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STANDING COMMITTEE ON ENERGY

(2013-14)

FIFTEENTH LOK SABHA

MINISTRY OF POWER

[Action Taken by the Government on the recommendations contained in the Thirty-Fifth Report (15th Lok Sabha) on Demands for Grants of the Ministry of Power for the year 2013-14]

FORTIETH REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

December, 2013/ Agrahayana, 1935 (Saka)

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Presented to Lok Sabha on 13.12.2013

Laid in Rajya Sabha on 13.12.2013

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COE NO. 244

Price: **Rs. ....**

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (_______Edition) and Printed by National Printers, New Delhi – 110 028.

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1	Shri Brahm Dutt	Joint Secretary
2	Shri N.K.Pandey	Director
3.	Shri Manish Kumar	Executive Assistant

INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this 40th Report on the action taken by the Government on the recommendations contained in 35th Report of the Standing Committee on Energy (15th Lok Sabha) on 'Demands for Grants of the Ministry of Power for the year 2013-14'.

2. The 35th Report was presented to Lok Sabha on 23rd April, 2013 and laid in Rajya Sabha on 25th April, 2013. Replies of the Government to all the recommendations contained in the Report were received on 22nd July, 2013.

3. The Report was considered and adopted by the Committee at their sitting held on 11th December, 2013.

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 35th 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	**MULAYAM SINGH YADAV,**
12 th December, 2013	**Chairman,**
Agrahayana 21,1935 (Saka)	**Standing Committee on Energy**

CHAPTER - I

This Report of the Standing Committee on Energy deals with the action taken by the Government on the Observations/Recommendations contained in the Thirty-Fifth Report (Fifteenth Lok Sabha) on Demands for Grants of the Ministry of Power for the year 2013-14.

2. The Thirty-Fifth Report was presented to Lok Sabha on 23rd April, 2013 and was laid on the Table of Rajya Sabha 25th April, 2013. The Report contained 16 Observations/Recommendations.

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

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

Serial Nos. 1,2,3,4,6,9,10,11,12,15 and16

Total - 11

Chapter-II

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

Serial Nos. 7 and 8

Total - 02

Chapter-III

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

Serial Nos. 5,13 and 14

Total–03

Chapter-IV

(iv) Observation/Recommendation 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 Observations/Recommendations 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. 12th Five Year Plan – Funding

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

6. The Committee had noted that fund requirement for the power sector (conventional sources) for the 12th Five Year Plan would be ₹ 15,01,666 crore, whereas, ₹ 3,18,573 crore would be required for Renewable Energy. Thus a total fund requirement of ₹ 18,20,239 crore had been projected for the Power Sector. In regard to the making arrangements of the funds of this magnitude, the Committee had further noted that the total Plan Outlay earmarked for the Power Sector for the 12th Plan is ₹ 4,40,814 crore comprising ₹ 54,297 crore of GBS and ₹ 3,86,517 crore of IEBR. For the arrangement of remaining fund, the Ministry had stated that they have taken steps to create an enabling environment to promote investment in infrastructure, specifically private investment through 100% foreign direct investment permitted in power projects, tax-free bonds to finance infrastructure projects, enhanced ceiling on External Commercial Borrowings under the automatic route and tax concessions and tax holidays. They had further informed that various benefits have been granted to Power Sector in Union Budget of 2013-14. The Committee while appreciating this believe that these are the steps in right directions and will go a long way in ensuring adequate availability of the required funds. However, the Committee, considering the quantum of required amount, were a bit apprehensive about the adequacy and efficacy of the measure taken for creating congenial environment for the desired level of investments for ensuring the availability of required funds for the sector. The Committee, therefore, had recommended that the Government should ensure that the power projects coming up in the 12th Plan are not held up/ delayed or abandoned due to paucity of funds. For this they expected

the Ministry of Power to persuade the Ministry of Finance for the grant of more concessions for the Power Sector during annual Government budget presentation/approval process.

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

"Noted for compliance."

8. The Committee are not happy with the one liner reply sent by the Ministry. It is desired that the Ministry shun furnishing vague reply such as 'noted for compliance'. The Committee expect that action taken replies of the Government are specific and comprehensive. Also the action taken reply should reflect the specific efforts made to implement the recommendation or at least mentions the the roadmap/ strategy of the Ministry to implement the same. The Committee desire that the Ministry, henceforth, should follow this norm for furnishing action taken reply.

B. Annual Plan Outlay - Spending Pattern

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

9. The Committee while scrutinizing the Gross Budgetary Support (GBS) for the year 2012-13 had noted that against the Budgetary Estimation (BE) of ₹ 9,642.00 crore, which was revised to ₹ 4,708.00 crore, the actual utilization was ₹ 2,535.60 crore only. The poor financial performance of the Ministry was not limited to one or two programmes but was across the board. In regard RGGVY, against the BE of ₹ 4,900 crore the actual utilization was meager ₹ 967.94 crore. Against the BE of ₹ 3,114.00 crore for the R-APDRP, the actual spending was only ₹ 1,234.49 crore. The poor financial performance continued to other important programmes of the Ministry such as Central Power Research Institute (CPRI), Energy Conservation and Bureau of Energy Efficiency also where against the BE of ₹ 265.00 crore, ₹ 200.00 crore and ₹200.00 crore the actual utilization was ₹ 40.36 crore,₹ 37.00 crore and ₹ 44.10 crore respectively. The financial figures for the year 2012-13 poorly reflects on working of the central power sector. Though, the Ministry had assigned various reasons for under-utilization of funds allocated, the Committee were not fully convinced. The Committee appreciated that there may be some under utilization of allocated fund due to unforeseen circumstance which may impede the progress of

one or two programmes but poor performance in all segments indicates to overall poor management and lackadaisical approach of the Ministry. They considered it unfortunate that at the time when instead of slow and incremental growth, rapid and multiple development of the power sector is required, the Ministry had not been able to even fully utilize the funds leaving behind various crucial projects in lurch. However, the Committee were pleased to note that despite the poor financial performance by the Ministry during the year 2012-13, the Planning Commission had not resorted to any cut in the demand of the Ministry for the year 2013-14. Further, despite repeated recommendations of the Committee regarding proper quarterly utilization of funds, the figures furnished by the Ministry shows no improvement at all. The spendings for the first three quarters for the year 2012-13 had been 2.79%, 14.85% and 2.59% respectively. The Committee have time and again stressed that the poor spending in first quarter of the financial year has cascading effects on the later quarters. The Committee, therefore, had strongly recommended that the Ministry should sincerely put indefatigable efforts to fully utilize the allocated funds according to the norms laid down by the Ministry of Finance.

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

> “During the first quarter of FY 2013-14 the expenditure is Rs.1,761.70 crore against allocation of Rs.9,642.00 crore i.e.18.27% of the allocation as against Rs 269.01 crore i.e. 2.79% in the first quarter of the last year.”

11. The Committee, observing the poor spending by the Ministry during the first quarter of the financial years, have been stressing the issue of uneven quarterly expenditure. The Committee are glad to note that the expenditure during the first quarter of 2013-14 was 18.27%. The Committee note that after many years, it is the first occasion when the Ministry has been able to spend the allocated fund in the first quarter of the financial year according to the guidelines. The Committee expect that this performance would become a norm rather an exception. Also, in view of the good performance during the first quarter, it would also be important to see how the Ministry fair in utilization of their allocated fund for the entire year. Due to the cascading effect, the

Committee expect that the spending for the entire year would commensurate the expenditure performance of the first quarter.

C. *Rajiv Gandhi Grameen Vidyutikaran Yojana*

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

12. The Committee had noted a vital aspect related to RGGVY of providing 'free electricity connection' to BPL families. During their Study Tour in January, 2013 to Mumbai, it had come out while connection to BPL families was without any charges, they had to make regular payment of electricity consumption. Due to non-payment capacity of BPL families, the energized connections remain operational for few months and thereafter disconnected for non-payment of bills. The Committee were not very sure that the Ministry or Central Electricity Authority maintain data of such cases. In this connection, the Committee were glad to hear from the representatives of Government of Maharashtra that the State Government provide free electricity to BPL for the first five years of electricity connection during which the BPL families are expected to improve/sustain their paying capacity. The Committee felt that to stop de-electrification of villages/BPL families, this Scheme run by Maharashtra Government should become a model for all the States. The Committee, therefore, desired the Ministry to become a nodal agency to guide the State Governments in formulation/implementation of such a scheme for implementation across the country.

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

> "Under RGGVY, capital subsidy is provided for creation of rural electricity infrastructure for electrification of rural households including cost of providing electricity connection to BPL households. Supply of electricity is the responsibility of concerned State/Discoms. Therefore, respective States/Discoms may adopt appropriate scheme for supplying electricity to BPL households."

14. The Committee with an intention to ensure the implementation of the Rajiv Gandhi Grameen Vidyutikaran Yojan in letter and spirit had recommended the Ministry to examine and persuade/facilitate State Governments to implement the provision of providing free electricity to BPL families for initial five years under RGGVY as adopted by the State Government of Maharashtra. The Committee being aware of the ground reality that many of the BPL families in a short span, due to their inability to pay

electricity bills, lose their free electricity connection provided under the Yojana. The Committee are of the firm belief that the true spirit of the Yojana to illuminate the households/villages is not limited to just erection of poles and wirings. With this perception, the Committee expected the Ministry to become a guiding factor for the States to encourage/persuade them through various policies interventions including financial grants to adopt the provision of providing free electricity to BPL families for certain period of time till their paying capacity improves. Contrary to the expectations of the Committee, the action taken reply of the Ministry is an attempt to deflect the issue by stating that supply of the electricity is the responsibility of concern State/Discoms. It was expected from the Ministry that they would issue some advisory/guidelines/orders to persuade the State/Discoms to consider/adopt the said provision of free electricity under the Yojana. In view of this the Committee reiterate their recommendation and expect the Ministry to take swift steps to implement the recommendation of the Committee.

D. Demand vis-à-vis Availability of Electricity

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

15. The Committee were pained to note that there is great disparity in terms of per capita consumption of electricity in different States of the Country. Dadra & Nagar Haveli have the highest per capita electricity i.e. 11,863.64 kWh, whereas, Bihar is having the lowest i.e. 122.11 kWh. There were many States *viz*. Uttar Pradesh, West Bengal, Assam etc. where per capita consumption of electricity was way below the national average of 778.71 kWh. The Committee were very much aware of the fact that the electricity is under List III viz. a concurrent subject under seventh Schedule of the Constitution which means both, the Centre and the States, have to share the onus to ensure adequate electricity availability for every citizen of the Country. Primarily, the States are required to set up power plants corresponding to their needs for the electricity and available resources with them. However, they try to set up plants based on availability of funds. Whereas, the duty of the Central Government is to ensure the holistic and inclusive growth of the Power Sector by

providing assistance, physical and financial, to the States who are lagging behind in the race of development due to one or the other reason. Though, the Government claims that they are focusing on planning the generation and the transmission system in the Country on the concept of optimization of utilization of resources on all-India basis rather on regional self-sufficiency, the Committee found that the Central Government has failed in ensuring equitable availability of electricity, which is base of social and economical activities and lead to overall growth of the State. Often, the less per capita consumption in certain States become a reason for setting less generating units in that State, which is not only misleading but also an injustice to the people such States. The less per capita consumption does not necessarily indicate to the less demand but it could be due to less availability of electricity. The Committee believed that this kind of disparity in States in terms of per capita availability and consumption of electricity is not in the interest of integrated and inclusive growth of the Country. The Committee, therefore, had strongly recommended that the Central Government should ensure more equitable availability of electricity across the Country by providing every assistance to the lagging States for setting up more generating units and allocating more electricity from the central pool and by transmitting it to deficit regions from surplus regions.

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

> “Electricity being a concurrent subject, responsibility for its supply and distribution lies with the concerned State Government/ Power Utilities in the State. Government of India supplements the efforts of the State Governments by establishing power plants in the central sector through Central Public Sector Undertakings.
>
> Government is committed to inclusive growth of the power sector in the country. The pace of generation capacity addition in the country has increased considerably. Generation capacity addition achieved during 11th Five Year Plan was 54,964 MW which is about 2.5 times the capacity addition achieved during the 10th Plan period. Generation capacity addition achieved during the year 2012-13 was 20,622.8 MW which is the highest ever capacity addition in a single year. Capacity addition of 88,537 MW has been planned from conventional sources for the 12th Five Year Plan. With this level of capacity addition demand for power on an all-India basis is likely to be met by the terminal year of 12th Five Year Plan (2016-17).
>
> Funds for setting up of power plants are generally arranged by the project developer. In addition to setting up power plants, states may meet their power requirement through purchase of power through competitive bidding to meet their requirement, based on their anticipated demand supply scenario.

> Power from Central Generating Stations to beneficiary States/ Union Territories is allocated in accordance withlaid down formula for allocation of power which is being treated as guidelines from April, 2000. As per the guidelines, allocation of power is made to the States/ UTs in two parts, namely firm allocation of 85% and 15% for allocation by the Government for meeting the urgent/ overall requirement. The firm allocation includes allocation of 12% free power to the affected States and 1% for local area development in case of Hydro Power Stations and 10% (not free) power to the home state in case of thermal and Nuclear Power Stations. The balance 72% in the case of hydro plants and balance 75% in the case of Thermal/Nuclear Power Plants. Power is distributed amongst the States / UTs of the region in accordance with the pattern of central plan assistance and energy consumption during the previous five years, both factors having equal weightage. Central plan assistance is determined in accordance with the Gadgil formula, in which population of the states is also taken into consideration."

17. The Committee in their Report had observed a huge disparity in terms of per capita consumption of electricity in different States which can be detrimental for integrity and inclusive growth of the Country. They, therefore, had recommended the Central Government to ensure more equitable availability of electricity across the Country by providing every assistance to the lagging States for setting up more generating units and allocating more electricity from the central pool. The Ministry in their action taken reply has *inter-alia* stated that electricity being a concurrent subject, responsibility for its supply and distribution lies with the concerned State Government/ Power Utilities in the State. They have further stated that Government of India supplements the efforts of the State Governments by establishing power plants in the central sector through Central Public Sector Undertakings which is precisely the crux of the recommendation of the Committee. However, the reply of the Ministry is devoid of specific efforts/strategy of the Central Government to mitigate the disparity and the Ministry seems to be happy to go

with the prevailing position mechanically. In the process they have tried to shirk their responsibility by stating that in addition to setting up power plants, States may meet their power requirement through purchase of power through competitive bidding to meet their requirement. They have further mentioned in their reply that generation capacity addition achieved during 11th Five Year Plan was 54,964 MW. Also capacity addition of 88,537 MW has been planned from conventional sources for the 12th Five Year Plan. The Committee feel that the Ministry has not understood their real apprehension of removing the unacceptable disparity of electricity availability for which mere augmentation of the capacity addition *per-se* is not a solution. The Committee are surprised that the Ministry has tried to justify the status quo by stating that power from central generating stations to beneficiary States/ Union Territories is allocated in accordance with laid down formula for allocation of power which is being treated as guidelines from April, 2000. The Ministry has failed to understand that the huge disparity in regard to availability of the electricity in the Country is there despite the present allocation system, which indicates its ineffectiveness in addressing the problem. The Committee expected the Ministry to review the present system in wake of their recommendation and made some concrete steps or at least apprise their strategy to provide an effective solution to the issue raised by the Committee. Rather, they have chosen to defend the present state of affairs. The Committee, therefore, would like to reiterate their recommendation and desire that the Ministry to examine and implement their recommendation sincerely and expeditiously.

E. *Coal for Farakka and Kahlgaon Power Stations*

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

18. The Committee had taken note of the news that two thermal power plants of NTPC in Bihar namely Farakka and Kahalgaon had been forced to shut down due to non-availability of coal forcing the crores of the people of that region to remain in dark. It had been reported that NTPC for long have complained about the poor quality of coal being supplied which was not paid heed by the CIL, forcing NTPC to stop the payment. In return CIL had stopped the supply of coal to these two power plants. The Committee observed that there is coal stocking norms for power stations of different categories based on their distance from the coal mines which is 15 days for pit head power stations, 20 days for stations located up to 500 km, 25 days up to 500-1000 km and 30 days for beyond 1000 km. While scrutinizing the matter, the Committee had found that these plants were in super critical/ critical categories for long time not maintaining normative coal stock which is necessary for averting any undesirable emergent situation in case of short supply of coal. The reason for not maintaining the normative coal stocks at these power plants had been assigned to short supply of coal from CIL. The Committee felt that the matter had been handled in very casual and dreadful manner forcing the people of the region to go without power, bringing the agricultural, commercial and other essential services to halt. The Committee in first instance found NTPC at fault for not taking necessary and effective measure to ensure adequate coal stocks at these two power plants which were under the supercritical/ critical category having coal stocks for less than 4/7 days. Had the NTPC maintained the normative coal stocks at these two power plants, their shut down in wake of no supply of coal from CIL could have been delayed till the resolution of the issue averting the blackout. Secondly, the Committee felt that CIL, before resorting to stop the supply of coal to these power plants should have given the thought about the repercussions of their action. The Committee strongly believed that the step of discontinuing supply to supercritical power stations over the issues that could have easily been resolved through dialogues and better coordination between the two organizations, who are also service providers of this Country, is in no way a prudent decision. The Committee while deprecating, both the organizations for their coordination failure which resulted in inconvenience to the crores of people of the Country, had strongly recommended that the issue of quality of coal should be resolved at earliest by the Ministry of Power and the Ministry of Coal. Simultaneously, they had also recommended that utmost efforts should be made to ensure in maintenance of adequate coal stocks not only at Farakka and Kahalgaon Power Stations which are having the lowest PLF due to lack of coal but at other power stations as well. The Committee also desired to be apprised of the coal stocking status at these power stations. They had further emphasize that such occurrences do not happen in future failing which the responsible officers of both the organizations be held accountable for exemplary punishment.

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

“The present installed capacity of NTPC at Farakka (West Bengal) &Kahalgaon (Bihar) is 2100 MW & 2340 MW respectively. The total power allocation to the state of Bihar from these stations is 960 MW. These stations are perennially not getting required quantity of coal due to delay in development of following linked mines by ECL:

- Rajmahal Expansion (10.5 to 17.0 MTPA)
- Hurra-C (3.0 MTPA)
- Chuperbita (4.0 MTPA)

Farakka and Kahalgaon power stations have total coal requirement of **31.4 MMT** at 90% PLF. Against the coal linkage of **27.0 MMT,** the coal allocation is **17.69 MMT(FSA:15.0 MMT + MoU: 2.69 MMT)** which is sufficient only for around 51 % PLF.

During FY 2012-13, the domestic coal supply was only 20.5 MMT, which was sufficient for only 59% PLF. NTPC has imported 2.1 MMT of coal and achieved PLF of 63 % at Farakka and 72% at Kahalgaon. The present coal stock at both the stations is for less than 1 day's consumption. In case NTPC blends more imported coal, beneficiaries are not willing to buy power because of higher cost.

In addition to coal supply issues, these power stations were conceived as pit head stations having their own captive Merry-Go-Round (MGR) system. Coal was expected to be primarily transported to these stations through MGR system from linked mines, however due to less supply of coal from linked mines at present, substantial amount of coal is required to be transported through Indian Railway network which has a congestion problem especially at Andal- Sainthia sector. Railways have not been able to construct new lines in this section. Therefore, bringing large quantity of coal from outside the MGR system through Railway system has become very difficult for these two stations.

In order to partly mitigate logistic constraints, NTPC has signed tripartite agreement for 7 years with Inland Waterways Authority of India (IWAI) and Jindal ITF for transportation of **3.0 MTPA** of imported coal from Haldia to Farakka through Ganges which is expected to commence in first quarter of 2013-14.

<u>Issues related to Quality of Coal:</u>

The Ministry of Coal has introduced GCV based system of grading of coal w.e.f. 1st January, 2012. Coal India adopted the GCV based pricing without following the normal International practices requiring:

a) Crushing the coal below 50 mm size
b) Washing of coal to remove ash and other impurities
c) Introduction and ensuring operation of auto-mechanical samplers (AMS)
d) Making Bomb Calorimeters available at loading points for analysis of coal

Since the infrastructure at (c) and (d) is also not available in some of the mines of CIL, especially with ECL, payment is made on the basis of GCV measured at the laboratory of NTPC which has all the necessary instruments.
There is a huge difference between the GCV of coal as claimed by ECL and the GCV of coal as received from ECL. For resolving this issue, a Committee consisting of CEA, CIMFR, representative of NTPC and representative of Coal India Ltd. has been constituted and their independent assessment is under process. As per the third amendment in Tariff Regulation, 2009-14 brought by CERC on 31.12.2012, GCV details of coal received at the generating stations need to be provided to the beneficiaries and displayed on the website. Quote from third amendment in Tariff Regulation, 2009-14 issued by CERC:

" Provided that generating company shall provide to the beneficiaries of the generating station the details of parameters of GCV and price of fuel i.e. domestic coal, imported coal, e-auction coal, lignite, natural gas, RLNG, liquid fuel etc., as per the form 15 of the Part-I of Appendix I to these regulations:
Provided further that the details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal and the weighted average GCV of the fuels as received shall also be provided separately, along with the bills of the respective month:
Provided further that copies of the bills and details of parameters of GCV and price of fuel i.e. domestic coal, imported coal, e-auction coal, lignite, natural gas, RLNG, liquid fuel etc., details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal shall also be displayed on the website of the generating company. The details should be available on its website on monthly basis for a period of three months."

The payment for coal supply to all CIL subsidiaries, including ECL is now being done as per the GCV of coal as received and posted on the website and not on the GCV claimed by coal producer. This has also resulted in significant lowering of tariff for power supply by NTPC to Bihar as well as other beneficiaries.

In the meantime, ECL decided to regulate supply of coal unilaterally. NTPC had no option but to shut down some of its units due to non-availability of coal. During the period of suspension of coal supplies by ECL, from 1st April to 5th April 2013, Farakka and Kahalgaon stations have suffered generation loss of 214 Million units.

When this was brought to the notice of Coal India and the Ministry of Coal, corrective action has been taken and loading of coal has partially re-started. NTPC/Ministry of Power, therefore, has no role to play in this whole episode which ultimately resulted in cutting down the supply of power to both Bihar and West Bengal, the main beneficiaries of Farakka and Kahalgaon stations and the only party responsible is ECL."

20. The Committee in their Report had taken note of the fact that due to tussle between NTPC and Coal India Ltd. (CIL) over issue of coal quality, two thermal power plants of NTPC *viz.* Farakka and Kahalgaon were shut down due to non supply of coal by the CIL. The Committee also observed that these power plants were not maintaining normative coal stocks and were in super critical category – having coal stocks of less than 4 days. Being aggrieved with the situation, the Committee had recommended resolving the coal quality issue at earliest and also desired to be apprised of the latest coal stocks of the two power stations. The Ministry in their reply has though elaborated the issue of coal quality, but is silent regarding the conclusive resolution of the issue. The Committee, therefore, infer that the issue of coal quality has not yet been resolved by the NTPC and CIL. In regard to the latest coal stocking, the Ministry has stated that the present coal stock at both the stations is for less than 1 day's consumption. Therefore, it is obvious that the situation in regard to coal stocking at these power plants has not been improved. The Committee also are also unable to understand as to why Farraka and Kahalgaon plants were not developed as pit-head stations as originally conceived because this would have resolved the fuel issue to a larger extent. The Ministry has further stated that in order to partly mitigate logistic constraints, NTPC has signed

tripartite agreement for 7 years with Inland Waterways Authority of India (IWAI) and Jindal ITF for transportation of 3.0 MTPA of imported coal from Haldia to Farakka through Ganges which is expected to commence in first quarter of 2013-14. However, even this arrangement has miserably failed to reflect a positive impact on the coal stocking of the two power plants. The Committee are aghast to note that there is no improvement at all in the situation despite the strong recommendation of the Committee. The Committee are also surprised at the non seriousness of the Ministry which have not bothered to intervene in this important issue. This reflects poorly on the effectiveness of the Ministry in regard to resolution of the issues so important to the people and the Nation. The Committee desire that this issue should be raised at highest level of the concerned Ministries to arrive at a common point so that the people of the nation do not suffer due to mishandling of the situation by two Public Sector Undertakings. The Committee, therefore, would like to reiterate their recommendation.

CHAPTER II

OBSERVATIONS/ RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendations (Sl. No.1 Para No.2.2)

12th Five Year Plan

2.2 The Committee in their previous year's Report on Demands for Grants, considering the slippages of projects of 33,415 MW from the 11th Five Year Plan to 12th Plan, had expressed their displeasure over the moderate generation capacity addition target set for the 12th Plan in general and for Central Sector in particular. The Committee are glad to note that the generation capacity addition for the 12th Five Year Plan has been enhanced to 88,537 MW from the earlier proposal of 75,785 MW. Now, the share of Central, State and Private Sector in the said capacity addition is 26,182 MW, 15,530 MW and 46,825 MW against the earlier proposal of 19,858 MW, 13,796 MW and 42,131 MW respectively. In regard to the achievement for the first year of the 12th Plan i.e. 2013-14, the Ministry have informed that a generation capacity addition to the tune of 20,622.8 MW has been achieved against the target of 17,956.3 MW. The Committee have also been assured by the Ministry to add 20,000 MW each year for the rest of the 12th Plan. The Committee are satisfied with the commendable achievement of the Ministry in terms of the generation capacity addition for the year bygone and are appreciative of the Ministry's resolve to add 20,000 MW of capacity annually for the rest of the plan period. The Committee would like the Ministry not to lower their guards in their efforts in ensuring the timely completion of the projects set for completion in the 12th Plan. The Committee, therefore, recommend the Government that instead of becoming complacent they should put relentlessly sincere efforts for full attainment of the generation capacity addition targets set for the 12th Plan.

Reply of the Government

A Generation capacity addition of 20,622.8 MW has been achieved against the target of 17,956.3 MW during the first year of 12th Plan i.e. 2012-13. Government is making all out efforts to achieve the capacity addition target of 88,537 MW during 12th Five Year Plan. The steps being taken by the Government in this regard are as follows:

1. Rigorous monitoring of capacity addition of the on-going generation projects.
2. Review meetings are taken by the Ministry of Power regularly with CEA, equipment manufacturers, State Utilities/CPSUs/Project developers etc. to identify the bottlenecks in capacity addition and resolve the issues.
3. As the requirement of capacity addition is increasing to meet growing demand, domestic manufacturing capacity of main plant equipment has been enhanced with the formation of several joint ventures in the country.
4. A Power Project Monitoring Panel (PPMP) has been set up by the Ministry of Power to independently follow up and monitor the progress of the hydro/thermal projects.

5. Ministry of Coal has been requested to direct the coal companies to increase the coal production so as to meet the demand of power plants. In addition, Utilities have been advised to import coal to meet the shortfall.
6. Initiatives being taken to augment the gas supply for gas based power plants.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Recommendations (Sl. No.2 Para No.2.3)

2.3 The Committee note that fund requirement for the power sector (conventional sources) for the 12th Five Year Plan will be ₹ 15,01,666 crore, whereas, ₹ 3,18,573 crore will be required for Renewable Energy. Thus a total fund requirement of ₹ 18,20,239 crore has been projected for the Power Sector. In regard to the making arrangements of the funds of this magnitude, the Committee further note that the total Plan Outlay earmarked for the Power Sector for the 12th Plan is ₹ 4,40,814 crore comprising ₹ 54,297 crore of GBS and ₹ 3,86,517 crore of IEBR. For the arrangement of remaining fund, the Ministry has stated that they have taken steps to create an enabling environment to promote investment in infrastructure, specifically private investment through 100% foreign direct investment permitted in power projects, tax-free bonds to finance infrastructure projects, enhanced ceiling on External Commercial Borrowings under the automatic route and tax concessions and tax holidays. They have further informed that various benefits have been granted to Power Sector in Union Budget of 2013-14. The Committee while appreciating this believe that these are the steps in right directions and will go a long way in ensuring adequate availability of the required funds. However, the Committee, considering the quantum of required amount, are a bit apprehensive about the adequacy and efficacy of the measure taken for creating congenial environment for the desired level of investments for ensuring the availability of required funds for the sector. The Committee, therefore, recommend that the Government should ensure that the power projects coming up in the 12th Plan are not held up/ delayed or abandoned due to paucity of funds. For this they expect the Ministry of Power to persuade the Ministry of Finance for the grant of more concessions for the Power Sector during annual Government budget presentation/approval process.

<u>Reply of the Government</u>

Noted for compliance.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Comments of the Committee

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

Recommendations (Sl. No.3 Para No.2.4)

Annual Plan Outlay

The Committee while scrutinizing the Gross Budgetary Support (GBS) for the year 2012-13 note that against the Budgetary Estimation (BE) of ₹ 9,642.00 crore, which was revised to ₹ 4,708.00 crore, the actual utilization was ₹ 2,535.60 crore only. The poor financial performance of the Ministry is not limited to one or two programmes but is across the board. In regard RGGVY, against the BE of ₹ 4,900 crore the actual utilization was meager ₹ 967.94 crore. Against the BE of ₹ 3,114.00 crore for the R-APDRP, the actual spending was only ₹ 1,234.49 crore. The poor financial performance continued to other important programmes of the Ministry such as Central Power Research Institute (CPRI), Energy Conservation and Bureau of Energy Efficiency also where against the BE of ₹ 265.00 crore, ₹ 200.00 crore and ₹200.00 crore the actual utilization was ₹ 40.36 crore,₹ 37.00 crore and ₹ 44.10 crore respectively. The financial figures for the year 2012-13 poorly reflects on working of the central power sector. Though, the Ministry have assigned various reasons for under-utilization of funds allocated, the Committee are not fully convinced. The Committee do appreciate that there may be some under utilization of allocated fund due to unforeseen circumstance which may impede the progress of one or two programmes but poor performance in all segments indicates to overall poor management and lackadaisical approach of the Ministry. It is very unfortunate that at the time when instead of slow and incremental growth, rapid and multiple development of the power sector is required, the Ministry has not been able to even fully utilize the funds leaving behind various crucial projects in lurch. However, the Committee are pleased to note that despite the poor financial performance by the Ministry during the year 2012-13, the Planning Commission has not resorted to any cut in the demand of the Ministry for the year 2013-14. Further, despite repeated recommendations of the Committee regarding proper quarterly utilization of funds, the figures furnished by the Ministry shows no improvement at all. The spendings for the first three quarters for the year 2012-13 have been 2.79%, 14.85% and 2.59% respectively. The Committee have time and again stressed that the poor spending in first quarter of the financial year has cascading effects on the later quarters. The Committee, therefore, strongly recommend that the Ministry should sincerely put indefatigable efforts to fully utilize the allocated funds according to the norms laid down by the Ministry of Finance.

Reply of the Government

During the first quarter of FY 2013-14 the expenditure is Rs.1761.70 crore against allocation of Rs.9642.00 crore i.e.18.27% of the allocation as against Rs 269.01 crore i.e. 2.79% in the first quarter of the last year.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Recommendations (Sl. No.5 Para No.2.6)

2.6 Another vital aspect related to the programme is the concept of 'free electricity connection' to BPL families. During their Study Tour in January, 2013 to Mumbai, it came out while connection to BPL families is without any charges, they have to make regular payment of electricity consumption. Due to non-payment capacity of BPL families, the energized connections remain operational for few months and thereafter disconnected for non-payment of bills. The Committee are not very sure that the Ministry or Central Electricity Authority maintain data of such cases. In this connection, the Committee were glad to hear from the representatives of Government of Maharashtra that the State Government provide free electricity to BPL for the first five years of electricity connection during which the BPL families are expected to improve/sustain their paying capacity. The Committee feel that to stop de-electrification of villages/BPL families, this Scheme run by Maharashtra Government should become a model for all the States. The Ministry should become a nodal agency to guide the State Governments in formulation/implementation of such a scheme for implementation across the country.

Reply of the Government

Under RGGVY, capital subsidy is provided for creation of rural electricity infrastructure for electrification of rural households including cost of providing electricity connection to BPL households. Supply of electricity is the responsibility of concerned State/Discoms. Therefore,respective States/Discoms may adopt appropriate scheme for supplying electricity to BPL households.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Comments of the Committee

(Please *see* Para No. 14 of Chapter I of the Report)

Recommendations (Sl. No.8 Para No.2.9)

National Electricity Fund

The Committee note that under National Electricity Fund (NEF) interest subsidy is provided on loans taken by State Power Utilities/DISCOMs from financial institutions and banks. Guidelines for operationalisation of National Electricity Fund were received in the year 2012. Under the Scheme both private and public sector companies are eligible for subsidy subject to the fulfillment of the conditions. The objective of NEF is to incentivize the investment in distribution sector to improve the infrastructure and to expedite the reform process therein. All distribution sector infrastructure capital projects are eligible for interest subsidy under NEF Scheme provided that the proposed works have not been funded through the R-APDRP or RGGVY Schemes. The projects for which any other grant/subsidy from the Government of India has already been received/allocated will not be eligible under this Scheme. The Committee have been apprised that NEF would provide interest subsidy aggregating ₹ 8,466 crore spread over 14 years for distribution projects sanctioned by the Steering Committee during FY 2012-13 and 2013-14 for loan amounting to ₹ 25,000 crore. 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. However, the process for availing interest subsidy under the Scheme has been made quite cumbersome and it is yet to be ascertained whether the scheme will be of any assistance to the users as interest subsidy will be extended upto 2025-26 and 2026-27 for the projects sanctioned during 2012-13 and 2013-14 respectively. The Committee find that the objective of this Scheme is also akin to R-APDRP and new scheme for financial assistance to DISCOMs as the goal of all these schemes is to usher in effective reforms in the area of distribution and transmission in the power sector. The multiplicity of the Schemes for the sole purpose of power reforms may be useful from micro-perspective, but they add to the confusion besides creating multiple operational set-ups without corresponding results. The Committee, therefore, strongly recommend that a holistic view should be taken about these problems plaguing the sector and lean and efficacious steps should be taken to cure the malady instead of burdening it with multiple schemes.

Reply of the Government

CCEA approved scheme of National Electricity Fund (NEF) on 13.12.2011. National Electricity Fund (Interest Subsidy Scheme) has been set up to provide interest subsidy aggregating to Rs. 8466 crore for a period of 14 years on loans disbursed to the Distribution Companies (DISCOMS) – both in public and private sector, to improve the distribution network for areas not covered by Rajiv Gandhi GraminVidyutikaranYojana (RGGVY) and Restructured Accelerated Power Development and Reforms Programme (R-APDRP) project areas. The preconditions for eligibility are linked to certain reform measures taken by the States and the amount of interest subsidy is linked to the progress achieved in reforms linked parameters. Rural Electrification Corporation has been designated as the nodal agency for National electricity Fund (NEF). REC as Nodal Agency has conducted sensitization workshop for State/Private DISCOMS and other stakeholders to create awareness and to clarify issues in compliance of guidelines, if any.

In order to evacuate and distribute the power generated as a result of the ambitious capacity addition programme, commensurate investment is required in transmission and distribution sector. The DISCOMS, which handle the distribution sector, are in financial stress due to various reasons. The national average Aggregate Technical and Commercial (AT&C) loss during 2009-10 was 27.15%, ranging from 7.77% to 70.45% for different DISCOMS. The Thirteenth Finance Commission had reported that the projected aggregate losses of State T&D Utilities at 2008 tariffs would be at Rs. 1,16,089crore by 2014-15. Thus the Central government intervention is required for revamping and restructuring the distribution sector.

The investments in distribution sector are already being undertaken under the RGGVY and R-APDRP schemes. R-APDRP covers towns with population of more than 30,000 (10,000 in case of Special Category States). RGGVY primarily addresses the issue of providing access of electricity to un-electrified or partially electrified villages. The scope of works and amount of investment in these schemes is not adequate to meet the entire requirement of the distribution sector. There is no scheme to cover towns with population of less than 30,000 (10,000 in case of special category States); for reduction of AT&C losses in rural areas; for augmentation of distribution networks necessitated by capacity addition; for system strengthening and upgradation; and for encouraging States to undertake agricultural and domestic feeder separation in rural areas . While it is important to channelise investments in distribution sector, it is also equally important to link these investments to reforms, as the viability of the entire power sector depends on the viability of the distribution utilities. Accordingly, the proposed scheme links interest subsidy with reforms.

There would thus be two categories of States for working out the interest subsidy– Special category and focused states, and States other than special category and focused states. The precondition of eligibility are operationalisation of State Electricity Regulatory Commission (SERC), formulation of business plan for turn around of utilities in a time bound manner, reorganization of State Electricity Boards (SEB), release of subsidy, submission of audited annual accounts and timely filing of tariff petition. Any pre-condition of eligibility can be relaxed/modified to overcome any difficulty in operating this Scheme, with the specific approval of Steering Committee, to be chaired by Secretary (Power).

Each power utility eligible for subsidy on interest would be assigned marks based on reforms measures i.e. reduction in AT&C losses; reduction in gap (Average Cost of Supply (ACS) -Average revenue on subsidy received basis); return on equity and multi year tariff (MYT). Based on the consolidated score achieved on these parameters, the utilities would be categorized and eligible for interest subsidy ranging from 3% to 5% in States other than Special category and focused states and 5% to 7% in Special Category and focused states. Any utility scoring less than 35%, would not be eligible for any interest subsidy after 31 March 2013. This would be monitored on annual basis and interest subsidy will be calculated accordingly. The baseline parameters would be verified by independent evaluators and interest subsidy on loan proposals would be approved by the Steering Committee, on the recommendations of the Nodal agency. The conditions of unbundling and timely submission of annual accounts related to Special Category and focused States would be aligned with other States after 3 years.

Financial implications of the National Electricity Fund would be interest subsidy aggregating to Rs. 8466 crore spread over 14 years for loan disbursement amounting to Rs. 25,000 crore for distribution schemes sanctioned during the 2 years viz., 2012-13 and 2013-14. The outlay of Rs. 8466 crore would cover payment of interest subsidy to the borrowers, service charges to the nodal agency, payments to independent evaluators and other incidental expenses. This is a pilot scheme of NEF and depending on outcomes, can be augmented and up scaled.

The implementation of the scheme would result in reduction of AT&C losses, reduction of gap between Average Cost of Supply and average revenue on subsidy received basis, improving return on equity and issue of notification of multiyear tariff along with investment in distribution sector. This scheme will facilitate Central government intervention, and act as a catalyst for revamping and restructuring the state sector distribution scheme.

The Steering Committee in its third meeting held on 19.02.2013, has approved proposals worth Rs 10953 Crs.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Recommendations (Sl. No.9 Para No.2.10)

Financial Assistance to Discoms

2.10 The Committee note that a scheme for financial restructuring of the State DISCOMs has been prepared keeping in view the fragile financial health of utilities, coupled with serious systemic deficiencies in the working of State Discoms. The scheme contains immediate/continuing and short term measures required to be taken in a time bound manner by the Discoms and State Governments. These measures include Financial Restructuring, Tariff Setting & Revenue Realization, Subsidy, Metering, Audit & Account and Monitoring. The Scheme for Financial Restructurings of State Owned Discoms was notified by Ministry of Power after CCEA's approval. The Scheme is available to all State Owned Discoms having accumulated losses and facing difficulty in financing operational losses. An outlay of ₹ 1,500 crore has been kept for the year 2013-14. Guidelines about the programmes have been issued. Five States, as of now, have given their proposals under the programme. Their financial restructuring plans have been worked out and are at different stages of approval. Three other States have also given their consent. They are under examination by the Government of India. The financial restructuring programme mentions a number of mandatory conditions to be fulfilled by the State distribution companies before they will be eligible for grants to be given by the Government of India. One of the conditions is reduction in AT&C losses. Under the Scheme the different distribution companies will be eligible to receive Central Government grants only on the basis of their achievements in the reduction of AT&C losses. The Committee note that that the financial conditions of the State DISCOMs are in doldrums because of various reasons including high AT&C losses. The R-APDRP also aims at reducing AT&C losses through its own mechanism. The aim of financial support to DISCOMs, thus, supplements the efforts under R-APDRP. The Committee would await outcome of plans approved for the States in first lot. Whether any time limit has been set under the Scheme is also not known. The Committee would like to recommend that with a view to improve the financial conditions of the State DISCOMs, it should be ensured that there is no inadequacy of funds, the results achieved by the States under the Scheme should be sustainable and every effort should be made with regard to the stability of the objective achieved under the Scheme failing which State should either be debarred for central assistance or money spent be recovered if possible. The Committee expect the Government to ensure implementation of result oriented projects in a time bound manner in coordination with concerned States/DISCOMs and taking cue from the experience of RGGVY, R-APDRP Programmes etc. The Committee would keenly await the outcome of the new scheme at the end of the year.

Reply of the Government

The scheme for Financial Restructuring of Discoms has been approved by Cabinet Committee on Economic Affairs (CCEA) in a meeting held on 24.09.2012.The scheme was notified by Ministry of Power vide OM dated 05.10.2012. Scheme was effective from the date of issue of order and upto31.12.2012 unless extended by the GOI. The scheme is applicable to all State owned Discoms having accumulated losses and facing difficulty in financing operational losses. Scheme inter-alia provides for restructuring of the Short Term Liabilities (STL) of the Discoms outstanding as on 31.03.2012, by takeover of 50% of the Short Term Liabilities of the State owned Discoms corresponding to the accumulated losses of the Discoms as on 31.03.2012, by the State Govt and rescheduling of the balance 50% by the banks with a moratorium on Principal repayment. State Govt would provide full support to the Discoms for payment of interest and repayment of principal on bonds till the issue of Spl Securities by the State Govt. Thereafter interest and principal on Spl securities would be served by the State Govt. Status of various activities required to be carried out under FRP are as under-

1. **Guidelines for Transitional Finance Mechanism**: Ministry of Power has issued, Guidelines for Transitional Finance Mechanism in relation to Financial Restructuring of State Discoms on 2nd April 2013.

2. **Guidelines for securities to be issued under FRP by State Governments &Discoms:-**Ministry of Power has also issued, Guidelines for pricing of bonds, to be issued by Discoms and special securities to be issued by State Government on 2nd April 2013.

3. **Extension of scheme period:-** Seven States were selected as focus states for FRP. However due to efforts of Ministry of Power, now, many States other than focus states are also showing their willingness to take the benefit of the scheme. FRP proposals needs to be submitted by the Discoms under coordination with State govt., State electricity regulatory commission etc. As the states are facing difficulty in submitting the FRP proposals within the deadlines (i.e. 31st March 2013), the scheme has been extended up to 31st July 2013.

4. **Extending ambit/scope of the schemes:-**The original FRP scheme is focused on Distribution utilities (unbundled) owned by State Governments, Therefore number of State Electricity Boards, not yet unbundled will not be able to be the beneficiary of scheme. Ministry of Power had proposed to extend the benefit of scheme to Bihar, Kerala and Jharkhand.

5. **Drafting of legislation**:-The draft legislation bill on 'State Electricity Distribution'etc, Responsibility Bill has been sent for vetting of Ministry of Law & Justice &Ministry of Finance (DEA & DFS).

6. **Terms of reference for third party parameter**:-Under the scheme of FRP, CEA is entrusted with the responsibility of preparation of Terms of Reference for third party verification parameter. Ministry is coordinating with CEA to finalize these terms; and arelikely to be notified shortly.

7. **Coordination with states:-**Ministry is coordinating with the participating states to accelerate the progress of various compliance and smooth operation for successful implementation of FRP. Regular meetings with DFS, DEA and States are held.

8. **Finalization of FRP:-** Uttar Pradesh, Haryana and Rajasthan are likely to Finalize FRP, issue bonds and restructure eligible STL with Bankers. Tamil Nadu issued bonds.

The scheme has been extended up to 31st July 2013 and therefore, the States are still finalizing their FRP. The fund movement will start only after finalizing of FRP by the States. Since, the scheme is under implementation, the Outcome of the scheme may be reported only after the implementation period is over.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Recommendations (Sl. No.10 Para No.2.11)

Energy Conservation

2.11 The Committee have been apprised that with the implementation of the Ministry of Power and BEE scheme, the Government have been able to achieve energy saving of 10,836 MW. The Committee are, however, not very sure of the methodology in calculating exact energy savings. The Committee, therefore, would like the Government to review the assessing methods so as to ensure that accurate assessment is made of energy saving and large funds made available for energy conservation schemes gives value of the money. Needless to emphasize the assessing agencies should adopt best practices being followed by advanced countries in this area.

Reply of the Government

The Bureau of Energy Efficiency (BEE) has initiated a number of energy efficiency schemes in different sectors of the economy during the 11th plan period. Subsequently to quantify the impact of energy efficiency measures undertaken by BEE, detailed energy saving methodology was evolved. The savings accrued due to various schemes of BEE is then vetted by a Committee of Experts. The scheme-wise energy savings are then also verified by a third party organization National Productivity Council (NPC), New Delhi. The verification is based on the secondary data and stakeholder interaction for respective schemes.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Recommendations (Sl. No.11 Para No.2.12)

2.12 The Committee note that 28 million CFL have been distributed projects under Bachat Lamp Yojana Scheme during 11th Plan period upto December, 2012. They also note that an avoided generation capacity of 324.3 MW has been achieved by the CFL distribution till December, 2011. The Committee had earlier recommended to 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 the global warming and its cost effectiveness. The Ministry has now submitted before the Committee that they are proposing to provide LED instead of CFL under RGGVY scheme. The Ministry has stated that 2 crore BPL families would be provided free connections with LED bulbs also. It was also informed that attempts are being made to involve some of the big and bulk buyers like Railways to promote the use of LED bulbs. The Ministry also informed that if there is huge demand for LED bulbs, then the cost of LED will come down. The Committee are happy to note the initiatives taken by the Ministry to use LED under RGGVY scheme in the 12th Plan and also pursuing big and bulk buyers to use LED lamps/bulbs. This would significantly reduce the consumption of electricity while reducing the cost of LEDs also. They recommend the Ministry to expedite implementation of this proposal and should make vigorous efforts to pursue large users such as Ministry of Defence (regarding border lightings) and all other Government offices to replace the conventional bulbs since this would lead to enormous energy conservation. The Committee also emphasise the need to create awareness, through visual and print media even in vernacular languages, among general masses. BEE should enhance their publication for use of energy efficient equipments and appliances, LED etc.

Reply of the Government

1. Distribution of LED lamps under RGGVY

The Ministry of Power has proposed to provide free connections with LED lamps to the BPL families under RGGVY scheme. The EFC memo for the RGGVY scheme is already approved and the Cabinet approval for the same is under process.

Facilitation from BEE will be provided in the following areas:

- BEE will assist the RGGVY team in finalizing standards for LED bulbs for speedy implementation of the scheme.
- BEE will provide technical assistance in formulating the guidelines and processes for bulk procurement of the LED bulbs and other areas in the implementation of the scheme.
- BEE will provide assistance in monitoring and verification of the energy savings in project areas (villages) by implementation of this scheme.
- An approximate of 2 crore LEDs are estimated to be distributed under this scheme.

In this connection, BEE had conducted a preliminary discussion with Rural Electrification Corporation (REC) on 7th May, 2013 to finalize the road map for the implementation of the above scheme. It is mutually decided to hold a consultation meeting with the LED manufacturers, Testing Labs, Lighting Associations and other stake holders to finalize the standards of LED lamps and also to assess the market scenario for the LED lamps.
BEE has also put up the EFC Memorandum for the implementation of Bachat Lamp Yojana (BLY) to MoP for 12th five year plan which covers facilitation from BEE for the implementation of LED component under RGGVY scheme. The approval of the proposed EFC is under process.

2. <u>Promotion of LED through Bulk Buyers (Ministry of Railways/Ministry of Defence):</u>
BEE has sent letters to bulk buyers like the PSUs, Municipalities, Corporations, Banks, CPWD, Defence, Railways etc. for large scale adoption of LEDs as lighting appliance in the year 2012. Through this letter, it was requested that agencies adopt the standards brought by the Bureau of Indian Standard (BIS) to enable public procurement. With the letter, two lists-one of LED lamp and luminaire manufacturers, and the other of testing laboratories were also sent to facilitate such adoption. Along with the letter, a template tendering document was also sent to help tendering process.

3. <u>Energy Conservation in Government Offices:</u>

The Governmentof India provides assistance to Central and State Government buildings forcarrying out Investment Grade Energy Audits (IGEA) to identify energy saving potentialin existing facilities. These reports capture various energy efficiency measuresbased on economic analysis of the energyefficiency measuresthatbring about energy savings due to reduced energy consumption.Among the various identified areas,lighting and HVAC account for substantial savings. Many Government buildings have carried out energyaudits under this initiative.

4. <u>Awareness & Media:</u>

In order to gear up the propagation of the energy conservation and efficiency in every nook and corner for the country, the services of media were embarked upon and it successfully showed its impact with the nation watching BEE's advertisement on the channels, getting inspiring messages and information through National Dailies.

BEE releases the media campaign to achieve maximum reach to the targeted audience. The combination of Media like Print, TV, Cinema, Radio, and Outdoor were taken in the campaign. The campaign was focused on BEE Labeling Programme for use of energy efficient equipment and appliances. A campaign will also be prepared for promotion of LED. Brochures and Leaflets may also be printed for LED and other equipment.

[Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]

Recommendations (Sl. No.14 Para No.2.15)

2.15 The Committee take note of the news that two thermal power plants of NTPC in Bihar namely Farakka and Kahalgaon had been forced to shut down due to non-availability of coal forcing the crores of the people of that region to remain in dark. It has been reported that NTPC for long have complained about the poor quality of coal being supplied which was not paid heed by the CIL, forcing NTPC to stop the payment. In return CIL stopped the supply of coal to these two power plants. The Committee observe that there is coal stocking norms for power stations of different categories based on their distance from the coal mines which is 15 days for pit head power stations, 20 days for stations located up to 500 km, 25 days up to 500-1000 km and 30 days for beyond 1000 km. While scrutinizing the matter, the Committee found that these plants were in super critical/ critical categories for long time not maintaining normative coal stock which is necessary for averting any undesirable emergent situation in case of short supply of coal. The reason for not maintaining the normative coal stocks at these power plants have been assigned to short supply of coal from CIL. The Committee feel that the matter has been handled in very casual and dreadful manner forcing the people of the region to go without power, bringing the agricultural, commercial and other essential services to halt. The Committee in first instance find NTPC at fault for not taking necessary and effective measure to ensure adequate coal stocks at these two power plants which were under the supercritical/ critical category having coal stocks for less than 4/7 days. Had the NTPC maintained the normative coal stocks at these two power plants, their shut down in wake of no supply of coal from CIL could have been delayed till the resolution of the issue averting the blackout. Secondly, the Committee feel that CIL, before resorting to stop the supply of coal to these power plants should have given the thought about the repercussions of their action. The Committee strongly believe that the step of discontinuing supply to supercritical power stations over the issues that could have easily been resolved through dialogues and better coordination between the two organizations, who are also service providers of this Country, is in no way a prudent decision. The Committee while deprecating, both the organizations for their coordination failure which resulted in inconvenience to the crores of people of the Country, strongly recommend that the issue of quality of coal should be resolved at earliest by the Ministry of Power and the Ministry of Coal. Simultaneously, they also recommend that utmost efforts should be made to ensure in maintenance of adequate coal stocks not only at Farakka and Kahalgaon Power Stations which are having the lowest PLF due to lack of coal but at other power stations as well. The Committee would like to be apprised of the coal stocking status at these power stations. The Committee would also like to emphasize that such occurrences do not happen in future failing which the responsible officers of both the organizations be held accountable for exemplary punishment.

Reply of the Government

The present installed capacity of NTPC at Farakka (West Bengal) &Kahalgaon (Bihar) is 2100 MW & 2340 MW respectively. The total power allocation to the state of Bihar from these stations is 960 MW. These stations are perennially not getting required quantity of coal due to delay in development of following linked mines by ECL:

- Rajmahal Expansion (10.5 to 17.0 MTPA)
- Hurra-C (3.0 MTPA)
- Chuperbita (4.0 MTPA)

Farakka and Kahalgaon power stations have total coal requirement of **31.4 MMT** at 90% PLF. Against the coal linkage of **27.0 MMT,** the coal allocation is **17.69 MMT(FSA:15.0 MMT + MoU: 2.69 MMT)** which is sufficient only for around 51 % PLF.

During FY 2012-13, the domestic coal supply was only 20.5 MMT, which was sufficient for only 59% PLF. NTPC has imported 2.1 MMT of coal and achieved PLF of 63 % at Farakka and 72% at Kahalgaon. The present coal stock at both the stations is for less than 1 day's consumption. In case NTPC blends more imported coal, beneficiaries are not willing to buy power because of higher cost.

In addition to coal supply issues, these power stations were conceived as pit head stations having their own captive Merry-Go-Round (MGR) system. Coal was expected to be primarily transported to these stations through MGR system from linked mines, however due to less supply of coal from linked mines at present, substantial amount of coal is required to be transported through Indian Railway network which has a congestion problem especially at Andal- Sainthia sector. Railways have not been able to construct new lines in this section. Therefore, bringing large quantity of coal from outside the MGR system through Railway system has become very difficult for these two stations.

In order to partly mitigate logistic constraints, NTPC has signed tripartite agreement for 7 years with Inland Waterways Authority of India (IWAI) and Jindal ITF for transportation of **3.0 MTPA** of imported coal from Haldia to Farakka through Ganges which is expected to commence in first quarter of 2013-14.

Issues related to Quality of Coal:

The Ministry of Coal has introduced GCV based system of grading of coal w.e.f. 1st January, 2012. Coal India adopted the GCV based pricing without following the normal International practices requiring:

e) Crushing the coal below 50 mm size
f) Washing of coal to remove ash and other impurities
g) Introduction and ensuring operation of auto-mechanical samplers (AMS)
h) Making Bomb Calorimeters available at loading points for analysis of coal

Since the infrastructure at (c) and (d) is also not available in some of the mines of CIL, especially with ECL, payment is made on the basis of GCV measured at the laboratory of NTPC which has all the necessary instruments.
There is a huge difference between the GCV of coal as claimed by ECL and the GCV of coal as received from ECL. For resolving this issue, a Committee consisting of CEA, CIMFR, representative of NTPC and representative of Coal India Ltd. has been constituted and their independent assessment is under process. As per the third amendment in Tariff Regulation, 2009-14 brought by CERC on 31.12.2012, GCV details of coal received at the generating stations need to be provided to the beneficiaries and displayed on the website. Quote from third amendment in Tariff Regulation, 2009-14 issued by CERC:

" Provided that generating company shall provide to the beneficiaries of the generating station the details of parameters of GCV and price of fuel i.e. domestic coal, imported coal, e-auction coal, lignite, natural gas, RLNG, liquid fuel etc., as per the form 15 of the Part-I of Appendix I to these regulations:

Provided further that the details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal and the weighted average GCV of the fuels as received shall also be provided separately, along with the bills of the respective month:

Provided further that copies of the bills and details of parameters of GCV and price of fuel i.e. domestic coal, imported coal, e-auction coal, lignite, natural gas, RLNG, liquid fuel etc., details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal shall also be displayed on the website of the generating company. The details should be available on its website on monthly basis for a period of three months."

The payment for coal supply to all CIL subsidiaries, including ECL is now being done as per the GCV of coal as received and posted on the website and not on the GCV claimed by coal producer. This has also resulted in significant lowering of tariff for power supply by NTPC to Bihar as well as other beneficiaries.

In the meantime, ECL decided to regulate supply of coal unilaterally. NTPC had no option but to shut down some of its units due to non-availability of coal. During the period of suspension of coal supplies by ECL, from 1st April to 5th April 2013, Farakka and Kahalgaon stations have suffered generation loss of 214 Million units.

When this was brought to the notice of Coal India and the Ministry of Coal, corrective action has been taken and loading of coal has partially re-started. NTPC/Ministry of Power, therefore, has no role to play in this whole episode which ultimately resulted in cutting down the supply of power to both Bihar and West Bengal, the main beneficiaries of Farakka and Kahalgaon stations and the only party responsible is ECL.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Comments of the Committee

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

Recommendations (Sl. No.15 Para No.2.16)

Private Sector Participation in Power Sector

2.16 The Committee note that the capacity addition achieved by the Private Sector in the 11th Plan stood at 23,011 MW which is 153% of their target of 15,043 MW and

42% of the total generation capacity addition achieved during the period i.e. 54,964 MW. It is evident that the Private Sector came to rescue the Power Sector when the Central and State Sector badly failed to achieve their generation capacity addition targets during the 11th Plan. Even in the proposed capacity addition target for 12th Plan, they have got the lion's share. Out of the total 88,537 MW proposed during the period, 46,825 MW will come from Private Sector. The energy deficit situation and ever growing demands for power in the Country make it imperative to facilitate the Private Sector for ensuring their continuous participation in the Sector. Though, in the 11th Plan the Private Sector exceeded their target despite the presence of several obstacles, their share in 12th Plan targets warrants that the issues, already surfaced as well anticipated, which possibly can hinder the growth of this Sector should be dealt with urgency and diligence. The issues that the Private Sector is presently facing includes, the inadequate availability of coal and gas, difficulty in obtaining environmental clearances, constraints in the domestic power equipment manufacturing facility, etc. besides need for huge capital investment. The Committee believe that the issues are not of insurmountable nature and could be redressed through proper, effective and timely interventions of the Government. As the role of private players in power sector of the Country has become indispensable, it becomes necessary that the Government facilitates them in overcoming the hurdles and issues that are impeding the progress of the Sector. The Committee, therefore, recommend that the Government should extend all possible assistance to the private sector in overcoming their problems with regard to their target achievement mission.

Reply of the Government

Government has taken/is taking a number of steps to encourage power project developers including private developers. Some of these steps are:

- All the power projects under execution are being regularly monitored to assess their progress, to identify the bottlenecks in capacity addition, if any, and resolve the issues.
- In view of the increasing requirement of capacity addition to meet the demand, the capacity building of main plant equipment has been carried out in the country with the formation of several joint ventures for manufacture of main plant equipments in the country. M/s. BHEL has already augmented its manufacturing capacity. Apart from BHEL, several Joint Ventures for manufacture of supercritical boilers and turbine generators have been set up/are being set up in the country.
- Ministry of Coal has been requested to impress upon the coal companies to increase the coal production so as to meet the demand of power plants. In addition, Utilities have been advised to import coal to meet the shortfall.
- Initiatives being taken to augment the gas supply for gas based power plants.
- Up to 100% FDI allowed in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants.

[Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]

Recommendations (Sl. No.16 Para No.2.17)

2.17 The Committee note that the private sector's participation in the hydro power sector is not as encouraging as in thermal power sector. Private Sector, whose physical achievement in thermal power had been exceptionally well, could achieve only 1,292 MW of hydro power generation capacity addition against the moderate target of 3,491 MW for the 11th Five Year Plan. Considering the targets for capacity addition in hydro sector planned for 12th Plan, the Committee believe that the focus will be on thermal power generation leaving the hydro sector marginalized in coming years also. Though the development of thermal generation projects take comparatively shorter time in commissioning and involves lesser complications, yet the Committee believe that the issues of constraints in fuel supply, pollution and the high cost of electricity production etc. neutralize the advantages in long run and thus underlying the importance of the hydro sector. Due to initial problems and complication in grant of various clearances, forest clearances, problems in land acquisition, reallocation and resettlement, difficult geographical conditions etc. in establishing a hydro power project, flow of private investment in this Sector is constrained. The Committee are of the view that these problems faced initially in, development of the hydro projects better be handled by the Government and therefore, need their timely intervention, physical as well as financial. Once the projects are commissioned, the hydro power projects are the source of clean and cheap energy which does not require any fuel for their sustenance. When UMPP concept for thermal power under which various clearances and fuel linkages etc. are sorted out by the Ministry of Power why such a policy cannot be evolved for hydro-sector. The Committee, therefore, strongly recommend that the Government should take serious and sincere initiative to streamline the process of establishing hydro projects by better coordination among the various Central and State Government agencies for attracting private investment in a big way paving the way for rapid development of the Sector.

<u>Reply of the Government</u>

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. The following provisions have been made in Hydro Power Policy, 2008 to encourage private sector to setup hydro power projects in India:-

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

- Enables all developers to recover their additional costs through merchant sale of upto a maximum of 40% of the saleable energy. 5% reduction for a delay of every six months. – Balance long term PPAs.

The status of development of hydro potential in the country as on 31.05.2013 is as follows

S. No.	Status	Nos.	Capacity (MW)
1.	Schemes under Operation	184	39623
2.	Schemes under Construction	47	13320
3.	DPRs Concurred by CEA (yet to be taken up for construction)	36	20837
4.	Schemes for which DPRs have been prepared and are under Examination	23	11836
5.	DPRs returned by CEA	29	10605
6.	Schemes under Survey & Investigation	87	18564
		406	**114785**

From the above figures, it can be seen that about 79% 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 few years. 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 under development including private sector projects are likely to come up during the 13th Plan and beyond.

The issue of introducing UMPP Model in Hydro Sector on the similar lines of thermal sector was deliberated upon in the First Meetingof the Task Force held on 12.12.2007 on Hydro Power Development held under the chairmanship of Hon'ble Minister of Power. It was agreed upon that the respective State Governments be asked to identify the potential sites for setting up of Mega Hydel Projects and propose implementation through an SPV on the lines of Thermal Ultra Mega Power Projects (UMPPs). Accordingly, the Ministry requested hydro-rich States on 31.01.2008 to identify the potential hydro sites of installed capacity of 500 MW and above and consider its implementation on the lines of UMPP. However, it may be stated that no State Government has shown interest in this regard.

To accelerate the pace of development of hydro power in the country, the Ministry of Power has taken further steps during the last six months. A Sub-Group on Hydro, consisting of the private developers and think tanks from the Government as well as the Industry has been constituted under the Chairmanship of the Minister of Power. As per the recommendations of the Sub-Group, certain policy-interventions are being given priority by the Ministry. In addition, the issue of clearances by the Ministry of Environment & Forests (MoEF) has been accorded top priority by resolving them at the level of the Minister of Power and the Minister of MoEF. Many issues have been resolved recently at the Minister’s / Ministry level. Regular monitoring and follow up actions are being carried out to expedite early MoEF clearances. In order to tap up major hydel potential in the North-East, especially Arunachal Pradesh a special Committee of Secretary (CoS) under Cabinet Secretary has been constituted to resolve various issues. During the recent meetings on 26.02.2013 and 11.04.2013, the said CoS reviewed the development of infrastructure including road and communication etc. in the N.E. States. Meeting has also been held in the PMO on power sector in N.E. States with a stress on development of hydro power in the country. The issue of infrastructure esp. roads in Arunachal Pradesh has been recently flagged to Ministry of DONER for taking it before an eGOM specifically constituted for development of the North-East.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

CHAPTER III

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

Recommendations (Sl. No.6 Para No.2.7)

R-APDRP

2.7 The Committee note that the objective of R-APDRP is to bring down AT&C losses in the Country to the level of 15%. The programme with a provision of ₹ 51,577 crore, has four Part namely, A, B, C and D. Part-A is the projects for establishment of baseline data and IT applications for energy accounting/auditing & IT based consumer service centres, whereas, Part-B is regular distribution strengthening projects. Part-C of the programme is an enabling component for the implementation of APDRP, while under Part-D of the programme there is provision for incentive for utility staff in towns where AT&C loss levels are brought below 15%. The Committee further note that at the time of inception of Re-structured - APDRP i.e. year 2008-09 the AT&T losses in the Country was at 27.37% which have slightly come down to 26.15% in the year 2010-11. The Committee are aware that the originally APDRP was started in the year 2002-03. It is evident from the facts given above that despite several years and spending crores of rupees, the tangible results yielded by the programme leaves much to be desired. IT enabled data base line is yet to take any definite shape and strengthening of distribution utilities are inter-linked to it. In the year 2012-13, the outlay at BE state was ₹ 3,114 crore which was reduced to ₹ 1,500 crore at RE stage. The outlay for the year 2013-14 has been pegged at ₹ 575 crore which itself is a testimony of the failure of the programme. The Ministry has assigned the slow progress of R-APDRP to the complexity of this programme. In regard to slow implementation of Part-A of the scheme, the Ministry *inter alia* has stated that none of the States could complete the projects within the stipulated time of 3 years from the date of sanction and even the best Utilities have taken almost 4 years. The Committee feel if best of the utilities are finding it difficult to implement the programme within stipulated timeframe, it would be even tougher for the not so efficient utilities. The Committee feel that some mechanism will have to be evolved wherein all the stakeholders should be told to draw their own strategies for containing AT&C losses in definitive way and specific time frame. The scheme should also be implemented in a graded manner instead of extending it to more cities to make it successful. The Committee, considering the technicality of the programme, recommend that the Government should work on developing 4-5 cities from each of the regions of the Country as a role model for this programme so that the rest of the cities/utilities can be guided accordingly, ascertaining the method to be adopted by them which are tested and proven.

Reply of the Government

The objective of R-APDRP Part-A(IT) is establishment of IT enabled system for attaining baseline data of revenue and energy without human intervention. R-APDRP Part-A(IT) schemes have been sanctioned for 1401 towns in the country progressively from February 2009. As on 30th April 2013, 262 of these have already been declared 'Go Live' by state utilities implying that accurate, reliable & verifiable baseline data system has already been established under R-APDRP Part-A(IT) in these towns. Third Party Independent Evaluation Agencies (TPIEA) are in process of evaluating baseline AT&C losses in sanctioned towns [Baseline AT&C losses established so far in 1022 towns]. The reduction in AT&C losses shall be measured for five years through IT system established under Part-A(IT) of the scheme with first year starting one year after establishment of said IT system.

Out of the 20 data centers envisaged to be commissioned under the programme, 15 have already been commissioned by state utilities.

Under Part-B of R-APDRP, work has started in 895 towns out of which 10 towns have already been completed.

As such, R-APDRP scheme is being implemented effectively & appreciable results should be visible in near future.

- **Issue**: **In the year 2012-13, the outlay at BE stage was Rs. 3,114 crore which was reduced to Rs. 1,500 crore at RE stage. The outlay for the year 2013-14 has been pegged at Rs. 575 crore which itself is a testimony of the failure of the programme.**

  The Committee feel if best of the utilities are finding it difficult to implement the programme within stipulated timeframe, it would be even tougher for the not so efficient utilities.

  Comments: Funding under R-APDRP to state power utilities is made for implementation of Part-A(IT), Part-A(SCADA) & Part-B projects.

  Funding under Part-A (IT) & SCADA
  As per R-APDRP Guidelines, initially 30% of scheme cost sanctioned under Part-A(IT) & Part-A(SCADA) is provided as advance & balance after utilization of same. These projects are implemented on turnkey basis and the release of funds is linked to progress of implementation and milestones achieved. Initial advance has been provided to utilities & balance payments are to be made as described above. Loan of Rs.5243 crore has been sanctioned for establishment of Part-A(IT) system in 1401 towns and Rs.2043 crore has been disbursed. The disbursed amount is about Rs 470Crore in excess of 30% of loan of Rs.5243 croreimplying that apart from initial 30% advance, first & second tranche payments[of 30% each] have also been released to some fast moving utilities of 9 states. Since payments to IT implementing agencies are back loaded[40% on completion] & that even best of utilities are finding it difficult to complete Part-A(IT) projects in even four years.The balance payments in majority of cases under the head are likely to be released in FY15 i.e. about five

years from sanction. As such, fund requirement for FY13 & FY14 for Part-A(IT) is less.

Similarly, under Part-A(SCADA), loan of Rs. 1470 Crore has been sanctioned for establishment of SCADA systems in 65 towns under R-APDRP & disbursed Rs. 412 crore. This amounts to about 30% of sanctioned amount. These projects are in initial stage & hence no disbursement is envisaged in FY14.

Funding under Part-B

The GoI funding for Part-B projects is 25% [90% for special category states] with initial advance as 15% [30% for special category states]. Initial advance has been provided to most of utilities & balance GoI funds can be released only on project completion. Hence, further fund utilization under Part-B is related to project completion. Part-B Schemes worth Rs. 27119 Crore have been sanctioned in 1134 towns & an amount of Rs.4265 Crore have been disbursed. This amounts to slightly over 15% of cost of schemes sanctioned i.e. initial advance of 15% has been provided to all utilities & balance 10% is to be provided on project completion.

Hence, reason of lower budget requirement for FY13 & FY14 is not due to non-performance of the programme, but back loaded payments under Part-A(IT) & SCADA and such projects require at least five years for completion. As such, a period of five years for R-APDRP project completion has been proposed.

- **Issue: The Committee feel that some mechanism will have to be evolved wherein all the stakeholders should be told to draw their own strategies for containing AT&C losses in definitive way and specific time frame.**

  Comments: Part-B of R-APDRP scheme provides impetus for AT&C loss reduction to below 15% in R-APDRP towns on sustainable basis. Under the scheme,25% of scheme cost [90% for special category] is provided as loan under Part-B projects and upto 50% of scheme cost [90% for special category states] is convertible into grant depending on extent of maintaining AT&C loss level at 15% for five years. Part-B DPRs under the scheme are formulated by state power utilities based on their own strategies & requirements. R-APDRP Scheme also has provision for incentivizing utility staff in town where AT&C losses have reduced. The scheme also requires annual reduction of utility level AT&C losses by 3%, if existing AT&C losses greater than 30% and by 1.5% per annum, if existing AT&C losses are less than 30%.

  Hence, R-APDRP scheme formulated by MoP enables state power utilities to draw their own strategies for AT&C loss reduction under Part-B and facilitates loan conversion to grant &incentivization of utility staff on AT&C loss reduction. Hence, the mechanism already exists in the scheme for formulation of strategies by utilities for AT&C loss reduction.

- **Issue: The scheme should also be implemented in a graded manner instead of extending it to more cities to make it successful. The Committee, considering the technicality of the programme, recommend that the Government should work on developing 4-5 cities from each of the regions of the Country as a role model for this programme so that the rest of the**

cities/utilities can be guided accordingly, ascertaining the method to be adopted by them which are tested and proven.

Comments: The Part-A(IT) scheme has been sanctioned progressively for 1401 towns since Feb' 09 across 29 states of the country and is being implemented in all of them. Of these 1401 towns, work has already been completed in over 264 towns & baseline data of revenue & energy is being collected through IT system established under the scheme. It reiterated that initially system is established in a pilot town in every state & then replicated to other towns. Considering above, it is not necessary for graded implementation of the scheme at this stage.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Recommendations (Sl. No.7 Para No.2.8)

2.8 The Committee further note that Power Finance Corporation (PFC) has been mandated to maintain data for AT&C losses. A perusal of the data of the last 3 years shows that it lacks authenticity and it needs to be vetted by the Ministry. For instance for the State of Jharkhand for years 2008-09, 2009-10 and 2010-11 AT&C losses have been shown as 54.16%, 10.21% and 46.79% respectively. Similar very high variations are visible in the data shown for several States like Orissa and Uttar Pradesh. AT&C losses are increasing in about dozen States prominently in Bihar, Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Tripura, J&K, Uttar Pradesh etc. The Committee are unable to comprehend as to whether the data can vary on year to year basis to such extent that one year is very less and next year it jumps as it is shown in case of Jharkhand. The Committee would like the Ministry to monitor such vital aspect and a statement of State-wise AT&C losses should be given in the Annual Report of the Ministry on annual basis. This assumes higher significance when AT&C losses becomes the basis for approval of projects under national pogrammes like R-APDRP, NEF and a new scheme for financial assistance to DISCOMs.

Reply of the Government

PFC publishes the 'Report on Performance of State Power Utilities'. The Report covers State Power Utilities (SEBs/ unbundled utilities/ Power Departments) in all the States as well as Union Territory of Puducherry and private distribution companies created as a result of reform measures (DISCOMs in Delhi & Orissa). The Report is compiled on the basis of data given in the annual accounts (audited / provisional) of SEBs/ unbundled utilities (including Discoms of Delhi & Orissa) and Annual Resource Plans submitted to the Planning Commission by State Power Departments and utilities not preparing annual accounts.

The AT&C losses for the utilities selling directly to consumers form a part of the Report. The methodology adopted by PFC for calculation of AT&C losses had been finalized in consultation with CEA, and is enclosed as Annexure – I. The information required for calculation of AT&C losses is sourced from the Annual Accounts/Resource Plans (RPs). The information not available in Annual

Accounts/RPs for calculation of AT&C losses is obtained from the utilities. The Report covering the Performance of State Power Utilities for the financial years 2008-09 to 2010-11 was published in September 2012.

The AT&C losses can vary on year to year basis due to the reasons e.g. change in percentage of units billed vis-à-vis units input in the system, change in collection efficiency etc.

The AT&C losses for the state of Jharkhand were calculated as per the methodology indicated above. AT&C losses for Jharkhand reduced from 54.16% in the year 2008-09 to 10.21% in the year 2009-10 due to the reason that Collection Efficiency increased from 76.88% in the year 2008-09 to 137.27% in the year 2009-10. The Collection Efficiency during the year 2009-10 is calculated as 137.27% due to the reason that the debtors for sale of power reduced significantly by Rs. 565 Crores from Rs. 3902 Crores as on 31st March 2009 to Rs. 3337 Crores as on 31st March 2010.

- **Issue: This assumes higher significance when AT&C losses becomes the basis for approval of projects under national programmes like R-APDRP, NEF and a new scheme for financial assistance to DISCOMs**.

Comments: Under R-APDRP, Utility Level Annual AT&C Losses shall be evaluated by Third Party Independent Evaluating Agencies-Energy Accounting [appointed by MoP/PFC] for a period of five years with first year starting in the year after completion of Part-A(IT) project. Projects are yet to be completed in any state.

It is to inform that funding under Part-A of R-APDRP is for all eligible towns based on population criteria (not on AT&C loss criteria). Towns with population >30,000 as per 2001 Census are eligible for funding under Part-A(IT) and those with >4,00,000 population as per 2001 Census & energy input greater than 350MU are eligible for funding under Part-A(SCADA).

Annexure-1

Proposed Methodology for calculation of AT&C losses (%) for utilities selling directly to consumers

A	Input Energy(Mkwh)*	Energy Generated – Auxiliary Consumption+Energy Purchased (Gross) – Energy Traded/Inter State sales
B	Transmission Losses(Mkwh)	
C	Net Input Energy (Mkwh)	(A-B)
D	Energy sold (Mkwh)	i) Energy sold to all categories of consumers including trading in Energy/Inter State Sales ii) Energy traded / Interstate sale

E	Adjusted Energy sold (Mkwh)	Energy sold to all categories of consumers excluding Energy traded/ Inter State sales D (i – ii)
F	Revenue From Sale of Energy (Rs.Cr.)	i) Revenue from sale of Energy to all categories of consumers (excluding subsidy) including trading / Inter State sales. ii) Revenue from Trading of Energy /Inter State sale
G	Adjusted Revenue From Sale of Energy (Rs./Cr.)	Revenue from sale of Energy excluding revenue from trading of energy / inter state sale F (i - ii)
H	Opening Debtors For Sale of Energy (Rs./Cr.)	i) Opening debtors for sale of Energy (without deducting provision for doubtful debtors).
I	Closing Debtors For Sale Of Energy (Rs./Cr.)	i) Closing debtors for sale of Energy (without deducting provision for doubtful debts). ii) Any amount written off directly from (i)
J	Adjusted Closing Debtors For Sale of Energy (Rs./Cr.)	I (i + ii)
K	Collection Efficiency (%)	(H+G-J)/G*100
L	Units Realized (Mkwh)	E*K/100
M	Units Unrealized(Mkwh)	C-L
N	AT&C Losses (%)	M/C*100

Note (i) *DISCOMs are required to give input energy at the point of purchase including transmission losses.

(ii) Provision for unbilled energy and debtors for trading of power have not been adjusted for calculation of collection efficiency since provision for unbilled revenue is cyclical in nature and figures of debtors are verifiable from annual accounts.

Figures in above table wherever available should tally with the annual accounts.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

CHAPTER IV

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

Recommendations (Sl. No.4 Para No.2.5)

RGGVY

The Committee note that RGGVY is a Scheme aiming at rural electrification infrastructure through Creation of Rural Electricity Distribution Backbone (REDB) with one 33/11 kV (or66/11kV) substation in every block where it does not exist, creation of Village Electricity Infrastructure (VEI) for electrification of all un-electrified villages/habitations and provision of distribution transformer(s) of appropriate capacity in every village/habitation, Decentralised Distributed Generation (DDG) and Supply System from conventional sources for Villages/Habitations where grid supply is not cost effective and where the Ministry of Non-Conventional Energy Sources would not be providing electricity through their programme(s). Under this scheme 90 per cent capital subsidy is being provided towards the overall cost of the project and Balance 10% will be loan assistance on soft terms by REC. During 10th and 11th Plan, 648 projects in 579 districts covering 1,12,795 un-electrified census villages; 3,96,336 partially electrified census villages and 274.98 Lakh BPL households with total project cost of ₹ 42,413.46 Crore (Revised Cost) have been sanctioned. In regard to achievements made under the scheme so far, it was stated that as on 31st January, 2013 electrification in 1,06,474 un-electrified villages, intensive electrification in 2,87,827 partially-electrified villages has been completed and free electricity connection to ₹ 205.15 Lakhs BPL households released. It was stated by the Ministry that the remaining ongoing work are expected to be completed by the end of 2014-15. The 12th Plan outlay under the Scheme has been earmarked as ₹ 23,397 crore whereas, for the year 2013-14, the allocation is ₹ 4500 crore. The Committee find that the Ministry is committed to complete the unfinished work by 2014-15 whereas, allocation has been made for the entire 12th Plan period which will last till March, 2017. This reflects the 'not very sure' belief with regard to the completion of remaining task under the scheme which was initially targeted to be completed during the 11th Plan itself. For the year 2012-13 only 2292 villages could be electrified against the target of 6,000 un-electrified villages while only 12.29 lakh BPL families could be provided electricity connection against the target of 35 lakh BPL connections. Consequently the financial performance during the year (2012-13) has been disappointing as only ₹ 525 crore (as on 31.01.2013) could be spent against the outlay of ₹ 4,900 crore. In regard to reasons poor utilization of funds, it was stated that an amount of Rs. 2,500.00 crore (approx.) subsidy is lying as unspent with the Implementing agencies as of 31.12.2012, delay in award of Phase II projects involving an amount of Rs. 1800 crore as Ist installment planned for release in 2012-13, non submission of closure proposals by Implementing agencies for X plan projects, non-release of final 10% due to non-fulfillment of conditionalities including franchisee deployment conditionality, slow progress of works particularly in the states of Arunachal Pradesh, Bihar, Chhattisgarh, MP and J&K, downward revision in project cost (approx. amount Rs. 500.00 crore) for 11th plan projects due to inclusion of state taxes while awarding but not payable under RGGVY. Besides, the Committee were apprised that the bulk of remaining villages were difficult and inaccessible areas. On the question of minimum hours of power supply under this Scheme, it has been stated that States have committed for a daily supply of 6-8 hours of electricity in the RGGVY network. As regards projection of the requirements of electricity at the time of the full achievement of the targets, the Committee have been apprised that it would be of the order of 4,919 MW. The Committee, in the past also, have pointed out the drawbacks in the implementation of the Scheme which include sub-contracting, low capacity transformers, non-maintenance of transformers, poor quality of work, definition of electrified villages under the scheme etc. The Committee are of the view that even after 8 years after the introduction of the Scheme, (The scheme was originally scheduled to be completed within 5 years) these identified lacunae still plague the scheme and its effective implementation. Despite diverse factors being the component of the Scheme the lacunae in the scheme needs to be addressed at the earliest in coordination with the State Governments to make the scheme a successful one. The Committee, therefore, strongly recommend that the Government should become sensitive to the aspirations of the people, by improving its implementation by taking effective measures with a view to bring sub-contracting under the scheme to the minimum, involving the elected representatives in the implementation of the scheme, making provision of adequate capacity transformers ensuring the installed infrastructures and strengthening monitoring mechanism by keeping provisions of enhancing the random checking mechanism to ensure the success of the Scheme.

Reply of the Government

Under Rajiv Gandhi GrameenVidyutikaranYojana (RGGVY), so far, 648 projects (235 projects under X Plan, 341 projects under XI Plan and 72 projects under Phase-II of RGGVY) in 579 districts have been sanctioned, covering 1,12,795 un-electrified villages, 3,96,336 partially electrified villages and release of free electricity connections to 2,74,98,652 BPL households with total revised project cost of Rs.42,547.41 crore. As on 30th April, 2013, the electrification works in 1,07,226 un-electrified villages, intensive electrification in 2,91,695 partially electrified villages has been completed and free electricity connection to 2,08,17,176 BPL households have been released under the scheme. The electrification works for the project sanctioned during X and XI Plan are expected to be completed by the end of financial year 2013-14. The stipulated period of projects sanctioned under Phase-II of RGGVY during 2011-12, is 24 months from the date of award of the contract by the implementing agencies.

During 2012-13, the electrification works in 2,587 villages have been completed against the target of 6,000 un-electrified villages and free electricity connections to 12,96,541 lakh BPL families have been released against the target of 35 lakh BPL connections. The reasons for lesser achievements in electrification of un-electrified villages and release of free electricity connections to BPL households during 2012-13, are as under:

Un-electrified villages

i) Out of 1,10,886 UE villages covered under RGGVY during X Plan and under Phase-I of XI Plan, cumulatively 1,07,083 (97%) have been achieved leaving a balance of 3803 villages. And during FY 2012-13, against the target of 6000 villages, 2587 (43%) villages have been achieved.

ii) In the balance 3803 Villages, 86% are falling in Bihar, Arunachal Pradesh, Jharkhand, Chhattisgarh, Assam, Meghalaya, Manipur, and Orissa. Further, 2606 (69%) villages are facing following constraints in electrification as below:

   a) Forest clearance: 299 villages(Assam-31, Odisha-137, Rajasthan-104, Chattisgarh-5, Bihar-19, Other States-3)

   b) River crossing: 16 villages in Assam

   c) Right of way issues: 137 villages in Meghalaya

   d) River erosion: 25 villages in Assam

   e) Absence of backward linkage: 61 villages in Manipur

   f) Remote/inaccessible: 479 villages (Assam-67, Odisha-117, Jharkand-212, Other States-83)

   g) Inefficiency of Turnkey Contractor: 418 villages(Rajasthan-68, Bihar-350)

   h) Naxal problems: 459 villages (Odisha-74, Jharkhand-35, Chattisgarh-350)

   i) Termination of contract: 116 villages(Assam-78, Rajasthan-30)

   j) Litigation: 183 villages in Manipur

   k) Difficult terrain: 207 in Arunachal Pradesh

   l) Miscellaneous: 189 villages due to CBI investigation in Jharkhand

iii) Out of the 2606 villages involving various constraints, 1062 villages are non-doable. Further, in the 3803 villages barring 2606, progress of works in the remaining 1197 villages is slow.

BPL connections

i) Out of 229.39 Lakh BPL HHs sanctioned under RGGVY during X Plan and under Phase-I of XI Plan, 207.21 Lakh (90%) have been achieved leaving a balance of 22.1 Lakhs. During the FY 2012-13, against the revised target of 34.99 Lakhs, 12.96 (37%) BPL HHs have been achieved.

ii) In the 22.1 Lakhs balance BPL HHs, 96% are falling in West Bengal, Madhya Pradesh, Jharkhand, Bihar, Arunanchal Pradesh, Chhattisgarh, Assam and Orissa.

iii) Many of the originally covered BPL Connections have been left out due to dropping of habitations with population less than 100.

iv) Some of the BPL HHs got electrified by State Discoms through their own programmes and some of BPL HH families not willing to avail connections.

Reasons for lower expenditure are as under:

i) Most of the projects under X Plan and sizeable number of projects in XI Plan are completed and their last installment of 10% was to be released against the closure proposals. Due to certain conditionalities, particularly, deployment of franchisees in rural area for revenue sustainability closure could not be completed by the respective Discoms. Therefore, the final instalment for these projects could not be released. Government of India is now actively considering to relax the condition of deployment of franchisees, after which the closure proposals and release of final installment may get speeded up.

ii) A major part of the Budget Estimate for the year 2012-13 was to be spent towards release of first installment of 72 projects sanctioned under Phase-II of RGGVY worth Rs.8110.03 crore. Majority of these projects have been sanctioned in UP and Bihar where tendering process is in different stages and except for three projects in UP, all other project in UP and Bihar could not be awarded till date. Accordingly release of first installment towards these project could be not possible.

Action/ Comments on the recommendations of the Committee:

i) It has been proposed that the sub-contracting may be allowed at one level only and that too with the prior approval of the Implementing Agencies, under XII Plan. Overall responsibility of quality and timely execution of the work shall still be the responsibility of the Implementing Agency, through main Turnkey Contractors.

ii) Monitoring works of RGGVY have also been entrusted to District Vigilance Committee headed by concerned MP by expanding the scope of District Vigilance Monitoring Committee by Ministry of Rural Development. Besides Ministry of Power has also proposed formation of District Electricity Committee under RGGVY during XII Plan to be headed by concerned MPs and also including ZilaPanchayat Presidents, MLAs and other elected representative and few nominated members from public.

iii) Transformers with adequate capacity are to be provided in Phase-II and XII Plan projects under RGGVY for all BPL households and also considering the requirements of APL households. For this purpose a realistic assessment of 250 Watts for BPL and 500 Watts for APL households have been proposed.

iv) Strict monitoring mechanism is already in place with Inter-Ministerial Monitoring Committee of Ministry of Power and Monitoring Committee headed by Chief Secretary of the respective States besides District Vigilance Monitoring Committee, District Level Electricity Committee inplaceregular review meeting by REC are also held as part of monitoring process.

Under RGGVY, Three Tier quality monitoring Mechanism, provision of random checking has already been made. Under Tier-I, TPIA is required to carry out 50% verification, under Tier-II, REC appointed Quality Monitors to carry out 10% verification and under Tier-III, MOP appointed Quality Monitors are to carry out 1%

verification. In addition, Ministry of Power and REC occasionally monitors few villages randomly through various teams including officers from Project Offices of Rural Electrification Corporation.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Comments of the Committee

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

Recommendations (Sl. No.12 Para No.2.13)

The Committee note that the Central Government Departments have Purchase Manual for Procurement. The representative from the Ministry of Power informed the Committee that they have got the Purchase Manual changed to include efficiency and star-rated products to be used as part of the central purchases. They apprised the Committee that there are a number of items where the Government of India has now mandated that as a part of the Central Purchase they would also take efficiency into account. They would not be looking at the initial capital cost. They would take into account the life cycle cost as to how much it will be during the life of that particular product. The Committee was also informed that the Committee of Secretaries has approved the proposal on 'Energy Efficiency in Public Procurement', in principle and guidelines in this regard have been issued by the Ministry of Finance. The Committee feel that this is a step in right direction. The Committee desire that the Ministry should expedite the implementation of their proposal on Energy Efficiency in Public Procurement and also monitor it regularly to ensure its adherence.

<u>Reply of the Government</u>

BEE has initiated steps for promotion of energy efficiency in procurement of certain electrical equipmentswhich are sold in a competitive market. In this regard, on the request of MOP, the Ministry of Finance had issued an Office Memorandum on 21st January 2013 to promote the BEE star rated equipments while procuring Split Air Conditioners, Frost Free Refrigerators, Ceiling Fans and Water Heaters. A copy of the Office Memorandum is at <u>Annexure</u>. As per this Office Memorandum, the public procurement agency, while procuring appliances mentioned above, will ensure that the appliances carry the threshold or higher BEE star-rating.

After the issuance of this office memorandum, Ministry of Power came out with a Press Note on 6th February, 2013. BEE also disseminated the information on office memorandum to the SDAs, Government Procurement Agencies and the manufacturers. BEE is also planning to organize a series of awareness/training workshops in this regard. The preparation of a booklet covering data on star-rating appliances, life cycle cost analysis tools, tendering guidelines, etc. is in-process.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Recommendations (Sl. No.13 Para No.2.14)

Demand vis-à-vis Availability of Electricity

The Committee are pained to note that there is great disparity in terms of per capita consumption of electricity in different States of the Country. Dadra & Nagar Haveli have the highest per capita electricity i.e. 11,863.64 kWh, whereas, Bihar is having the lowest i.e. 122.11 kWh. There are many States *viz*. Uttar Pradesh, West Bengal, Assam etc. where per capita consumption of electricity is way below the national average of 778.71 kWh. The Committee are very much aware of the fact that the electricity is under List III viz. a concurrent subject under seventh Schedule of the Constitution which means both, the Centre and the States, have to share the onus to ensure adequate electricity availability for every citizen of the Country. Primarily, the States are required to set up power plants corresponding to their needs for the electricity and available resources with them. However, they try to set up plants based on availability of funds. Whereas, the duty of the Central Government is to ensure the holistic and inclusive growth of the Power Sector by providing assistance, physical and financial, to the States who are lagging behind in the race of development due to one or the other reason. Though, the Government claims that they are focusing on planning the generation and the transmission system in the Country on the concept of optimization of utilization of resources on all-India basis rather on regional self-sufficiency, the Committee find that the Central Government have failed in ensuring equitable availability of electricity, which is base of social and economical activities and lead to overall growth of the State. Often, the less per capita consumption in certain States become a reason for setting less generating units in that State, which is not only misleading but also an injustice to the people such States. The less per capita consumption does not necessarily indicate to the less demand but it could be due to less availability of electricity. The Committee believe that this kind of disparity in States in terms of per capita availability and consumption of electricity is not in the interest of integrated and inclusive growth of the Country. The Committee, therefore, strongly recommend that the Central Government should ensure more equitable availability of electricity across the Country by providing every assistance to the lagging States for setting up more generating units and allocating more electricity from the central pool and by transmitting it to deficit regions from surplus regions.

Reply of the Government

Electricity being a concurrent subject, responsibility for its supply and distribution lies with the concerned State Government/ Power Utilities in the State. Government of India supplements the efforts of the State Governments by establishing power plants in the central sector through Central Public Sector Undertakings.

Government is committed to inclusive growth of the power sector in the country. The pace of generation capacity addition in the country has increased considerably. Generation capacity addition achieved during 11th Five Year Plan was 54,964 MW which is about 2.5 times the capacity addition achieved during the 10th

Plan period. Generation capacity addition achieved during the year 2012-13 was 20,622.8 MW which is the highest ever capacity addition in a single year. Capacity addition of 88,537 MW has been planned from conventional sources for the 12th Five Year Plan. With this level of capacity addition demand for power on an all-India basis is likely to be met by the terminal year of 12th Five Year Plan (2016-17).

Funds for setting up of power plants are generally arranged by the project developer. In addition to setting up power plants, states may meet their power requirement through purchase of power through competitive bidding to meet their requirement, based on their anticipated demand supply scenario.

Power from Central Generating Stations to beneficiary States/ Union Territories is allocated in accordance withlaid down formula for allocation of power which is being treated as guidelines from April, 2000. As per the guidelines, allocation of power is made to the States/ UTs in two parts, namely firm allocation of 85% and 15% for allocation by the Government for meeting the urgent/ overall requirement. The firm allocation includes allocation of 12% free power to the affected States and 1% for local area development in case of Hydro Power Stations and 10% (not free) power to the home state in case of thermal and Nuclear Power Stations. The balance 72% in the case of hydro plants and balance 75% in the case of Thermal/Nuclear Power Plants. Power is distributed amongst the States / UTs of the region in accordance with the pattern of central plan assistance and energy consumption during the previous five years, both factors having equal weightage. Central plan assistance is determined in accordance with the Gadgil formula, in which population of the states is also taken into consideration.

[**Ministry of Power O.M. No. 10/07/2013-Bud dated 22nd July,2013]**

Comments of the Committee

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

CHAPTER V

RECOMMENDATION/ OBSERVATION IN RESPECT OF WHICH FINAL REPLY OF THE GOVERMNET IS STILL AWATED

-NIL-

New Delhi;
12th December, 2013,
Agrahayana 21, 1935 (Saka)

MULAYAM SINGH YADAV
Chairman,
Standing Committee on Energy

APPENDIX-I

MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2013-14) HELD ON 11TH DECEMBER, 2013 IN COMMITTEE ROOM '62' PARLIAMENT HOUSE, NEW DELHI

The Committee met from 1030 hrs. to 1100 hrs.

PRESENT

LOK SABHA

Shri Mulayam Singh Yadav - Chairman

2. Shri P.C. Chacko
3. Shri Shripad Yesso Naik
4. Shri Ravinder Kumar Pandey
5. Shri Padamsinha Bajirao Patil
6. Shri A. Raja
7. Shri Baju Ban Riyan
8. Shri Nripendra Nath Roy
9. Shri Jagada Nand Singh
10. Smt. Pratibha Singh

RAJYA SABHA

11. Shri Bhubaneswar Kalita
12. Shri Kiranmay Nanda
13. Dr. Anil Kumar Sahni
14. Shri Motilal Vora

SECRETARIAT

1.	Shri Brahm Dutt	-	Joint Secretary
2.	Shri N.K. Pandey	-	Director
3.	Smt. L.Nemjalhing Haokip	-	Under Secretary

2. At the outset, the Chairman welcomed the Members and briefly apprised them of the agenda for the sitting. The Committee then took up for consideration of the following draft Reports:

i) 41st Report on 'Implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana'.

ii) 42nd Report on Action Taken by the Government on the recommendations contained in the 36th Report on 'International Cooperation in New and Renewable Energy Sector'.

iii) 43rd Report on 'Development of Hydro Sector'.

iv) 44th Report on Action Taken by the Government on the recommendations contained in the 37th Report on 'Development of National Grid'.

3. After discussing the contents of the Reports in detail, the Committee adopted the aforementioned draft Report without any change.

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

5. The Committee placed on record their appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

6. xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

The Committee then adjourned

APPENDIX-II

(*Vide* Introduction of Report)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THE 35th 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. 1,2,3,4,6,9,10,11,12,15 and16	
	Total:	11
	Percentage	68.75%
(iii)	Recommendations/ Observations which the Committee do not desire to pursue in view of the Government's replies:	
	Sl. Nos. 7 and 8	
	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. 5,13 and 14	
	Total:	03
	Percentage	18.75%
(v)	Recommendation/ Observation in respect of which final reply of the Government is still awaited:	
	- Nil -	
	Total:	00
	Percentage	00%