32

STANDING COMMITTEE ON ENERGY

(2012-13)

FIFTEENTH LOK SABHA

MINISTRY OF POWER

[Action Taken by the Government on the recommendations contained in the Twenty-Eighth Report (15th Lok Sabha) on Demands for Grants of the Ministry of Power for the year 2012-13]

THIRTY SECOND REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

December, 2012/ Agrahayana, 1934 (Saka)

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Presented to Lok Sabha on 18.12.2012

Laid in Rajya Sabha on 18.12.2012

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INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this 32nd Report on the action taken by the Government on the recommendations contained in 28th Report of the Standing Committee on Energy (15th Lok Sabha) on 'Demands for Grants of the Ministry of Power for the year 2012-13'.

2. The 28th Report was presented to Lok Sabha/ laid in Rajya Sabha on 03rd May, 2012. Replies of the Government to all the recommendations contained in the Report were received on 19th November, 2012.

3. The Report was considered and adopted by the Committee at their sitting held on 11th December, 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. An analysis on the Action Taken by the Government on the recommendations contained in the 28th Report of the Committee is given at Appendix-II.

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

NEW DELHI
17th December, 2012
Agrahayana 26,1934 (Saka)

MULAYAM SINGH YADAV,
Chairman,
Standing Committee on Energy

CHAPTER - I

This Report of the Standing Committee on Energy deals with the action taken by the Government on the Recommendations/Observations contained in the Twenty-Eighth Report (Fifteenth Lok Sabha) on Demands for Grants of the Ministry of Power for the year 2012-13.

2. The Twenty-Eighth Report was presented to Lok Sabha on 03rd May, 2012 and was laid on the Table of Rajya Sabha on the same day. The Report contained 16 Recommendations/Observations.

3. Action Taken Notes in respect of all the Recommendations/Observations contained in the Report have been received from the Government. These have been categorized as follows:

(i) Recommendations/Observations which have been accepted by the Government:

Serial Nos. 1,2,4,9,11,12,13,14,15 and16

Total - 10

Chapter-II

(ii) Recommendation/Observation which the Committee do not desire to pursue in view of the Government's replies:

Serial Nos. 8 and 10

Total - 02

Chapter-III

(iii) Recommendations/Observations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration:

Serial Nos. 3,5, 6 and 7

Total–04

Chapter-IV

(iv) Recommendation/Observation in respect of which the final reply of the Government is still awaited:

- Nil -

Total - 00

Chapter-V

4. The Committee desire that Action Taken Notes on the Recommendations/Observations contained in Chapter-I of the Report may be furnished to the Committee within three months of the presentation of this Report.

5. The Committee will now deal with action taken by the Government on some of their Recommendations that require reiteration or merit comments.

A. 11th Five Year Plan – targets and achievements

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

6. The Committee had expressed their concern 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 had been 15,220 MW, 16,732 MW and 23,012 MW which was 41%, 62% and 153% respectively of their original targets. While the Committee felt happy about the exceptional performance of Private Sector in capacity addition, it was taken aback at the poor performance of the Central Sector. The Committee also felt that the Central Sector having giant companies with already laid out infrastructure such as NTPC, NHPC, DVC etc. yet they had failed to achieve even half of their targets put together. Had the Private Sector not performed exceptionally well, the situation could have been worse in terms of capacity addition. They also felt that if there were problems and hindrances for Government's Power Sector PSUs so were they for Private Sector. The fact that the Central Sector have unmatched financial and unstinted support of the Government, hence their dismal performance compelled the Committee to infer that all is not well so far as the Management of the Power Sector PSUs and monitoring by the Ministry was concerned. The Committee were 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. The Committee had, therefore, recommended the Government to 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 had also

desired the Government to urgently look into the causes of the serious slippage in the target achievement and take immediate corrective measures.

7. The Ministry in their action taken reply have stated:

> "As per the Mid-term appraisal of the Planning Commission, the capacity addition target of 21,222 MW was set for the Central Sector for the 11th Plan against which 15220 MW of fresh capacity was commissioned during the 11th Plan. Lower achievement of CPSUs vis-à-vis the targets was mainly due to fact that certain projects could not be commissioned due to agitation (Kudankulam), decision to withdraw from the project at LohariNagpala, contractual issues (Barh, Sipat), law & order, acquisition of land, delay in placement of order (Nabinagar, Mouda, Bongaigaon),etc and in hydro sector, reasons like geological surprises, floods, agitation. In addition Maithon RBC TPS (2x525 MW) which was originally included in the target of Central Sector (DVC),was subsequently excluded from Central Sector as this project was commissioned in Private Sector, thereby reducing achievement of Central Sector. In a statement annexed to the reply PSU-wise reasons for shortfall in achieving the targets in 11th Plan have been indicated.

8. The Committee in their 28th Report had expressed their concern over 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. They noted that 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. During the examination of the Demands for Grants 2012-13, the Ministry had enumerated several reasons for the slippages in achievement of targets. The Committee, being not convinced of the reasons given, had recommended the Government to 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 and also to take immediate corrective measures. The rationale behind the Committee's

recommendation was to ensure that the underperformance of PSUs in terms of achievement of capacity addition targets is not repeated in the on-going 12th Five Year Plan period commencing from April, 2012. The Committee are also pained to note that instead of apprising the Committee about the result of such review of the PSUs and the action taken/ proposed thereon or even assuring the Committee to do so, the Ministry have chosen to repeat enumeration of factors responsible for the slippages in achievement of targets. The Committee have taken the poor performance of PSUs during the 11th Plan very seriously. Instead of Central Sectors PSUs playing role of flag bearer for new entrants in the private sector, it seems they are contended with status quo and ignoring the downslide in their performance. Similarly, the Committee have not been apprised about the weak areas of PSUs which could have been identified through a thorough review of all power PSUs and concrete steps taken to overcome the recurring problematic areas. The Committee, therefore, would like to reiterate their recommendation that working of all Power Sector PSUs should be reviewed to analyze the causes for their dismal performance during the 11th Plan as compared to Private Sector and to take specific necessary corrective measures.

B. Spending Pattern

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

9. The Committee were disappointed to note that despite their recommendation in 19th Report, 1st quarter fund utilization for the year 2011-12 had further slipped to 1.67% against 8.15% for the 2010-11. The Committee in 28th Report had again emphasized that poor spending pattern in 1st quarter has cascading effect which definitely puts pressure on spending patterns of later quarters. The Committee, had, therefore, reiterated the Government to review their monitoring mechanism to ensure uniform quarterly spending.

10. The Ministry in their action taken reply have stated that recommendations of the Committee have been noted. Secretary (P) has issued instructions to all concerned in the Ministry for even utilization of Budgetary allocation.

11. The Committee express their satisfaction over the fact that the Ministry of Power have complied to their well considered recommendation of uniform quarterly utilization of funds particularly during the first quarter of the financial year and issued necessary directions / instruction to all concerned to comply the guidelines on prudent expenditure management for effective implementation. Under the guidelines it has been stipulated that the Secretary would review the matter in the Senior Officers meetings. The Committee would await outcome of the implementation of the guidelines in the matter.

C. Overall Capacity Targets for 12th Five Year Plan

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

12. The Committee had recommended:

> "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."

13. The Ministry in their Action Taken Reply have stated:

"The capacity addition requirement during the 12th Plan has been estimated to meet the projected electricity demand and electrical energy requirement at the end of the 12th Plan. Accordingly, the Report of Working Group on Power for 12th Plan has recommended a capacity addition of 75,785 MW during the 12th Plan based on the capacity addition of 62, 374 MW during the 11th Plan. However, the actual capacity addition during the 11th Plan has been 54,964 MW as against the Mid Term Appraisal (MTA) target of 62,374 MW.

While working out the capacity addition requirement for the 12th Plan, the Working Group had analyzed the reasons for slippages of projects from the 11th Plan in order to avoid such slippages during the 12th Plan. Accordingly, Working Group had recommended that only those projects should be included in the 12th Plan capacity addition programme where all clearances had been obtained, linkages were tied-up, and the project was under construction. Further, adequate availability of coal was also considered to decide the size of the 12th Plan capacity addition programme.

The capacity addition target for the 12th Plan would be finalized by the Planning Commission. Planning Commission will firm up the capacity addition target after taking into account all relevant factors including the fuel constraint, environmental, water and land acquisition issues."

14. **The Committee had noted that the capacity addition target for the 12th Plan has been projected to 75,785 MW which is even lower than the original target of 78,700 MW for the 11th Plan. This was despite the ambitious plans of implementation of Ultra Mega Power Projects providing a capacity addition of 4,000 MW or above by each of these commissioned projects besides the capacity addition from the already existing power giant in the Central, State and Private Sector Companies. They find that the Ministry had worked out the capacity addition requirement for the 12th Plan based on the Report of the**

Working Group on Power for 12th Five Year Plan. The Committee were not convinced with the proposed targets for the capacity addition by the Ministry and therefore, had recommended about revisiting this area and revision of the targets upwardly. The Committee are unhappy to note that no attempt has been made to either revise their targets or make proper assessment of sector's potential and resources. The Committee, would therefore, like to reiterate their earlier recommendation and desire the Ministry to make detailed assessment of the sector's potential and resources and revise their capacity addition targets.

D. Capacity addition targets for Central PSUs.

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

15. The Committee found that the share of Central, State and Private Sector in 12thPlan would be 19,858 MW, 13,796 MW and 42,131 MW, whereas, their target for 11th Plan had been 36,874 MW, 26,783 MW and 15,043 MW respectively. The Committee found it 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 were 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, had strongly recommended the Government to 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.

16. In their action taken reply the Ministry have stated:

> "As per the Report of Working Group on Power for 12th Plan, the capacity addition recommended to Planning Commission is 75,785 MW comprising 19,858 MW in Central Sector, 13,796 MW in State Sector and 42,131 MW in Private Sector.
> The recommended capacity of 75,785 MW including the sectoral break-up would not undergo major change as it has been estimated based on the capacity addition requirement to meet the projected electricity demand and electrical energy requirement at the end of 12th Plan and taking into account the status of preparedness of various power projects. It may undergo minor changes taking into account the projects slipped from 11th Plan to 12th Plan. The exact figures of capacity addition in Central, State

and Private Sector will be known once the capacity addition target for 12th Plan is finalized.

Several measures initiated by the Government has encouraged private sector participation in the generation of electricity. These include delicensing of thermal generation and small hydro projects, 100% FDI in power generation, Tariff Policy, Ultra Mega Power Project initiative, Mega Power Policy etc. As a result of these measures, the private sector has come up in a big way with a number of private players showing keen interest in setting up of power projects in the country. This led to increased capacity addition by the private sector which also includes Ultra Mega Power Projects."

17. The Committee had noted that in 11th Plan the target for the Central Sector was 36,874 MW and for Private Sector 15,043 MW out of total capacity addition target of 78,700 MW, whereas, for 12th Plan it has been fixed as 19,858 MW and 42,131 MW respectively out of total capacity addition planned i.e. 75,785 MW. In view of the above, the Committee had strongly recommended the Government to review the targets with a view to increase the share of Central Sector. The Ministry in their action taken reply have stated that the recommended capacity of 75,785 MW including the sectoral break-up would not undergo major change as it has been estimated based on the capacity addition requirement to meet the projected electricity demand and electrical energy requirement at the end of 12th Plan and taking into account the status of preparedness of various power projects. In regard to the increasing share of Private Sector they have stated that several measures initiated by the Government have encouraged private sector participation in the generation of electricity leading to increased capacity addition by the private sector including Ultra Mega Power Projects. The Committee are satisfied to know that the private players are coming up in a big way and giving much needed thrust to power generation which will help in bridging the gap between demand and supply of electricity in the Country. With the growth of private sector

participation there is steep decline in not only the performance but also the targets fixed in the 12th Five Year Plan for the Central Sector PSUs, which have led the Committee to infer with concern that the growth of the private sector is taking place at the cost of Central Sector's share. In any case, the increase in private sector participation and higher generation incentives by the Government should be supplementary and definitely not regressive for the performance of CPSU in Energy Sector. They do not approve of the laxity and complacency in the performance of CPSU in Power Sector. They feel that the Central Sector should aim for higher targets, share greater responsibilities, enhance their performance and play a lead role in power generation while the Private Sector contributes significantly. The Committee, therefore, would like to reiterate their recommendation to review the capacity addition targets of Central Sector for 12th Plan with a view to increase the share of CPSUs appropriately. The Committee would like to be apprised of the same.

E. Funds requirement for 12th Five Year Plan for Power Sector

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

18. The Committee had noted that the Working Group on Power for the 12th Plan in its report has estimated fund requirement of Rs.12,37,480 crore for power sector during the 12th Plan excluding renewable energy. In regard to availability of funds for the power sector the Committee had been informed that the final report along with the interim report of the Sub-Committee under the Chairmanship of Deputy Chairman, Planning Commission had since been considered and adopted by the Group of Ministers in its meeting held on 29.10.2010. Recommendations relating to taxation and those pertaining directly to the States had been segregated and taken up separately with the Ministry of Finance and States concerned. Further, in respect of tax exemption and incentives for the investors, it had been stated that Power is included in the definition of infrastructure and sunset clause under Section 80-IA and had been extended for one year i.e. till 31.3.2013 for power sector. In view of the above the Committee felt that Rs.12,37,480 crore is a huge amount and would not be easy to arrange, therefore, they recommended the Government to 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 had further recommended the

Ministry of Power to take up the matter at appropriate level to continue the sunset clause under Section 80-IA which had been extended for one year i.e. 31.3.2013 for power sector should be extended for entire 12th Five Year Plan so as to give much needed thrust to power capacity addition in the Country.

19. The Ministry in their action taken reply have stated as under:

> "The two issues mentioned above are fund requirement of the power sector of Rs 12,37,480 crore for the 12th Plan and continuation of the sunset clause under section 80-IA which has been extended for one year i.e. 31.03.2013 for the power sector, for the entire 12th Plan. Regarding funding of power projects both in the Public and Private sector; funds are generally raised through the market mechanism i.e. internal resource generation, issue of fresh equity capital and market borrowing. Funding of power projects through budgetary support is restricted to programmes like RGGVY and R-APDRP to cater to service obligation of power utilities for enhancing the access to electricity in the rural areas, particularly for the people living below the poverty line.
>
> The issue of extension of sunset clause under 80-IA for the power sector for the entire 12th Five Year Plan was taken up with Ministry of Finance, Department of Revenue as a part of pre-budget consultations for financial year 2012-13.
>
> Ministry of Finance has extended the said sunset clause u/s 80-IA upto 31.03.2013. However, they have not made any commitment for extension during the remaining period of XII Plan."

20. The Committee find that the Ministry of Finance has extended sunset clause u/s 80(1) upto 31st March, 2012. The Committee would like the Ministry to pursue the matter with the Ministry of Finance for extending it to entire 12th Five Year Plan or may be on yearly basis. In regard to the response of the Ministry for the recommendation of the Committee for arranging the funds to the tune of Rs. 12,37,480 crore for the 12th Plan. The Ministry's reply stating that the funds are generally arranged by public and private sector through market mechanism is not acceptable to the Committee. This approach of the Ministry may not help in growth of the power sector. The Committee, accordingly, would like the Ministry to assess the requirements vis-à-vis

availability of funds for the power sector for 12th Plan and provide necessary help in arranging the massive funds.

F Development of Hydro Power Sector

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

21. The Committee had noted 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. When asked about the reasons the Secretary of the Ministry had deposed before the Committee that thermal sector is doing very well and by 2032 capacity addition would 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. The Committee were astonished by this version of the Ministry especially in view of the fact that about 75% of the identified hydro capacity is yet to be exploited. The Committee felt that the attitude of the Ministry 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.

The Committee also found the reasons for poor performance during 11th Plan 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. The Committee had recommended 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 could be taken care of in the beginning itself.

22. In their action taken reply the Ministry have stated as under:

> "the Government of India has accorded high priority to the development of the hydro potential in the country. After the new Hydro Policy, 2008 was notified on 31.3.2008, an impetus has been given to the development of hydro power potential in the country and about 77% of the hydro potential of the country has either been developed or is under various stages of development.
> The decline in percentage of hydro share in the total capacity addition in the country is mainly attributed to the growth of thermal projects outpacing the growth of hydro sector rather than due to slow down in the hydro sector. The demand of power in the country has increased manifolds in the past decade. This demand has been mainly met through the thermal projects due to their low gestation period. Since the hydro projects have long gestation,

the ideal hydro-thermal mix ratio of 40:60 is difficult to be achieved/ sustained. This ratio is likely to show a continued downtrend against hydro-sector since the ever-increasing demand of power, to sustain a high annual growth rate of the economy, would be met primarily through the thermal sector.

The hydro projects are site specific and located in difficult / inaccessible sites. The projects located at the approachable sites were developed first and the new projects located at higher reaches/inapproachable areas suffer from proper approaches to the project areas. Further, North-East region has a high hydro potential, which is yet to be tapped. The reasons for slow pace of growth in the region, besides the inapproachability, is attributed to the fact that as the demand of power in the region is low, the development of hydro power potential was not taken up on a large scale. Now, with the interconnection of regional grids, the power from N.E. Region could be transported to other energy deficit regions of the country. Most of the projects, which are under various stages of development, are situated in the North-East. The development of infrastructure like road, adequate transmission system evacuation of power etc. is getting priority in the Region which would help in expeditious harnessing of hydro potential.

The limiting factors enunciated above coupled with the fact that hydro projects inherently have long gestation period, impacts the development of hydro projects and a considerable time is taken from its conception till its actual fructification on the ground. While planning for hydro-power capacity addition target for a particular 5-year plan, only those hydro-projects are taken as candidate projects where either the construction has started or at least the works have been awarded for execution. Moreover, all the under development projects are reviewed intensively on a periodic basis in CEA as well as Ministry of Power, so that the bottlenecks, if any, are appropriately attended to. As mentioned earlier, the projects which are under development are likely to come up during the 13th Plan and beyond.

As regards taking care of the issues of resettlement of displaced persons and environmental clearances in the beginning itself, it may be mentioned that environment as well as forest clearance and approval of R & R plan is a pre-requisite for starting any hydro project and as such are taken care of in the beginning itself. Ministry of Environment and Forests (MoEF) accords environment and forest clearances based on Environment Impact assessment (EIA) Studies/Environment Management Plan (EMP), wherein issues concerning the environmental impact, Rehabilitation & Resettlement (R&R), etc. are adequately covered.

However, some of the issues like geological surprises, local agitation and other law and order related problems cannot be foreseen in advance, leading to delay in commissioning of some of the projects. Whenever, such unforeseen problems are reported by the project authorities in the Central, State or Private

> Sector, immediate remedial steps are taken as per the requirement of each project on a case to case basis e.g. for sorting out law and order problem, the issue is immediately brought to the notice of the State law enforcing agencies."

23. The Committee in their Report had expressed their apprehension over the falling share of Hydro Sector in total energy mix. The Committee through their recommendation intended to point out the fact that capacity addition in hydro sector has not kept pace with that of thermal for various reasons. The Committee do understand that hydro projects have longer gestation period, and are located mostly in difficult and inapproachable terrains making it unfavourable for private investment as well but they also insist that little has been done to mitigate the situation, be it financial provisions to attract private investment, resolving of local agitation due to various reasons including resettlement and environmental issues, minimizing the gestation period etc. The sector which should have been given higher priorities in terms of generation of power due to its inherent benefits has been forced to take a back seat. The Committee while reiterating their recommendation expect that the Government will try to replace the complacent and lackadaisical approach with innovative and proactive efforts for optimal harnessing of hydro power potential in the Country.

G. Performance of DVC

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

24. While reviewing the performance of Hydro Sector, the Committee's examination had revealed that the performance of Damodar Valley Corporation (DVC) has gone down substantially over the years. Scrutiny of the data provided by the Ministry revealed 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 had 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 were surprised to find that the PLF of the thermal power plants of DVC was hovering around 60 per cent during 2011-12, whereas, it had not touched even 25 per cent in hydel plants. The Committee had recommended to analyze the reasons for poor financial and physical performance objectively, to fix responsibility and to take suitable corrective and supportive measures with policy revamp, if needed, to make the organization healthy, self reliant and performance oriented.

25. The Ministry in their action taken reply have stated:

A) The main reason for decline in the profit and cash internal resources of DVC is attributed to new tariff, fixed by CERC which is in force after the implementation of Electricity Act, 2003. DVC in addition to Generation is also involved in various social and economic development schemes as per DVC Act, 1948. Hence the high cost which has already been spent towards these activities cannot now be recovered fully under the new tariff.

B) Performance of Hydro Sector:

Performance of DVC Hydel Units during 2008-09 - 2011-12 is as under:

Financial Year	2008-09	2009-10	2010-11	2011-12
Generation (MU)	432.09	198.114	115.611	303.45

Generation of Hydro Unit in 2009-10 and 2010-11 declined due to decrease in reservoir level which is dependent upon monsoon. Generation again increased in 2011-12. The total generation of Hydel Power is dependent on the monsoon water as well as direction of the Central Water Commission (CWC), GOI, in respect of release of water through generation units from reservoir.

Hydel units of DVC most of the times remained available for generation and also all remedial measures were taken for keeping the machines available throughout the year except preventive maintenance in off-monsoon period.

In case of Hydro Power Units, availability is the main performance criteria. The PLF of DVC Hydel Power Stations is around 23.20 %. The PLF of some other Hydel Projects which are similar in nature to that of DVC are furnished below:

Sl.No.	**Power Station**	**PLF %**
1	Teesta Cannel Fall Hydel Project	18 %

2	Jal Dhaka Hydel Project Stage-I	28 %
3	Rinchington Hydel Project	13 %

C) Dependency on Import of Power:

DVC's power import has increased in the previous year's mainly due to drawal of power through UI mechanism. Till March 2009, DVC has supplied power to its consumers almost as per its commitment and exported surplus power to other regions beyond its command area. Acute problems for shortage of power started from April, 2009 as DVC's generation went down drastically mainly due to frequent forced outage of some vintage generating units and forced outage of new units at DVC's base Thermal Power Station – Mejia Thermal Power Station (MTPS) (Gross Generation of DVC slashed from 15554 MU in the FY 08-09 to 14720 MU in the year 2009-10). DVC failed to generate power as per its capability mainly due to shortage in supply of coal and problem in its transportation. Side by side DVC's contractual demand (CD) has increased significantly from 2460 MVA in the FY 2008-09 to 2608 MVA in the FY 2009-10 leaving a huge gap between the available generation and average system demand. ISGS help in the monsoon period is less and share of DVC from the thermal units of NTPC is negligible. Hence, to bridge the Gap DVC had two options to follow:

i) To impose load restriction/load shedding to all private consumers including State Utilities to maintain grid discipline.

ii) To purchase power from external source.

Indian Railways is exempted from Load shedding as well as load restrictions also. Load shedding to other core sector consumers like SAIL, TISCO, Coal India were not possible except load restriction to some possible extent.

Hence, DVC had been compelled to draw power from the Eastern Region-Grid at a higher cost than its sale cost. However, a detailed action plan is being drawn to minimize import of power.

D) Thermal Power Generation:

In FY 2011-12 DVC Old units (2710 MW) achieved a PLF of 68.35 % whereas the PLF of DVC New units (1000 MW) were 52 %. Overall DVC PLF for FY 2011-12 was 65.33 %. An Action Plan to ensure sustained generation from old Units is given below:-

- During 2006-09 DVC in association with NTPC PIE group implemented comprehensive action plan for performance improvement in a holistic manner. In 2006-07 & 2007-08 overall DVC Thermal PLF was 71.2 % & 75 % respectively. But the noticeable turnaround in PLF could not be sustained from 2008-09 onwards due to acute coal shortage. DVC has already taken coal mine development to overcome the constraints of coal shortage.
- DVC has already taken up new O&M initiatives such as implementation of performance improvement plan as per Technical Audit and Gap Analysis Report of NTPC in respect of Bokaro Thermal Power Station 'B' (BTPS'B'), Chandrapura

Thermal Power Station (1-3) (CTPS), Durgapur Thermal Power Station (DTPS) & MTPS (1-6), implementation of optimized O&M practices with new O&M initiatives, implementation of 6 year overhauling rolling plan to address the O&M issues in a holistic manner and workshops on new O&M initiatives to improve technical proficiency of technical personnel.

- Implementation of Integrated Computerization through EBA (already started in CTPS & DTPS).
- Energy Efficiency has been taken up through CEA for BTPS'B' (3x210MW) Units.
- There is a programme of R&M for DTPS U-4 (1x210MW) also.

New Units

- PLF of New Units at MTPS (500 MW) & CTPS (2X250 MW) was low in FY 2011-12 mainly due to initial teething trouble after commissioning of these units. CTPS U#8 suffered generation loss due to crack in Turbine HP Stop valve (RHS) which was replaced by M/s BHEL in Dec'11. MTPS U#7 suffered generation loss due to melting of GT Bushing (Y-phase) in Oct'11 & hot spot in Gen. Bus duct which was progressively addressed by M/s BHEL.

- After stabilization of these New Units at MTPS (500 MW) & CTPS (2X250 MW), 85.28 % PLF of these new Units has been achieved in April'12 of FY 2012-13.

Overall DVC PLF in April'12 was 70.91 % & a noticeable turnaround in PLF has been achieved after stabilization of these new units.

E) Capacity Addition:

DVC has taken all out efforts to overcome the troubles faced during construction, some of which are placed below:

- Constant persuasion with State governments for acquisition of land and to mitigate other law & order issues.
- Monthly & periodical review meetings with EPC/Major Contractors at DVC head office as well as their manufacturing sites.
- Posting of DVC's Engineers at BHEL's different manufacturing units for timely delivery of materials/Equipments at site.
- Deployment of Project coordinators/ Project Managers.
- Periodical visit to Vendors' works towards timely delivery of materials at site.
- Close monitoring of financial progress vis-à-vis physical progress with realistic targets for execution of each Project/Scheme.
- Persuading various L1, L2, L3 schedules etc. submitted by BHEL/EPC Contractors and immediately bring it to the notice in case of slippage/delay.
- Vigorous persuasion with BHEL/Reliance Infrastructure Ltd. and other agencies to make up the slippages in the schedules.

- Bringing the matter of concerns to the knowledge of Ministry of Power (MOP), GOI & Central Electricity Authority (CEA) during HLMC, Quarterly Performance Review (QPR) and Progress review meetings.

  Keeping all above in consideration as well as the current progress of works, DVC signs MOU with MOP, GOI for various milestones for different projects/schemes.

F) <u>Restructuring of DVC:</u>

With the restructuring of DVC Board through the enactment of DVC (Amendment) Act, 2011, the existing strength of the DVC Board has been increased from 3 Members to 10 Members. Instead of 3 Members, DVC Board will now comprise of 4 Full Time Members and 6 Part-time Members. The Part-time Members will consist of a representative from Central Government, 2 representatives, one each from the State of Jharkhand and West Bengal and 3 Independent experts one each from the field of irrigation, water supply & generation or transmission or distribution of electricity. The above re-structuring has been done with the objective of improving the overall functioning of the Corporation.

A series of new measures have been introduced to improve the administrative & managerial functions of DVC at various levels which are enumerated below:

i) Eminent experts drawn from different fields have been engaged by DVC to improve the knowledge base of its working team.

ii) A new training policy has been formulated and introduced to take care of the skilled development of its manpower so that their overall performance may be improved.

iii) It has been made mandatory to attend management development programme for occupying the post of Dy. Chief Engineer & above in the new training policy.

iv) Undertaking mandatory training has been made a prerequisite for giving promotion for higher responsibility.

v) Concepts of key result areas have been introduced to evaluate the performance of its existing employees.

vi) In addition to the above the functioning of DVC is also monitored through the daily HODs meeting held at Head Qtrs. under the Chairmanship of Chairman, DVC.

vii) Quarterly Operational Performance Review Meetings are also held at HQs to review the performance of generating stations and T&D activities. Management Committee Meeting and Committee on Management Control also review the key performance areas on regular basis. At plant level, daily meeting are held to review the performance and other related issues of the plant.

With the restructuring of DVC Board through the enactment of DVC (Amendment) Act, 2011, coupled with the above mentioned measures taken towards performance improvement the operating efficiency of the Corporation is definitely going to improve and which will be reflected both in physical and financial performance in coming days."

26. Concerned by the performance of DVC in physical and financial terms the Committee had recommended to analyse DVC's performance (physical & financial) objectively and to take suitable corrective and supportive measures with policy revamp, fix responsibility, if needed, to make the organization healthy, self reliant and performance oriented. The Ministry in their reply have stated that a detailed action plan is being drawn to minimize import of power by DVC. They have also stated that with the restructuring of DVC Board through the enactment of DVC (Amendment) Act, 2011, coupled with the several measures taken towards performance improvement, the operating efficiency of the Corporation is definitely going to improve, which will be reflected both in physical and financial performance in coming days. The Committee expect the Ministry to review the performance of DVC on regular basis to ensure that DVC improves its performance in a big way. The Committee would await visible results in this regard.

H. Recovery of DVC's Dues.

Recommendation Sl. No. 12, Para No. 2.13

27. The Committee have found that the DVC has not been able to collect regular dues from the stakeholders. It had been informed that Jharkhand State Electricity Board (JSEB) was not paying full amount of their dues and the total tentative dues in respect of JSEB has gone up to Rs.2,622 crore upto 17th February, 2012. They were 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, therefore, recommended the Ministry of Power to take up the matter with concerned authorities at highest level to help recover the dues.

28. The Ministry in their action taken reply have stated:

> "Dues as on 31.03.2012 in respect of JSEB is mentioned hereunder:
>
> | | | |
> |---|---|---|
> | Principal Dues | : | Rs.2820 Crs. |
> | Delayed Payment Surcharge(DPS) | : | Rs.1543 Crs. |
>
> 2. Outstanding dues of JSEB have been accumulating every month due to less/part payment. Their monthly power supply bill is above Rs.120 crore. whereas they are maintaining a Letter of Credit (LC) of Rs.52.88 Crs. resulting further accumulation of power dues to the tune of Rs.67 Crs. every month. Several Meetings for liquidation of outstanding dues and enhancement of LC has been held time and again. But till date no outcome has been emerged.
>
> 3. In terms of tri-partite agreement under Securitization scheme, load regulation to JSEB has been imposed in steps w.e.f. 10.8.2011. Load regulation has been enhanced to 15% w.e.f. 25.09.2011.
>
> 4. Ministry of Power has taken up the issue of recovery of JSEB through Central Plan devolution with Ministry of Finance. Ministry of Finance has raised queries regarding legality of the recovery and has asked for seeking opinion of Ministry of Law. Based on the advice of Ministry of Law the matter has again been taken up with Ministry of Finance to recover through Central Plan."

29. The Committee had recommended the Ministry of Power to take up the matter relating to realization of over dues from Jharkhand State Electricity Board to DVC and other stake holders at the highest level. The Ministry in their reply have stated that they have taken up the issue of recovery of JSEB through Central Plan devolution with Ministry of Finance. The Ministry of Finance has raised queries regarding legality of the recovery and has asked for seeking opinion of Ministry of Law. Based on the advice of Ministry of Law the matter has again been taken up with the Ministry of Finance to recover through Central Plan. The Committee would like to be apprised of the final outcome of the matter.

CHAPTER II

OBSERVATIONS/ RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendations Serial No.1 Paragraph No. 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.

<u>Reply of the Government</u>

A statement has since been made by the Minister of State (Power) on 7/9/2012 of the monsoon session.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

(Recommendations Serial No.2 Paragraph No.2.3)

<u>11th Five Year Plan – Target and Achievements</u>

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 croreprovided 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 Ministryhave failed to utilize the funds fully during the first four years. The BE and RE for the 11th Plan Outlay was ₹2,53,873.78crore and ₹2,20,726.21crore respectively, whereas the actual utilization during the first four years has been ₹1,75,777.73crore. 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.

Reply of the Government

(i). GBS of CPSUs during 11th Plan:-

The actual expenditure was Rs.1934.66 crore against the allocation of Rs.2978.58 crore. The major shortfall was under THDCIL& NEEPCO and the reasons were as under:-

(a). THDCIL:-Against the allocation of GBS of Rs 500.00 crore to THDCIL during 11th five year plan, an amount of Rs 121.00 crore has been incurred. The main reason for shortfall is award of work got delayed in Pump Storage Plant (PSP) and Vishnugad Pipalkoti Hydro Electric Project (VPHEP).

(b). NEEPCO Ltd:-Against the allocation of GBS of Rs1500.00 crore to THDCIL during 11th five year plan, an amount of Rs 1043.97crore has been incurred. There was no shortfall during 2010-11 and 2011-12 while the main reasons for shortfall during 2007-08, 2008-09 and 2009-10 are given below:

During 2007-10, an amount of Rs901.47Crs was approved as BE. The project-wise actual utilisation of the funds was less than that allocated for these three years, due to the reasons furnished below:

(Rs in Crs)

Sl. No.	**Name of the Project**	**Approved BE (GBS) 2007-10**	**Actual utilisation of fund**	**Reasons of shortfalls**
	Tuirial HEP (60 MW)	12.88	0.00	The project was still under suspension and could not be revived during the period.
	Kameng HEP (600 MW)	162.08	163.53	---
	Pare HEP (110 MW)	183.06	48.82	The CCEA clearance of the Project was accorded and intimated vide MOP's letter dated 4th Dec'08. The project activities under the already awarded packages were under progress.

Sl. No.	Name of the Project	Approved BE (GBS) 2007-10	Actual utilisation of fund	Reasons of shortfalls
				However, owing to unavoidable delay in award of Package-II (Hydro Mechanical Works) & Package-III (Electro Mechanical Works) due to splitting of originally proposed Packages (resulting in saving of substantial amount of money), the allocated funds under GBS could not be utilized fully.
	Tipaimukh HEP (1500 MW)	298.23	0.00	The 1500 MW TipaimukhHEP would be implemented by a Joint venture / SPV among NHPC, SJVNL & Govt. of Manipur .
	Survey & Investigation	24.60	0.00	The expenditures on the S&I head was incurred from the IR.
	Talong HEP (160 MW)	10.00	0.00	As decided by the Govt. of Arunachal Pradesh, this project had to be handed over to private developer.
	Dibbin HEP (125 MW)	10.00	0.00	--- Do ---
	Extension of Agartala Gas Turbine Project (46 MW)	5.00	0.00	Due to non finalization of commitment of gas allocation from GAIL / ONGC.
	Margherita Coal Based Power Project (250 MW)	26.00	0.00	Due to non conclusion of MOA with the Government of Assam/ Coal linkage no progress could be made.
	Garo Hills Coal Based Power Project (500 MW)	24.00	0.00	MoA could not be concluded with the Government of Meghalaya.
	West Khasi Hills Coal Based Power Project (240 MW)	21.00	0.00	MoA could not be concluded with the Government of Meghalaya.
	Tripura Gas Based Power Project (101	128.62	0.00	Due to non finalization of commitment of gas

Sl. No.	Name of the Project	Approved BE (GBS) 2007-10	Actual utilisation of fund	Reasons of shortfalls
	MW)			allocation from GAIL / ONGC.
	Mawphu HEP (90 MW)	6.00	0.00	MoA could not be concluded with the Government of Meghalaya.
Total:		901.47	212.35	

(ii). <u>Reasons for shortfall in case of RGGVY:-</u>

Low utilization of funds is on account of following : -

a) Almost Rs.2000 crore could not be utilized because of non-fulfillment of condition of appointment of Franchisee in any of the projects. 10% of the funds are to be utilized after this condition is fulfilled and projects are closed. Ministry is in the process of approaching Cabinet for relaxing the condition of appointment of Franchisee in RGGVY projects.

b) Rs.2000 crore were estimated to be utilized on account of release of 1st instalment of 30% for Phase-II projects which were sanctioned in 2011-12 (32 left out projects in Phase-I) and supplementary projects in UP and Bihar, total 69 projects). Out of 69 projects, 1st installment of 30% could be released only in 8 projects of MP, due to enforcement of the model code of conduct in UP and other administrative issues in Bihar etc. Other state utilities could not award Phase-II projects. Thus only Rs.200 crore could be utilized on account of Phase-II projects as against estimated Rs.2000 crore.

c) Low progress in difficult States, where, physical target could not be achieved. These states are; Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Meghalaya and Odisha.

Implementation of RGGVY is closely monitored with reference to physical and financial targets viz a viz achievements by Inter-ministerial Monitoring Committee and by Ministry on quarterly basis.

<u>(iii). Reasons for shortfall in case of IEBR of CPSUs</u>:-

IEBR of CPSUs is generated and utilized by CPSUs themselves as per their requirements for different projects. The PSU specific reasons for shortfall for complete 11th Plan are given below:-

1. **NTPC Limited:-**

The main reasons for shortfall are:

- Delay in Barh and Sipatprojects due to issues with Russian vendors;
- Loharinag Pala shelved and North Karanpura deferred as per Government directive;

- Permission for Hydro projects viz. Hutong, Kalai, withdrawn by Arunachal Pradesh and other Hydro projects which could not be taken up;
- Non-availability of gas for Gandhar-II, Kawas-II and Kayamkulam-II;
- Non-availability of land and water confirmation from State Government integrated projects viz. Lara, non-availability of MoEF clearance in respect of Darlipalli-Khasiyabara; Badarpur expansions & TTPS-II could not be taken up;
- on account of coal mining & LNG;
- Delay in R&M and renewable project.

2. NHPC Limited:-

The main reasons for shortfall are rescheduling of commissioning of Parbati-II, Subansiri Lower Project, Teesta Low Dam-III & IV as these projects shifted to XII-Plan. Slow progress in J&K projects and because of KotliBhel Projects, Dibang, Teesta-IV, PakalDul etc. not come up under construction stage. LakhwarVyasi, Subansiri Middle & Upper Projects having been allotted to other projects namely ChungarChal, GarbaTawaghat and KharmoliLumtiTulli Projects.

3. THDC (India) Limited:-

The main reasons for short fall are delay in award of contract for Tehri PSP, litigation by the bidders and delay in approval on Revised Cost Estimate.

For Civil & HM works under VishnugadPipalkoti Hydro Electric Project (VPHEP), Ministry of Environment and Forest (MOEF) revised the environment clearance changing minimum flow requirement from 3 cumecs to 15.65 cumecs in June'2011. World Bank has approved the loan in June 2011 and the contract is anticipated to be awarded by end March 2012.

In new projects the survey & Investigation works could not be taken up in Karmoli (140MW), Jadhganga (50MW), Bokang Bailing (330MW) and Humbarli PSS (400MW) Projects because of falling in Reserve Forest Area / Wild Life Sanctuary. Environment clearance are pending for MalariJhelam (114MW) and JhelamTamak (126MW) projects.

4. SJVN Limited :-

The main reasons for shortfall are:

- Khab HEP project was withdrawn by Govt. of Himachal Pradesh;
- JangiThopan HEP &ThopanPowari HEP projects were not finally allotted to SJVN;
- Delay in Approvals/clearances in respect of Luhri HEP project;
- Devsari HEP;
- Delay in under various stages of clearances for JakholSankri, Naitwar Mori HEP;
- Delay in Rampur HEP Project due to extreme adverse geography.

5. **NEEPCO:-**

The main reasons for shortfall are:

- Major design changes of different civil structures of 600 MW Kameng HEP;
- Postponement to August, 2013 in respect of Pare HEP (110 MW) Project due to delay in award of Package II & Package III;
- In respect of Turial HEP, the Project activities suffered due to heavy rainfall during monsoon and bad road conditions;
- Expected expenditure could not be sought for R&M of Kopili Power Station;
- Delay in approval forAgartala Gas Turbine Power Plant Extension Project;

Ranganadi Stage-II HEP (130 MW), couldnot progress further as the Govt. of Arunachal Pradesh conveyed that in view of award of Panyor HEP located just at upstream on the same river to IPP, NEEPCO's proposed project would not be technically feasible.

<u>(iv). Steps taken by the Ministry of Power</u>:-

Under R-APDRP, the release of funds against sanctioned projects is linked to progress of implementation and milestones achieved. Accordingly, yearly budget requirement (target) is projected keeping in view the expected progress of implementation by state utilities and funds are released subsequently commensurate to the progress achieved.

In addition to the monitoring of the expenditure vis-à-vis budget allocation in Senior Officers Meeting, regular monitoring and review of the implementation of R-APDRP projects with all state utilities / IT Implementing Agencies (ITIAs) is conducted by PFC and MoP at monthly intervals. In many cases, the intervals are less than a month. During such meetings the critical issues in implementation are discussed and provide a forum for sharing of experiences / best practices among various utilities for resolving implementation related issues. The state power utilities and State Governments (through Distribution Reform Committee) also monitor the implementation of the projects. Besides the above monitoring / review mechanism, R-APDRP steering committee also reviews the implementation of RAPDRP and issues guidelines / direction for taking corrective measures in this regard.

Over last four years, the annual target under Rajiv Gandhi GrameenVidyutikaranYojana (RGGVY) have been invariably achieved. Rural Electrification Corporation, the nodal agency for RGGVY has been asked to take adequate care while formulating and proposing annual quarterly budget for the scheme so that it could be utilized without any reduction.

Annual target for RGGVY is finalized in consultation with the Planning Commission and Rural Electrification Corporation . The target for completion of un-electrified villages and release of connections to BPL households are to be achieved within a given time frame. REC in consultation with States finalized State-wise and quarterly physical and financial targets. On the basis of inputs given by REC,Ministry of Power prepare/accept the quarterly targets.

There is a monitoring mechanism available under RGGVY. Monitoring Committee review the implementation of RGGVY which contains parameters of annual targets both in term of physical and financial.Also the quarterly performance review meeting of Rural Electrification Corporation is also held under the

Chairmanship of Secretary (P) in which these targets are also reviewed. Besides, this Senior Officer of Ministry also takes meeting for achieving the financial & physical targets set. REC also take internal review meeting for achieving the targets set".

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

(Recommendations Serial No.4 Paragraph No.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.

<u>Reply of the Government</u>

Recommendations to the committee have been noted. Secretary (P) has issued instructions to all concerned in the Ministry for even utilization of Budgetary allocation.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

Comments of the Committee

(Please see Para No. 11 of Chapter – I of the Report**)**

(Recommendations Serial No.9 Paragraph No.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.

Reply of the Government

As mentioned earlier, the Government of India has accorded high priority to the development of the hydro potential in the country. After the new Hydro Policy, 2008 was notified on 31.3.2008, an impetus has been given to the development of hydro power potential in the country and about 77% of the hydro potential of the country has either been developed or is under various stages of development.

2. The decline in percentage of hydro share in the total capacity addition in the country is mainly attributed to the growth of thermal projects outpacing the growth of hydro sector rather than due to slow down in the hydro sector. The demand of power in the country has increased manifolds in the past decade. This demand has been mainly met through the thermal projects due to their low gestation period. Since the hydro projects have long gestation, the ideal hydro-thermal mix ratio of 40:60 is difficult to be achieved/sustained. This ratio is likely to show a continued downtrend against hydro-sector since the ever-increasing demand of power, to sustain a high annual growth rate of the economy, would be met primarily through the thermal sector.

3. The hydro projects are site specific and located in difficult / inaccessible sites. The projects located at the approachable sites were developed first and the new projects located at higher reaches/inapproachable areas suffer from proper approaches to the project areas. Further, North-East region has a high hydro potential, which is yet to be tapped. The reasons for slow pace of growth in the region, besides the inapproachability, is attributed to the fact that as the demand of power in the region is low, the development of hydro power potential was not taken up on a large scale. Now, with the interconnection of regional grids, the power from N.E. Region could be transported to other energy deficit regions of the country. Most of the projects, which are under various stages of development, are situated in the North-East. The development of infrastructure like road, adequate transmission system evacuation of power etc. is getting priority in the Region which would help in expeditious harnessing of hydro potential.

4. The limiting factors enunciated above coupled with the fact that hydro projects inherently have long gestation period, impacts the development of hydro projects and a considerable time is taken from its conception till its actual fructification on the ground. While planning for hydro-power capacity addition target for a particular 5-year plan, only those hydro-projects are taken as candidate projects where either the construction has started or at least the works have been awarded for execution. Moreover, all the under development projects are reviewed intensively on a periodic basis in CEA as well as Ministry of Power, so that the bottlenecks, if any, are appropriately attended to. As mentioned earlier, the projects which are under development are likely to come up during the 13th Plan and beyond.

5. As regards taking care of the issues of resettlement of displaced persons and environmental clearances in the beginning itself, it may be mentioned that environment as well as forest clearance and approval of R & R plan is a pre-requisite for starting any hydro project and as such are taken care of in the beginning itself. Ministry of Environment and Forests (MoEF) accords environment and forest clearances based on Environment Impact assessment (EIA) Studies/Environment Management Plan (EMP), wherein issues concerning the environmental impact, Rehabilitation & Resettlement (R&R), etc. are adequately covered.

6. However, some of the issues like geological surprises, local agitation and other law and order related problems can not be foreseen in advance, leading to delay in commissioning of some of the projects. Whenever, such unforeseen problems are reported by the project authorities in the Central, State or Private Sector, immediate remedial steps are taken as per the requirement of each project on a case to case basis e.g. for sorting out law and order problem, the issue is immediately brought to the notice of the State law enforcing agencies.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

Comments of the Committee

(Please see Para No. 23 of Chapter – I of the Report**)**

(Recommendations Serial No.11Paragraph No.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 irremediablesituation 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.

Reply of the Government

A) The main reason for decline in the profit and cash internal resources of DVC is attributed to new tariff, fixed by CERC which is in force after the implementation of Electricity Act, 2003. DVC in addition to Generation is also involved in various social and economic development schemes as per DVC Act, 1948. Hence the high cost which has already been spent towards these activities cannot now be recovered fully under the new tariff.

B) Performance of Hydro Sector:

Performance of DVC Hydel Units during 2008-09 - 2011-12 is as under:

Financial Year	2008-09	2009-10	2010-11	2011-12
Generation (MU)	432.09	198.114	115.611	303.45

Generation of Hydro Unit in 2009-10 and 2010-11 declined due to decrease in reservoir level which is dependent upon monsoon. Generation again increased in 2011-12. The total generation of Hydel Power is dependent on the monsoon water as well as direction of the Central Water Commission (CWC), GOI, in respect of release of water through generation units from reservoir.

Hydel units of DVC most of the times remained available for generation and also all remedial measures were taken for keeping the machines available throughout the year except preventive maintenance in off-monsoon period.

In case of Hydro Power Units, availability is the main performance criteria. The PLF of DVC Hydel Power Stations is around 23.20 %. The PLF of some other Hydel Projects which are similar in nature to that of DVC are furnished below:

Sl.No.	Power Station	PLF %
1	Teesta Cannel Fall Hydel Project	18 %
2	Jal Dhaka HydelProjectStage-I	28 %
3	RinchingtonHydelPeoject	13 %

C) Dependency on Import of Power:

DVC's power import has increased in the previous year's mainly due to drawal of power through UI mechanism. Till March 2009, DVC has supplied power to its consumers almost as per its commitment and exported surplus power to other regions beyond its command area. Acute problems for shortage of power started from April, 2009 as DVC's generation went down drastically mainly due to frequent forced outage of some vintage generating units and forced outage of new units at DVC's base Thermal Power Station – Mejia Thermal Power Station (MTPS) (Gross Generation of DVC slashed from 15554 MU in the FY 08-09 to 14720 MU in the year 2009-10). DVC failed to generate power as per its capability mainly due to shortage in supply of coal and problem in its transportation. Side by side DVC's contractual demand (CD) has increased significantly from 2460 MVA in the FY 2008-09 to 2608 MVA in the FY 2009-10 leaving a huge gap between the available generation and average system demand. ISGS help in the monsoon period is less and share of DVC from the thermal units of NTPC is negligible. Hence, to bridge the Gap DVC had two options to follow:

i) To impose load restriction/load shedding to all private consumers including State Utilities to maintain grid discipline.
ii) To purchase power from external source.

Indian Railways is exempted from Load shedding as well as load restrictions also. Load shedding to other core sector consumers like SAIL, TISCO, Coal India were not possible except load restriction to some possible extent.

Hence, DVC had been compelled to draw power from the Eastern Region-Grid at a higher cost than its sale cost. However, a detailed action plan is being drawn to minimize import of power.

D) Thermal Power Generation:

In FY 2011-12 DVC Old units (2710 MW) achieved a PLF of 68.35 % whereas the PLF of DVC New units (1000 MW) were 52 %. Overall DVC PLF for FY

2011-12 was 65.33 %. An Action Plan to ensure sustained generation from old Units is given below:-

- During 2006-09 DVC in association with NTPC PIE group implemented comprehensive action plan for performance improvement in a holistic manner. In 2006-07 & 2007-08 overall DVC Thermal PLF was 71.2 % & 75 % respectively. But the noticeable turnaround in PLF could not be sustained from 2008-09 onwards due to acute coal shortage. DVC has already taken coal mine development to overcome the constraints of coal shortage.

- DVC has already taken up new O&M initiatives such as implementation of performance improvement plan as per Technical Audit and Gap Analysis Report of NTPC in respect of Bokaro Thermal Power Station 'B' (BTPS'B'), Chandrapura Thermal Power Station (1-3) (CTPS), Durgapur Thermal Power Station (DTPS) & MTPS (1-6), implementation of optimized O&M practices with new O&M initiatives, implementation of 6 year overhauling rolling plan to address the O&M issues in a holistic manner and workshops on new O&M initiatives to improve technical proficiency of technical personnel.

- Implementation of Integrated Computerization through EBA (already started in CTPS & DTPS).

- Energy Efficiency has been taken up through CEA for BTPS'B' (3x210MW) Units.

- There is a programme of R&M for DTPS U-4 (1x210MW) also.

New Units

- PLF of New Units at MTPS (500 MW) & CTPS (2X250 MW) was low in FY 2011-12 mainly due to initial teething trouble after commissioning of these units. CTPS U#8 suffered generation loss due to crack in Turbine HP Stop valve (RHS) which was replaced by M/s BHEL in Dec'11. MTPS U#7 suffered generation loss due to melting of GT Bushing (Y-phase) in Oct'11 & hot spot in Gen. Bus duct which was progressively addressed by M/s BHEL.

- After stabilization of these New Units at MTPS (500 MW) & CTPS (2X250 MW), 85.28 % PLF of these new Units has been achieved in April'12 of FY 2012-13.

Overall DVC PLF in April'12 was 70.91 % & a noticeable turnaround in PLF has been achieved after stabilization of these new units.

E) Capacity Addition :

DVC has taken all out efforts to overcome the troubles faced during construction, some of which are placed below:

- Constant persuasion with State governments for acquisition of land and to mitigate other law & order issues.

- Monthly & periodical review meetings with EPC/Major Contractors at DVC head office as well as their manufacturing sites.
- Posting of DVC's Engineers at BHEL's different manufacturing units for timely delivery of materials/Equipments at site.
- Deployment of Project coordinators/ Project Managers.
- Periodical visit to Vendors' works towards timely delivery of materials at site.
- Close monitoring of financial progress vis-à-vis physical progress with realistic targets for execution of each Project/Scheme.
- Persuading various L1, L2, L3 schedules etc. submitted by BHEL/EPC Contractors and immediately bring it to the notice in case of slippage/delay.
- Vigorous persuasion with BHEL/Reliance Infrastructure Ltd. and other agencies to make up the slippages in the schedules.
- Bringing the matter of concerns to the knowledge of Ministry of Power(MOP), GOI & Central Electricity Authority(CEA) during HLMC, Quarterly Performance Review(QPR) and Progress review meetings.

Keeping all above in consideration as well as the current progress of works, DVC signs MOU with MOP, GOI for various milestones for different projects/schemes.

F) Restructuring of DVC:

With the restructuring of DVC Board through the enactment of DVC (Amendment) Act, 2011, the existing strength of the DVC Board has been increased from 3 Members to 10 Members. Instead of 3 Members, DVC Board will now comprise of 4 Full Time Members and 6 Part-time Members. The Part-time Members will consist of a representative from Central Government, 2 representatives, one each from the State of Jharkhand and West Bengal and 3 Independent experts one each from the field of irrigation, water supply & generation or transmission or distribution of electricity. The above re-structuring has been done with the objective of improving the overall functioning of the Corporation.

A series of new measures have been introduced to improve the administrative & managerial functions of DVC at various levels which are enumerated below:

viii) Eminent experts drawn from different fields have been engaged by DVC to improve the knowledge base of its working team.

ix) A new training policy has been formulated and introduced to take care of the skilled development of its manpower so that their overall performance may be improved.

x) It has been made mandatory to attend management development programme for occupying the post of Dy. Chief Engineer & above in the new training policy.

xi) Undertaking mandatory training has been made a prerequisite for giving promotion for higher responsibility.

xii) Concepts of key result areas have been introduced to evaluate the performance of its existing employees.

xiii) In addition to the above the functioning of DVC is also monitored through the daily HODs meeting held at Head Qtrs. under the Chairmanship of Chairman, DVC.

xiv) Quarterly Operational Performance Review Meetings are also held at HQs to review the performance of generating stations and T&D activities. Management Committee Meeting and Committee on Management Control also review the key performance areas of regular basis. At plant level, daily meeting are held to review the performance and other related issues of the plant.

With the restructuring of DVC Board through the enactment of DVC (Amendment) Act, 2011, coupled with the above mentioned measures taken towards performance improvement the operating efficiency of the Corporation is definitely going to improve and which will be reflected both in physical and financial performance in coming days.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

Comments of the Committee

(Please see Para No. 26 of Chapter – I of the Report**)**

(Recommendations Serial No.12 Paragraph No.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 croreupto17th 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.

<u>Reply of the Government</u>

Dues as on 31.03.2012 in respect of JSEB is mentioned hereunder :

Principal Dues	:	Rs.2820 Crs.
Delayed Payment Surcharge(DPS)	:	Rs.1543 Crs.

2. Outstanding dues of JSEB have been accumulating every month due to less/part payment. Their monthly power supply bill is above Rs.120 crore. whereas

they are maintaining a Letter of Credit (LC) of Rs.52.88 Crs. resulting further accumulation of power dues to the tune of Rs.67 Crs. every month. Several Meetings for liquidation of outstanding dues and enhancement of LC has been held time and again. But till date no outcome has been emerged.

3. In terms of tri-partite agreement under Securitization scheme, load regulation to JSEB has been imposed in steps w.e.f. 10.8.2011. Load regulation has been enhanced to 15% w.e.f. 25.09.2011.

4. Ministry of Power has taken up the issue of recovery of JSEB through Central Plan devolution with Ministry of Finance. Ministry of Finance has raised queries regarding legality of the recovery and has asked for seeking opinion of Ministry of Law. Based on the advice of Ministry of Law the matter has again been taken up with Ministry of Finance to recover through Central Plan.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

Comments of the Committee

(Please see Para No. 29 of Chapter – I of the Report**)**

(Recommendations Serial No.13 Paragraph No.2.14)

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

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 ₹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.

Reply of the Government

Though RAPDRP Scheme was approval on 31.07.2008, projects have been sanctioned gradually and Projects under Part-A, were sanctioned from February,2009 to March,2010 and projects under Part-B were sanctioned from March,2010 onwards. Some of the states are still in the process of preparing the DPRs for Part –B projects. So far under Part–A, 1402 projects at the cost of Rs.5,196.50crore have been approved, by this 100% coverage of eligible towns as per census 2001 have been achieved. All states except Haryana have appointed the IT implementation agencies (ITIAs) to execute the Part–A Projects. Haryana has re-invited the bids for appointment of ITIA, the bids are being evaluated. Under Part-B, 1134 projects worth Rs.25,685Crore out of total 1150 projects envisaged (under part 'B' projects are to be approved for the towns with more than 15% AT&C losses) have been sanctioned. The projects sanctioned are at various stages of implementation. Though estimated time for completion of Part 'A' project was 2 years at the formation of scheme, but now experience shows that the then Part 'A' projects are likely to take 36 months or more.

2. The exact level of present AT&C losses in a town can be determined on establishment of baseline data through setting up the IT enabled energy accounting and auditing system, which is being undertaken under Part-A of R-APDRP. Part 'B' projects are expected to upgrade and strengthen electrical network and to reduce AT&C losses. Therefore the AT&C loss reduction is expected to happen after completion of Part 'A' & Part 'B'and as explained above these projects are under various stages of implementation, therefore the impact of the scheme cannot be determined as of now.

3. The scheme is under implementation in all towns with population more than 30,000(10,000 in Special Category States) as per 2001 census. A proposal for extending the scheme to the towns with population of 15,000(5000 in Special Category States) has been prepared as per the recommendation of Power Minister's Conference. This proposal is at present, at EFC stage. After the approval of EFC, further decision on submitting to CCEA will be taken. Only after the approval of CCEA is obtained on the same, the programme would cover towns with population of 15,000 and above for implementation. Therefore, at present R-APDRP is being implemented in towns having population more than 30,000(10,000 for special category states) only.

4. The progress of the R-APDRP is being monitored at various levels, which involves thorough review with all stake holders like State Government, State Utilities, Implementation Agencies and the officials involved in implementation of the projects. In the various review meeting with the stakeholders it has been clearly reiterated by the Ministry that, If the State utilities are not able to achieve the desired AT&C loss level, the loan amount will not be converted in to grant and the state utilities will have to bear, the burden of loan and interest accrued thereon. Therefore the R-APDRP is not incentivizing the non–performing states and only performing states are to incentivized as per approved scheme.

5. Regarding allowing the utilities to pass the burden to the consumer beyond a reasonable limit for the failure of utilities to contain the AT&C losses in this regard it

is submitted that the determination of tariff of the state utilities is being dealt by the State Electricity Regulatory Commissions (SERCs), and these SERCs have been mandated under Electricity Act for fixing of electricity tariff.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

(Recommendations Serial No.14 Paragraph No.2.15)

Open Access

The Committee in their 14th Report (2010-11) on 'Transmission and Distribution Systems and Notworks' 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.

Reply of the Government

Togive a fresh impetus to implementation of open access over transmission linesof State utilities and over the distribution networks, Power Ministers' Conference was held on28.4.2010 in which it was resolved that non-discriminatory open access inintra-State transmission and distribution system would be provided in letterand spirit as per the provisions of the Electricity Act and the NationalPolicies. The issue of open access wasalso emphasized in the Group of Ministers on Power Sector Issues in its meetingheld on 29.10.2010 under the chairmanship of Minister of Power. Issues relatedto open access were also discussed in the Power Ministers meeting held on13.7.2011.

2. CERC hasnotified the Open Access in inter-State transmission, Short-term Open Accessand grant of Connectivity, Long-term Access, Medium-term Open Access ininter-State Transmission.

3. At state level,as per the information available with the Forum of Regulators (FOR)Secretariat, 24 State Electricity Regulatory Commissions (SERC) have issuedregulations on Open Access in intra-state transmission and distribution. 25 SERCs have allowed Open Access toconsumers with loads of 1MW and above. 22 SERCs have determined Transmission Charges, 18 SERCs have determinedWheeling Charges and 20 SERCs have determined Cross Subsidy Surcharge for OpenAccess.

Success/Progress in Open Access:

- Morethan 1000 end consumers mainly industrial consumers are buying power from powerexchanges through open access.
- To accelerate the process of operationalisation, aworking Session on open access in distribution was held on 16.7.2010 by thisMinistry in which representatives of some of the State Governments and Statedistribution companies (DISCOMS) participated. During the Session, the concernsand apprehensions of the States/DISCOMs were heard and important issues wereidentified and list of the action points were forwarded to the state government and SERCs on 14.09.2010 forfurther operationalisation of Open Access.
- In order to deal with such concerns, FOR has draftedthe Model regulation on Model Terms and Conditions of Intra-State Open AccessRegulations in September 2010 and circulated to all State commissions.
- A review meeting was held on 20thApril, 2011 to assess the progress made by the States in implementation of openaccess in eight States and important decisions taken in the meeting includeproactive steps be taken by all concerned for implementation of Open Access asit is statutory requirement.
- TheMinistry of Power in consultation with M/o Law & Justice/Ld. AttorneyGeneral of India has issued clarification vide letter dated 30.11.2011 that “all 1MW and above consumers are deemed to beopen access consumers and that the regulator has no jurisdiction over fixingthe energy charges for them”. Allconcerned have been requested to take necessary steps for implementing theprovisions relating to open access in the Electricity Act, 2003 in light of thesaid opinion.
- Aworkshop was also held under the chairmanship of Secretary (Power) on thisissue on 29.2.2012 where the officers of State Government and Power Utilitiesalso participated to assess the progress made by States in respect of abovelegal interpretation.
- The2nd Task Force on measures for operationalizing open access in powersector constituted under the chairmanship of Member(Energy), PlanningCommission has submitted its report. The Ministry has initiated action on therecommendations of the Task Force.
- Furtherthis Ministry has issued direction under section 107 of the Electricity Act,2003 to Central Electricity Regulatory Commission on 23.04.2012 for takingnecessary steps for immediately implementing the provisions relating to openaccess in the Electricity Act, 2003 in the light of opinion of AttorneyGeneral.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

(Recommendations Serial No.15 Paragraph No.2.16)

Rajiv Gandhi GrameenVidyutikaranYojana (RGGVY)

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 ₹22,988 crore, an amount of ₹21,650.76crore 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 wasexpected 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.

Reply of the Government

Under RGGVY, 576 projects covering electrification of 1.18 lakh (revised to 1.11 lakh) un/de-electrified villages, intensive electrification of 3.56 lakh (revised to 3.49 lakh) partially electrified villages and providing free electricity service connections to estimated 2.47 crore (revised to 2.30 crore) BPL households have been sanctioned in the country. Cumulatively, as on 15.05.2012, the electrification works in 1.05 lakh un/de-electrified villages, intensive electrification of 2.56 lakh partially electrified villages have been completed and 1.96 crore free electricity service connections to BPL households have been released in the country under RGGVY.

2. In additional to above, 72 projects (33 new and 39 supplementary projects) have also been sanctioned recently by Government of India under Phase-II of RGGVY covering electrification of 1,909 un/de-electrified villages and providing free electricity connections to 45.59 lakh BPL households.

3. In view of the recommendation of the committee, Ministry has proposed to take following measures in the 12th Plan for RGGVY Scheme:-

(a) Burning of transformers was primarily due to overloading. In XI-Plan, the transformers were provided keeping BPL load of 60 Watt per family only. Under XII-Plan, it has been proposed to provide adequate number of transformers. Additionally the assured connected load for BPL and APL has also been proposed to be enhanced to 250 Watt and 500 Watt respectively against 60 Watt and 250 Watt earlier.

(b) Regarding subletting of works by turnkey contractors, Ministry is considering the limiting the level of sub-contracting as recommended by Committee and also allowing utilities to carry out work departmentally with adequate safeguards .

(c) It is proposed to incorporate the following composition of the District Level Committee under the Chairmanship of MP to monitor the RGGVY Programme.
"In addition to Member of Parliament of the districts, all MLAs from the districts, Chairperson of ZilaPanchayat, Mayor of Municipal Corporation, Chairperson of Municipalities and Presidents of few Gram Panchayats (06-08 nos.) could be members of the District Level Committee, in addition to DM, utility officials, officers of REC, NGOs, etc."

(d) Ministry is also considering the revamping of three tier quality monitoring mechanism to bring element of random and surprise checks in ensuring quality of works to be executed under RGGVY in 12th Plan.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

(Recommendations Serial No.16 Paragraph No.2.17)

Energy Conservation & Efficiency

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.

Reply of the Government

The Bureau of Energy Efficiency (BEE), established in 2002 under the provision of Energy Conservation Act, 2001, has been mandated to promote Energy Efficiency in the country. In order to enhance the efforts to promote energy efficiency during the XI Plan period and to achieve the target of reducing consumption by 5% (equivalent to 10,000 MW of avoided capacity) by 2012, BEE has initiated several programmes/schemes targeting the following areas:

- Bachat Lamp Yojana
- Commercial Buildings
- Standards & Labeling of appliances
- Demand Side Management in Agriculture /Municipalities
- SMEs and Large Industries
- CapacityBuilding of SDAs
- National Mission for Enhanced Energy Efficiency (NMEEE)

2. The initiatives taken have resulted in an avoided capacity generation of 10836.19 MW during the period from April, 2007 to December, 2011 against the target of 10,000MW.

3. In 12th Plan, in addition to the HRD activities undertaken in each of the scheme of following initiatives are also proposed

- Student awareness programs
- Training, skill up gradation and refresher training of energy managers and energy auditors
- Training, skill up gradation and refresher training of ECBC building professionals (Architects, Building engineers, Building bye-law regulators & code compliance officials)
- Training, skill up-gradation and refresher training of operators handling fuel fired furnaces and boilers.
- Inter-institutional networking in energy efficiency training
- Training of Power plant personnel

4. The actual expenditure during 11th Plan was Rs 289.06 crore as against Plan allocation of Rs 346.86 crore. As regards enhancement of the budget, Bureau of Energy Efficiency has proposed allocation of Rs 2499.91 crore in XII plan to

undertake implementation of various schemes under energy conservation, with a targeted savings of 12350 MW of avoided capacity generation. The proposed schemes in XII plan include three additional new schemes, apart from the schemes of XI plan. The proposal is under consideration of Planning Commission.

5. Regarding promoting CFL/LED lamps/bulbs as one of the measures of energy conservations, BEE is promoting CFLs in the domestic sector through its Bachat Lamp Yojanaprogramme. The "Bachat Lamp Yojana" (BLY) aims at the large scale replacement of incandescent bulbs in households by CFLs. It provides CFLs to households at the price similar to that of incandescent bulbs and utilizes the Clean Development Mechanism (CDM) of the Kyoto Protocol to recover the cost differential between the market price of the CFLs and the price at which they are sold to the households.

6. BEE monitors the electricity savings in each project area in accordance with the monitoring methodology prescribed by the Executive Board of the CDM(Clean Development Mechanism).In order to reduce the transaction costs associated with the approval of CDM projects, BEE has developed a Programme of Activities (PoA) which serves as an umbrella CDM project, and is registered with the CDM Executive Board. The individual projects, designed to be in conformance with the umbrella project, are added to the umbrella project as and when they are prepared. The development of the PoA is a voluntary action on the part of BEE, and it would not seek any commercial or CDM revenues from the PoA. On the other hand, BEE, on behalf of the Government of India, takes the responsibility of monitoring of all project areas after the DISCOMs and the CFL suppliers have entered into a tripartite agreement (TPA) with BEE.

7. As regards LED, it is expected that in the 12th Plan, LED technology will contribute towards reducing demand of electricity in a big way in the area of lighting and industrial application. This shall help in achieving demand side saving targets under the National Mission for Enhanced Energy Efficiency (NMEEE) in the country.

[Ministry of Power
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CHAPTER III

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

(Recommendations Serial No.8 Paragraph No.2.9)

Development of Hydro Power Sector

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.

Reply of the Government

The Government of India has accorded high priority to the development of the hydro potential in the country. Since the combined effort of Central and State Sector developers was not enough, the new Hydro Policy, 2008 was notified on 31.3.2008 to attract the private developers as well by providing level playing field to them for development of hydro-electric projects in the country.

2. The status of development of hydro potential in the country as on 30.06.2012 is as follows:-

Sl. No.	Status	Nos.	Capacity (MW)
1.	Schemes under Operation	179	39,291.40
2.	Schemes under Construction	49	13,031.00
3.	DPRs Concurred by CEA (yet to be taken up for construction)	33	19,436.00
4.	Schemes for which DPRs have been prepared and are under Examination	17	10,934.00
5.	DPRs returned by CEA	29	9,163.00
6.	Schemes under Survey & Investigation	98	20,520.00
		405	**112,375.40**

3. From the above figures, it can be seen that about 77% of the hydro potential of the country i.e. 145320 MW (above 25 MW) has either been developed or is under various stages of development. It would also be seen that a large number of projects are under survey and investigation stage, which are mostly with the private developers. Most of these projects have been allotted in the last 3-4 years after the new Hydro Policy, 2008 was brought into force. Thus, this Policy has given an impetus to the development of hydro power potential in the country.

4. It is known that development of H.E. Projects is an intricate and long drawn process, spanning over 3-5 years. Long time is required for Survey & Investigation, preparation of DPR, obtaining of statutory and non-statutory clearances including environment/ forest clearances and approval of R&R Plan, concurrence by CEA, investment decision and financial closure. Once the projects achieve financial closure, implementation takes another 5-8 years. Thus, hydro projects usually have long gestation period. Therefore, the projects which are under development are likely to come up during the 13th Plan and beyond. It is evident that the new Hydro Policy, 2008 has started showing its impact, however, due to the long gestation period of hydro projects, its full impact would get reflected on the ground from 13th Plan onwards.

5. It may be mentioned that the issues like Resettlement and rehabilitation, review of procedure for land acquisition, management of forest land vis-à-vis environmental protection, are under consideration of the Government as under:-

1. Land Acquisition, Rehabilitation and Resettlement:

A new Land Acquisition, Rehabilitation and Resettlement Bill, 2011 by Ministry of Rural Development, which will have more participation of local people in terms of land acquisition and Rehabilitation& Resettlement, is under consideration.

2. Management of Forest Land

A committee to study Development in Hill States arising from management of forest lands with special focus on creation of Infrastructure, Livelihood and Human development has been constituted under Chairmanship of the Member (Energy), Planning Commission.

6. Since the review of a policy is a continuous process, the Hydro Policy could be revisited after finalisation of Land Acquisition, Rehabilitation and Resettlement Bill, 2011 and submission of report/recommendations of the Committee under Chairmanship of the Member (Energy), Planning Commission.

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(Recommendations Serial No.10 Paragraph No.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 toachieve 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 in 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.

Reply of the Government

The Dibang, Tawang and Lower Subansiri HEPs are not held up on account of non-payment of upfront premium. The Dibang HEP is held up for want of environment as well as forest clearance whereas Tawang HEP-I and Tawang HEP-II are held up due to want of forest clearance. As far as Lower Subnasiri HEP is concerned, the project is already under development and is presently held up due to agitation launched by Anti-dam activists against construction of the project in view of downstream impact and safety of dam. A Technical Expert Committee, constituted by the Planning Commission and the Joint Steering Committee, constituted by NHPC Ltd. have recently examined the issues and given certain recommendations in respect of dam safety and mitigation of downstream impact respectively.

2. As regards to the issues of handing over of the projects to the private developers in Arunachal Pradesh and transparent selection of the developer thereof, the Ministry of Power had been constantly making efforts at various levels for return of the projects to NHPC and ensuring competitive bidding. The Government of Arunachal Pradesh (GoAP) had been requested for details of the procedure followed for allocation of projects to private companies and whether a fair opportunity of being heard was given to NHPC to present its case before the State authorities, before the drastic action of withdrawal of the said projects was taken. However, the GoAP has been maintaining that NHPC was allowed to carry out survey and investigation works for Siang, Subansiri and Dibang basins and to prepare the DPRs for them by the end of the 10th Plan. They have stated that the State Government reserved the right to withdraw permission for DPR preparation at any stage. The GoAP stated that since the projects were not allotted to NHPC for development, the question of withdrawing them from NHPC does not arise. As regards the procedure followed by them, the GoAP has been maintaining that the projects were allotted in line with the State Hydro Policy of 2005 and in a transparent manner on limited competitive bidding, duly examined by a High Powered Committee constituted by the Cabinet.

3. As regards to the issue of upfront premium, the para 5.1 of Tariff Policy (January, 2006) has been amended on 08.07.2011, whereby the CPSUs and private developers of hydro-electric projects have come at equal footing including upfront payment.

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CHAPTER IV

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

(Recommendations Serial No.3 Paragraph No.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.

Reply of the Government

As per the Mid-term appraisal of the Planning Commission, the capacity addition target of 21,222 MW was set for the Central Sector for the 11th Plan against which 15220 MW of fresh capacity was commissioned during the 11th Plan.

2. Lower achievement of CPSUs vis-à-vis the targets was mainly due to fact that certain projects could not be commissioned due to agitation (Kudankulam), decision to withdraw from the projectatLohariNagpala, contractual issues (Barh, Sipat), law & order, acquisition of land, delay in placement of order (Nabinagar, Mouda, Bongaigaon),etc and in hydro sector, reasons like geological surprises, floods, agitation. In addition Maithon RBC TPS (2x525 MW) which was originally included in the target of Central Sector (DVC),was subsequently excluded from Central Sector as this project was commissioned in Private Sector, thereby reducing achievement of Central Sector. The details are given below:

Thermal Projects (Original target vs. MTA Target)

PSU	Original Target (MW)	MTA Target (MW)	Remarks
NTPC	15,840	9,220	Barh-I & II (2640 MW), Sipat-I (1980 MW), Nabi Nagar (750 MW), Bongaigaon U3 (250 MW), Mauda (1000MW): Not considered due to: • Contractual dispute between NTPC and Technopromexport Russia • Delay in placement of main plant order • Delay in acquisition of land, law and order problem, heavy rainfall, frequent bandhs etc.
DVC	6500	6000	Bokaro 'A' (500 MW) not considered due to delay in shifting of Live Switchyard & removal of existing underground facilities
NLC	1750	750	Tuticorin JV (1000 MW) not considered due to delay in placement of main plant order and change in design by main plant contractor

Thermal Projects (MTA vs. actual achievement):

PSU	MTA Target (MW)	Actual Achieved (MW)	Remarks
NTPC	9,220	7,720 (83.7%)	• Bongaigaon U1&2 (500 MW) slipped due to slow progress of civil works, frequent bandhs

			and heavy monsoon • Indira Gandhi U-3 (500 MW) slipped due to slow progress of civil works and delay in supply of TG material. • Vallur TPP Ph-I U-1–500 MW slipped due to slow civil works and delay in supply of TG material.
DVC	6000	3250 (54.2%)	• Koderma U-2–500 MW slipped due to Delay in TG erection start due to non readiness of civil fronts and supply of material for boiler and TG. • Raghunathpur TPP–2x 600 MW–slipped due to delay in land acquisition for water and rail corridor, delay in main plant equipment erection by M/s RIL and law & order problem. • Maithon RBC TPS 2 x 525 MW was taken in central sector in the mid term target and these units have been taken in the private sector after commissioning.
NLC	750	500 (66.7%)	Neyveli TPS-II – U-2- due to delay in erection of refractory work.

Hydro Projects (Original target vs. MTA Target)

PSU	Original Target (MW)	MTA Target (MW)	Remarks
NHPC	4802	2002	As per the List Attached below:
NHDC	520	520	No Change
NEEPCO	600	0	Kameng HEP (600MW) •Adverse geology resulting in slow progress in HRT. • Works suffered due to flash flood in 28.10.2008. Ingress of water in HRT
NTPC	1920	0	Koldam HEP(800 MW) • Slow progress of Clay/earth filling of main dam etc • Delay in procurement of steel & Contractual issues. Loharinagpala HEP (600 MW) • Work stopped by MOP order dated 24.12.2010 as per decision of NGRBA to discontinue the project. TapovanVishnugad (520 MW) • Slow progress in power house due to Poor rock strata. • Ingress of water in Head race tunnel. •Bad geology &stucking up to TBM
SJVNL	412	0	Rampur HEP (412 MW) • Slow progress of Head Race Tunnel due to

			bad geology. • Slope failure in Power House Area.
THDC	400	400	No Change
Total	**8654**	**2922**	

NHPC Projects slipped

Particulars	(MW)	Remarks/Critical Areas
Central Sector		
Parbati St.-II NHPC, HP. 4x200= 800 MW	800	• Slow progress of Head Race Tunnel works because of bad geology. • Contractual issues. • Slide in Power House area during 2007. • Flash flood in August, 2011.
Subansiri Lower NHPC, Ar.Pr. 8x250= 2000 MW	2000	• Poor geology & consequent change in design of surge shaft arrangement. • Slope failure in Power House area in January, 2008. • Damage of bridge on NH-52. • Local issues.
Total	**2800**	

Hydro Projects (MTA vs. actual achievement):

PSU	MTA Target (MW)	Actual Achieved (MW)	Remarks
NHPC	2002	630	As per the List Attached below:
NHDC	520	520	No Change
THDC	400	400	No Change
Total	**2922**	**1550**	

NHPC Projects slipped

Particulars	(MW)	Reasons for slippages
Teesta Low Dam- III NHPC, W.B. 4x33 = 132 MW	132	• Flash floods in the year 2007, May, 2009 and July/August. 2010. • Frequent interruption of works due to GJM agitation. • Slope failure in Power House area.
Teesta Low Dam-IV NHPC, W.B. 4x40= 160 MW	160	• Flash floods in the year 2007, May, 2009 and July/August. 2010. • Frequent interruption of works due to Gorkha Jan Mukti agitation.
NimooBazgo NHPC, J&K 3x15= 45 MW	45	• Very short working season available due to extreme cold climate. • Difficulty in transportation of materials due to difficult terrain.

Particulars	(MW)	Reasons for slippages
Chamera-III NHPC, H.P 3x77 = 231 MW	231	• Delay in plugging of diversion tunnel. • Works suffered due to heavy rain & snow fall in Feb, 2012. • Cavity formation in Lower Expansion Gallery.
Uri-II NHPC, J&K 4x60 = 240 MW	240	• Delay in completion of TRT due to flash flood in Sept., 2011 • Problem faced during erection of surge shaft gate. • Law & Order problems.
Chutak NHPC, J&K 4x11 = 44 MW	44	• Very short working season available due to extreme cold climate. • Difficulty in transportation of materials due to difficult terrain. • Unit #1 & Unit #2 commissioning delayed due to insufficient load
Parbati-III NHPC, H.P. 4x130= 520 MW	520	• Slow progress in Head Race Tunnel due to bad Geology. • Flash flood in August, 2011. • Stoppage of works by locals.
Sub-total (Central)	**1372**	

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

Comments of the Committee

(Please see Para No. 8 of Chapter – I of the Report**)**

(Recommendations Serial No.5 Paragraph No.2.6)

12th Five Year Plan – Projections

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.

Reply of the Government

The capacity addition requirement during the 12th Plan has been estimated to meet the projected electricity demand and electrical energy requirement at the end of the 12th Plan. Accordingly, the Report of Working Group on Power for 12th Plan has recommended a capacity addition of 75,785 MW during the 12th Plan based on the capacity addition of 62,374 MW during the 11th Plan.However, the actual capacity addition during the 11th Plan has been 54,964 MW as against the Mid Term Appraisal (MTA) target of 62,374 MW.

2. While working out the capacity addition requirement for the 12th Plan, the Working Group had analyzed the reasons for slippages of projects from the 11th Plan in order to avoid such slippages during the 12th Plan. Accordingly, Working Group had recommended that only those projects should be included in the 12th Plan capacity addition programme where all clearances had been obtained, linkages were tied-up, and the project was under construction. Further, adequate availability of

coal was also considered to decide the size of the 12th Plan capacity addition programme.

3. The capacity addition target for the 12th Plan would be finalized by the Planning Commission. Planning Commission will firm up the capacity addition target after taking into account all relevant factors including the fuel constraint, environmental, water and land acquisition issues.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

Comments of the Committee

(Please see Para No. 29 of Chapter – I of the Report**)**

(Recommendations Serial No.6 Paragraph No.2.7)

The Committee find that the share of Central, State and Private Sector in 12thPlan 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 targetset 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.

Reply of the Government

As per the Report of Working Group on Power for 12th Plan, the capacity addition recommended to Planning Commission is 75,785 MW comprising 19,858 MW in Central Sector, 13,796 MW in State Sector and 42,131 MW in Private Sector.

2. The recommended capacity of 75,785 MW including the sectoral break-up would not undergo major change as it has been estimated based on the capacity addition requirement to meet the projected electricity demand and electrical energy requirement at the end of 12th Plan and taking into account the status of preparedness of various power projects. It may undergo minor changes taking into account the projects slipped from 11th Plan to 12th Plan. The exact figures of capacity addition in Central, State and Private Sector will be known once the capacity addition target for 12th Plan is finalized.

3. Several measures initiated by the Government has encouraged private sector participation in the generation of electricity. These include delicensing of thermal generation and small hydro projects, 100% FDI in power generation, Tariff Policy, Ultra Mega Power Project initiative, Mega Power Policy etc. As a result of these measures, the private sector has come up in a big way with a number of private players showing keen interest in setting up of power projects in the country. This led

to increased capacity addition by the private sector which also includes Ultra Mega Power Projects.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

Comments of the Committee

(Please see Para No. 17 of Chapter – I of the Report**)**

(Recommendations Serial No.7 No.2.8)

The Committee note that the Working Group on Power for the 12th Plan in its report has estimated fund requirement of ₹ 12,37,480crore 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 12thFive Year Plan from 11thFive 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 ₹12,37,480crore 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 commissionedare 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.

<u>Reply of the Government</u>

The two issues mentioned above are fund requirement of the power sector of Rs 12,37,480 for the 12th Plan and continuation of the sunset clause under section 80-IA which has been extended for one year i.e. 31.03.2013 for the power sector, for the entire 12th Plan. Regarding funding of power projects both in the Public and Private sector, funds are generally raised through the market mechanism i.e. internal resource generation, issue of fresh equity capital and market borrowing. Funding of power projects through budgetary support is restricted to programmes like RGGVY and R-APDRP to cater to service obligation of power utilities for enhancing the access to electricity in the rural areas, particularly for the people living below the poverty line.

2. The issue of extension of sunset clause under 80-IA for the power sector for the entire 12th Five Year Plan has been taken up with Ministry of Finance,

Department of Revenue as a part of pre-budget consultations for financial year 2012-13.

3. Ministry of Finance has extended the said sunset clause u/s 80-IA upto 31.03.2013. However, they have not made any commitment for extensionduring the remaining period of XII Plan.

[Ministry of Power
OM No 10/2/2012-Bud Dated 19.11.2012]

Comments of the Committee

(Please see Para No. 20 of Chapter – I of the Report**)**

CHAPTER V

OBSERVATION/RECOMMENDATION IN RESPECT OF
WHICH FINAL REPLY OF THE GOVERNMENT
IS STILL AWAITED

-NIL-

NEW DELHI
17th December, 2012
Agrahayana 26,1934(Saka)

MULAYAM SINGH YADAV,
Chairman,
Standing Committee on Energy

APPENDIX-I

STANDING COMMITEEE ON ENERGY

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2012-13) HELD ON 11th DECEMBER, 2012 IN COMMITTEE ROOM 'E' PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee met from 1500 hrs. to 1530 hrs.

PRESENT

LOK SABHA

Shri Motilal Vora - in the Chair

2. Shri Shripad Yesso Naik
3. Smt. Mausam Noor
4. Shri Ravinder Kumar Pandey
5. Dr. Padamsinha Bajirao Patil
6. Shri A.Raja
7. Shri Baju Ban Riyan
8. Shri Nripendra Nath Roy
9. Shri C.L. Ruala
10. Shri Sushil Kumar Singh
11. Shri Jagda Nand Singh
12. Shri Vijay Inder Singla
13. Shri Bhishma Shankar alias Kushal Tiwari

RAJYA SABHA

14. Shri V.P. Singh Badnore
15. Shri Bhubaneswar Kalita
16. Prof. Anil Kumar Sahani

SECRETARIAT

1.	Shri Brahm Dutt	-	Joint Secretary
2.	Smt. Abha Singh Yaduvanshi	-	Director
3.	Shri N.K.Pandey	-	Additional Director

2. In the absence of the Chairman, the Committee chose Shri Motilal Vora, 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 briefly apprised them of the Agenda for the sitting. The Committee then took up for consideration the draft Reports on:

i) Action Taken on the recommendations contained in 27th Report on Demands for Grants (2012-13) of the Ministry of New and Renewable Energy.

ii) Action Taken on the recommendations contained in 28th Report on Demands for Grants (2012-13) of the Ministry of Power.

4. After discussing the contents of the Reports in detail, the Committee adopted the aforementioned draft Reports with a minor modifications in Action Taken Report on the recommendations contained in 27th Report on Demands for Grants (2012-13) of the Ministry of New and Renewable Energy.

5. The Committee also authorized the Chairman to finalise the above-mentioned Reports and present the same to both the Houses of Parliament in the current Session.

The Committee then adjourned

APPENDIX-II

(*Vide* Introduction of Report)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THE 28th REPORT (15TH LOK SABHA) OF THE STANDING COMMITTEE ON ENERGY

(i)	Total number of Recommendations	16
(ii)	Recommendations/ Observations which have been accepted by the Government:	
	Sl. Nos. 1, 2,4,9,11,12,13,14,15 and 16	
	Total:	10
	Percentage	62.5%
(iii)	Recommendations/ Observations which the Committee do not desire to pursue in view of the Government's replies:	
	Sl. Nos. 8 and 10	
	Total:	02
	Percentage	12.5%
(iv)	Recommendations/ Observations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration:	
	Sl. Nos. 3, 5, 6 and 7	
	Total:	04
	Percentage	25%
(v)	Recommendation/ Observation in respect of which final reply of the Government are still awaited:	
	- Nil -	
	Total:	00
	Percentage	00%