

28

STANDING COMMITTEE ON ENERGY

(2011-12)
FIFTEENTH LOK SABHA

MINISTRY OF POWER

**DEMANDS FOR GRANTS
2012-13**

TWENTY EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/Vaisakha, 1934 (Saka)

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(2011-12)**

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**DEMANDS FOR GRANTS (2012-13)
OF THE MINISTRY OF POWER**

Presented to Lok Sabha on 03.05.2012

Laid in Rajya Sabha on 03.05.2012



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/Vaisakha, 1934 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2011-12)
LOK SABHA

Shri Mulayam Singh Yadav - **Chairman**

2. Shri Suwendu Adhikari
3. Mohammad Azharuddin
4. Dr. Baliram
5. Shri P.C. Chacko
6. Shri Adhir Ranjan Chowdhury
7. Shri Syed Shahnawaz Hussain
8. Shri Baliram Jadhav
9. Shri Gurudas Kamat
10. Shri Devendra Nagpal
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12. Shri Sanjay Nirupam
13. Shri Jagdambika Pal
14. Shri Ravindra Kumar Pandey
15. Shri C. Rajendran
16. Shri Gutha Sukhender Reddy
17. Shri Baju Ban Riyan
18. Shri Sushil Kumar Singh
19. Shri Radha Mohan Singh (Purvi Champaran)
20. Shri Vijay Inder Singla
21. Shri Makansingh Solanki

RAJYA SABHA

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23. Shri V.P. Singh Badnore
24. @Smt. Shobhana Bhartia
25. Shri Shyamal Chakraborty
26. Shri Rama Chandra Khuntia
27. Shri Bhagat Singh Koshyari
28. Shri Jesudasu Seelam
29. Shri Mohammad Shafi
30. Shri Motilal Vora
31. #Shri Veer Pal Singh Yadav

@ Ceased to be member of the Committee consequent upon her retirement from Rajya Sabha
w.e.f. 15th February, 2012

Ceased to be members of the Committee consequent upon their retirement from Rajya Sabha
w.e.f. 02nd April, 2012

SECRETARIAT

1	Shri Brahm Dutt	Joint Secretary
2.	Smt. Abha Singh Yaduvanshi	Director
3.	Shri N.K.Pandey	Additional Director
4.	Shri Manish Kumar	Executive Assistant

INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this Twenty Eighth Report on Demands for Grants of the Ministry of Power for the year 2012-13.

2. The Committee took oral evidence of the representatives of the Ministry of Power on 12th April, 2012. The Committee wish to express their thanks to the representatives of the Ministry for appearing before the Committee for evidence and furnishing the information, desired by the Committee in connection with the issues relating to the subject.

3. The Report was considered and adopted by the Committee at their sitting held on 25th April, 2012.

4. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

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

NEW DELHI

May 1, 2012

Vaisakha 11, 1934 (Saka)

MULAYAM SINGH YADAV

Chairman,

Standing Committee on Energy

REPORT

PART-I

NARRATION ANALYSIS

I INTRODUCTORY

Energy is an important aspect so far as economic and social development of a country is concerned. India ranks the world's sixth largest energy consumer, which accounts for approximately 5% of the world's total energy consumption. The installed power generation capacity has grown 94 times since independence and at present it is 1,97,319.55 MW comprising of 1,31,315.98MW (66.55%) from Thermal, 38,990 MW (19.75%) from Hydro, 4,780 MW (2.42%) from Nuclear and 22,233.17 MW (11.27%) from Renewable Sources. However, still there is a peak demands shortage of about 14,447 MW (11.2%) and an energy deficit of 71,200 MU (8.3%) in the country. In order to meet the shortage of conventional sources energy such as Thermal Hydro and Nuclear in general and electricity in particular and to augment the capacity of energy supply, its efficient use and conservation is a must. Further, this gap between supply and demand is likely to increase unless adequate measures are taken to enhance generation capacity and improve operational efficiency in the distribution and management of power. The Ministry of Power started functioning independently with effect from 2nd July, 1992. Earlier it was one of the Departments under the Ministry of Energy comprising the Departments of Power, Coal and Non-Conventional Energy Sources. Electricity is a concurrent subject at entry number 38 in the List III of the Seventh Schedule of the Constitution of India. The Ministry of Power is primarily responsible for the development of electrical energy in the country. The Ministry is concerned with perspective planning, policy formulation,

processing of projects for investment decisions, monitoring of the implementation of power projects, training and manpower development and the administration and enactment of legislation in regard to thermal, hydro power generation, transmission and distribution.

1.2. The main items of work dealt with the Ministry of Power are as given below:

- General Policy in the electric power sector and issues relating to energy policy and coordination thereof. (Details of short, medium and long-term policies in terms of formulation, acceptance, implementation and review of such policies, cutting across sectors, fuels, regions and intra-country and inter-country flows)
- All matters relating to hydro-electric power (except small/mini/micro hydel projects of and below 25 MW capacity), thermal power and transmission & distribution system network;
- Research, development and technical assistance relating to hydro-electric and thermal power, transmission system network and distribution systems in the States/UTs;
- Administration of the Electricity Act, 2003, (36 of 2003), the Energy Conservation Act, 2001 (52 of 2001), the Damodar Valley Corporation Act, 1948 (14 of 1948) and Bhakra Beas Management Board as provided in the Punjab Reorganisation Act, 1966 (31 of 1966)
- All matters relating to Central Electricity Authority, Appellate Tribunal Electricity and Central Electricity Regulatory Commission;
- Rural Electrification;
- Power schemes and issues relating to power supply/development schemes/programmes/decentralized and distributed generation in the States and Union Territories;
- Matters relating to the following Undertakings/Organizations;
 - (a) Damodar Valley Corporation (DVC)
 - (b) Bhakra Beas Management Board (except matters relating to irrigation);
 - (c) NTPC Limited;
 - (d) NHPC Limited;
 - (e) Rural Electrification Corporation Limited (REC);

- (f) North Eastern Electric Power Corporation Limited (NEEPCO);
 - (g) Power Grid Corporation of India Limited (PGCIL);
 - (h) Power Finance Corporation Limited (PFC);
 - (i) THDC India Limited;
 - (j) SJVN Limited;
 - (k) Central Power Research Institute (CPRI);
 - (l) National Power Training Institute (NPTI);
 - (m) Bureau of Energy Efficiency(BEE);
- All matters concerning energy conservation and energy efficiency pertaining to Power Sector.

1.3 In all technical and economic matters, the Ministry of Power is assisted by the Central Electricity Authority (CEA). While the Authority (CEA) is a Statutory Body constituted under the erstwhile Electricity (Supply) Act, 1948, later replaced by the Electricity Act, 2003, where similar provisions exist, the office of the CEA is an “Attached Office” of the Ministry of Power. The CEA is responsible for technical coordination and supervision of programmes and is also entrusted with a number of statutory functions. CEA is headed by a Chairperson, who is also ex-officio Secretary to the Government of India and comprises six full time Members of of the rank of Ex-officio Additional Secretaries to the Government of India. They are designated as Member (Thermal), Member (Hydro), Member (Economic & Commercial), Member (Power System), Member (Planning) and Member (Grid Operation and Distribution). 14 subordinate offices are functioning under the control of the Central Electricity Authority.

The Ministry of Power has a monitoring system for the capacity addition programmes for timely execution of the cleared projects. The monitoring mechanism

operates at 3 broad levels viz by Central Electricity Authority, by the Ministry of Power and through the Power Project Monitoring Panel (PPMP).

II STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE NINETEENTH REPORT OF THE STANDING COMMITTEE ON ENERGY ON DEMANDS FOR GRANTS (2011-12) OF THE MINISTRY OF POWER.

1.4 The Nineteenth Report of the Standing Committee on Energy on Demands for Grants (2011-12) pertaining to the Ministry of Power was presented to Parliament on 17th August, 2011 and the related Action Taken Report i.e. Twenty-fifth Report was presented to Parliament on 29th December, 2011.

1.5 The current status of implementation of the recommendations contained in the Nineteenth Report of the Committee on Demands for Grants (2011-12) could not be assessed as the Minister of Power is yet to lay a statement in Parliament under Direction 73A of Directions by the Speaker.

1.6 The Nineteenth Report contained 13 recommendations out of which the Government accepted 8 recommendations and 5 recommendations were commented upon by the Committee.

1.7 The Ministry of Power have furnished their final Action Taken Statement on the recommendations contained in the Twenty-Fifth report of the Committee on 27th April, 2012.

III 11TH FIVE YEAR PLAN - TARGETS AND ACHIEVEMENTS

1.8 The Planning Commission assessed an outlay of ₹ 3,09,231.38 crore during the XI Plan period for the Central Sector comprising of ₹ 2,78,779.47 crore of Internal and Extra Budgetary Resources (IEBR), to be raised by the CPSUs themselves and ₹ 30,451.91 crore of Gross Budgetary Support (GBS), (including RGGVY ₹ 26500.00 crore). Against the above outlay, the fund utilization during the first four years and RE 2011-12 of XI plan period is ₹ 2,09,364.16 crore consisting of ₹ 1,77,754.28 crore as IEBR and ₹ 31,609.88 crore as GBS. The CPSU-wise and activity-wise break-up of the utilized funds is as under:-

(₹ in crore)					
SI No.	Activity/ Organization		IEBR	GBS	Total
(a)	Investment in PSUs				
1	NTPC Ltd	Estimates	162701.34	0.00	162701.34
		Achievements	71661.17	0.00	71661.17
2	NHPC	Estimates	28230.93	1000.00	29230.93
		Achievements	17034.37	1398.44	18432.81
3	POWERGRID	Estimates	39999.00	0.00	39999.00
		Achievements	55145.91	0.00	55145.91
4	DVC	Estimates	20550.00	0.00	20550.00
		Achievements	26336.57	0.00	26336.57
5	THDC India Ltd	Estimates	4360.34	500.00	4860.34
		Achievements	2808.30	116.15	2924.45
6	SJVNL	Estimates	10209.70	0.00	10209.70
		Achievements	2888.28	0.00	2888.28
7	NEEPCO	Estimates	12728.16	1500.00	14228.16
		Achievements	1879.68	445.98	2325.66
	Total (a)	Estimates	278779.47	3000.00	281779.47
		Achievements	177754.28	1960.57	179714.85

(₹ in crore)

SI No.	Activity/ Organization		GBS
b	MoP Schemes		
1	AG&SP	Estimates	2.00
		Achievement	26.84
2	Rural Electrification Scheme	Estimates	26500.00
		Achievement	22957.45
3	NPTI(Training & Human Resource)	Estimates	80.00
		Achievement	67.80
4	CPRI(Research & Testing)	Estimates	320.00
		Achievement	274.93
5	Programme & Infrastructure improvement of CEA	Estimates	75.00
		Achievement	28.15
6	Other MoP Schemes	Estimates	474.91
		Achievement	6294.14
	Total(B)	Estimates	27451.91
		Achievement	29649.31
		Estimates*	30451.91
	Total GBS (a) + (b)	Achievement	31609.88

*The estimates do not include the amount under R-APDRP (₹7466.00 crore), NMEEE (₹ 265.35 crore) and NEF-Interest Subsidy Scheme(₹ 249.57 crore)

1.9 The details of budgetary allocation of the Ministry of Power under BE, RE & Actual utilization during the 11th Five Year Plan is given below:-

(₹ in crore)

SI. No.	Year	BE			RE			Actuals		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2007-08	5483.00	411.19	5894.19	4350.00	404.53	4754.53	4308.93	234.95	4543.88
2	2008-09	6000.00	395.76	6395.76	6100.00	274.50	6374.50	6044.86	94.06	6138.92
3	2009-10	9230.00	276.73	9506.73	6814.00	141.06	6955.06	6710.45	106.24	6816.69
4	2010-11	10630.00	133.58	10763.58	8725.22	114.69	8839.91	8494.64	106.98	8601.62
5	2011-12*	9642.00	137.68	9779.68	6051.00	131.34	6182.34	3577.62	85.05	3662.67
	* Actual is upto 31.01.2012									

1.10 The Ministry have informed that Planning Commission had fixed a capacity addition target of 78,700 MW for the 11th Plan as per the following details:

(Figures in MW)

SECTOR	Hydro	Thermal	Nuclear	Total
CENTRAL	8,654	24,840	3,380	36,874
STATE	3,482	23,301	0	26,783
PRIVATE	3,491	11,552	0	15,043
TOTAL	15,627	59,693	3,380	78,700

1.11 According to the assessment made by the Central Electricity Authority (CEA) at the time of Mid-Term Appraisal of the 11th Plan, 62,374 MW of capacity addition was likely to be commissioned with a high level of certainty during the Eleventh Plan period. The breakup of the estimated capacity addition is as under:

(Figures in MW)

SECTOR	Hydro	Thermal	Nuclear	Total
CENTRAL	2,922	14,920	3,380	21,222
STATE	2,854	18,501	0	21,355
PRIVATE	2,461	17,336	0	19,797
TOTAL	8,237	50,757	3,380	62,374

1.12 While private sector has exceeded its target of 15043 MW for the Eleventh Plan, central and State sectors achievement have fallen short of the target. Sector-wise target and the achievement of capacity addition during Eleventh Plan are as follows:-

Sector	Thermal		Hydro		Nuclear		Total	
	Tgt.	Ach.	Tgt.	Ach.	Tgt.	Ach.	Tgt.	Ach.
Central	24,840	12,790	8,654	1,550	3,380	880	36,874	15,220
State	23,301	14,030	3,482	2,702		0	26,783	16,732
Private	11,552	21,720	3,491	1,292		0	15,043	23,012
Total	59,693	48,540*	15,627	5,544	3,380	880	78,700	54,964

*Includes additional capacity of 9678.5 MW not included in the original target.

1.13 When asked by the Committee about the reasons for dismal physical performance during the 11th Plan, the Secretary, the Ministry of Power during the evidence has stated:

"The target of 78,000 was fixed to begin with and the Mid Term Appraisal was made at about 62,000 and at the Mid Term Appraisal, it was clearly seen as to what are the projects which are feasible and then the target of 62,000 was fixed. I would submit that this is the target which we should be looking at because at the time of finalisation of the Plan, you may have a large number of projects but there are a lot of things that happened which prevent the projects from coming through. As far as the central sector is concerned, we had a problem with Koodankulam for 2000 megawatts. Nobody expected the difficulties that arose and hence, that could not come. We had problems with some projects in the central hydro sector particularly NHPC. About 2600 megawatts has slipped from the Mid Term Hydro sector target to the subsequent year. Even here, about 600 megawatts we would have achieved but for certain difficulties that the hon. Member mentioned with Jammu and Kashmir. The project was ready to commission and we could not do that. So, these are some of the difficulties which we never anticipate. That is why; we need to take a Mid Term stock of what will happen."

1.14 In reply to another question on capacity addition, the Secretary stated:

"For the year 2011-12, the target was 2,000 MW for nuclear and 15,600 MW for others -- non-nuclear. Against this, no new nuclear plant could be commissioned for the year 2011-12 but against the 15,601 MW of target set for non-nuclear what we could do was 20,501 MW. That means that the target set for the non-nuclear was exceeded by about 5,000 MW. The achievement of the 2011-12 of 20,501 MW is more than the target that was achieved in the full 8th Plan, the whole of the 9th Plan and nearly equal to what was done in the 10th Plan. Now, for the 11th Plan itself, the capacity addition achieved was nearly 55,000 MW against the mid-term target of about 62,000 MW. Now, this 55,000 MW is equal to what was done roughly in 15 years, between 1992 and 2007. Electric generation for the year 2011-12 was 876 billion units against a target of 855 billion units."

1.15 When the Committee desired to know about the action taken by the Government has taken to ensure that the projects are commissioned as per schedule and strictly in accordance with the Detailed Project Reports drawn to that effect, the Ministry of Power in their written reply stated as under:

"Several measures have been taken by the Government to ensure that the projects are commissioned as per the schedule. These

include augmentation of manufacturing capacity of BHEL from 10,000 MW in December, 2007 to 20,000 MW by 2012; periodic review of issues related to supply of power equipment from BHEL by a Group under the chairmanship of Secretary (Heavy Industry); formation of several new joint ventures to manufacture supercritical boilers and turbine-generators for thermal power plants; sensitization of stakeholders to enlarge the vendors base to meet Balance of Plants requirements; rigorous monitoring of projects at different levels including by Ministry of Power, Central Electricity Authority, Power Project Monitoring Panel and the Advisory Group under the chairmanship of Minister of Power; and introduction of web-based monitoring system."

IV. 12th Five Year Plan – Projections

1.16 The Working Group on power sector for the 12th Plan in its report has suggested the capacity addition requirement of 75,785 MW during the 12th Plan which is based on capacity addition of 62,374 MW during the 11th Plan. Fuel-wise and sector-wise details of capacity addition requirement of 75,785 MW during the 12th Plan is as follows:-

Sector	Hydro	Thermal	Nuclear	Total
Central	5,632	11,426	2,800	19,858
State	1,456	12,340	0	13,796
Private	2,116	40,015	0	42,131
Total	9,204	63,781	2,800	75,785

1.17 As per 18th Electric Power Survey EPS report, the forecast for energy requirement and peak demand in the country in 2016-17 will be 13,54,874 Million Unit and 1,99,540 MW respectively. The details of electricity requirement vis-à-vis electricity availability during 11th Plan and likely situation at the end of 12th Plan is as under:

	Energy				Peak			
	Energy Requirement	Energy Availability	Surplus / Deficit (-)		Peak Demand	Peak Availability	Surplus / Deficit (-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2006-07	6,90,587	6,24,495	66,092	9.6	1,00,715	86,818	13,897	13.8
2007-08	7,39,343	6,66,007	73,336	9.9	1,08,866	90,793	18,073	16.6
2008-09	7,77,039	6,91,038	86,001	11.1	1,09,809	96,785	13,024	11.9
2009-10	8,30,594	7,46,644	83,950	10.1	1,19,166	1,04,009	15,157	12.7
2010-11	8,61,591	7,88,355	73,236	8.5	1,22,287	1,10,256	12,031	9.8
2011-12* #	8,53,324	7,82,124	71,200	8.3	1,28,680	1,14,233	14,447	11.2
2016-17@	13,54,874				1,99,540			
* Upto February, 2012								
# Provisional								
@ As per 18 th EPS (Electric Power Survey)								

1.18 However, the 12th Plan capacity addition target is yet to be finalized by the Planning Commission. The Working Group on power for the 12th Plan in its report has estimated fund requirement for power sector during the 12th Plan excluding renewable energy to be ₹12,37,480 crore. The Working Group on Power for the 12th Plan in its report has also estimated requirement of ₹1,35,100 crore for renewable energy for the 12th Plan. Thus the total fund requirement during 12th Plan for the power sector including renewable energy is projected at ₹13,72,580 crore.

1.19 Assumption underlying the aforesaid projection is given below:

(Figures in ₹ crore per MW)

S.No.	Type of Generation Project	Cost
1	Thermal generation projects	6
2	Hydro generation projects	8
3	Nuclear projects	10
4	Captive	5
5	Solar	13
6	Wind	6
7	Other RES	5

1.20 The estimated requirement of fund of ₹13,72,580 crore for the 12th Five Year Plan includes the expenditure involved with regard to ongoing projects (7432 MW of hydro projects and 14370 MW of thermal) slipping to the 12th Plan from 11th Plan.

1.21 In regard to availability of funds for the power sector the Committee were informed that a Group of Ministers on power sector issues under the Chairmanship of Minister of Power was constituted with the approval of Prime Minister in July / August, 2007 as per the decision taken in the Conference of Chief Ministers held on 28.05.2007. A Sub-Committee of the Group of Ministers on financial issues of power sector was constituted by the Chairman of the GoM on 31.08.2007 under the Chairmanship of Deputy Chairman, Planning Commission. The Sub-Committee had submitted its Interim report on 19.02.2009

and final report on 06.10.2010. The final report along with the interim report of the Sub-Committee has since been considered and adopted by the Group of Ministers in its meeting held on 29.10.2010. Recommendations relating to taxation & those pertaining directly to the States have been segregated and taken up separately with Ministry of Finance and States concerned.

1.22 In respect of tax exemption and incentives for the investors it has been stated that Power is included in the definition of infrastructure and sunset clause under Section 80-IA has been extended for one year i.e 31.3.2013 for power sector.

1.23 During the evidence the Committee pointed out that so far the Ministry had been maintaining that capacity addition programmes for the 12th Plan would be 1,00,000 MW. Asked about the reasons for downward revision in the targets which were even less than 11th Plan Targets of 78,200 MW, the Secretary, the Ministry of Power stated:

"As far as the 12th Plan is concerned... the target is not low. We should not look at 2 lakh megawatts. We are looking at 2 lakh megawatts as the capacity that is required at peak time. The electric power survey is the one which projects the demand. There is a methodology. That is the methodology that is adopted. It is on that basis that the figures that I mentioned about, 1400 billion units at the end of 12th Plan and two lakh mega watts peak capacity at the end of the 12th Plan have been arrived at. So, 76,000 megawatts is the capacity which is required which will help us to achieve the 1400 billion units at the end of the plan and also the peak capacity of 2 lakh. So, 76,000 megawatts is not less."

V. Analysis of Demands for Grants and Annual Plan Outlay

A. Analysis of Demands for Grants

1.24 The Minister for Power laid on the table of the Lok Sabha, the detailed Demands for Grants (2012-13) for the Ministry of Power on 30th March, 2012. The Demands show a budgetary provision of GBS of ₹ 9,642.00 crore with a provision of ₹ 5,929.63 crore in revenue and ₹ 3712.37 crore in capital section. The Central Plan Outlay including IEBR however stands at ₹ 62424.50 crore. The Head-wise Demands for Grants of the Ministry are given as per **Annexure I**. The Programmes and Schemes of the Ministry within the financial provisions made under the Demands/Annual Plan are briefly as under:

1. Secretariat: Provision is made for expenditure on establishment matters for the Secretariat of the Ministry of Power, under various schemes. **(Provision of ₹25.94 crore)**

3. Central Electricity Authority: The Central Electricity Authority coordinates the activities of various agencies in relation to control and utilization of national power resources. It is also responsible for carrying out the survey and studies, collection and recording of data concerning generation, distribution, utilization and development of power resources. **(Provision of ₹96.88 crore)**

4. Research & Development: Central Power Research Institute, Bangalore serves as a National Laboratory for applied research in the field of electrical power and also functions as an independent authority for testing, evaluation and certification of electrical equipment and components. **(Provision of ₹265.00 crore)**

5. Training: National Power Training Institute is engaged in imparting training in various aspects of power sector including operation and maintenance of power stations. **(Provision of ₹11.49 crore)**

6. Joint Electricity Regulatory Commission (JERC) for Manipur and Mizoram: Pursuant to a Memorandum of Agreement signed by the State Governments of Manipur and Mizoram, authorizing the Central Government to constitute a Joint Electricity Regulatory Commission (JERC), the Central Government has constituted a JERC for these states under section 83 of the Electricity Act 2003. The Central Government has also approved a plan scheme of financial assistance of ₹6.60 crore for meeting the recurring and non-recurring expenditure of the Commission during the first five years, ending in January, 2013. **(Provision of ₹2.46 crore)**

7. Central Electricity Regulatory Commission: Under the provision of the ERC Act, 1998, the Central Government had constituted the Central Electricity Regulatory Commission (CERC). The Central Commission continues as a statutory body under the Electricity Act, 2003, which has come into force with effect from 10th June, 2003. **(Provision of ₹34.79 crore)**

9. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY): This scheme of rural Electricity Infrastructure and Household Electrification has been introduced in April, 2005 for providing access to electricity to all rural households. Rural Electrification Corporation (REC) is the nodal agency for the programme. Under the scheme, projects can be financed with 90% capital subsidy for provision of Rural Electricity Distribution Backbone (REDB), creation of Village Electrification Infrastructure (VEI) and Decentralised Distributed Generation and Supply. REDB, VEI and DDG would also cater to the requirement of agriculture and other activities. Under this scheme un-electrified Below Poverty Line (BPL) households will get electricity connection free of charge. The continuation of the scheme in XI Plan was sanctioned on 3rd January, 2008 with the capital subsidy of ₹ 26,500 Crore in Phase-I. To increase the coverage of small habitations, Government sanctioned electrification of habitations upto 100 population instead of 300. RGGVY is a flagship Scheme for creation of

Rural Electricity Infrastructure and household electrification. The targets for the year 2012-13 is for electrification of 4800 un-electrified villages and offering electricity connections to the 34 lakh BPL households. **(Provision of ₹4,900.00 crore)**

11. Funds for Evaluation Studies and Consultancy: This provision is for conducting evaluation studies of various projects/programmes/ schemes. **(Provision of ₹2.00 crore)**

12. Appellate Tribunal for Electricity: Under the provisions of Electricity Act, 2003, the Central Government has set up the Appellate Tribunal for Electricity. It hears appeals against the orders of the adjudicating officer or the Appropriate Commissions under the Electricity Act, 2003. Under the provisions of the Petroleum and Natural Gas Regulatory Board Act, 2006, APTEL is the Appellate Tribunal for the purpose of that Act. **(Provision of ₹8.78 crore)**

13. Joint Electricity Regulatory Commission (JERC) for UTs: The Central Government has set up a Joint Electricity Regulatory Commission (JERC) for Goa and all Union Territories except Delhi. Expenditure of the Joint Commission is borne by the Central Government and the Government of Goa in the ratio of 6:1. **(Provision of ₹4.00 crore)**

14. Comprehensive Award Scheme: Shields and Certificates are given away by the Ministry of Power to the generating stations, transmission and distribution utilities as well as rural distribution franchisees for recognizing meritorious performance in operation, project management and environmental protection. **(Provision of ₹0.90 crore)**

15. Energy Conservation: The funds would be utilized for carrying out the Energy Conservation related activities i.e. National level awareness campaign, National Energy Conservation Awards and National level Painting Competition for children. One of the Missions is National Mission for Enhanced Energy Efficiency. This is being pursued by MoP and Bureau of Energy Efficiency (BEE). **(Provision of ₹200.00 crore)**

16. Bureau of Energy Efficiency (BEE): Fund would be provided to BEE for implementation of its various plan schemes. A number of Demand Side Management (DSM) have been

initiated by Government to reduce the overall power consumption and improving efficiency of agriculture irrigation, water pumping, street lighting and sewage pumping to reduce the subsidy burden of the states and energy cost incurred by municipalities. Government has approved Bachat Lamp Yojana (BLY) scheme that seeks to promote energy efficient and high quality compact fluorescent lamps (CFLs) as replacement of incandescent bulbs in household. A Standard & Labeling (S&L) programme has been launched to reduce the end use consumption by applying labeling for equipments/appliances and mandatory labeling for energy consuming appliances category. Schemes such as Energy Conservation Building Code (ECBC), strengthening of State Designated Agencies (SDA) Energy Efficiency in Small and Medium Enterprises (SMEs) and State Energy Conservation Fund (SECF) have also been launched to promote energy conservation and efficiency to avoid targeted generation capacity. **(Provision of ₹200.00 crore)**

17. Re-structured Accelerated Power development Reforms Programme(R-APDRP):

The objective of the programme is to facilitate State Power Utilities to reduce the level of AT&C loss to 15% in the Project areas. The programme has two major components. Part-A includes projects for establishment of information technology based energy accounting and audit system leading to finalization of verifiable base-line AT&C loss levels in the project areas. Part-B envisages distribution network strengthening investments leading to reduction in loss level. **(Provision of ₹3,114.00 crore)**

18. Assistance to Forum of Regulator for Capacity Building: There is a provision for providing funds to Forum of Regulators for capacity building and availing consultancy. **(Provision of ₹2.00 crore)**

21. National Electricity Fund (Interest Subsidy Scheme): The National Electricity Fund (NEF) is being set up to provide interest subsidy on loans to be disbursed to the Distribution

Companies (DISCOMS) both in the Public and Private Sector, to improve the distribution network for areas not covered by RGGVY and RAPDRP Project areas, the pre condition for eligibility are linked to certain reform measures taken by States and the amount of interest subsidy is linked to the progress achieved in reforms linked parameters. The nodal agency for NEF would be Rural Electrification Corporation Ltd. The implementation of the Scheme would result in reduction in AT&C losses, reduction of gap between average cost of supply and average revenue on subsidy received basis, improving return on Equity and issue of notification of multiyear tariff alongwith investment in Distribution Sector. This Scheme will facilitate Central Govt. intervention, and catalyst for revamping and restructuring the State Sector Distribution Scheme. The CCEA has approved the NEF Scheme on 13.12.2011. **(Provision of ₹72.00 crore)**

26. 220kV transmission line from Srinagar to Leh via Kargil: The new scheme added in the SBE is to be approved by PIB/ CCEA. **(Provision of ₹200.00 crore)**

27.03. Strengthening of Transmission System in the States of Arunachal Pradesh & Sikkim: The new scheme added in the SBE is to be approved by PIB/ CCEA. **(Provision of ₹145.00 crore)**

28. Investment in Public Enterprises:

28.01. NTPC Limited: NTPC was set up in 1975 as a Central Sector generating company for the development of thermal power. The Corporation has grown rapidly to become the largest thermal generating company in India. Company has diversified into hydro power, power trading, coal mining etc. In order to embody its diverse operations the company has been rechristened as NTPC Limited. As on 31 December, 2011 the authorized share capital of NTPC is ₹10,000 crore and paid up capital is ₹8,245.50 crore. NTPC including its JVs &

subsidiaries has installed capacity of 36,014 MW as on 31 December, 2011. **(Provision of ₹20,995.00 crore)**

28.02. NHPC Limited: NHPC Ltd. was incorporated in 1975 under Companies Act 1956. NHPC is a Mini Ratna Category-I Enterprise of the Government of India with an authorized share capital of ₹15,000 crore and paid up capital as on 31 March, 2011 is ₹12300.74 crore. The total installed capacity of NHPC as on 31.12.2011 including that of NHDC (Joint Venture Company with Govt. of Madhya Pradesh) is 5295 MW through 14 projects. **(Provision of ₹4,097.00 crore)**

28.03. Damodar Valley Corporation (DVC): DVC was established in 1948 for the promotion and operation of irrigation, water supply, drainage, generation, transmission and Hydro-electric Power in Damodar Valley. The total installed capacity of DVC as on 31.12.2011 is 5439.70 MW. **(Provision of ₹5571.69 crore)**

28.04. North Eastern Electric Power corporation (NEEPCO): North Eastern Electric Corporation Ltd. (NEEPCO), a Schedule A Government of India Enterprise under the Ministry of Power was set up on 02 April, 1976 under the Indian Companies Act, 1956 with the objective of developing the power potential of the North Eastern Region of the country through planned, development & commissioned of power generation projects, which in turn would effectively promote the development of the North Eastern Region. Since then NEEPCO has grown into one of the pioneer Public Sector Undertaking under the Ministry of Power, Govt. of India, with an authorized share capital of ₹5000 crore and having an installed capacity of 1,130 MW (755 MW Hydro & 375 MW Thermal), which meets more than 60% of the energy requirements of the N.E. Region. **(Provision of ₹1,271.79 crore)**

28.05. SJVN Limited: SJVN Limited (formerly Nathpa Jhakri Power Corporation) was established on 24 May, 1988 as a joint venture of the Government of India (GOI) and the

Government of Himachal Pradesh (GOHP) with an equity participation in the ratio of 75:25 respectively, to plan, investigate, organize, execute, operate and maintain Hydro-electric power projects. Govt. of India through an Initial Public Offer (IPO) of SJVNL in the month of May, 2010, offered 10.03% of its share to the public and financial institutions. SJVNL is a Schedule A, Mini Ratna Company. The present authorized share capital of SJVNL is ₹7,000 crore. **(Provision of ₹796.00 crore)**

28.06. THDC India Limited: THDC INDIA LTD., a Miniratna & Schedule A Company, was incorporated as a joint venture of Government of India and Government of Uttar Pradesh in July, 1988 to develop, operate and maintain the Tehri Hydro Power Complex and other projects. The Tehri Hydro Power Complex (2400 MW) comprises Tehri HEP(1000 MW), Tehri PSP(1000 MW) & Koteshwar HEP(400 MW). While Tehri HEP(1000 MW) is under operation since 2007, Tehri PSP (1000 MW) is under construction and 3 units of 100 MW each of Koteshwar HEP (400 MW) are under operation. The last unit of Koteshwar HEP is expected to be commissioned by March, 2012. **(Provision of ₹565.39 crore)**

28.07. PGCIL: Power Grid Corporation of India Limited (POWERGRID) was incorporated as a Government of India enterprise on 23 October, 1989 under the Companies Act, 1956 with an authorized share capital of ₹5,000 crore, which has been enhanced to ₹10,000 crore in 2007-08 and paid up capital as on 31st March, 2011 is ₹4,629.73 crore. The inter-regional transmission capacity of POWERGRID as on 31.12.2011 is 23,800 MW. **(Provision of ₹20,000 crore)**

B. Annual Plan Outlay

1.25 The total outlay approved by the Planning Commission for the year 2012-13 is ₹62424.50 crore comprising IEBR of ₹52782.50 crore and GBS of ₹9642.00 crore as against the proposal of ₹64,983.23 crore. Details are as given in the table below:

(₹ in crore)

Sl.No	Organisations/ projects/ schemes	Proposed Annual Plan 2012-13		Approved by Planning Commission/ Min. of Finance	
		GBS	IEBR	GBS	IEBR
	(A) PSUs under MoP				
1.	NTPC Ltd.	0.00	20995.00	0.00	20995.00
2.	NHPC Ltd.	270.37	3826.63	270.37	3826.63
3.	PGCIL	0.00	20000.00	0.00	20000.00
4.	DVC	0.00	5571.69	0.00	5571.69
5.	THDCIL	110.00	455.39	110.00	455.39
6.	SJVNL	0.00	796.00	0.00	796.00
7.	NEEPCO	134.00	1137.79	134.00	1137.79
	(A) Total	514.37	52782.50	514.37	52782.50
	(B) Other MoP Schemes				
1	Computerization & Office Equipment	0.00	0.00	0.10	0.00
2	Central Electricity Authority	44.74	0.00	19.08	0.00
3	Central Power Research Institute	365.00	0.00	265.00	0.00
4	National Power Training Institute (NPTI)	23.60	0.00	5.09	0.00
5	Setting up of JERC for Manipur and Mizoram	2.46	0.00	2.46	0.00
6	Subsidy for Rural Electrification – RGGVY	7287.00	0.00	4900.00	0.00
7	Funds for Evaluation Studies and Consultancy	2.00	0.00	2.00	0.00
8	Comprehensive Award Scheme for power sector	0.90	0.00	0.90	0.00
9	Energy Conservation	635.00	0.00	200.00	0.00
10	Bureau of Energy Efficiency	297.30	0.00	200.00	0.00
11	Assistance to FOR for Capacity Building	3.00	0.00	2.00	0.00
12	R-APDRP	2514.00	0.00	3114.00	0.00
13.	National Electricity Fund (NEF)	75.00	0.00	72.00	0.00
14.	220kV Transmission Line from Srinagar to Leh via Kargil.	245.00	0.00	200.00	0.00
15.	Strengthening of Transmission System in the States of Arunachal Pradesh and Sikkim	191.36	0.00	145.00	0.00
	(B) Total	11686.36	0.00	9127.63	0.00

1.26 The actual utilization of plan outlay during 11th Plan as against the Budget Estimates is shown below:

Year	BE (₹ in crore)	RE (₹ in crore)	Actual Utilization (₹ in crore)	% of Budget Estimate
2007-08	33,153.26	30,690.38	25,887.63	78.08%
2008-09	40,460.10	36,306.47	37,656.00	93.07%
2009-10	53,126.27	45,269.60	39,884.23	75.07%
2010-11	60,751.42	45,668.03	43,144.16	71.02%
2011-12	66,382.73	62,791.73	29,205.71*	43.99%
Total	2,53,873.78	2,20,726.21	1,75,777.73*	69.24%

*Actual expenditure is upto 31st January, 2012.

1.27 In reply to a question about quarterly utilization of funds by the Ministry of Power during the last three years, the Ministry has given the following data:

(₹ in crore)					
Plan					
		Qtr 1	Qtr 2	Qtr 3	Qtr 4
2009-10	Actuals	7.58	2001.90	3252.44	1448.53
	Percentage	0.08%	21.69%	35.24%	15.69%
2010-11	Actuals	865.84	3123.49	1374.73	3130.17
	Percentage	8.15%	29.38%	12.93%	29.45%
2011-12	Actuals	161.13	1272.07	2126.11	1139.95
	Percentage	1.67%	13.19%	22.05%	11.82%
Non-Plan					
		Qtr 1	Qtr 2	Qtr 3	Qtr 4
2009-10	Actuals	24.07	26.70	33.83	21.64
	Percentage	8.70%	9.65%	12.22%	7.82%
2010-11	Actuals	28.37	22.89	24.83	30.89
	Percentage	21.24%	17.14%	18.59%	23.12%
2011-12	Actuals	27.87	22.87	25.81	33.01
	Percentage	20.24%	16.61%	18.75%	23.98%

1.28 The details for the year 2011-12 in regard to utilization of GBS are as under:-

(₹ in crore)			
	IEBR	GBS	TOTAL
BE	56740.73	9642.00	66382.73
RE	56740.73	6051.00	62791.73
Actual*	25628.09	3577.62	29205.71

* Actual expenditure is upto 31st January, 2012.

1.29 When asked by the Committee about low utilization of the funds during 2011-12, the Ministry stated that the reasons for reduction in RE in respect of GBS were mainly due to low utilization of funds especially in schemes like RGGVY and R-APDRP.

1.30 Giving further details on the revised estimates and variations with the Budget Estimates, the Ministry of Power in their written reply have furnished the following information:

(₹ in crore)					
Sl. No.	Name of the Schemes/Projects	BE 2011-12	RE 2011-12	Variations between BE & RE	Reasons for improper utilization
1	2	3	4	5	6
1.	RGGVY	6000.00	3544.00	2456.00	<p>Against the BE of ₹6000.00 crore a provision of ₹3544.00 crore has been kept in RE 2011-12. This reduction is mainly due to following:-</p> <p>(a). Closure proposals have just started coming from the implementing agencies, the conditionalities particularly deployment of franchisee and submission of audited accounts attached with the closure of the projects, are not being fulfilled by the implementing agencies. Consequently, there are delays in submission of closure proposals.</p> <p>(b). Delay in submission of Revised Cost Estimate</p>

1	2	3	4	5	6
					proposals after field survey. (c). Sanction of new projects under Phase-II is delayed because of late submission of acceptance of condition of "No cost escalation" and certificate that DPRs have been prepared as per field survey by States.
2.	R-APDRP	2034.00	1668.00	366.00	Against the BE of ₹2034.00 crore a provision of ₹1668.00 crore has been kept in RE 2011-12. This was reduced as per the trend of expenditure.
3.	CPRI	163.40	75.00	88.40	Against the BE of ₹163.40 crore a provision of ₹75.00 crore has been kept in RE 2011-12. This reduction is mainly due to reduction in following schemes: (a). Centre of excellence for Life Cycle Management and condition Assessment of High voltage substation and Power Plant Electrical Equipment. (b). Plan R&D funding. (c). Research Scheme of Power. (d). National Perspective Plan. (e). Establishment of Second SC alternator for HPL.
4.	Energy Conservation	130.80	50.00	80.80	Against the BE of ₹130.80 crore a provision of ₹50.00 crore has been kept in RE 2011-12. This reduction is mainly due to reduction in the amount earmarked for PRGF/ VCFEE scheme under NMEEE could not be utilized
5.	BEE	123.80	65.00	58.80	Against the BE of ₹123.80 crore a provision of ₹ 65.00 crore has been kept in RE 2011-12. This reduction is mainly due to reduction in following schemes. (i) Monitoring & verification activity was not under under the budget initially & was included later on. (ii) There was delay in

1	2	3	4	5	6
					preparation and submission of DPRs because of local condition. (iii) The approval of SEEP is under process.
6	Central Electricity Authority	16.23	8.44	7.79	Against the BE of ₹ 16.23 crore a provision of ₹ 8.44 crore has been kept in RE 2011-12. This reduction is mainly due to nil provision under new (un-approved) scheme "Upgradation of IT facilities in CEA (Ph-2)" & discontinuation of the scheme "Optimization of National Grid Programme". Also due to less provision under the scheme "Technical Assistance by world bank to Support CEA for appointment of consultants for addressing barriers to energy efficiency R&M of coal fired generating units in India. Therefore a surrender of ₹ 1.00 crore under the scheme "Strengthening of REBs-Plan-capital".
7	National Power Training Institute	16.89	2.09	14.80	Against the BE of ₹16.89 crore a provision of ₹2.09 crore has been kept in RE 2011-12. This reduction is because of less requirement in the scheme Modernization & upgradation of Training facilities at corporate office Faridabad.
8	National Electricity Fund	249.57	0.00	249.57	Against the BE of ₹ 249.57 crore a 'Nil' provision has been kept in RE 2011-12. As the scheme was approved by the CCEA in December, 2011 and six months are required for operationalization of the scheme, therefore, a 'NIL' provision has been kept in RE 2011-12.

C. Development of Hydro Power Sector

1.31 Our country is endowed with enormous economically exploitable and viable hydro potential. It is assessed to be 1,45,320 MW in terms of installed capacity (having projects of I.C. above 25 MW). Despite hydroelectric projects being recognized as the most economic and preferred source of electricity, share of hydro power has been declining steadily since 1963. The hydro share in the total power capacity declined from 44 percent in 1970 to 26 percent in 2007. In order to give a boost to hydro power development, Govt. brought Hydro Policy, 2008, which seeks to induce substantial private investments in hydro power development.

1.32 The Ministry of Power has stated that the broad objectives of the Hydro Policy are:

- a) Inducing private investment in Hydro power development
- b) Harnessing the balance hydro-electric potential
- c) Improving Resettlement and Rehabilitation
- d) Facilitating financial viability

1.33 *When the Committee asked about the specific initiatives enshrined to promote hydro sector in the Country, the Ministry of Power in their written replies stated as under:*

"The specific initiatives enshrined to promote hydro sector in the country are:-

a) Hydro Power Policy -2008:

Hydro Power Policy,2008 has been notified by Govt. of India on

31.3.2008. The main points of the policy are given below:

- Provides level playing field to private developers –tariff to be determined by the regulator under section 62 of Electricity Act, 2003, - as is being done for PSUs upto Dec.-2015.
- Transparent selection criteria for awarding sites to private developers – regulator to decide.

- Enables all developers to recover their additional costs through merchant sale of upto a maximum of 40% of the saleable energy. 5% reduction for a delay of every six months. – Balance long term PPAs
- For 10 years from the COD, developer to provide 100 units of electricity per month to each PAF - in cash or kind or a combination of both.
- Project developer assists in implementing rural electrification in the vicinity of the project area and contributes the 10% share of the State Govt. under the RGGVY scheme.
- Additional 1% free power from the project for a Local Area Development Fund, - regular revenue stream for welfare schemes, creation of additional infrastructure and common facilities.
- The State Governments are also expected to contribute a matching 1% from their share of 12% free power.

b) Policy Liberalisation:

To bring in additionally to resources for the capacity addition in the Power Sector, a policy to encourage greater participation by private entrepreneurs in India and abroad in electric power generation to enhance the chances of private investment has been announced. Govt. has issued tariff notification for hydro projects incorporating several incentives to private developers which broadly cover incentives for better availability of machines, for generation of extra energy above design energy, compensation for hydrological risks, etc.

c) Electricity Act, 2003 and consequent changes in Industry Structure:

Electricity Act, 2003 has come into force since 10th June, 2003 replacing the earlier Electricity Act 1910, the Electricity (Supply) Act 1948 and Electricity Regulatory Act 1998. This act has permitted direct commercial relationship between generating companies and consumers/traders. The Act has provided a generating company the right to open access through state /central transmission utilities. The Act has also enlarged the scope of captive power plants permitting Group captive Plants wheeling power to their consumers. Reforms in the Electricity sector in the country has brought many more organizations like Central Electricity Regulatory Commission and State Regulatory Commissions. The Act has also emphasized the development of hydro power and safety of the structures including dam etc.

d) National Water Policy- 2005:

The Government has brought out a National Water Policy in the year 2002, which inter-alia , envisages that water is a prime national resource ,

the basic need and a precious national asset. Planning development and management of water resources need to be governed by national perspective. It has further been stipulated in the Policy that in the planning and operation of system, water allocation priority should broadly be in the order of drinking water, irrigation, hydro power, ecology, agro industries and non agriculture industries, navigation and other uses.

e) National Electricity Policy:

The policy lays maximum emphasis on full development of the feasible hydro potential in the country which will facilitate economical development of States, particularly North Eastern States, Uttarakhand, Himachal Pradesh and Jammu & Kashmir. Since the hydel projects call for comparatively larger capital investment, debt financing of longer tenure has been recommended. The State Governments have been advised to review procedure for land acquisition and other approvals / clearances for speedy implementation of hydro projects. Full support of Central Government has been extended for hydel development by offering the services of CPSUs like NHPC, NEEPCO, SJVNL, THDC etc. Emphasis has also been laid on implementation of NPRR-2003 so as to ensure addressing of the concerns of project affected families. Emphasis has also been laid on taking adequate safeguards for environmental protection by monitoring of implementation of Environmental Action Plan and R&R schemes.

f) National Rehabilitation & Resettlement Policy-2007:

The Policy addresses the need to provide succour to the assetless rural poor, support the rehabilitation efforts of the resource poor sections, namely small and marginal farmers, SCs/STs and women who have been displaced. Besides, it seeks to provide a broad canvas for an effective dialogue between the Project Affected Families and the Administration for Resettlement & Rehabilitation to enable timely completion of project with a sense of definiteness as regards costs and adequate attention to the needs of the displaced persons. The rehabilitation grants and other monetary benefits proposed in the Policy are minimum and applicable to all project affected families. States where R&R package are higher than proposed in the Policy are free to adopt their own package. The objectives of the Policy are to minimize displacement, to plan the R&R of PAFs including special needs of Tribals and vulnerable sections, to provide better standard of living to PAFs and to facilitate harmonious relationship between the Requiring Body and PAFs through mutual cooperation.

g) Mega Power Projects Policy (Revised):

Govt. of India has issued revised Mega Power Project Policy vide O.M. dated 14.12.2009. The threshold limit to obtain Mega Power status is 500 MW for hydro projects. The minimum qualifying threshold capacity for hydro projects availing mega power benefit is 350 MW or more for projects located in North Eastern Region including Sikkim and J&K. Mandatory condition of Inter –State sale of power for setting mega power status has been removed. As per this Policy, the import of capital equipment would be free of customs duty, deemed export benefits as per EXIM Policy extended to domestic bidders for projects both in public and private sector. The income tax holiday regime for a period of 10 years can be claimed by a promoter in any block of 10 years within 10 to 15 years. The State Governments have been requested to exempt supplies made to Mega Power Plants from sales tax and local levies. These measures and the economies of scale in Mega Projects would substantially bring down tariffs. There shall be no further requirement of ICB for procurement of equipment for mega projects if the requisite quantum of power has been tied up or the project has been awarded through tariff based competitive bidding as the requirements of ICB for the purpose of availing deemed export benefits under Chapter 8 of the Foreign Trade Policy would be presumed to have been satisfied. In all other cases, ICB for equipments shall be mandatory."

1.34 When the Committee desired that to what extent the hydro policy has been successful in achieving its objective i.e. promotion of hydro sector, the Ministry of Power stated as under:

"A number of hydro projects have been allotted by States to private sector after policy liberalization. At present 139 hydro-electric projects having Installed Capacity 41,732.5 MW have been allotted to private sector by States which are at different stages of development. These projects are expected to give boost to hydro power development in the country in addition to H.E. Projects being developed by CPSUs / State Govts. / State Corporations."

1.35 During the evidence, the Secretary, the Ministry of Power describing the difficulties faced by the Hydro Sector, deposed before the Committee:

"We are also concerned with hydro. We need to develop hydro. There has been a talk about 60:40 being the thermal, hydro ratio. I do not think it holds any longer. Look at our likely capacity addition by 2032. We are projecting about 8 lakh megawatts. Even if we exploit the entire hydro potential available in the country, which is going to be 1.5 lakh mega watts we still have hydro which is 20 per cent of the total thermal capacity. So, hydro capacity will not really go very high for two reasons. Thermal capacity is growing very fast. It is easy to build thermal capacity. It is becoming more and more difficult to build hydro capacity. It is not that one is not attempting. There are so many difficulties that are coming up now.Not only projects under construction but also projects which are commissioned should be stopped. So, this is the atmosphere in which we are working in hydro."

1.36 On being enquired by the Committee about the presence of any mechanism for periodic review of the policy in terms of its implementation and consequent result as desired, the Ministry have stated:

"There is no specific mechanism for periodic review of the policy in terms of its implementation and consequent result. However based on the feedback from various developers, provision of Policy are reviewed and modified, if felt necessary, from time to time."

1.37 When the Committee desired to know about the performance of hydro sector during the 11th Five Year Plan, the Ministry have furnished the following details:

Capacity addition programme at the beginning of Plan	15,627 MW (CS-8,654, SS-3,482, Pvt.-3,491)
Capacity addition programme as per Mid Term Review	8,237 MW (CS-2,922, SS-2,854, Pvt.-2,461)
Capacity achieved upto 26.03.2012	5,502 MW (CS-1,550, SS-2,660, Pvt.-1,292)
Anticipated addition in the remaining period of 11 th Plan	42 MW (SS- 42,)
Total Capacity Addition expected:-	5,544 MW (CS-1,550, SS-2,702, Pvt.-1,292)
Capacity slipping w.r.t. Original Programme	10,083 MW (CS-7,104, SS-780, Pvt.-2,129)
Capacity slipping w.r.t. Mid Term Review	2,693 MW (CS-1,372, SS-152, Pvt.-1,169)

1.38 When the Committee desired to know about the roadmap planned for hydro sector during for 12th Plan, the Ministry stated:

"A working group on Power has been constituted by the Planning Commission to formulate capacity addition for 12th Plan. The Working Group has prepared a tentative list of 31 Hydro projects (9,204 MW) likely to give benefit during 12th Plan. Hydro projects slipping from 11th Plan will also give benefits during 12th Plan period."

1.39 The details of target set, capacity achieved and slippages for hydro capacity addition during 11th Plan in respect of NHPC, THDC, SJVNL, BBMB, NEEPCO and DVC and hydro projects of NTPC are given as under:

Sl. No.	Undertakings	Target (MW)	Achievement (MW)	Slippages (MW)
1.	NHPC (including NHDC)	5,322	1,150	4,172
2.	THDC	400	400	0
3.	SJVNL	412	0	412
4.	BBMB	0	0	0
5.	NEEPCO	600	0	600
6.	DVC	0	0	0
7.	NTPC (Hydro)	1,920	0	1,920

1.40 The main reasons for non/lesser achievement of the targets are as under:

- i) Geological Surprises
- ii) Natural Calamities
- iii) Environment & Forest issues
- iv) Rehabilitation & Resettlement issues
- v) Land Acquisition problems
- vi) Law & Order problem & local issues
- vii) Performance of Contractors and Contractual problems

1.41 On being asked by the Committee about the remedial action taken, the Ministry have stated as under:

"These issues are being discussed in following committees from time to time to ensure that the hydro projects are completed within the stipulated time, the following steps have been taken.

i) Task Force on Hydro Project Development:

A Task Force on Hydro Project Development, has been constituted to look into all issues relating to development of hydropower including issues of rehabilitation and resettlement of project affected persons. The Task Force is headed by the Minister of Power.

ii) Inter-Ministerial Group on Development of Hydro Power in North East:

An Inter-Ministerial Group(IMG) has been constituted (vide Ministry of Water Resources O.M. dated 7th August, 2009) to evolve a suitable framework to guide and accelerate the development of Hydropower in the North-East.

iii) Advisory Group:

An Advisory Group has been set up under the chairmanship of the Minister of Power to advise for expeditious completion of ongoing power generation projects.

iv) Following mechanism is in place to monitor the progress of projects under construction:

- Central Electricity Authority (CEA) is performing the duties of monitoring of the power projects in pursuance of 73 (f) of Electricity Act, 2003. The progress of each project is monitored continuously through frequent site visits, interaction with the developers, critical study of monthly progress reports. Chairperson, CEA holds review meeting with the developers and other stakeholders to sort out the critical issues.
- A Power Project Monitoring Panel (PPMP) has been set up by the Ministry of Power to independently follow up and monitor the progress of the hydro projects.
- Review meetings are taken by Ministry regularly with the concerned officers of CEA, equipment manufacturers, State Utilities/CPSUs/ Project developers, etc."

1.42 When the Committee enquired about any assessment being done as to the costing of hydro energy vis-à-vis other forms of energy particular thermal, the Ministry of Power in their written reply have stated:

"Cost of generation from power plants depends on type of project such as hydro, thermal, or gas etc., location of the project (i.e. remoteness from the raw material for hydro project, distance from the fuel source etc.) type of technology (i.e. Super-Critical or Sub-critical), type and quantity of fuel (i.e.

coal or gas or lignite), works involved (i.e. dam, water conductor system, under-ground or surface power house depending upon the topography and geology of the project for hydro project), construction period of the project and its life, operation & maintenance charges, cost of inventory of fuel and spares, financing cost of the project, etc. The estimated per MW cost of thermal projects recently commissioned was of the order of ₹ 4 to 5.77 crore per MW. Further, the estimated capital cost of hydro power projects concurred by CEA during the year 2011 was generally in the range of ₹ 6.10 crore per MW to ₹ 8.02 crore per MW. The capital cost of a last few commissioned nuclear units was in the range of ₹ 6.03 to 6.36 crore per MW."

1.43 In the context of very low PLF (i.e. being below 25%) of DVC in hydro-generation, the Committee desired to know about the overall performance of DVC. In a note, the Ministry furnished the following data:

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Physical Data :										
Generation (MU)	7,835	8,956	10,015	10,728	12,560	14,136	15,077	15,554	14,720	16,380
Import (MU)	1,478	701	1,331	1,341	1,051	991	985	1,114	2,525	2,642
Saleable Unit (MU)	7,888	8,099	9,791	10,376	11,720	13,055	13,904	14,486	15,066	16,549
Financial Data (Rs. Crs.)										
Revenue										
Sale of Power	2,251	2,334	2,619	2,912	3,524	4,316	4,492	5,285	5,561	5,625
Misc. Income	38	111	85	125	345	304	461	370	322	130
Extra-ordinary Income	-	-	412	142	807	-	-	-	-	-
Total Income	2,289	2,445	3,116	3,179	4,676	4,620	4,953	5,655	5,883	5,755
Profit from Current Year's Operation	331	371	1,030	795	1,886	1,792	1,976	1,645	806	187
Past years' Adjustment (Net)			252	4	-508	-251	-663	-591	-395	-221
Power Profit Before Tax	331	371	1,282	799	1,378	1,541	1,313	1,054	411	-34
Deficit on Irrigation & F.Control	-53	-55	-33	-58	-17	-59	-65	-73	-77	-86
Tax	86	120	326	109	295	243	123	94	34	
Profit After Tax	192	196	923	632	1,066	1,239	1,125	887	300	-120

1.44 The actual expenditure vis-à-vis Budget Estimates/ Revised Estimate in 12th Plan in respect of Damodar Valley Corporation is given as under:

(₹in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12*
BE	4271.38	6612.65	8313.34	8539.78	5890.59
RE	4288.21	5120.69	8109.45	4311.49	5890.59
Actuals	2754.14	5149.21	7289.32	5253.31	2350.50

*These figures include expenditure upto January, 2012 and RE is same as BE.

1.45 Established Generating Capacity of DVC as on date is 3857.2 MW. The details of power plants (Thermal and Hydel) are given here under:

Type of Power Plant	No. of Power Plants, which are in operation	Name of the Plants	Established / Generating Capacity (MW)	PLF (%) in FY 2011-12 (till 28.03.12)
Thermal Power Plant	4 (Four)	Mejia TPS	1840 (4x210+2x250+1x500)	68.90
		Bokaro TPS 'B'	630 (3x210)	60.56
		Chandrapura TPS	890 (3x130+2x250)	61.46
		Durgapur TPS	350 (1x140+1x210)	63.48
		Total Thermal	3710	65.26
Hydel Power Plant	3 (Three)	Maithon Hydel Station	63.2 (2x20+1x23.2)	22.25
		Panchet Hydel Station	80 (2x40)	24.95
		Tilaiya Hydel Station	4 (2x2)	20.32
		Total Hydel	147.2	23.66
Total	7 (Seven)	-----	3857.2	-----

1.46 Asked about the reasons for such poor PLF, it was stated as under:

"Reasons for lower generation:

- Generation loss due to coal shortage at MTPS is 711 MU which corresponds to overall DVC PLF loss of 2.4 %.

- CTPS U#8: Generation loss due to crack in Turbine HP Stop valve (RHS) is 614 MU which corresponds to overall DVC PLF loss of 2.1 %. The HP Stop valve has already been replaced by M/s. BHEL.
- Generation loss due to frequent boiler tube leakages in old units at BTPS 'B' & CTPS.
- High partial loss at BTPS 'B' mainly due to air ingress in boiler, low cond. Vacuum & ESP underperformance, high TG brg. vibration in U#3.
- High partial loss at CTPS (1-3) mainly due to low condenser vacuum, TG brg vibration in U#2.
- Failure of Generator Transformer of Unit#7 of MTPS.
- Overall partial loss due to poor coal quality is 681 MU which corresponds to overall DVC PLF loss of 2.3%."

1.47 Following table shows the names of Power Plants, Start date of the Construction, target date for completion and total capacity of under construction projects in DVC:

Sl.	Name of the Project	Zero date	Target Commissioning	Total Capacity
	Mejia TPS Unit# 7 & 8	31.12.2006	Unit#8 Commissioned (Mar' 11) & COD is imminent	500 MW
	Durgapur Steel TPS Unit#1&2	03.08.2007	Unit#1: Commissioned (Jul' 11) & COD is imminent Unit#2 Commissioned (Mar' 12)	1000 MW (2x 500 MW)
	Koderma TPS Unit#1&2	21.07.2007	Unit#1: Commissioned (Jul' 11) Unit#2 Anticipated Commissioning by June'12	1000 MW (2x 500 MW)
	Raghunathpur Ph-I TPS Unit#1&2	14.12.2007	Unit#1: Anticipated Commissioning by Aug'12 Unit#2 Anticipated Commissioning by Nov'12	1200 MW (2x 600 MW)
	Bokaro-A TPS Unit#1	16.09.2008	Unit#1: Anticipated Commissioning by Jan'14.	500 MW (1x 500 MW)

1.48 On being enquired by the Committee about the factors responsible for delay in completion of these projects, it was stated as under:

"Some of the major factors faced by DVC during its capacity addition programme which have adversely affected the project schedule are summarized below:

- Law and Order Issue: - Frequent law & order problem particularly in Koderma and Raghunathpur was the major impediment in smooth erection work.
- Acquisition of Land: In almost all green field projects of DVC viz. Koderma TPP, Durgapur Steel TPP and Raghunathpur TPP, DVC had to face delay in land acquisition from State Government which had cascading effects on the project schedules.
- Supply of Erection materials and Equipment: - In all the ongoing projects where BHEL is the EPC contractor for the main Plant Package, DVC faced difficulties in timely supply of erection materials.

Others problems:-

- Visa Problem
 - Shortage of Agencies
- Extra work not envisaged earlier."

1.49 The Committee pointed out that apart from PLF being low; DVC had started incurring losses from the last year i.e. 2010-11. Asked for the details of the action plans of the Government to bring DVC back on track to ensure the maximum output and capacity performance, it was replies as under:

"Under the program of national Perspective Plan for Renovation and Modernization (R & M)/Life Extension (LE) of TPS upto 2016-17, the following units of DVC have been identified for R&M/LE by CEA to ensure the maximum output and capacity performance.

Sl. No.	Station	Unit No.	Year of Commissioning	Capacity	Remarks
1	BTPS-B	#1	1986	210 MW	Identified for R&M in 12 th plan
2		#2	1990	210 MW	
3		#3	1993	210 MW	
4	DTPS	#4	1982	210 MW	Identified for R&M in 12 th plan

The current range of activities coupled with R&M measures as specified above and planned capacity addition of 5,200 MW and another 1,050 MW through joint venture under 11th Plan. Further,

capacity addition of 1,820 MW on its own and another 1,320 MW through joint venture in 12th plan may be adequate for its revival."

1.50 In the context of poor financial performance of DVC, the Committee desired to know whether the stakeholders were paying their dues for the electricity used by them from DVC, it was stated:

"WBSEDCL is paying their dues regularly as per bill claimed by DVC in terms of Regulatory tariff and there are no outstanding dues of WBSEDCL. JSEB is not paying full amount of their dues. Average power supply bill per month in respect of JSEB is to the tune of ₹110 crore. JSEB have been maintaining LC of ₹52.89 crore thereby cumulative accumulation of dues every month to the tune of ₹ 57 crore. Total dues as on 29.2.2012 in respect of JSEB (tentative):

Principal	: ₹1,812 crore
DPS	: ₹ 8,10 crore
Total	: ₹ 2,622 crore"

1.51 When the Committee desired to know about the steps taken to realize the dues, it was stated that a claim of ₹1728 crore for more than 90 days dues (upto the period of Jan, 2011) in respect of JSEB has been forwarded to Ministry of Finance through the Ministry of Power for realisation through Central Plan Allocation as per securitisation scheme.

VI. Ministry of Power Scheme (funded through GBS)

A. Re-structured - Accelerated Power Development Reforms Programme (R-APDRP)

1.52 The Government of India has launched the R-APDRP for State Distribution Utilities to make their distribution system IT enabled so that the energy auditing and accounting could be carried out and the reasons for losses are known and through the strengthening of distribution systems, the overloading and frequent power failure could be minimized. The focus of the programme is an actual, demonstrable performance in terms of AT&C loss reduction.

1.53 The Ministry have stated that Projects under the scheme are to be taken up in two parts. Part-A is for the projects for establishment of baseline data and IT applications for energy accounting /auditing & IT based consumer service centers and Part-B is regular distribution strengthening projects. The programme size is ₹51,577 crore. Expected investment in Part-A (Baseline System) would be ₹ 10,000 crore and that in Part-B would be ₹ 40,000 crore. PFC is the nodal agency for operationalising the programme.

1.54 Initially funds for projects under both the parts would be provided through loan. The entire amount of loan for Part-A projects would be converted into grant on the completion of the project and up-to 50% (90% for special category States) loan of Part-B projects would be converted into grant on achieving the 15% AT&C loss in the project area on a sustainable basis. Part C of the programme is an enabling component for the implementation of APDRP. Provision of ₹ 1,177 Crore through GBS (Grant) has been provided in the scheme. Under Part D of the scheme, there is provision for incentive for utility staff in towns where AT&C loss levels are brought below 15%. There is provision of ₹ 400 crore (grant) for this purpose.

1.55 Details of year wise project sanctioned and fund release under R-APDRP (till 22nd, February, 2012) is given as under:

(₹ in crore)

Year	Projects Sanctioned			Budget Allocation			Actual Releases		
	Part-A	Part-B	Total	Loan	Grant	Total	Loan	Grant	Total
2008-09	1,947.70	0.00	1,947.70	325	25	350	325.00	25.00	350.00
2009-10	3,183.00	3,059.28	6,242.28	1365	65	1430	1331.46	1.26	1332.72
2010-11	715.40	12,915.31	13,630.71	2471	100	2571	2246.42	100.00	2346.42
2011-12	793.88	8,801.58	9,595.46	1959	75	2034	1350.00	46.47	1396.47
TOTAL	6,639.98	24,776.17	31,416.15	6120	265	6385	5252.88	172.73	5425.61

1.56 Budget Estimate for R-APDRP for the year 2012-13 is ` 3114 crore (` 2997 crore as loan and ` 117 crore as grant).

1.57 The average AT&C losses (%) for utilities selling directly to consumers at national level have reduced marginally from 27.74 % in the year 2008-09 to 27.15 % in 2009-10. The region wise average AT&C losses for utilities selling directly to consumers for the years 2008-09 and 2009-10 are as under:

(in %)

Region	2008-09	2009-10
Eastern	36.62	33.92
North-Eastern	40.70	36.44
Northern	31.12	30.83
Southern	16.92	19.49
Western	31.64	28.23
National	27.74	27.15

1.58 When the Committee desired to know that whether the success of R-APDRP scheme has been evaluated as the AT&C losses in various States are still very high, the Ministry in their written reply have stated as under:

"IT Implementing Agencies (ITIA) have been appointed in majority states for execution of Part-A projects and implementation is in progress. The schedule completion time is three years from the date of sanction. Implementation of Part-B projects have started in 8 States covering 402 towns and tenders for appointing execution agencies for balance Part-B projects are under process by state utilities. The maximum implantation time for Part-B projects is 5 years

from the date of sanction. As per R-APDRP Guidelines, loan provided to state power utilities under the programme will be converted to grant only on achievement of the milestones duly verified by Third Party Independent Evaluation Agencies (TPIEA), appointed by the Ministry. As the projects sanctioned under the scheme are still under the various stages of implementation, stage has not yet arrived for independent evaluation by third party."

1.59 The Committee desired to know as to why uniform reduction in AT&C losses is not possible in all the States under the scheme, particularly when the data in this regard are authentic and reliable. The Ministry in their reply have stated:

"Under R-APDRP, uniform reduction of AT&C losses is envisaged as follows:

- **At entity / utility level**--AT&C loss reduction by 3% per annum is envisaged for utilities having AT&C Losses above 30% & by 1.5% per annum for all utilities having AT&C losses less than 30%.
- **At Town level** -- AT&C losses are envisaged to be reduced to below 15% for R-APDRP projects are being taken up.

However, keeping in view the different level of base (starting) AT&C loss in different utilities/towns, efforts and time required to achieve the desired level of AT&C loss would be different."

1.60 In regard continuing the scheme in 12th Plan, it was stated that it is envisaged to continue the R-APDRP projects in XII Plan to complete the projects already sanctioned under the scheme and sanction Part-B projects in balance eligible towns. On the request of state utilities, Ministry is considering to extend the R-APDRP to private utilities and to towns having population up-to 15,000 (5,000 for special category states). Projection for sanction and disbursement in first two years of XII plan has been done based on the implementation programme of the existing R-APDRP. Details are as follows:

(₹ in crore)

Cumulative till 15.03.2012		Projection for FY 2012-13		Projection for FY 2013-14		Cumulative Projection till FY 2013-14	
Sanction	Disbur.	Sanction	Disbur.	Sanction	Disbur.	Sanction	Disbur.
31416.15	5303.75	1100	2997	0	6915.84	32516.15	15216.59

B. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

1.61 Rajiv Gandhi Grameen Vidyutikaran Yojana has been introduced in April, 2005 for providing access to electricity to all rural households. As per census 2001, 44% of the rural households had electricity. Improvement of rural electricity infrastructure is essential to empower rural India and unleash its full growth potential. Rural Electrification Corporation (REC) is the nodal agency for the programme. Under the scheme, projects are financed with 90% capital subsidy for provision of Rural Electricity Distribution Backbone (REDB), creation of Village Electrification Infrastructure (VEI) and Decentralised Distributed Generation and Supply. REDB, VEI and DDG would also cater to the requirement of agriculture and other activities. Under this scheme un-electrified Below Poverty Line (BPL) households will get electricity connection free of charge. The continuation of the scheme in XI Plan was sanctioned on 3rd January, 2008 with the capital subsidy of 26,500 crore. To increase the coverage of small habitations, Government allowed electrification of habitations upto 100 population instead of earlier limit of 300.

1.62 The Ministry of Power has sanctioned 576 projects involving electrification of 1,10,809 un-electrified villages, intensive electrification of 3,48,859 already electrified villages and providing electricity connections to 230.10 Lakh Below Poverty Line households with total sanctioned project cost of ₹33,843.1 crore under Phase-I projects. In addition to this, MOP has sanctioned 69 projects involving electrification of 1,587 un-electrified villages, intensive electrification of 50,953 already electrified villages and providing electricity connections to 36.54 Lakh Below Poverty Line households with total sanctioned project cost of 7,021.95 crore under Phase-II projects.

1.63 The Ministry of Power has stated that as on 15.03.2012, electrification in 1,03,345 un-electrified villages out of 1,10,809 UE villages has been completed and free electricity connections to 190.59 Lakh BPL households out of 230.10 Lakh BPL have been released.

1.64 Details of allocation and utilization of subsidy under RGGVY as on 31.03.2012 is given below:

	Year	Allocation (BE) (₹ in crore)	Allocation (RE) (₹ in crore)	Capital Released (₹ in crore)	Subsidy
X PLAN	2005-06	1,500	1,500		1,500
	2006-07	3,000	3,000		3,000
	Sub Total (X Plan)	4,500	4,500		4,500
XI PLAN	2007-08	3,983	3,944		3,913.45
	2008-09	5,500	5,500		5,500
	2009-10	7,000	5,000		5,000
	2010-11	5,500	5,000		5,000
	2011-12	6,000	3,544		2,237.31
	Sub Total (XI Plan)	27,983	22,988		21,650.76
Grand Total		32,483	27,488		26,150.76

1.65 In regard to the difficulties faced in implementation of the RGGVY, the Ministry have enumerated the following major difficulties:

1. Delay in award of contracts especially in the areas with difficult terrain and law & order situation.
2. Limited availability of good turnkey contractors for execution of works.
3. Limited availability of skilled and semi-skilled manpower.
4. Limited availability of key materials and equipment like poles & distribution transformers etc.
5. Limited project management capabilities of some of the implementing agencies for execution of works on turnkey basis.
6. Delay in finalization of list of BPL households in some of the states.
7. Delay in land acquisition for new sub-stations.
8. Right of way problems
9. Delay in forest clearance in selected areas.

However, the same have been resolved with the support of State Govt. and State Power Utilities in due course and the progress achieved is significant compared to earlier efforts in rural electrification.

1.66 *The Secretary, the Ministry of Power, about the implementation of the RGGVY apprised the Committee as follows:*

"In our first phase, we looked basically at all the villages. We did not focus on habitations. The first round of projects concentrated only on villages. So, about 1,10,000 villages had to be done. It is done in 1,04 000 villages. In the second phase, as the scheme gets extended into the 12th Plan, we are also proposing that habitations should be covered. If the scheme gets accepted as we have proposed, habitations will get covered."

1.67 *In regard to the issues related to RGGVY, the Secretary, the Ministry of Power has deposed before the Committee as under:*

"The second point is that the scheme is responsible only for setting up the project. Providing electricity day to day, hour to hour is the responsibility of the State Governments. It is at that level it needs to be seen. The third is about the transformers. What is required is how much transformation capacity we want in a village. There has been an imperfect assessment of that, particularly in Bihar. We have written to the Bihar State that you give us supplementary projects for transformers that you could have in the same villages so that the capacity will be adequate to meet the demands of the BPL and APL families. These projects are yet to come to us. Again this is not a question of 65 KVA or 25 KVA. In place of 65 KVA, you can have three of 25 KVA. Technically, it is advised that you should have smaller transformers in order to reduce the losses. On the one hand we are talking about losses, theft and on the other hand we are saying we should have big transformers. If you have big transformers, the chances of losses will be very high. That is why this entire scheme planned to have smaller transformers so that possibilities of thefts are minimized."

1.68 *On being asked by the Committee about the performance of the RGGVY, the Ministry of Power have stated as under:*

"The performance under the scheme has been satisfactory. As on 15.03.2012, electrification in 1,03,345 un-electrified villages out of 110809 UE villages (93.26 %) has been completed and free electricity connections to 190.59 Lakh BPL households out of 230.10 Lakh BPL (82.82%) have been released. Bharat Nirman target of

electrification of 1 lakh villages and 1.75 crore BPL households has been achieved by December 2011."

1.69 In reply to a specific query of the Committee about any deadline fixed for the completion of the scheme, it was stated by the Ministry as under:

"The remaining works under sanctioned projects are expected to be completed during 2012-13. However Ministry of Power has proposed to continue the scheme in 12th five year plan in which electrification of remaining villages and habitations that were not covered earlier shall be completed."

C. Energy Conservation & Efficiency

1.70 The Energy Conservation Act, 2001 is the most important multi-sectoral legislation in India and is intended to promote efficient use of energy in India. The Act specifies every consumption standards for equipments and appliances, establishes and prescribes energy consumption norms and standards for consumer, prescribes energy conservation building codes for efficient use of energy in commercial buildings, and establishes a compliance mechanism for energy consumption norms and standards. Large scale energy savings can be realized through strengthening of the existing policies, schemes as well as expanding and reaching out new areas in 12th Plan.

1.71 During the 11th Plan (2007-12) period, the Government of India initiated a number of programmes to promote energy efficiency, with the goal of achieving savings equivalent to 10,000 MW generation capacity. The Bureau of Energy Efficiency (BEE)/ the Ministry of Power had introduced a number of schemes during 11th Five Year Plan for promoting energy efficiency in India for achieving the energy saving of 5% of the anticipated energy consumption level.

1.72 Budget allocation for energy conservation for the year 2010-11, 2011-12 and 2012-13 are as follows:

(₹ in crore)

	2010-11	2011-12	2012-13
BE	143.94	130.80	200
RE	127.24	50.00	--
Actuals	127.24	49.99	--

1.73 Giving details of the major schemes for conservation during 11th Plan, the Committee were informed that by the end of March, 2012 a total of about 10,758 MW is expected to be saved through the following schemes:

- Bachat Lamp Yojana,
- Standards & Labeling Scheme,
- Energy Conservation Building Code (ECBC),
- Agriculture and Municipal DSM,
- Small and Medium Enterprises (SMEs),
- Operationalising EC Act by Strengthening Institutional Capacity of State Designated Agencies (SDAs) and,
- Awareness Schemes.

1.74 Giving the outlay for the year 2012-13 and their projected outcome for the each of the scheme regarding energy conservation, the Ministry stated as follows:

Sl. No	Name of Scheme/Programme	Outlay 2012-13 (₹ in crore)	Projected Outcome
1	Standards & Labeling Programme (S&L)	20.00	<ul style="list-style-type: none"> ○ Energy saving of about 3.4 BU in 2012-13
2.	Energy conservation Building Codes (ECBC) in Commercial Buildings & Energy Efficiency improvements in existing buildings.	15.00	<ul style="list-style-type: none"> • Notification by States for ECBC implementation. • Demonstration project to show case study & dissemination of experience for capacity building of stakeholder. • Energy performance standards & test procedure of building components. • Building up capacities of states to support implementation of ECBC. • Mandating IGEAs in government buildings & national benchmarking for different energy use pattern. • Retrofitting in existing building for reduction in energy consumption. • Market pull for energy efficient buildings. • Information sharing & dissemination of knowledge on Star labeling scheme. • Quantified savings & Impact

			assessment.
3	Bachat Lamp Yojana (BLY)	2.00	<ul style="list-style-type: none"> ➤ 20 projects will be included in the registered PoA. ➤ 25 Lakhs of CFLs will be distributed in 2012-13.
4	State Designated Agencies (SDAs)	45.00	<ul style="list-style-type: none"> ○ To empower the SDAs as partners of BEE at state level to implement EC Act at state level.
5	Energy Efficiency in Small & medium Enterprises (SMEs)	6.50	<ul style="list-style-type: none"> ● Identification of most adopted technologies identified during the 11th Five Year Plan under BEE SME programme ● Selection of technologies to be consider for demonstration. ● 100 unit specific DPRs for demonstration projects ● Financing Mechanism for promotion of EE projects. ● Dissemination of results/case studies ● Promotion of star labeling in SME product.
6	Agriculture DSM Programme (AgDSM) and Municipal DSM Programme (MuDSM)	8.60	<ul style="list-style-type: none"> ● Project Operating Manual for Ag-DSM Scheme ● Draft regulation for mandate of use of star labeled pumps in three states. ● Feasibility study for 100 demonstration projects ● Capacity building of various stakeholders in three states/DISCOMS ● Financial Mechanism for Ag-DSM funding Scheme Targeted Electrical Energy Saving of 0.094 BU.
7	State Energy conservation fund (SECF)	20.00	<ul style="list-style-type: none"> ● Constitution of SECF in the states and contribution by the BEE to the SECF for the promotion of energy efficiency in the states.
8	Super Efficient Equipment Programme (SEEP)	50.00	<ul style="list-style-type: none"> ○ Programme documents ○ Test Reports ○ Super efficient fans in market
9	BEE-GEF-WB Project n Financing Energy Efficiency at MSMEs	2.60	<ul style="list-style-type: none"> ○ Latest information and data availability for units at clusters ○ Enhanced pool and capacity of/for local and regional energy managers/auditors;

			<ul style="list-style-type: none"> ○ Easy information access for industry owners, energy efficiency related service provider; ○ Adoption of Best Practices and Best Available Techs.; ○ Increased investments by MSMEs for energy efficiency interventions; ○ Increased adoption of various financing schemes; and ○ Identifying innovative financing mechanisms (with SIDBI)
10	Capacity building of DISCOMS	15.00	<ul style="list-style-type: none"> ○ DSM mechanisms for utilities. ○ DSM guidelines adopted by states.
11	Energy Efficiency Research Centre for Energy Consuming Sectors	5.00	<ul style="list-style-type: none"> ○ Setting up of Energy Research Centre for selected energy consuming sectors.
12	HRD Programme	10.30	<ul style="list-style-type: none"> ○ Capacity building of various stakeholders and to enable energy sector professional to undertake various activities related to energy efficiency & energy conservation.
	Total	200.00	

1.75 Further elaborating on the programme for enhancing energy efficiency, the Ministry in their presentation before the Committee, furnished the following information:

- Launch of Perform, Achieve and Trade (PAT) Programme
 - 478 Industrial units mandated to reduce their specific energy consumption over a three year period.
 - Savings of 6.6 million toe/year in their current consumption of 160 million toe/year.
- Launch of two funds to enable Energy Efficiency Investments
 - Venture Capital Funds (VCF) to provide equity investment in energy efficiency companies to attract other private equity investment.
- Platform of financial institutions to facilitate funds for energy efficiency investment.

Part - II

Observations/ recommendations of the Committee

2.1 The Committee note that the detailed Demands for Grants (2012-13) of the Ministry of Power were laid in Lok Sabha on 30th March, 2012. The Demands show a budgetary provision of GBS of ₹9,642.00 crore with a provision of ₹5,929.63 crore in revenue and ₹3,712.37 crore in capital section. The Central Plan Outlay including IEBR of ₹52,782.50 crore however stands at ₹62,424.50 crore. The Committee have examined the Demands for Grants of the Ministry of Power for the year 2012-13 in detail. The Committee endorse the Demands for Grants of the Ministry for the year 2012-13. Recommendations/ Observations of the Committee are detailed in succeeding paragraphs.

2.2 The Nineteenth Report of the Standing Committee on Energy on Demands for Grants of the Ministry of Power for the year 2011-12 was presented to Parliament 17th August, 2011. The Action Taken Replies of the Government to all the recommendations contained in the Report were received on 17th November, 2011. The Twenty-fifth Report of the Committee on the Action Taken by the Government on the recommendations contained in the Nineteenth Report was presented to Parliament on 29th December, 2011. In the said Report, the Committee had reiterated their three recommendations on Quarterly Spending, Implementation of RGGVY and R-APDRP and had also commented on the Supply of Coal to Power Sector and Renovation and Modernization of Power Plants. The Final Action Taken Statements

on the recommendations contained in the Twenty-Fifth Report have been received on 27th April, 2012 from the Ministry. However, the Committee observe that more than six months have passed since the presentation of the Nineteenth Report to the Parliament. The Committee would like to remind the Ministry to observe the provisions of Direction 73A of the 'Directions by the Speaker' and arrange for the Statement by the Minister in the House regarding the status of implementation of the recommendations of the Committee contained in their Nineteenth Report expeditiously.

(Recommendation SI. No.1, Para No.2.2)

11th Five Year Plan - Target and Achievements

2.3 The Committee note that the Planning Commission assessed an outlay of ₹3,09,231.38 crore during the XI Plan period for the Central Sector comprising of ₹2,78,779.47 crore of Internal and Extra Budgetary Resources (IEBR), to be raised by the CPSUs themselves and ₹30,451.91 crore provided as Gross Budgetary Support (GBS). Out of this Gross Budgetary Support, ₹3,000 crore was kept for PSUs, whereas, the actual utilization have been ₹1,960.57 crore only. Against the budgeted GBS of ₹26,500 crore for Rural Electrification Scheme, the actual utilization have been ₹22,957.45 crore only. On scrutiny of the data related to financial performance of the 11th Plan by the Committee, it has been found that the Ministry have failed to utilize the funds fully during the first four years. The BE and RE for the 11th Plan Outlay was ₹2,53,873.78 crore and ₹2,20,726.21 crore respectively, whereas the actual utilization during the first four years has been

₹1,75,777.73 crore. Every year the Government has substantially reduced the target at RE level. Furthermore, the actual utilization has even been lower than the RE in these years. The Committee, therefore, recommend that the Ministry should review their methodology to fix attainable targets and focus on financial management as well as their monitoring mechanism so that funds allocated are utilized properly and physical targets are also achieved within the time frame. They also emphasize that implementation of programmes should be closely monitored for target achievement as also to take necessary steps to deal with the factors responsible for these shortfalls at appropriate level.

(Recommendation SI. No.2, Para No.2.3)

2.4 The Committee note that the Planning Commission had fixed a capacity addition target of 78,700 MW for the 11th Five Year Plan (2007-12) which was reduced to 62,374 MW at the time of Mid-Term Appraisal by the Central Electricity Authority (CEA). However, the actual capacity addition that has taken place during the 11th Plan is 54,964 MW only. The Ministry of Power has been assigning various reasons, which are more generic and repetitive rather than genuine, plausible and distinct, for the poor capacity addition performance during the 11th Plan.

Further, it has been reported by the Ministry that capacity addition to the tune of 20,500 MW was achieved in 2011-12 against the target of 15,600 MW. The Committee appreciate the achievement of capacity addition for the year. However, they are skeptical about the target itself which by no yardsticks is laudable one. It is

no secret that despite overshooting the target of the terminal year of the Plan, they are nowhere around their own truncated target for the Plan after mid-term appraisal.

The Committee are also concerned about the poor performance of Central Sector in regard to attainment of capacity addition vis-à-vis States and Private Sector performance during the 11th Five Year Plan. Against the target of 36,874 MW, 26,783 MW and 15,043 MW, the achievements of Central, State and Private Sector have been 15,220 MW, 16,732 MW and 23,012 MW which is 41%, 62% and 153% respectively of their original targets. While the Committee feel happy about the exceptional performance of Private Sector in capacity addition, it is taken aback at the poor performance of the Central Sector. In view of the performance of Central Sector for the entire 11th Plan, is it befitting to blow your own trumpet of accomplishment specially comparing it with inconsequential past performances. The Committee feel that it is a feeble attempt of hiding for present non-performance of Central Sector in the not so glorious past. The Central Sector is having giant companies with already laid out infrastructure such as NTPC, NHPC, DVC etc. yet they have failed to achieve even half of their targets put together. Had the Private Sector not performed exceptionally well, it can easily be comprehended how bad the situation could have been in terms of capacity addition. If there were problems and hindrances for Government's Power Sector PSUs so were they for Private Sector. It is a fact that the Central Sector have unmatched financial and unstinted support of the Government, hence their dismal performance compel the Committee to infer that all is not well so far as the Management of the Power Sector PSUs and monitoring by the Ministry is concerned. The Committee are of the strong view that if the power

projects are not being commissioned as per time schedule there is fault either in planning process or in the execution of the plan. Repeating the failure over and again without taking any concrete remedial measure is most undesirable and unacceptable especially where the demand in the Country for electricity is rapidly growing and there is already a yawning gap between the supply and requirement of energy. The Committee recommend that the Government should review the working of all Power Sector PSUs with a view to analyse the causes for their dismal performance during the 11th Plan as compared to Private Sector. They also desire that the Government should urgently look into the causes of the serious slippage in the target achievement and take immediate corrective measures. The Committee may be apprised in this regard.

(Recommendation SI. No.3, Para No.2.4)

2.5 The Committee in their 19th Report had observed that the utilization of the funds by the Government in 1st Quarter has been abysmally low throughout the 11th Plan. They had, therefore, recommended that steps should be taken to ensure uniform quarterly utilization of funds. The Committee are surprised and disappointed to note that despite their recommendation, 1st quarter fund utilization for the year 2011-12 have further slipped to 1.67% against 8.15% for the 2010-11. The Committee again emphasize that poor spending pattern in 1st quarter has cascading effect which definitely puts pressure on spending patterns of later

quarters. The Committee, therefore, reiterate that the Government should review their monitoring mechanism to ensure uniform quarterly spending. They would like to be apprised of the concrete steps taken in this regard.

(Recommendation SI. No.4, Para No.2.5)

12th Five Year Plan - Projections

2.6 The Committee note that a capacity addition target to the tune of 75,785 MW has been projected for the 12th Plan. The Committee, considering the growing demand of energy in the Country, find the targets of 12th Plan very moderate. The Electric Power Survey Report has forecasted that energy requirement and peak demand in the country in 2016-17 will be 13,54,874 Million Unit and 1,99,540 MW respectively. Various reasons have been assigned by the Government for poor performance during 11th Plan such as delay in placement of orders, delay in supply of material for main Plant, problems of land acquisition, contractual disputes, shortage of fuel etc. The Committee apprehend that there are chances that these reasons may further impede the progress of the work during the 12th Plan curtailing the proposed capacity addition targets. The Committee are unhappy to find that though the representatives of the Ministry of Power have on several occasion, submitted before the Committee that about a capacity addition target of 1,00,000 MW for the 12th Plan, have now submitted before the Committee a target of 76,000 MW for 12th Plan, which happens to be even lower than the original target of 78,700 MW set for the 11th Plan. The Committee are unable to accept this target mainly because they are aware that the ambitious plans of implementation of Ultra Mega Power Projects will

alone provide a capacity addition of 4,000 MW or above by each of these commissioned projects during the 12th Plan besides the capacity addition from the already existing Power Giant in Central, State and Private Sector Companies. It is also pertinent to mention here that the Ministry of New and Renewable Energy have submitted before the Committee that they alone will be able to achieve a capacity addition of 30,000 MW with a meager allocation during the 12th Five Year Plan. The Committee are not convinced with the extreme conservative targets set by the Ministry of Power despite such huge infrastructure and ambitious plans during the 12th Plan. They recommend that they should revisit this area and revise their targets after proper assessment of sector's potential and resources and apprise the Committee of the same.

(Recommendation SI. No.5, Para No.2.6)

2.7 The Committee find that the share of Central, State and Private Sector in 12th Plan will be 19,858 MW, 13,796 MW and 42,131 MW, whereas, their target for 11th Plan have been 36,874 MW, 26,783 MW and 15,043 MW respectively. It is surprising that the targets for 12th Plan in respect of Central and State Sector have been fixed almost half of their target set for 11th Plan, whereas, the Private Sector target has increased almost three times from their target set for 11th Plan. The Committee are of the opinion that the Central Sector undertakings already have

huge infrastructure, experience and skill and by virtue of these advantages should be able to achieve much more than the relatively new entrant of private sector. The Committee, therefore, strongly recommend that the Government should review the targets set for the 12th Plan with a view to increase the share of Central Sector having big and established power sector PSUs.

(Recommendation Sl. No.6, Para No.2.7)

2.8 The Committee note that the Working Group on Power for the 12th Plan in its report has estimated fund requirement of ₹ 12,37,480 crore for power sector during the 12th Plan excluding renewable energy. The estimated requirement of fund of ₹13,72,580 crore for the 12th Five Year Plan includes the expenditure involved with regard to ongoing projects (7,432 MW of hydro projects and 14,370 MW of thermal) would be carried over to the 12th Five Year Plan from 11th Five Year Plan. In regard to availability of funds for the power sector the Committee have been informed that the final report along with the interim report of the Sub-Committee under the Chairmanship of Deputy Chairman, Planning Commission has since been considered and adopted by the Group of Ministers in its meeting held on 29.10.2010. Recommendations relating to taxation & those pertaining directly to the States have been segregated and taken up separately with Ministry of Finance and States concerned. Further, in respect of tax exemption and incentives for the investors, it has been stated that Power is included in the definition of infrastructure and sunset clause under Section 80-IA and has been extended for one year i.e. till 31.3.2013 for

power sector. In view of the above the Committee feel that ₹12,37,480 crore is a huge amount and will not be easy to arrange, therefore, the Government should take necessary steps with utmost sincerity to ensure that the required funds for the 12th Plan are arranged so that the projects to be commissioned are not delayed, stopped or abandoned for the want of funds. The Committee further recommend that the Ministry of Power should take up the matter at appropriate level to continue the sunset clause under Section 80-IA which has been extended for one year i.e. 31.3.2013 for power sector, for entire 12th Five Year Plan so as to give much needed thrust to power capacity addition in the Country.

(Recommendation Sl. No.7, Para No.2.8)

Development of Hydro Power Sector

2.9 The Committee note that the broad objectives of the National Hydro Policy inter-alia include harnessing of balance hydro electrical potential and inducing private investment in power hydro product. The hydro policy 2008 as enunciated by the Government of India tend to provide level playing field to private developers in determination of tariff selection criteria for awarding sites, provision of merchant selling of electricity up to a maximum of 40% etc. Developers were also entrusted with some social responsibilities like development of local area besides running of welfare schemes, creation of infrastructure etc. Further liberalizing the policy the

Government made provisions for hydro projects incorporating several incentives to private developers which covered initiatives for better availability of machines generation of extra energy above the designed energy and compensation for hydrological risk etc. While welcoming the initiatives on policy platform in spite of giving further impetus through liberalization of policy, the Committee find that desired result on hydro electrical sector are not coming forth. Regarding specific achievements of policy with regard to objectives it has been stated that 139 hydro electric projects having installed capacity of 41,732 MW have been allotted to private sector by the States which are at different stages of development. The problems plaguing the hydro sector have not been taken care of in the hydro policy. Primarily the obstacles which are hindering the growth are localized in nature, but need resolution at the policy level. The problem in the North-Eastern region may be different from the one being encountered in the State of J&K, Himachal Pradesh and Uttarakhand. Hence problems are to be addressed at policy level while giving autonomy and decentralizing decision making in the Sector. The Electricity Act, 2003 also emphasizes the need for development of hydro power and aims at strengthening of structure including dams but no growth has been witnessed despite proper legislation in vogue and policy initiation. National Electricity Policy lays immense emphasis on full development of the feasible hydro potential in the country taking care of issues like resettlement and rehabilitation, environmental protection, review of procedure for land acquisition and other approvals/ clearances for speedy approval of hydro projects. The Government should be able to address all problematic areas while foreseeing the contingencies/ situations that may arise

from time to time and ensure that it does not hamper the growth of the sector. The Committee therefore, strongly recommend that the Government must revisit the Hydro Policy for taking corrective measures and give adequate priority to the hydro sector of the country.

(Recommendation SI. No.8, Para No.2.9)

2.10 The Committee note that despite hydro electric project being most economically preferred source of green energy and environment friendly, share of hydro power in the energy sector has been steadily declining since 1963. The share of hydro power was 44% in the year 1970 which has now declined to about 19% and as per estimates submitted by the Ministry of Power, it has possibility of further shrinkage by the end of the 12th Five Year Plan. No doubt, the thermal sector is doing well vis-à-vis the hydro, but the situation with regard to backup and availability of resources for hydro development is not as bad as to merit such steep decline in capacity share. When asked about the reasons, the Secretary of the Ministry while deposing before the Committee invoked the imaginary figure of capacity addition and a hypothetical situation for the year 2032 in an attempt to justify the neglect of hydro sector and deviate from the responsibility for the same. The deposition of the Secretary that thermal sector is doing very well and by 2032 capacity addition will be to the tune of 8,00,000 MW and even if we exploit the entire

hydro potential of the Country it will only be 20% of the thermal capacity so the hydro capacity will not go very high is misleading. The Committee are astonished by this version of the Ministry especially in view of the fact that there is about 75% of the identified hydro capacity is yet to be exploited. The Committee feel that the attitude of the Ministry is judgmental, justifying the decline of hydro performance and giving an inkling of their thought process with regard to their role and responsibility for hydro sector. They feel instead of giving it up in an absurd manner the Ministry should make sincere efforts and take necessary steps to step up the share of hydro sector in the energy sector keeping in view the global warming concerns and shortage of fossil fuel supply for thermal power stations. If given due attention hydro power can be a suitable, substantial and sustainable source of energy in future.

The Committee find that during 11th Plan target of 15,627 MW (8,654 MW in Central Sector, 3,482 MW in State Sector and 2,461 MW in Private Sector) was fixed for achievement. However, the performance has been extremely distressing as it could achieve only 5,502 MW (1,550 MW in Central Sector, 2,660 MW in State Sector and 1,292 MW in Private Sector). The reasons adduced for such performance are routine such as geographical surprises, natural calamities, environment and forest issues, rehabilitation and resettlement issues, land acquisition problems, law and order problem and contractual problems. In this connection, task force on hydro development, inter-ministerial group on development of hydro power in North-East and Advisory Group has been constituted to look into the problems. However, these exercises appear to be routine and devoid of seriousness. There are giant

PSUs in the Central Sector with adequate infrastructure, long experience, sufficient working capital and best technical expertise. Despite these positives, if the achievement in Central Sector is 1,550 MW only, it is nothing but wastage of resources and talent and abdication of primary responsibilities. NTPC (Hydro), DVC, SJVNL, NEEPCO, BBMB have not added even a single MW of capacity during the 11th Plan. NHPC has also achieved only 1150 MW vis-à-vis a target of 5,322 MW thereby causing slippage of 4,172 MW i.e. 78.39% during the 11th Plan. The slippage by NTPC (hydro sector) during the 11th Plan is to the extent of 1,920 MW (which was the target of PSU for the Plan). The Committee is unable to accept this kind of non-performance especially from such giant PSUs and expect that a professional approach should have been adopted by them and be exemplary for other players in the field. Simultaneously, the performance of the Private Sector, with financial, technical and infrastructural limitations, has achieved much more than the Central Sector. As regards, roadmap for hydro sector during 12th Plan, nothing concrete has been said except that a working group on power has been constituted by the Planning Commission which has prepared a tentative list of 31 hydro projects. This list includes the projects from all the three categories i.e. Central, State and Private envisaging a capacity of more than 9,000 MW. This clearly shows the indifference of the Government. They also feel that it reflects on the efficiency of the Ministry.

The Committee therefore, recommend that instead of just enlisting the programme as a perspective plan for future, the Government should make serious efforts in the 12th and 13th Plans wherein all out and concerted efforts should be made to harness the identified hydro potential fully. The issues like environmental

clearances, resettlement of displaced persons and other anticipated problems can be taken care of in the beginning itself.

(Recommendation SI. No.9, Para No.2.10)

2.11 The Committee find that as of now there is 38,948 MW hydro capacity in the country which is about 20% of the total energy capacity. It is estimated that during the 12th Plan Period a capacity of 9,204 MW will be added. Despite this accretion the percentage share of the hydro will decline. There are a number of hydro projects in North East and other hydro fuel abundant States which were to achieve Commercial Date of Operation (COD) or nearing completion, but have been left mid-way due to the various reasons. Besides, there are also instances wherein survey and investigation have been entrusted to Central PSUs and after completion of this important elementary work the projects have been handed over to private developers. The projects so handed over are held up without concrete progress. The issue of upfront premium has also impacted the progress of the plants on anticipated lines. Task force on hydro power projects, inter-ministerial group on development of hydro power in North-East and advisory group has been set up for ensuring that the situation of non-achievements of targets in 11th Plan is not repeated in the 12th Plan period. In addition, Central Electricity Authority is also monitoring the power projects. A power project monitoring panel has also been set up to monitor the progress of hydro projects besides continuous review meetings

by the Ministry with all the stake holders. The steps taken for timely completion of projects are good but the main aspect is their implementation in letter and spirit. It has been stated that in the process of allotment of projects bids are to be called on the basis of only one single quantifiable parameter such as free power in excess of 13%, equity participation offered to the State Government or upfront payment etc. Therefore, the State Governments are free to allot projects on the basis of upfront premium as long as they follow a transparent procedure. It has also been stated that NHPC and NEEPCO have not been denied the opportunity to develop the projects in North East on account of non-payment of upfront premium. Despite that, the projects in Dibang and Tawang in Arunachal Pradesh and Subansiri Lower in Assam are held up. The Committee also find that four projects of 6600 MW capacity were handed over to private developers for which the base work was done by NHPC. The contention of the Government that State reserves the right to decide on the agency to prepare the DPR and the agency to finally carry out the execution of the projects is untenable. Before switching over the agency mid-way it should have been established that the previous agency is incapable of executing the work and the agency which got lateral entry into the projects is better equipped with infrastructure, finance and technical support. The right of the State to select or change agency is not unfettered and should stand public scrutiny. While the State Government can decide to hand over the execution of the project to a lateral entrant the process of selecting that party should be transparent and the decision should be based on the proven capacity of that party to execute such project.

The Committee therefore, recommend that the issue of upfront premium should be resolved at the Government level in a time bound manner so that the progress of the hydro projects particularly with reference to Central PSUs is not impacted adversely.

(Recommendation Sl. No.10, Para No.2.11)

2.12 While reviewing the performance of Hydro Sector, the Committee's examination has revealed that the performance of Damodar Valley Corporation (DVC) has gone down substantially over the years. Scrutiny of the data provided by the Ministry reveals that the profit after tax pertaining to DVC has shown consistent decline from ₹1,239 crore in 2006-07 to ₹300 crore in 2009-10 and fell into negative side with a loss of ₹120 crore in 2010-11.

Similarly physical performance of DVC has been very dismal. The data regarding generation exhibits a fluctuating trend showing total generation of 1,4136 MU in 2006-07, 15,554 MU in 2008-09, 14,720 MU in 2009-10 and 16,380 MU in 2010-11. At the same time, the dependency on import has increased consistently over the last five years from 991 MU in 2006-07 to 1,114 MU in 2008-09 and 2,642 MU in 2010-11. The Committee are surprised to find that the PLF of the thermal power plants of DVC has been hovering around 60 per cent during 2011-12, the highest being 68.90 per cent for Mejia TPS. The situation is worse in respect of hydel power plants where PLF has not touched the mark of even 25 per cent. The reasons cited

by the Ministry for such dismal PLF are not convincing and not at all acceptable to the Committee. The mechanical problems like crack in Turbine HP stop valve, frequent boiler tube leakages, air ingress in boiler, low condenser volume, failure of Generator/ Transformer are not unforeseeable in nature and could have been dealt with professionalism and promptitude and in a more responsible manner. Also the situation of coal shortage is not insurmountable. Similarly, the factors quoted by the Ministry responsible for delay in completion of capacity addition projects of DVC like law and order issue, land acquisition problem, delay in supply of erection material and equipment, visa problem and shortage of agencies are of course obstructive in nature, nevertheless these hurdles should not block the roadway to progress and blow off performance if output is taken as the motivation.

The Committee find it incomprehensible that such a huge organization established way back in 1948 by an act of Parliament of India as an ambitious multipurpose dream entity for integrated development of Damodar Valley has become a poorly functioning, badly managed, debt ridden organization where debt equity balance has landed in a very alarming state. The DVC has plunged itself into such a situation in spite of its entire infrastructure and professional management supported by a huge skilled manpower. The Committee feel that the organization has to be saved from slipping in to an irremediable situation and recommend that the reasons for poor financial and physical performance may be analyzed objectively, responsibility may be fixed and suitable corrective and supportive measures with policy revamp, if needed, be adopted to make the organization healthy, self reliant and performance oriented.

The Committee note that DVC (Amendment) Act, 2011 was aimed at improving the operational efficiency of the Corporation and to give more autonomy. The Committee trust that with this the Corporation would be in a position to overcome the obstacles which were hitherto hindering the working of the Corporation. They, therefore, expect that henceforth there should not be any further complaint or excuse for non-performance, both in physical and financial parameters.

(Recommendation Sl. No.11, Para No.2.12)

2.13 The Committee also find that the DVC is not able to collect regular dues from the stakeholders. It has been informed that Jharkhand State Electricity Board (JSEB) is not paying full amount of their dues and the total tentative dues in respect of JSEB has gone up to ₹2,622 crore upto 17th February, 2012. They are compelled to take recourse to the Ministry of Finance through the Ministry of Power for realization of dues through Central Plan Allocation as per securitization scheme. The Committee would like the Ministry of Power to take up the matter with concerned authorities at highest level to help recover the dues. The Committee may be apprised accordingly.

(Recommendation Sl. No.12, Para No.2.13)

Re-structured Accelerated Power Development Reform Program (R-APDRP)

2.14 The Government approved Re-structured APDRP during the year 2008 as a Central Sector Scheme focusing on actual and demonstrable performance to achieve Aggregate Technical and Commercial (AT&C) loss reduction. The objective of the programme is to facilitate State Power Utilities to reduce the level of AT&C losses to 15%. Projects under the scheme are taken up in two parts. Part –A of the scheme is dedicated to establishment of IT enabled system for achieving reliable and verifiable base line data system in all towns with populations of more than 30,000 as per the census of 2001. Part-B of the programme includes strengthening of regular distribution projects. R-APDRP also has provision for capacity building of utility personnel and development of franchises through Part-C of the scheme. Projects worth ₹31,416.15 crore (Part-A: ₹6,639.98 crore covering 1,402 towns and 63 SCADA projects; Part-B ₹24,776.17 crore covering 1086 towns) have been sanctioned and so far ₹5,305.75 crore has been released to State utilities under the programme. The release of funds against Part-A & B projects is linked to progress of implementation and milestones achieved. On the aspect of evaluation of success of scheme Committee have been informed that IT implementing agencies have been appointed in majority States for execution of Part-A projects and implementation is in progress. Implementation of Part-B projects have started in 8 States covering 402 towns and tenders for appointing execution agencies for balance Part-B projects are under process by the State utilities for which the maximum implantation time is five years from the date of sanction. The Committee have also been informed that the evaluation of the scheme will begin from the year 2012-13 onwards. On the question

of extending the scheme to 12th Five Year Plan, it has been stated that on the request of State utilities, Ministry is considering to extend the R-APDRP to private utilities and to towns having population up-to 15,000 (5,000 for special category States). The financial target for the year 2012-13 under the scheme has been fixed to be Rs.3,114 crore. The Committee have been apprised that execution of the scheme is very difficult and it is taking much more time than anticipated. The AT&C losses are also very high and it is a matter of grave concern.

The Committee also find that the National Electricity Fund has been setup to provide interest subsidy on loans disbursed by banks & FI's including REC & PFC to the State Power Utilities, Distribution Companies (DISCOMS) – both in public and private sector, to improve the distribution network. The preconditions for eligibility to avail interest subsidy are linked to the reforms in the power sector and the amount of interest subsidy is linked to the progress achieved in reforms. National Electricity Fund would provide interest subsidy aggregating ₹8466 crore spread over 13 years for loan disbursement amounting to ₹25,000 crore for distribution schemes sanctioned during the 2 years viz., 2012-13 and 2013-14. The outlay of ₹8,466 crore would cover payment of interest subsidy to the borrowers, service charges to the nodal agency, payments to independent evaluators and other incidental expenses. The source of funding will be from Government of India.

The Committee find that the objective of the scheme has been laudable as it seeks to bring down the AT&C losses. However, the scheme has failed to make the desirable impact though four years have elapsed. In some of the States AT&C losses, in the year 2009-10 is still as high as 70.49% while average AT&C losses as

per Report on Performance of State Utilities is 27.15% during the same period. The energy scenario of the country is rapidly transforming with the entry of multiple players in generation, transmission and distribution. The high loss on account of transmission and distribution is a matter of serious concern. The scheme as envisaged and executed hitherto will succeed in achieving its objective is an issue of anybody's guess. IT enabled data base line is yet to take any definite shape and strengthening of distribution utilities are inter-linked with it. The Committee have been informed that the scheme has not been implemented in all the towns with 30,000 population in the 11th Plan and this is still being proposed to extend to towns with 15,000 population. The Committee desire that the scheme should be implemented in a graded manner so that States first cover 30,000 population criteria and thereafter schemes for 15,000 population criteria may prepared and implemented.

Taking note of flaws in the implementation of the scheme, the Committee strongly recommend that R-APDRP in its present forms requires thorough review. Some mechanism may be evolved wherein the stake-holders i.e. State utilities, DISCOMS and other related parties should be clearly told to draw their own plans and strategy for containing AT&C losses. It should be made clear to them that they are not going to be rewarded for their failures in the form of interest subsidy or through other methods under Central sponsored schemes indefinitely. It should also be ensured that they are not allowed to pass the burden to the consumer beyond a reasonable limit for their failure to contain the AT&C losses with a clear

signal to tighten their belt to shape themselves in or be prepared for stringent action.

(Recommendation SI. No.13, Para No.2.14)

Open Access

2.15 The Committee in their 14th Report (2010-11) on 'Transmission and Distribution Systems and Networks' had, inter-alia, pointed out that about 8 years have passed since the enactment of the Electricity Act, 2003 and yet one of the measures aimed at, in power reforms, viz., to provide open access to create competitiveness in supply of electricity was yet to start. During the discussions with the Ministry of Power and Power Grid Corporation of India Limited during their Study Tour at Mumbai in January, 2012, it emerged out that the Open Access System in distribution network has just started as a pilot project in Mumbai. Under the scheme a few consumers have taken benefit of the System. Considering the interest of consumers across the country, the Committee would like the Ministry to impress upon the power utilities and others to expedite the policy of Open Access as enumerated in the Electricity Act, 2003. The Committee would like to be apprised about the programme prepared for this vital aspect and steps proposed to be taken to implement the same.

(Recommendation SI. No.14, Para No.2.15)

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

2.16 RGGVY is a scheme for creation of rural electricity infrastructure and household electrification. The scheme envisage creation of (i) Rural Electricity Distribution Backbone (REDB) i.e. provision of 33/11 KV (or 66/11 KV) sub-stations of adequate capacity and lines in blocks where these do not exist, (ii) Village Electrification Infrastructure (VEI) with a provision of distribution transformers of appropriate capacity in electrified villages / habitation(s) and (iii) Decentralized Distributed Generation (DDG) and Supply from conventional or renewable or non-conventional sources such as biomass, bio fuel, bio gas, mini hydro, geo thermal and solar etc. for villages where grid connectivity is either not feasible or not cost effective. Ninety per cent capital subsidy is being provided towards overall cost of the projects under the scheme and 10% of the project cost would be contributed by states through own resources/loan from financial institutions / REC. Free electricity connection is also being provided to BPL households. Government has sanctioned 576 projects involving electrification of 1,10,809 un-electrified villages, intensive electrification of 3,48,859 already electrified villages and providing electricity connections to 230.10 lakh Below Poverty Line households with total sanctioned project cost of ₹33,843.1 crore under Phase-I projects. In addition to above, Government has also sanctioned 69 projects involving electrification of 1,587 un-electrified villages, intensive electrification of 50,953 already electrified villages and providing electricity connections to 36.54 Lakh Below Poverty Line households with total sanctioned project cost of 7,021.95 crore under Phase-II projects. As on 15.03.2012, electrification in 1,03,345 un-electrified villages out of 1,10,809 UE

villages has been completed and free electricity connections to 190.59 Lakh BPL households out of 230.10 Lakh BPL have been released.

The Committee find that during the 11th Plan against RE of Rs.22,988 crore, an amount of Rs.21,650.76 crore has been released as capital subsidy. With regard to the performance of the scheme, it has been stated that as on 15.03.2012, electrification in 1,03,345 un-electrified villages out of 1,10,809 UE villages (93.26 %) has been completed and free electricity connections to 190.59 Lakh BPL households out of 230.10 Lakh BPL (82.82%) have been released. Bharat Nirman target of electrification of 1 lakh villages and 1.75 crore BPL households has been achieved by December 2011. There are also difficulties in implementation of the project which vary from delay in award of contract to limited availability of good turnkey contactor, limited availability of manpower, material, equipments and limitations of implementing agencies etc. Despite these obstacles Government has decided to extend the scheme to the 12th Plan wherein the remaining works under the sanctioned projects will be completed. However, the targets for 12th Plan are yet to be finalized. The Committee find that an amount of ₹4,900 crore has been earmarked to carry out the work under the scheme during the year 2012-13. RGGVY is flagship scheme of the Government and its effective implementation benefits that segment of people who is most marginalized and deprived. Drawbacks in implementation of the scheme such as the sub-letting of contracts, transformers of low capacity and their maintenance, poor quality of work, concept/definition of electrified villages under the scheme and involvement of elected representatives in to the scheme for better and coordinated functioning have been pointed out

repeatedly. It was expected of the Government and REC to address these problems by now. Another issue needs to be resolved is to install transformers of high capacity instead of 16 KVA transformers, which has been ignored by the Government. This can be testified from the deposition before the Committee wherein it was stated that this entire scheme wants to have smaller transformers so that possibilities of thefts are minimized. It has also been stated that technically it is advised that you should have smaller transformers to reduce the losses. The Committee are not at all convinced with this logic and find it to be misleading and hoodwinking. Transformers of required capacity are the basic minimum for the accomplishment of the scheme. Low capacity transformers not only negate the success of the scheme but result in the wastage of the entire efforts and resources. The Committee, therefore, strongly recommend that the Government should become sensitive to the aspirations of the people, suggestions of the Committee for improving the scheme by taking effective measures by bringing sub-contracting of the scheme to the minimum, involving the elected representatives in the implementation of the scheme, making provision of adequate capacity transformers and strengthening monitoring mechanism by keeping provisions of surprise and random checking to ensure the success of the scheme. The Committee would also emphasize that necessary compliance of the guidelines issued by the Ministry in regard to awarding contracts for the scheme to the implementing agencies with proven track record is ensured.

(Recommendation Sl. No.15, Para No.2.16)

Energy Conservation & Efficiency

2.17 The Committee are aware that country's power generation capacity as also the actual power generation is far less than the ever growing demands for power. They therefore, feel that it is significant that besides taking measures for enhancing power generation, emphasis should also be laid on the conservation of the energy. The Committee note that various energy conservation programmes are being actively pursued by the Government such as Bachat Lamp Yojana, Standards & Labeling Scheme, Energy Conservation Building Code (ECBC), Agriculture and Municipal DSM, Small and Medium Industries, Operationalising EC Act by Strengthening Institutional Capacity of State Designated Agencies (SDAs) and Awareness Schemes. The Committee were apprised that by the end of March, 2012, total of about 10,758 MW is expected to be saved through their various schemes. The Committee find that the major schemes under conservation scheme of the Government are (i) National Energy Conservation Day Award, (ii) National Level Painting Competition for school children and, (iii) Awareness and Publicity with an outlay of ₹6.00 crore each. Further, National Mission for Enhanced Energy Efficiency (NMEEE) is also a scheme for energy conservation announced by the Prime Minister as a part of National Action Plan on Climate Change. An outlay of ₹180 crore has been provided for the year 2012-13 to operationalise the NMEEE. The Committee also find that ₹290 crore was proposed by the Ministry of Power for the Budget allocation for Energy Conservation for the year 2012-13. However, only ₹200 crore has been approved and allocated by the Planning Commission under this head.

While the Committee would urge the Government to continue emphasis on implementation of the conservation schemes of the Government, they feel that reduced allocation may affect the achievements in the coming year. The Committee, accordingly, recommend that the Ministry should take up the matter with the Planning Commission to enhance their Budget under the head. Further, they would also like the Ministry to enhance pace of implementation of their various schemes in the 12th Five Year Plan and to achieve the higher level of conservation of energy. They would emphasize that the Ministry should focus specially on creating awareness among the masses so as to actualize energy efficiency and conservation. The Committee would also like the Ministry to examine the feasibility of promoting installation of CFL/LED lamps/ bulbs as one of the measures of energy conservations, eco-compatibility in view of global warming and its cost-effectiveness. They would like to be apprised accordingly of the findings.

(Recommendation Sl. No.16, Para No.2.17)

New Delhi;
May 1, 2012,
Vaisakha 11,1934 (Saka)

MULAYAM SINGH YADAV
Chairman,
Standing Committee on Energy.

Annexure-I

MINISTRY OF POWER

DEMAND NO. 75

Ministry of Power

A. The Budget allocations, net of recoveries and receipts, are given below:

(In crores of Rupees)

Major Head	Actual 2010-2011			Budget 2011-2012			Revised 2011-2012			Budget 2012-2013			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	5221.00	-44.34	5176.66	6779.84	-135.01	6644.83	3816.88	-183.69	3633.19	5929.63	-122.89	5806.74	
Capital	3074.54	...	3074.54	2862.16	...	2862.16	2234.12	...	2234.12	3712.37	...	3712.37	
Total	8295.54	-44.34	8251.20	9642.00	-135.01	9506.99	6051.00	-183.69	5867.31	9642.00	-122.89	9519.11	
1. Secretariat-Economic Services	3451	0.97	21.24	22.21	1.00	24.10	25.10	1.00	24.10	25.10	0.10	25.84	25.94
2. Waiver of Interest													
2.01 North Eastern Electric Power Corporation (NEEPCO)	2801	...	...	...	...	...	...	...	16.13	16.13	...	...	...
2.02 Less Receipts Netted	0049	...	...	...	...	...	...	...	-16.13	-16.13	...	...	...
<i>Net</i>		...	...	...	...	...	...	...	...	...	...	...	...
Power													
General													
3. Central Electricity Authority	2801	4.46	65.11	69.57	13.18	77.03	90.21	6.39	73.80	80.19	18.08	78.80	96.88
	4801	2.12	...	2.12	3.05	...	3.05	2.05	...	2.05	1.00	...	1.00
	<i>Total</i>	<i>6.58</i>	<i>65.11</i>	<i>71.69</i>	<i>16.23</i>	<i>77.03</i>	<i>93.26</i>	<i>8.44</i>	<i>73.80</i>	<i>82.24</i>	<i>19.08</i>	<i>78.80</i>	<i>97.88</i>
4. Research and Development													
4.01 Central Power Research Institute, Bengaluru	2801	61.51	...	61.51	163.40	...	163.40	75.00	...	75.00	265.00	...	265.00
5. Training													
5.01 National Power Training Institute	2801	17.00	6.40	23.40	16.89	6.40	23.29	2.09	6.40	8.49	5.09	6.40	11.49

(NPTI)													
6. Setting up of JERC for Manipur & Mizoram	2801	1.20	...	1.20	2.38	...	2.38	2.33	...	2.33	2.46	...	2.46
7. Central Electricity Regulatory Commission													
7.01 CERC Fund	2801	...	...	...	...	31.48	31.48	...	33.29	33.29	...	34.79	34.79
7.02 Amount met from CERC Fund	2801	...	...	...	...	-31.48	-31.48	...	-33.29	-33.29	...	-34.79	-34.79
Net		...	...	...	...	...	...	...	...	...	...	...	...
8. National Investment Fund (NIF)													
8.01 Transfer to National Investment Fund	2801	2052.00	...	2052.00	5052.00	...	5052.00	2086.04	...	2086.04	4761.00	...	4761.00
8.02 Amount met from NIF for Subsidy for Rural Electrification - RGGVY	2801	-	...	-2000.00	-	...	-5000.00	-	...	-2086.04	-	...	-4761.00
		2000.00			5000.00			2086.04			4761.00		
8.03 Amount met from NIF for APDRP	2801	-52.00	...	-52.00	-52.00	...	-52.00	...	...	...	...	...	...
Net		...	...	...	...	...	...	...	...	...	...	...	...
9. Subsidy for Rural Electrification-RGGVY	2801	5000.00	...	5000.00	5326.70	...	5326.70	3189.60	...	3189.60	4410.00	...	4410.00
10. Consultancy Charges for APDRP Project	2801	19.44	...	19.44	...	...	...	...	...	...	...	...	...
11. Funds for Evaluation Studies and Consultancy	2801	0.04	...	0.04	1.00	...	1.00	0.25	...	0.25	2.00	...	2.00
12. Appellate Tribunal for Electricity	2801	...	5.77	5.77	...	8.50	8.50	...	8.36	8.36	...	8.78	8.78
13. Setting up of Joint JERC for UTs and Goa	2801	...	3.30	3.30	...	4.00	4.00	...	4.00	4.00	...	4.00	4.00
14. Comprehensive Award Scheme for Power Sector	2801	...	...	...	0.82	...	0.82	0.82	...	0.82	0.90	...	0.90
15. Energy Conservation	2801	127.24	...	127.24	130.80	...	130.80	50.00	...	50.00	200.00	...	200.00
16. Bureau of Energy Efficiency													

16.01 Non EAP Component	2801	60.97	...	60.97	123.80	...	123.80	63.00	...	63.00	197.40	...	197.40
16.02 EAP Component	2801	...	...	...	...	...	...	2.00	...	2.00	2.60	...	2.60
<i>Total-Bureau of Energy Efficiency</i>		<i>60.97</i>	<i>...</i>	<i>60.97</i>	<i>123.80</i>	<i>...</i>	<i>123.80</i>	<i>65.00</i>	<i>...</i>	<i>65.00</i>	<i>200.00</i>	<i>...</i>	<i>200.00</i>
17. APDRP	2801	100.00	...	100.00	75.00	...	75.00	68.00	...	68.00	117.00	...	117.00
18. Assistance to Forum of Regulator Capacity Building	2801	2.00	...	2.00	2.00	...	2.00	2.00	...	2.00	2.00	...	2.00
19. World Bank Grant under PHRD to THDC	2801	0.41	...	0.41	...	...	...	...	...	...	...	...	...
20. Loan to PFC for APDRP	6801	2246.42	...	2246.42	1755.60	...	1755.60	1433.20	...	1433.20	2685.60	...	2685.60
21. Interest Subsidy to National Electricity Fund	2801	...	...	...	249.57	...	249.57	...	...	...	72.00	...	72.00
22. Interest Subsidy to NTPC (AGNSP)	2801	26.84	...	26.84	...	...	...	...	...	...	...	...	...
23. Tehri Hydro Development Corporation India Ltd.	4801	...	...	...	...	...	...	45.00	...	45.00	110.00	...	110.00
24. Acquisition of Coal bearing Areas for NTPC	4801	105.19	...	105.19	489.93	...	489.93	179.61	...	179.61	720.04	...	720.04
24.01 Deduct Recoveries	4801	-105.19	...	-105.19	-489.93	...	-489.93	-179.61	...	-179.61	-720.04	...	-720.04
<i>Net</i>		<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Total-General		7669.65	80.58	7750.23	7864.19	95.93	7960.12	4941.73	92.56	5034.29	8091.13	97.98	8189.11
Thermal Power Generation													
<i>25. Badarpur Thermal Power Station</i>													
25.01 Revenue Expenditure	2801	...	5.54	5.54	...	17.65	17.65	...	14.68	14.68	...	9.95	9.95
25.02 Less Revenue Receipts	0801	...	-151.70	-151.70	...	-272.69	-272.69	...	-315.03	-315.03	...	-256.66	-256.66
<i>Net</i>		<i>...</i>	<i>-146.16</i>	<i>-146.16</i>	<i>...</i>	<i>-255.04</i>	<i>-255.04</i>	<i>...</i>	<i>-300.35</i>	<i>-300.35</i>	<i>...</i>	<i>-246.71</i>	<i>-246.71</i>
Transmission and Distribution													
26. 220 KV Transmission Line from Srinagar to Leh via Kargil	4801	...	...	...	...	...	...	...	...	...	200.00	...	200.00

<i>27. Lumpsum provision for Project/Schemes for the benefit of NE Region & Sikkim</i>													
27.01 Subsidy for Rural Electrification-RGGVY	2552	...	...	...	673.30	...	673.30	354.40	...	354.40	490.00	...	490.00
27.02 Loan to PFC under APDRP	6552	...	...	...	203.40	...	203.40	166.80	...	166.80	311.40	...	311.40
27.03 Strengthening of Transmission System in the States of Arunachal Pradesh and Sikkim	2552	...	...	...	...	...	...	...	...	...	145.00	...	145.00
27.04 Investment in Public Enterprises in N.E. Region	4552	...	...	...	87.50	...	87.50	25.50	...	25.50	54.00	...	54.00
	6552	...	...	...	...	...	...	163.13	...	163.13	80.00	...	80.00
<i>Total</i>		...	...	...	87.50	...	87.50	188.63	...	188.63	134.00	...	134.00
<i>Total-Lumpsum provision for Project/Schemes for the benefit of NE Region & Sikkim</i>		...	...	...	964.20	...	964.20	709.83	...	709.83	1080.40	...	1080.40
Total-Transmission and Distribution		...	...	...	964.20	...	964.20	709.83	...	709.83	1280.40	...	1280.40
Total-Power		7669.65	-65.58	7604.07	8828.39	-159.11	8669.28	5651.56	-207.79	5443.77	9371.53	-148.73	9222.80
<i>28. Investment in Public Enterprises other than NE Region</i>													
28.01 Investment in North Eastern Electric Power Corporation Ltd.	4801	45.00	...	45.00	...	...	...	...	...	...	...	...	...
28.02 Loans for Power Projects	6801	781.00	...	781.00	812.61	...	812.61	398.44	...	398.44	270.37	...	270.37
<i>Total-Investment in Public Enterprises other than NE Region</i>		826.00	...	826.00	812.61	...	812.61	398.44	...	398.44	270.37	...	270.37
29. Actual Recoveries	2801	-201.08	...	-201.08	...	...	...	...	...	...	...	...	...
Grand Total		8295.54	-44.34	8251.20	9642.00	-135.01	9506.99	6051.00	-183.69	5867.31	9642.00	-122.89	9519.11
B. Investment in Public Enterprises	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
28.01 National Thermal Power	12801	...	12817.61	12817.61	...	26400.00	26400.00	...	26400.00	26400.00	...	20995.00	20995.00

Corporation Ltd.													
28.02 National Hydro Electric Power Corporation Ltd.	12801	781.00	2987.87	3768.87	812.61	4277.39	5090.00	398.44	4277.39	4675.83	270.37	3826.63	4097.00
28.03 Damodar Valley Corporation Ltd.	12801	...	5253.31	5253.31	...	5890.59	5890.59	...	5890.59	5890.59	...	5571.69	5571.69
28.04 North Eastern Electric Power Corporation Ltd. (North Eastern Region Component)	12801	45.00	414.02	459.02	87.50	949.77	1037.27	188.63	949.77	1138.40	134.00	1137.79	1271.79
28.05 Satluj Jal Vidyut Nigam Ltd.	12801	...	566.89	566.89	...	1133.13	1133.13	...	1133.13	1133.13	...	796.00	796.00
28.06 Tehri Hydro Development Corporation Ltd.	12801	...	604.84	604.84	...	389.85	389.85	45.00	389.85	434.85	110.00	455.39	565.39
28.07 Power Grid Corporation of India Ltd.	12801	...	12005.39	12005.39	...	17700.00	17700.00	...	17700.00	17700.00	...	20000.00	20000.00
Total		826.00	34649.93	35475.93	900.11	56740.73	57640.84	632.07	56740.73	57372.80	514.37	52782.50	53296.87
C. Plan Outlay													
1. Power	12801	8295.54	34649.93	42945.47	8677.80	56740.73	65418.53	5341.17	56740.73	62081.90	8561.60	52782.50	61344.10
2. North Eastern Areas	22552	...	...	...	964.20	...	964.20	709.83	...	709.83	1080.40	...	1080.40
Total		8295.54	34649.93	42945.47	9642.00	56740.73	66382.73	6051.00	56740.73	62791.73	9642.00	52782.50	62424.50

STANDING COMMITTEE ON ENERGY

MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2011-12) HELD ON 12TH APRIL, 2012 IN COMMITTEE ROOM 'D' PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee met from 1100 hrs. to 1400 hrs.

PRESENT

Shri Motilal Vora - in the Chair

2. Dr. Baliram
3. Shri Adhir Ranjan Chowdhury
4. Shri Syed Shahnawaz Hussain
5. Shri Baliram Jadhav
6. Shri Shripad Yesso Naik
7. Shri Sanjay Nirupam
8. Shri Jagdambika Pal
9. Shri Ravindra Kumar Pandey
10. Shri C. Rajendran
11. Shri Bajju Ban Riyan
12. Shri Sushil Kumar Singh
13. Shri Makansingh Solanki

RAJYA SABHA

14. Shri V.P. Singh Badnore
15. Shri Shyamal Chakraborty
16. Shri Bhagat Singh Koshyari
17. Shri Mohammad Shafi

SECRETARIAT

- | | | | |
|----|----------------------------|---|---------------------|
| 1. | Shri Brahm Dutt | - | Joint Secretary |
| 2. | Smt. Abha Singh Yaduvanshi | - | Director |
| 2. | Shri N.K.Pandey | - | Additional Director |
| 4. | Shri Rajesh Ranjan Kumar | - | Additional Director |

REPRESENTATIVES OF THE MINISTRY OF POWER

Ministry of Power

- | | | | |
|-----|-------------------------|---|------------------------|
| 1. | Shri P. Uma Shankar | - | Secretary |
| 2. | Shri Ashok Lavasa | - | Addl. Secretary |
| 3. | Shri Devendra Chaudhary | - | Joint Secretary |
| 4. | Shri Devender Singh | - | Joint Secretary |
| 5. | Shri I.C.P. Keshari | - | Joint Secretary |
| 6. | Shri G. Sai Prasad | - | Joint Secretary |
| 7. | Smt. Jyoti Arora | - | Joint Secretary |
| 8. | Smt. Rita Acharya | - | Joint Secretary |
| 9. | Shri Rakesh Jain | - | Joint Secretary & F.A. |
| 10. | Shri Manoranjan Kumar | - | Economic Advisor |

Central Electricity Authority

- | | | | |
|----|------------------|---|-------------|
| 1. | Shri A.S. Bakshi | - | Chairperson |
|----|------------------|---|-------------|

Public Sector Undertakings/ Autonomous Bodies/Statutory Bodies

- | | | | |
|-----|-------------------------|---|----------------------------|
| 1. | Shri Arup Roy Choudhury | - | CMD, NTPC |
| 2. | Shri A.B.L. Srivastava | - | CMD, NHPC |
| 3. | Shri R.T. Agrawal | - | Director (Fin.), Powergrid |
| 4. | Shri R.S.T. Sai | - | CMD, THDC |
| 5. | Shri Rajeev Sharma | - | CMD, REC |
| 6. | Shri R.P.Singh | - | CMD, SJVNL |
| 7. | Shri P.C. Pankaj | - | CMD, NEEPCO |
| 8. | Shri Satnam Singh | - | CMD, PFC |
| 9. | Shri A.B. Agarwal | - | Chairman, BBMB |
| 10. | Shri R.N. Sen | - | Chairman, DVC |
| 11. | Shri Subodh Garg | - | DG, NPTI |
| 12. | Shri N. Murugesan | - | DG, CPRI |
| 13. | Shri Ajay Mathur | - | DG, BEE |
| 14. | Shri Rajiv Bansal | - | Secretary, CERC |
| 15. | Shri Harvir Singh | - | Registrar, APTEL |

2. In the absence of the Chairman, the Committee chose Shri Motilal Vora, a Member of the Committee to act as Chairman for the sitting in accordance with Rule 258 (3) of the Rules of Procedure and conduct of Business in Lok Sabha.

3. At the outset, the Chairman welcomed the Members of the Committee and the representatives of the Ministry of Power to the sitting of the Committee and apprised them of the provisions of Directions 55(1) and 58 of the Directions by the Speaker.

4. Thereafter, the representatives of the Ministry made a power-point presentation on the Demands for Grants (2012-13) covering financial and physical targets and achievements under major programmes of the Ministry.

5. The Committee *inter-alia* discussed with the representatives of the Ministry of Power the following important points:-

- i) Low utilization of funds/low achievement of targets by the Ministry during the 11th Plan.
- ii) Reasons for less achievement under Capacity Addition Programme and the remedial action taken by the Ministry.
- iii) Reason for low performance by Central Sector vis-à-vis private sector in capacity addition programmes during the 11th Plan.
- iv) Reasons for slow pace of Hydro Sector development despite having huge potential in the Country.
- v) Projections and targets for 12th Plan and action plan of the Ministry to fully achieve them.
- vi) Functioning of Power Sector PSUs – Poor financial position of DVC. Reasons for top posts of various PSUs lying vacant for longer durations.
- vii) Re-structured Accelerated Power Development & Reforms Programme (R-APDRP) – reasons for failure in achieving reduction in AT&C losses on expected lines, continuation of the programme during the coming 12th Five Year Plan,
- viii) Shortcomings in implementation of the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) like non-functioning/lower capacity of transformers, non-coverage of village hamlets, etc.

The Members sought clarifications on various issues relating to the subject and the representatives of the Ministry responded to the same. The Committee directed the representatives of the Ministry to furnish written replies to the queries which could not be responded to by them.

6. A verbatim record of the proceedings of the sitting of the Committee has been kept.

The Committee then adjourned.

STANDING COMMITTEE ON ENERGY

**MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2011-12)
HELD ON 25TH APRIL, 2012 IN COMMITTEE ROOM 'C' PARLIAMENT HOUSE ANNEXE, NEW
DELHI**

The Committee met from 1500 hrs. to 1530 hrs.

PRESENT

Shri Motilal Vora - in the Chair

2. Dr. Baliram
3. Shri P.C. Chacko
4. Shri Adhir Ranjan Chowdhury
5. Shri Baliram Jadhav
6. Shri C. Rajendran
7. Shri Baju Ban Riyan

RAJYA SABHA

8. Shri V.P. Singh Badnore
9. Shri Shyamal Chakraborty
10. Shri Rama Chandra Khuntia
11. Shri Bhagat Singh Koshyari
12. Shri Jesudasu Seelam

SECRETARIAT

- | | | | |
|----|----------------------------|---|---------------------|
| 1. | Shri Brahm Dutt | - | Joint Secretary |
| 2. | Smt. Abha Singh Yaduvanshi | - | Director |
| 2. | Shri N.K.Pandey | - | Additional Director |
| 4. | Shri Rajesh Ranjan Kumar | - | Additional Director |

2. In the absence of the Chairman, the Committee chose Shri Motilal Vora, a Member of the Committee to act as Chairman for the sitting in accordance with Rule 258 (3) of the Rules of Procedure and Conduct of Business in Lok Sabha

3. At the outset the Chairman welcomed the Members to the sitting of the Committee, and apprised the Committee about day's agenda.

4. The Committee then took up for consideration of three Draft Reports viz,

- (i) 26th Report on Action Taken on the recommendations contained in the Tenth Report on 'Availability of Gas and Coal for Power Sector'.
- (ii) 27th Report on Demands for Grants (2012-13) of the Ministry of New and Renewable Energy.
- (iii) 28th Report on Demands for Grants (2012-13) of the Ministry of Power.

At the discussion, the Committee adopted the three draft Reports with minor modifications.

5. The Committee also authorized the Chairman to finalize the above-mentioned Reports after taking into consideration the consequential changes arising out of factual verification, if any, by the concerned Ministries and also to present the same to both the Houses of Parliament during the current session.

The Committee then adjourned.