashmir, Himachal Pradesh, Uttranchal as well as in other States/Uts. and the states like J&K, Jharkhand, Karnataka, Maharashtra, Punjab, U.P. Uttranchal, Kerala and Andhra Pradesh were taking keen interest and were preparing proposals under the scheme. The Committee had recommended that the Government should encourage all these States to take up the scheme at the earliest. The Committee had felt that the Government should also examine whether the amount provided as a financial support for the projects to identify new sites is sufficient or needs any enhancement.

13. In their reply, the Ministry have stated that the financial assistance provided under the scheme of identifying new sites has by and large served its purpose as SHP development has taken off by meeting the broad aim of 2% additional grid interactive SHP power generation installed capacity in the country being contributed by this sector.

14. In order to identify the new potential sites for the small hydro power upto 25 MW in the country, the Committee had recommended earlier that the Government should encourage all the States like J&K, Jharkhand, Karnataka, Maharashtra, Punjab, U.P. Uttaranchal, Himachal Pradesh, Kerala and Andhra Pradesh which were taking keen interest and were preparing proposals under the scheme, to take up the scheme at the earliest. The Ministry have replied that the purpose of identifying new potential sites has been served as the country is going to achieve 2% additional grid interactive SHP power by the end of 11<sup>th</sup> Five Year Plan. The Committee do not accept this type of evasive reply of the Ministry. The Committee while reiterating their earlier recommendation desire that the steps taken by the Ministry to encourage the states to take up the schemes of identifying new sites should be intimated to the Committee.

#### **D. Wind Power Programme**

**Recommendation Serial No. 9**

**Paragraph No. 2.46**

15. The Committee had observed that there had been mis-match between physical and financial targets and achievements of wind power programme since the year 2002-03. For example during the year 2002-03, it was found that Rs. 14.56 crore was allocated at the Budgetary Estimate (BE) stage which was reduced to Rs. 5.60 crore at Revised Estimate (RE) and the actual amount spent was further reduced to 5.35 crore. Similarly, during the year 2003-04, the amount Rs. 14.00 crore (BE) was reduced to Rs. 10.30 crore (RE) and the actual amount spent was further reduced to Rs. 6.92 crore. The reason attributed for variations in BE and RE during the years 2002-03 and 2003-04 was the introduction of new components that were envisaged earlier but were not approved for implementation. However, the Committee had found that the government were unable to assess the appropriate amount required even at the stage of Revised Estimate particularly in the year 2003-04 when the actual amount spent was further reduced to Rs. 6.92 crore from Rs. 10.30 crore (RE). What was more surprising that the targets were over-achieved during both the years 2002-03 and 2003-04 (242 MW against the target of 200 MW during the year 2002-03 and the whopping 615 MW against the target of 250 MW during the year 2003-04). The variation in the actual expenditure vis-à-vis BE/RE clearly reflected the faulty budgetary estimation of the Ministry which in the opinion of the Committee need to be rectified.

16. In their reply, the Ministry have stated that Wind Power projects are being set-up through private investment as commercial projects by availing fiscal incentives and facilities of wheeling, banking and third party sale apart from preferential tariffs being provided by State Utilities. The budgetary allocations are used only to provide support services such as wind resources assessment and setting up of limited number of demonstration projects. Thus, there may not be a one to one correspondence relation between budget allocation and the target of grid interactive wind power installed generation capacity target.

17. The Committee have noted that the budgetary allocations are used only to provide support services such as wind resources assessment and setting up of limited number of demonstration projects. But even for these limited quantity of works which are by and large not beyond their control and free from other forms of uncertainties, the Committee find that the Government were unable to assess the appropriate budgetary requirements even at the stage of Revised Estimate particularly in the year 2003-04. The Committee in their earlier recommendation also mentioned that Rs. 14.00 crore was allocated at the B.E. stage which was reduced to Rs. 10.30 crore in the R.E. and the actual amount spent was a still lower figure of Rs. 6.92 crore during the year 2003-04. The Committee, therefore, strongly recommend that the Ministry should give adequate attention towards the appropriate estimation and utilisation of the budget so that the other important programmes of the Ministry may not suffer. The Committee desire that development this sector should not be left for the private sector alone and the Government should step in for setting-up wind-power projects identified places.

## **E. Biomass Power Programme**

### **Recommendation Serial No. 16**

### **Paragraph No. 2.71**

18. The Committee had observed that about 540 million tones of biomass was available in the country. Out of this about 120-150 million tones i.e., 25 to 30% was available for biomass based power generation projects. The Committee had further noted that only 2.07 MW could be achieved out of the target of 10MW during the year 2002-03 and 4.85 MW out of the target 5.00 MW during the year 2003-04. During the 9<sup>th</sup> Plan Period, the position was also not better as only 29.68 MW could be achieved out of the total target of 40 MW. The reasons adduced by the Ministry for not achieving the physical targets were the delayed release of funds for projects due to delay in clearance from State statutory authorities, delay in financial tie-ups or other commercial reasons. The Committee desired that 'Single Window Clearance System' should be introduced in each State for dealing with such projects. As regards other bottlenecks while implementing the programme, the Committee had been informed that adequate availability of biomass for grid interactive power generation had been a problem in some areas and the Ministry were planning to use biomass for off-grid application in villages where availability and collection of biomass was not a problem. Further the technology of biomass gasification for grid interactive power generation was still to be fully established in commercial mode. However, the Ministry were sustaining its efforts to take this technology beyond demonstration phase through technology development. The Committee thrust that Government would make persistent Research and Development in this regard and a multi-fold expansion of the deployment of these systems in the coming years might become a reality.

19. The Ministry in their reply have stated that against the country's potential of around 16000 MW from surplus biomass estimated at 120-150 MMT, an installed capacity of around 330 MW has already been achieved and a capacity of around 300 MW is under various stages of implementation. The installed capacity of biomass gasification which is currently around 60 MW appears less when compared to biomass combustion installed capacity of about 270 MW since systems for the former are smaller in capacity and the technology is relatively new. Biomass gasification systems are mainly installed for captive applications and accordingly do not require any specific approvals at the state level. On the other hand, grid interactive biomass power projects need approvals from



the state electricity boards and pollution control authorities, etc. In most states, the State Nodal Agencies for renewable energy have been authorized by respective Governments to coordinate such approvals. The Ministry continues its efforts to develop more efficient and cost effective technologies for converting biomass to energy through R&D efforts. 26 R&D projects on biomass gasification related topics are currently underway at various research institutions. In addition, the first phase of the project on development of biomass gasification systems has been concluded at the Indian Institute of Science, Bangalore. A major achievement of this effort has been the licensing of technology so developed to four manufacturers. The second phase of the project has also been sanctioned for further optimization of the technology. A list of thrust areas has also been identified for continuation of research efforts in this direction.

20(a) The Committee are happy to learn that the biomass gasification technology are making much headway and after the conclusion of the first phase of the project on development of biomass gasification system, the licensing of the technology for manufacturing of the system has been granted to the four manufactures. The Committee desire that the question of granting license to the manufacturers for transfer of technology should be reviewed and there should not be any need for licensing. Any private sector firms interested in this field should be encouraged. The Committee further learn that the second phase for further optimisation of technology has been sanctioned. The Committee hope and trust that the biomass gasification technology will come out from the demonstration phase and will establish fully in a commercial mode as early as possible. However, the Committee are perturbed to note that the grid interactive biomass power projects are still suffering from the ineffectiveness of the State Nodal Agencies who have been entrusted in most of the States to co-ordinate the various approvals required for the projects. The Committee, therefore, strongly recommend that Government should introduce effective 'Single Window Clearance System' in the State so that the harnessing of biomass potential can be expedited

20(b) The Committee observe that the targets set for the utilisation of biomass potential are very low as compared to the potential available and even these are not realised. There is also a need to examine the different technology options in the field of biogas/ power generation. The Government need to prioritise.

## CHAPTER-II

### RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation Serial No. 3

#### Paragraph No. 2.11

The Committee note that the Ministry have resolved to achieve the targets of additional installed capacity of 10 percent i.e. 10,000 MW by the year 2012. In addition, it has also been decided to electrify all the 24,685 remote villages/ hamlets through non-conventional energy sources, which have now increased from the earlier number of 18,000 villages due to revision of the definition of electrified villages. The Committee note that during 9<sup>th</sup> Plan, only Rs. 15.13 crore were spent for Village Electrification Programme when the target was to electrify 18,000 villages. Now that the number of villages have increased, the Government have proposed an outlay of Rs. 735 crore for 10<sup>th</sup> Plan. But, utilization of this amount during the first two years of 10<sup>th</sup> Plan is much below the expectation. Against the average utilization of Rs. 94.59 crore have been utilized. Physically also against an average target of 2000 villages, only 1133 villages have been electrified in these 2 years. The Committee, therefore, feel that the Ministry should make all out efforts to achieve the financial and physical and targets set for various programmes of energy from renewable sources of energy. As far as possible only realistic targets be set. The Committee also note that no allocations have been made for R&D sector by the Ministry. The Committee feel that without R&D efforts, no sector can withstand competition in today's liberalized economy. During the discussions the Committee were of the view that the outlay for Research & Development will have to be increased so as to bring down the cost of most of these sources e.g. Wind, Solar, Small Hydro etc. The Committee is also disturbed to note that the Outlay has been decreasing over the last couple of years and that the Ministry has not been able to make any provision for R&D and new innovations. The Committee, therefore, strongly recommend that the Ministry should seek budgetary support for this crucial area and also chalk out the programme to utilize the amount fully. The Committee may be informed of the action taken in the matter.

#### Reply of the Government

The Ministry has redefined the scope of its R&D programmes to focus on technology development so as to support industry to manufacture complete systems/devices in conformity with international standards and specifications and also to make industry internationally competitive. The Ministry has set the following short and medium term R&D aims:

Research & Development Activities so as to manufacture:

Solar Thermal (High Temperature) power generation systems.

Solar Thermal Industrial Applications

Building utilizing renewable energy concepts.

SPV Systems.

Multi MW wind power systems.

Biomass gasification coupled with micro turbines employing integrated combined cycle system.

Simulators for RE grid interactive power stations.

Bio-fuels.

Synthetic fuels.

Hydrogen systems.  
Green transport systems.  
Desalination and water purifying systems.  
Geothermal and Tidal energy.  
Prototype through development for technology demonstration.  
Commercialization of such technologies.  
Raising capacity utilization factor of various grid interactive power generation systems.  
Lowering cost of new and renewable energy systems  
In accordance with the direction given by the prime Minister, efforts are being made to make the country a net foreign exchange earner in new and renewable technologies, processes, products, raw materials and services by 2022.

In order to achieve the aforesaid, higher budgetary provisions are being proposed during Annual Plan 2004-05.

**Ministry of Non-Conventional Energy Sources**  
**OM No. 8/2/2004 - P&C Dated: 23.12.2004**

The Committee note that during the 9<sup>th</sup> Plan, the Ministry could be able to achieve 43% of the total Plan target of 42 MW and during the first two years of the 10<sup>th</sup> Five Year Plan it could be able to achieve only 25% of the overall plan target of 80 MW under the waste to energy programme. The Committee further note during the course of deliberations that huge volumes of garbage generated in metropolitan cities are a perennial environmental hazard. Not only their disposal constitutes a problem as there are very few open spaces left in the metros, garbage seepage also contaminates ground water sources. The Committee were informed that successful experiments were carried out by the Mumbai Municipal Corporation in converting this garbage into energy pellets. The Committee recommends that the Ministry should conduct a detailed study into this issue and formulate a viable scheme of energy from metropolitan waste.

**Reply of the Government**

Recommendation of the committee has been noted and action has been initiated.

**Ministry of Non-Conventional Energy Sources**  
OM No. 8/2/2004 - P&C Dated: 23.12.2004

The Committee find that out of the total estimated potential of 15,000 MW for the small hydro projects (upto 25MW), 10,324 MW have already been identified and 1603 have been exploited out of the sites aggregating to 8721 MW available for exploitation. It is learnt that 2% or 2000 MW additional capacity in power generation would come from SHP during the 10<sup>th</sup> and 11<sup>th</sup> Plan periods. IN tune with this ambitious target, the Government have planned to achieve 100 MW at the cost of Rs. 35 crore during 2004-05 and 600 MW at the cost of Rs. 375 crore during the 10<sup>th</sup> Plan period. Keeping in view the past performance of the Ministry, the Committee feel that extra efforts would be required to achieve these targets. During the first two years of the 10<sup>th</sup> Five Plan i.e., during 2002-03 and 2003-04, only 164.43 MW (80.34 MW and 84.09 MW) could be achieved and the remaining 435.57 MW (600 MW-163.13 MW) will have to be achieved during the remaining three years period of the 10<sup>th</sup> Five Year Plan. It will require a matching fund to the tune of 1742.16 crore by taking an average requirement of Rs. 4.00 crore per MW. The committee, therefore, urge upon the Ministry of Finance and Planning commission to provide matching fund to the Ministry to achieve the targets 2000 MW by the end of 11<sup>th</sup> Five Year Plan. The Ministry should also make their own plan of action to achieve the physical and financial targets set for each financial year so that the long term target of 2000 MW could be achieved by the year 2012. The Committee feel that there is a lot of scope for private participation in small hydel sector. Though IREDA has taken a number of steps to encourage the private sector participation, but a lot needs to be done to remove the difficulties faced by them in the execution of the projects. The Committee recommend that these should be identified with the help of entrepreneurs and corrective steps be taken.

#### Reply of the Government

The Ministry's aim of additional 2% grid interactive SHP power generation installed capacity in the country during the 10<sup>th</sup> and 11<sup>th</sup> Plan periods is on track. The capacity addition is envisaged to come mainly from private investments. Accordingly, private sector participation is being encouraged. The aim has been fully achieved during the first two years of the 10<sup>th</sup> Plan and on current trends it is expected that the same would be achieved for the 10<sup>th</sup> Plan period. The incentive scheme of the Ministry that supports SHP projects has been reviewed to make it more effective for private investment with the level of CFA for both the private and public sectors pegged at the same level. The Ministry encourages feedback from developers and State Agencies for creating a conducive environment for development of SHP in the country.

Ministry of Non-Conventional Energy Sources

OM No. 8/2/2004 - P&C Dated: 23.12.2004

The Committee feel that there is also a need to assess and identify the small hydro potential in relatively untouched and untapped areas of tail-end flow of water of mega/major, thermal / hydro project, dam-toes sites of the major/ small dams and several tea-estates existing in the country. The Committee find that the potential of tail-end projects, dam-toe sites Small Hydro projects stand at 100 MW and it is 1600 MW for Canal based projects. The Committee observe that despite the incentives offered for assessment of potential in the tail-end flow sites of mega/major projects and the dam-toes sites and also for canal based projects, the identification and assessment of potentials are not picking up. The Committee, therefore, desires that appropriate steps should be taken to attract the investors to assess and identify the potential sites.

**Reply of the Government**

There is very limited potential to set up SHP projects on tail-end of mega/major thermal/hydro projects, dam-toes sites as the same has been assessed at only around 100 MW. The potential at the tail-end of 31 thermal power station is estimated at around 20 MW. 41 potential SHP sites aggregating about 60 MW have been identified in tea estates of West Bengal. Exploitation of potential depends primarily on the technical feasibility and commercial viability of such projects.

**Ministry of Non-Conventional Energy Sources**

**OM No. 8/2/2004 - P&C Dated: 23.12.2004**

The Committee note that Renovation and Modernization (R&M) of the small hydro power projects is the cost-effective option requiring no clearances and having short gestation period to realize the capacity addition. During the last three years, the Ministry have sanctioned 16 small hydro projects and 314 water mills for R&M. The Committee desire that a comprehensive survey should be carried out to assess the requirement of R&M for all the installed small hydro projects and water mill units which have completed their normal life or are likely to complete within next 2 to 3 years. The Committee note that out of the 34 R&M proposals for SHP, 16 were sanctioned, 5 were given 'in-principal' approval, additional information were sought on 8 small hydro projects and 5 were rejected on account of relatively high cost involved in the R&M. Similarly, out of the 340 R&M proposals for water mills, 314 were sanctioned and 26 were rejected for want of requisite information. The Committee desire that before rejecting any proposal a proper cost-benefit analysis should be done. The Committee, therefore, recommend that all the projects which can be renovated and modernized in a cost-effective manner should be encouraged to undertake R&M works in a time-bound manner.

#### **Reply of the Government**

The Ministry is encouraging renovation and modernization of existing SHP stations. All states have been asked to assess the requirement of R&M for SHP projects and submit proposals for central financial assistance (CFA). Approvals for providing CFA for development/upgradation of 364 watermills in Nagaland and 23 in J&K have recently been given. 75 such watermill proposals from Arunachal Pradesh and 10 from Karnataka are under consideration.

Cost and benefit are an integral input for supporting projects under R&M. The states are required to submit this information alongwith R&M proposals. All proposals fulfilling conditions laid down in the R&M scheme, including a positive benefit cost rates are supported by the Ministry.

**Ministry of Non-Conventional Energy Sources**  
OM No. 8/2/2004 - P&C Dated: 23.12.2004



The Committee note that the gross potential for wind power generation is estimated at 45000 MW spreading over 10 States and 2 Union Territories namely, Andhra Pradesh, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu and West Bengal. Except Orissa, all the 9 States have already declared their policy for private sector participation. Andaman & Nicobar islands and Lakshadweep do not have adequate facilities for power evacuation. Near about 25000 MW capacity has so far been achieved through the installation of grid interactive wind power projects. More than 90% of 2500 MW have been achieved through private sector participation. Now, it has been targeted to install 5% of the additional total power generation capacity through grid interactive wind power during the 10<sup>th</sup> and 11<sup>th</sup> Plan periods. The Committee feel that the Government would be able to achieve this target particularly because the private sector response is favorable as result of de-licensing provision for such power generation under the Electricity Act, 2003 and the past performance of the Government in the wind power sector particularly during the year 2002-2003 and 2003-04 is encouraging. However, the MNES should prevail upon the Government of Orissa to declare its policy for private sector participation without any further delay. Moreover, lack of facilities for power evacuation in Andman & Nocobar and Lakshadweep Islands, which have a vast potential for wind power generation, should not come in the way of participation of private sector in the wind energy programme. The Committee, therefore, desire that the Ministry should keep the efforts made to achieve the targets.

#### **Reply of the Government**

The matter had been taken up with the Government of Orissa for expediting its policy for grid interactive renewable power generation. In this regard, a comprehensive draft state policy paper for grid interactive renewable power generation has already been prepared and is being processed by them. However, with the Electricity Act, 2003 coming into force, the role of regulators has gained in importance and under the new scenario the State Government is only one among the stake holders.

Wind Resource Assessment of Andaman & Nicobar Islands reveals that the wind potential at Keating point in Car Nicobar Islands and the south bay area in Little Andaman appears to be good. Further, monitoring is to be carried out at another five locations in A&N Islands for which equipment has already been supplied to A&N Administration for positioning of the masts at the five identified sites. As soon as the masts are installed by the Islands authorities, C-WET would commence wind monitoring activities.

In addition, wind monitoring is being carried out at 10 locations in Lakshadweep Islands.

It is expected that the installed capacity target of 300 MW for grid interactive wind power for 2004-05 could be exceeded.

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The Committee find that the gross potential for wind power generation is estimated at 45000 MW. However, technical potential has been estimated at about 13,400 MW on account of grid capacity. The Committee are, therefore, of the firm opinion that in order to bridge the gap between the total available potential and technical potential, R&D plays a very significant role in this respect. However, the Committee are pained to know that this very important component has been ignored over the last so many years and only Rs. 62.25 lakh have been spent on R&D and its related projects covering wind systems and small aero-generators since 2000-01. The Committee also note that now the Ministry have decided to raise capacity utilization factor of operating wind turbines from an existing 17% to 25%, reduce the cost of wind power of below Rs. 2.5 crore per MW, reduce the cost of generation of wind power to around Rs. 2 per unit, indigenise design and manufacturer of complete wind turbines and wind manufacturing industry to become a net foreign exchange earner by 2012 through Research and Development (R&D) efforts. The Committee strongly recommend that these efforts should not go waste and sincere effort should be made to execute the proposed activities/schemes in right earnest. The Committee, therefore, desire that sufficient funds should be allotted under this head and Government should ensure that the funds available are optimally utilized.

#### **Reply of the Government**

The recommendation of the Committee has been noted for compliance.

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The Committee note that much work has not been done to secure the association of Panchayati Raj Institutions, Cooperative Societies, NGOs etc. The Committee feel that their participation can contribute to the effective long term operation and maintenance arrangements and reliable supply of electricity to meet the various needs of the people residing in the remote inaccessible villages/hamlets. The Committee desire that the Ministry should multiply their efforts to ensure their participation on a large scale.

**Reply of the Government**

The Ministry enlists supports of Panchayati Raj Institutions, Cooperatives Societies, NGOs, etc. in implementation of its programmes, especially in rural areas. Panchayats are to be actively involved in the implementation and operation of the test projects for village energy security in remote villages.

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The Committee note that an outlay of Rs. 735 crore has been provided to electrify 5000 villages under the Remote Village Electrification Programme for 10<sup>th</sup> Five Year Plan. However, the Committee find that more than 24685 un-electfied villages have been identified for electrification as on date. The committee feel that there is a great need to increase the coverage of this programme from 5000 villages to 10000 villages or more during the 10<sup>th</sup> plan itself. Therefore, the committee recommend that the Ministry should approach the Planning Commission/Ministry of finance for an increase in outlay under this head. The Committee may also be apprised of the initiatives taken in this regard.

#### **Reply of the Government**

It is likely that about 2000 remote villages would get covered during the first three years against the target of 5000 villages for the 10<sup>th</sup> Plan. This would leave a balance of 3000 villages to be covered during the last two years of the Plan period. This apart, around 1500 remote hamlets would also get covered under the programme during the 10<sup>th</sup> Plan. In case a higher coverage beyond the target appears feasible, a higher allocation would be sought for the purpose at the appropriate stage. However, going by the progress made so far, it appears unlikely that states would be in a position to achieve a higher coverage than the existing target of 5000 remote villages during the final 2 years of the 10<sup>th</sup> Plan.

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The Committee observed that about 540 million tones of biomass is available in the country. Out of this about 120-150 million tones i.e., 25 to 30% is available for biomass based power generation projects. The Committee further note that Biomass Conversion Programme did not make much headway during the last two years. In 2002-03 only 2.07 MW could be achieved out of the target of 10MW and 4.85 MW out of the target 5.00 MW during the year 2003-04. During the 9<sup>th</sup> Plan Period the position was also not better as only 29.68 MW could be achieved out of the total target of 40 MW. The Committee express its concerns at the slow pace of the implementation of this vital programme. The reasons adduced by the Ministry for not achieving the physical targets are the delayed release of funds for projects due to delay in clearance from State statutory authorities, delay in financial tie-ups or other commercial reasons. The Committee are not convinced with these reasons and desire that 'Single Window Clearance System' should be introduced in each State for dealing with such projects. As regards other bottlenecks while implementing the programme, the Committee has been informed that adequate availability of biomass for grid interactive power generation has been a problem in some areas and the Ministry is planning to use biomass for off-grid application in villages where availability and collection of biomass is not a problem. Further the technology of biomass gasification for grid interactive power generation is still to be fully established in commercial mode. However, the Ministry is sustaining its efforts to take this technology beyond demonstration phase through technology development. The Committee thrust that Government would make persistent Research and Development in this regard and a multi-fold expansion of the deployment of these systems in the coming years may become a reality. The Committee may be apprised of the efforts made in this direction.

#### Reply of the Government

##### Biomass co-generation

Against the country's potential of around 16000 MW from surplus biomass estimated at 120-150 MMT, an installed capacity of around 330 MW has already been achieved and a capacity of around 300 MW is under various stages of implementation. The installed capacity of biomass gasification which is currently around 60 MW appears less when compared to biomass combustion installed capacity of about 270 MW since systems for the former are smaller in capacity and the technology is relatively new. Biomass gasification systems are mainly installed for captive applications and accordingly do not require any specific approvals at the state level. On the other hand, grid interactive biomass power projects need approvals from the state electricity boards and pollution control authorities, etc. In most states, the State Nodal Agencies for renewable energy have been authorized by respective Governments to coordinate such approvals.

The Ministry continues its efforts to develop more efficient and cost effective technologies for converting biomass to energy through R&D efforts. 26 R&D projects on

biomass gasification related topics are currently underway at various research institutions. In addition, the first phase of the project on development of biomass gasification systems has been concluded at the Indian Institute of Science, Bangalore. A major achievement of this effort has been the licensing of technology so developed to four manufacturers. The second phase of the project has also been sanctioned for further optimization of the technology. A list of thrust areas has also been identified for continuation of research efforts in this direction.

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**(Please see paras 20(a) and (b) of chapter-I of the Report)**

The Committee also observe that there is a huge variation in exploiting the potential from biomass based power generation and bagasse co-generation. The main reasons for higher level of exploitation of bagasse co-generation inter-alia include the long experience of sugar industry in operation of co-generation projects, lower risks due to availability of captive biomass resources i.e., bagasse, greater willingness of financial institutions to finance projects in existing profit making sugar mills etc. The Committee also note that if all the 500 sugar mills in the country switch over to modern techniques of co-generation around 3,500 MW of power can be produced. However, at present around 11 % of the total estimated potential of 3500 MW has been harnessed through bagasse based co-generation. The Committee therefore, strongly recommend that the Ministry should draw up an action plan including technology and research support for exploitation of bagasse co-generation and Committee would also like to be apprised of the action taken in this regard. Similarly, the Committee feel that the Ministry should formulate a policy which facilitate single window clearance for such projects in sugarcane producing States, e.g., Maharashtra, U.P., Tamil Nadu etc. The government could also consider giving financial incentives for such projects.

#### **Reply of the Government**

##### **Biomass Co-generation**

The Ministry has been implementing a programme for the exploitation of potential of bagasse-based co-generation in sugar mills for almost ten years. Bagasse based cogeneration projects require approvals from state level authorities such as the state electricity utility and the Pollution Control Board. In addition, cooperative sugar mills may require approval of the State Government for making investments. In private sector projects no major delays have been observed in obtaining clearances by promoters. A committee has been set up in Maharashtra to suggest remedial measures for accelerated exploitation of bagasse based cogeneration potential of cooperative sector sugar mills in the country.

The technology for bagasse cogeneration is fairly well established and a number of manufacturers offer equipment and services for the same.

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## **CHAPTER-III**

### **RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

**Recommendation Serial No. 15**

**Paragraph No. 2.63**

The Committee note that the government is also running an Integrated Rural Energy Programme (IREP) which aims at integrating different rural energy programme and their convergence at grassroots level for improving the quality of life of the rural people. The Committee feel that Government should review the two programmes and see whether these can be run as a unified programme so that there is no duplications of efforts. The Committee feel that at least these two programmes, if kept separate should be supplementary to each other.

#### **Reply of the Government**

The Remote Village Electrification Programme is being implemented with the specific mandate to electrify all villages and hamlets where grid extension is either not cost-effective or feasible. IREP, on the other hand, aims to provide the least cost mix of various energy options for meeting the energy needs of cooking, lighting and motive power through non-electrical renewable means in electrified and to be electrified villages. Currently, IREP implementation strategy is to saturate a cluster of villages in selected districts of the country. While RVEP is expected to cover over 25,000 remote villages and hamlets, IREP is expected to cover the rest. To further expedite energy provision to rural areas, it is likely that over 1.7 lakh electrified villages and to be electrified forest fringe villages might require to be covered under a separate rural energy programme, termed Forest Fringe Village Energy Programme. Hence, the coverage and scope of the aforesaid two existing programmes are different and no useful purpose would be served by the merger of the two.

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## CHAPTER –IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation Serial No. 1

Paragraph No 2.9

The Ministry of Non-Conventional Energy Sources have presented Demands for Grants of Rs. 605.27 crore for the year 2004-05 against the Budget Estimate (B.E.) of Rs. 630.15 crore and Revised Estimate (R.E.) of Rs. 395.73 crore during the year 2003-04. During the first two years of the 10<sup>th</sup> Five Year Plan i.e. over the years 2002-03 and 2003-04, Rs. 808.15 crore has been spent out of the total plan outlay of Rs. 4000 crore at the level of Gross Budgetary Support (G.B.S.) corresponding to the achievements of 1268.68 MW out of the total 10<sup>th</sup> Five Year Plan target of 3075 MW of power from renewables. Against a target of 5000 villages, 1133 remote unelectrified villages have been electrified through renewable energy sources during the first two years of the 10<sup>th</sup> five Year Plan. For the year 2004-05, Rs. 21.00 Crores, Rs. 19.00 crores and RS. 36.00 Crores have been allocated to add corresponding aggregate capacity of 350 MW through wind, 125 MW through Biomass / cogeneration and 100 MW through small hydro power projects respectively. The target for completion of electrification projects in 3000 remote villages/ hamlets at the cost of Rs. 200.00 crore has been fixed for the year 2004-05. But the Committee are not sure whether the physical or financial targets would be achieved by the Ministry during the year 2004-05 taking into consideration of their past track record. For instance, Rs. 423.74 crore were spent during the year 2002-03 out of the B.E. of Rs. 624.25 crore at the level of G.B.S. Similarly, Rs. 384.41 crore only could be spent out of the B.E. of Rs. 625 crore at the level of G.B.S. during the year 2003-04. Furthermore, Rs. 14.40 crore only was utilized during the 1<sup>st</sup> quarter of the year 2003-04. During 2<sup>nd</sup> and 3<sup>rd</sup> quarters Rs. 56.74 crore and 37.45 crore respectively were spent. Thus, Rs. 108.59 crore only out of Rs. 384.41 crore spent during the first three quarters of the year 2003-04. It is against the directions of the Ministry of Finance which entails the need to ensure that expenditure is evenly spread over all the four quarters of the financial year. The Committee are of the considered opinion that such variations in expenditure is due to inherent lacunas in the budgetary mechanism of the Ministry which require urgent attention and intensive discussions with the Ministry of Finance and the Planning Commission to ensure the full utilization of allocated budget in a uniform manner spreading over all the four quarters of the financial year

#### Reply of the Government

The Ministry of Non-conventional Energy Sources seeks budgetary support essentially for developing and deploying new and renewable energy technology systems/devices as also for spurring private investment in grid interactive renewable power and the sector as a whole. In addition, it is electrifying unelectrified villages and hamlets numbering over 25,000 where grid extension is either not cost effective or feasible, termed remote villages/hamlets. The Ministry in turn provides Central Financial Assistance (CFA) to a host of agencies, including state governments. Thus, for implementation purposes, it is solely dependent upon them and consequently the quantum and pattern of utilization of funds is sometimes affected by field level constraints over which the Ministry has no direct control. This issue somewhat gets compounded indirectly since the Ministry exercises strict control on systems / devices meeting requisite standards and

specifications and that CFA targeting to beneficiaries is effective in order that public funds are properly utilized. Despite the aforesaid, every effort shall be made to ensure that the recommendations of the committee are complied with.

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**(Please see paras 8(a) and 8(b) of chapter-I of the Report)**

The Committee have observed that over-optimistic targets, which are seldom achieved, have been proposed for mobilization of Internal and Extra Budgetary Resources (IEBR). The Ministry in their reply have stated that continuous efforts are made to make realistic projection for IEBR. But the Committee find that the efforts of the Ministry do not bear any fruit. The Committee do not approve of the Ministry's failure to spend their full 9<sup>th</sup> Plan allocations of Rs. 2122.14 crore and could spend only Rs. 1669.98 crore. The Ministry of Non-Conventional Energy Sources/ IREDA failed miserably not only on the front of direct external aid received from KFW and IBRD but also in mobilizing internal resources from internal accruals, Opening Balance Cash in Hand, repayment of IREDA loan and bank loan etc. resulting in erratic variations in BE, RE and actuals at the level of gross IEBR increasing from Rs. 600.50 crore (BE) to Rs. 976.36 crore (RE) and then decreasing to Rs. 828.47 crore during 2003-04. Furthermore, net IEBR decreased from Rs. 454.15 crore (BE) to Rs. 437.52 crore (RE) which further went down to Rs. 332.31 crore, on account of sharp variations among BE, RE and actuals in the free bonds (Call & Put) during the year 2003-04. The reasons adduced by the Ministry/ IREDA for such variations are very general and are not as such, which could not be visualized in advance. The Committee note that such variations are to some extent due to the inability of the projects promoters to furnish the requisite documents before the end of financial years. The Committee, therefore, recommend that the MNES/ IREDA should take effective steps to review their procedures etc. and simplify requirements of documents so that the targeted utilization of funds can be achieved.

#### Reply of the Government

Reasons for variation in Internal and Extra Budgetary Resource (IEBR) of IREDA are on account of several components of the same being projected on the basis of estimates of (i) internal resources and mobilization of extra budgetary resources to ensure availability of funds to meet disbursement requirements. (ii) debt servicing, including pre-payment / swapping of high cost loan, etc. Continuous efforts are being made to make realistic projection of IEBR. The requirement of resources undergoes many changes depending upon the actual disbursement to the projects, actual repayment received from borrowers and the loans pre-closed by IREDA. The following are main reasons for variations:

Utilization of international lines of credit is contingent upon drawal of funds by borrowers; and

Non-payment of interest and repayment by some borrowers.

Despite the fact that IREDA has been making sustained and vigorous efforts to ensure projections of a realistic IEBR, the matter is not fully within their control and as such there would always be some variation between estimated and actual IEBR.

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(Please see para 11 of Chapter I of the Report)

Recommendation Serial No. 6

Paragraph No. 2.34

The Committee find that there exist a potential of 15,000 MW for the Small Hydro Projects up to 25 MW. The Committee have noted the efforts of the Ministry in the form

of providing financial support ranging between Rs. 15.00 lakhs to Rs. 30.00 lakhs from 2003-04 onwards to identify new potential sites in special category States containing North-Eastern region, Sikkim, Jammu& Kashmir, Himachal Pradesh, Uttranchal as well as in other States/UTs. The Committee are happy to learn that 100 new sites have been identified by the Chhattisgarh with the help of Alternate Hydro Energy Centre, Roorkee, J&K, Jharkhand, Karnataka, Maharashtra, Punjab, U.P. Uttranchal, Kerala and Andhra Pradesh are also taking interest and are preparing proposals under the scheme. The Committee recommend that the Government should encourage all these States to take up the scheme at the earliest as has been done by Chhattisgarh. The committee feel that the Government should also examine whether the amount provided as a financial support for the projects to identify new sites is sufficient or needs any enhancement.

#### **Reply of the Government**

The financial assistance provided under the scheme of identifying new sites has by and large served its purpose as SHP development has taken off by meeting the broad aim of 2% additional grid interactive SHP power generation installed capacity in the country being contributed by this sector.

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(Please see para 14 of Chapter I of the Report)

The Committee observe that there has been mis-match between physical and financial targets and achievements of wind power programme since the year 2002-03. For example during 2002-03, it is found that Rs. 14.56 crore was allocated at the Budgetary Estimate (BE) stage which was reduced to Rs. 5.60 crore at Revised Estimate (RE) and the actual amount spent was further reduced to 5.35 crore. Similarly, during 2003-04, the amount 14.00 crore (BE) was reduced to Rs. 10.30 crore (RE) and the actual amount spent was further reduced to Rs. 6.92 crore. The reasons attributed for variations in BE and RE during the years 2002-03 and 2003-04 was the introduction of new components that were envisaged earlier but were not approved for implementation. However, the Committee find that the government were unable to assess the appropriate amount required even at the stage of Revised Estimate particularly in the year 2003-04 when the actual amount spent was further reduced to Rs. 6.92 crore from Rs. 10.30 crore (RE). What is more surprising that the targets were over-achieved during both the years 2002-03 and 2003-04 (242 MW against the target of 200 MW during the year 2002-03 and the shopping 615 MW against the target of 250 MW during the year 2003-04). The variation in the actual expenditure vis-à-vis BE/RE clearly reflects the faulty budgetary estimation of the Ministry which in the opinion of the Committee needs to be rectified. The Ministry should also have close monitoring for such activities.

#### **Reply of the Government**

Wind Power projects are being set-up through private investment as commercial projects by availing fiscal incentives and facilities of wheeling banking and third party sale apart from preferential tariffs being provided by State Utilities. The budgetary allocations are used only to provide support services such as wind resources assessment and setting up of limited number of demonstration projects. Thus, there may not be a one to one correspondence relation between budget allocation and the target / aim of grid interactive wind power installed generation capacity target / aim.

**Ministry of Non-Conventional Energy Sources**

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(Please see para 17 of chapter I of the Report)

## CHPATER -V

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLY OF THE GOVERNMENT IS STILL AWAITED

Recommendation Serial No. 12

Paragraph No. 2.60

The Committee note that the Village Electrification Programme, which is now known as Remote Village Electrification Programme, was initiated by the Ministry of NCES during the year 2001-02 to electrify all the 18000 un-electrified villages situated in remote and difficult areas such as forests, hills, deserts and islands by the year 2012 AD. It is further noted that the number of una-electrified villages to be electrified through non-conventional energy sources has now increased from 18000 to 24,685. a tentative list of over 24,685 remote census villages in 24 States/UTs have already been received. As on 30.06.2004, 1695 remote villages and 316 remote hamlets in 10 States/UTs have been electrified under this programme and 1385 villages and 721 hamlets are under implementation in 17 States/Uts. Proposal for another 2100 remote villages and hamlets in various States are under process. This would take the total number of remote villages/hamlets electrified through non-conventional energy sources to about 5000 by the end of March 2005. The Committee also note that an outlay, of Rs. 735 crore has been provided to electrify 5000 villages under the Remote Village electrification Programme for 10<sup>th</sup> Five year Plan. Out of this, Rs. 200 crore have been earmarked during the year 2004-05 to sanction new projects in 4000 remote villages/hamlets and to complete electrification projects in 3000 remote villages/hamlets. But the Committee are perturbed to note that only a paltry sum of Rs. 4.35 crore was spent out of 20 crore during the year 2001-02. During the year 2002-03, Rs. 34.77 crore was spent out of allocated amount of Rs.75.00 crore to electrify 520 villages out of the target of 500 villages. Similarly, out of the earmarked amount of Rs. 100.00 crore, only 85.79 crore was spent during the year 2003-04 to electrify 613 villages out of the total target of 1000 villages during the year 2003-04. The Committee, therefore, recommend that the Government should make all out efforts to utilize the allocated amount fully and informed accordingly.

#### Reply of the Government

The actual expenditure on RVEP during 2001-02 was Rs.15.93 crore against a figure of Rs.4.35 noted above.

An amount of Rs.200 crore has been provided for the Remote Village Electrification Programme for 2004-05. By end September, 2004, proposals aggregating about Rs.84 crore had been processed and in addition proposals for electrification of over 1500 remote villages have been received from various States, which are currently under process. Further releases are also anticipated against ongoing projects. At this stage, it is expected that the entire Revised Estimate allocation of Rs.80 crore for the programme would get utilized during 2004-05.

**Ministry of Non-Conventional Energy Sources**  
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**MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2004-05) HELD ON 28<sup>TH</sup> JANUARY, 2005 IN COMMITTEE ROOM NO. 'G-074', PARLIAMENT LIBRARY BUILDING, NEW DELHI**

The Committee met from 1100 hours to 1215 hours.

**PRESENT**

**Shri Gurudas Kamat** - **Chairman**

2. Shri Gauri Shankar Chaturbhuj Bisen
3. Shri Nandkumar Singh Chauhan
4. Shri B. Vinod Kumar
5. Shri Chander Kumar
6. Shri Prashanta Pradhan
7. Shri Khiren Rijiju
8. Shri M. Shivanna
9. Shri E.G. Sugavanam
10. Shri Tarit Baran Topdar
11. Shri G. Venkataswamy
12. Shri Chandrapal Singh Yadav
13. Shri Kamal Akhtar
14. Shri Sudarshan Akarapu
15. Shri Vedprakash P. Goyal
16. Dr. (Smt.) Najma A. Heptullah
17. Shri Bimal Jalan
18. Dr. K. Kasturirangan
19. Shri V. Hanumantha Rao
20. Shri Matilal Sarkar
21. Shri Jesudasu Seelam

**SECRETARIAT**

1. Shri P.K.Bhandari - Director
2. Dr. Ram Raj Rai - Assistant Director

2. At the outset, the Chairman, Standing Committee on Energy (2004-05) welcomed the Members to the sitting of the Committee.

3. The Committee then took up for consideration the following draft Reports: -

- (i) Action Taken Report on the recommendations contained in the 1<sup>st</sup> Report (14<sup>th</sup> Lok Sabha) on Demands for Grants (2004-05) of the Ministry of Power
  - (ii) Action Taken Report on the recommendations contained in the 2<sup>nd</sup> Report (14<sup>th</sup> Lok Sabha) on Demands for Grants (2004-05) of the Ministry of Non-Conventional Energy Sources
4. The Committee adopted the aforesaid draft Reports with minor additions/deletions/amendments.
  5. The Committee also authorised the Chairman to finalise the above-mentioned Reports after making consequential changes arising out of factual verification by the concerned Ministries and to present the same to the Houses of Parliament.
  6. The Committee considered the issue of poor status of electrification in villages and decided to undertake detailed discussion with the Ministries of Power and Non-Conventional Energy Sources and experts of Power Sector on the subject of 'Rural Electrification' during the next sitting of the Committee on 14<sup>th</sup> February, 2005.

*The Committee then adjourned.*



**ANNEXURE II**

( *Vide* Para 4 of Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE FORTIETH REPORT OF  
THE STANDING COMMITTEE ON ENERGY

I.	Total No. of Recommendations made	17
II.	Recommendations that have been accepted by the Government ( <i>Vide</i> recommendations at Sl. Nos. 3,4,5,7,8,10,11,13,14,16 and 17)	11
	Percentage of total	65%
III.	Recommendation which the Committee do not desire to pursue in view of the Government's replies. ( <i>Vide</i> recommendations at Sl. No. 15)	1
	Percentage of total	6%
IV.	Recommendations in respect of which reply of the Government have not been accepted by the Committee ( <i>Vide</i> recommendation at Sl. Nos. 1,2,6 and 9)	4
	Percentage total	23%
V.	Recommendation in respect of which final replies of the Government are still awaited ( <i>Vide</i> recommendation at Sl. No. 12)	1
	Percentage of total	6%