

**8**

**STANDING COMMITTEE  
ON ENERGY  
(2009-10)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF POWER**

*[Action Taken on the recommendations contained in the First Report  
(15th Lok Sabha) on Demands for Grants of the  
Ministry of Power for the year 2009-10]*

**EIGHTH REPORT**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

*August, 2010/Sravana, 1932 (Saka)*

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*[Action Taken on the recommendations contained in the First Report  
(15th Lok Sabha) on Demands for Grants of the  
Ministry of Power for the year 2009-10]*

*Presented to Lok Sabha on 10.8.2010*

*Laid in Rajya Sabha on 10.8.2010*



LOK SABHA SECRETARIAT  
NEW DELHI

*August, 2010/Sravana, 1932 (Saka)*

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## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE 2009-10 .....	(iii)
INTRODUCTION .....	(v)
CHAPTER I Report .....	1
CHAPTER II Recommendations/Observations that have been accepted by the Government .....	18
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies .....	55
CHAPTER IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and require reiteration .....	57
CHAPTER V Recommendations/Observations in respect of which final replies of the Government are still awaited .....	74
APPENDICES	
I. Minutes of the Sitting of the Committee held on 8th July, 2010 .....	78
II. Analysis of Action Taken by the Government on the Recommendations/Observations contained in the 1st Report (15th Lok Sabha) of the Standing Committee on Energy .....	80

COMPOSITION OF THE STANDING COMMITTEE  
ON ENERGY (2009-10)

Shri Mulayam Singh Yadav — *Chairman*

MEMBERS

*Lok Sabha*

2. Mohammad Azharuddin
3. Shri S.K. Bwiswmuthiary
4. Shri P.C. Chacko
5. Shri Adhir Ranjan Chowdhury
6. Shri Ram Sundar Das
7. Shri Paban Singh Ghatowar
8. Shri Arjun Munda
9. Shri Shripad Yesso Naik
10. Shri Sanjay Nirupam
11. Shri Jagdambika Pal
12. Shri Ravindra Kumar Pandey
13. Shri Nityananda Pradhan
14. Shri M.B. Rajesh
15. Shri K. Chandrasekhar Rao
16. Dr. K.S. Rao
17. Shri Ganesh Singh
18. Shri Radha Mohan Singh
19. Shri Vijay Inder Singla
20. Shri E.G. Sugavanam
21. Shri Subhash Bapurao Wankhede

*Rajya Sabha*

22. Shri Motilal Vora
23. Shri Santosh Bagrodia<sup>#</sup>
24. Shri Rama Chandra Khuntia

<sup>#</sup>Retired w.e.f. 4.7.2010.

25. Shri Bhagat Singh Koshyari
26. Shri Shivpratap Singh
27. Shri Shyamal Chakraborty
28. Shri Veer Pal Singh Yadav
29. Shri Govindrao Wamanrao Adik
30. Shri Mohammad Shafi
31. \*Prof. Anil Kumar Sahani

SECRETARIAT

1. Shri Brahm Dutt — *Joint Secretary*
2. Shri N.K. Pandey — *Additional Director*
3. Smt. Neena Juneja — *Committee Officer*

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\*Nominated w.e.f. 26.2.2010.

## INTRODUCTION

1. I, the Chairman, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this 8th Report on the action taken by the Government on the recommendations contained in 1st Report of the Standing Committee on Energy (15th Lok Sabha) on Demands for Grants of the Ministry of Power for the year 2009-10.

2. The 1st Report was presented to the Lok Sabha/laid in Rajya Sabha on 17th December, 2009. Replies of the Government to all the recommendations contained in the Report were received on 26th April, 2010.

3. The Report was considered and adopted by the Committee at their sitting held on 8th July, 2010.

4. An Analysis on the Action Taken by the Government on the recommendations contained in the 1st Report of the Committee is given at Appendix-II.

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

NEW DELHI;  
30 July, 2010  
9 Sravana, 1932 (*Saka*)

MULAYAM SINGH YADAV,  
*Chairman,*  
*Standing Committee on Energy.*

## CHAPTER I

### REPORT

The Report of the Committee deals with the Action Taken by the Government on the recommendations contained in the First Report (15th Lok Sabha) of the Standing Committee on Energy on Demands for Grants of the Ministry of Power for the year 2009-10.

2. The First Report was presented to Lok Sabha on 17.12.2009 and was laid on the Table of Rajya Sabha on the same day. It contained 25 Recommendations/Observations.

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:

Sl. Nos. 1, 2, 4, 5, 6, 7, 8, 9, 14, 15, 16, 17, 19, 20, 22, 23, 24 and 25.

Total=18

(Chapter-II)

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

Sl. No. 21.

Total=01

(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:

Sl. Nos. 10, 11, 13 and 18.

Total=04

(Chapter-IV)

- (iv) Observations/Recommendations in respect of which the final replies of the Government are still awaited:

Sl. Nos. 3 and 12.

Total=2

(Chapter-V)



4. The Committee desire that utmost importance should be given to the implementation of recommendations accepted by the Government. In cases, where it is not possible for the Government to implement the recommendations in letter and spirit for any reasons, the matter should be reported back to the Committee in time along with reasons for their non-implementation. The Committee also desire that the Government should furnish final replies to the recommendations in respect of which Government has furnished interim replies.

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

#### **Electricity Generation during the 10th & 11th Plan periods**

##### **(Rec. Sl. No. 1, Para No. 2.10)**

6. The Committee in their first Report had observed that despite major mile-stones achieved during 10th Plan through various policy initiatives, as claimed by the Ministry, no marked improvement had been noted in the field of power generation. The Committee had desired that the 11th Five Year Plan projects/programmes should be accomplished ensuring growth and development of the power sector leading to more generation. The Committee recommended that the public sector should continue to play a dominant role in the 11th Plan while reforms will induce the private sector for greater participation for progress.

7. The Ministry in their reply have stated:

“The annual growth in electricity generation which was 3.1% in the beginning of 10th Plan (2002-03), increased to around 5% during 2003-04 to 2005-06 before touching 7.3% by the end of 10th Plan (2006-07). The actual capacity addition achieved during the 10th Plan was 21,180 MW as against the target of 41,110 MW. The Planning Commission had fixed a capacity addition target of 78,700 MW during the 11th Plan. The annual growth in electricity generation during 11th Plan has been 6.3% (2007-08), 2.7% (2008-09) and 6.37% (April, 2009 to February, 2010). The growth in electricity generation during 2008-09 was lower mainly due to weak and delayed monsoon leading to reduced hydro generation, shortage of coal, gas and nuclear fuel as well as delay in achieving commercial operation/full generation from some of the newly commissioned thermal units due to non-completion of balance of plant works, initial stabilisation problems in some of the new

thermal units. The growth in electricity generation during 2009-10, could also have been higher than the level of 6.37% but for poor monsoon and shortage of coal.

Based on the inputs provided by the project developers and suppliers, CEA has assessed that a total capacity of 62,374 MW is likely to be commissioned with a high level of certainty during the 11th Plan. A capacity of 22,302 MW has already been commissioned till 31.03.2010 and a capacity aggregating to 40,072 MW is likely to be commissioned with a high level of certainty during the balance period of 11th Plan. This likely capacity addition of 62,374 MW during 11th Plan comprises 21,222 MW (34%) in central sector, 21,355 MW (34%) in State Sector and 19, 797 MW (32%) in Private Sector. In addition projects totaling to 12,590 MW are being attempted for commissioning on best efforts basis. The installed generation capacity in the country has increased from 132329 MW on March 31, 2007 to 159398.49 MW on 31.03.2010. Electricity generation in the country has increased from about 662.5 Billion Units in 2006-07 to 723.8 Billion Units in 2008-09, thus registering an average annual growth of about 5.5% during this period (2006-07 to 2008-09).

A capacity addition of 22,302 MW has been achieved during the first three years of the 11th plan which is higher than the total 21,180 MW capacity commissioned during the 10th Plan period. This shows that there is a marked improvement in field of power generation. Public sector would continue to play a dominant role in the 11th Plan, while efforts on the part of the Government will continue to attract private sector participation in power sector, including generation.”

**8. The Committee note that the annual growth in electricity generation was around 5% during 2003-04 to 2005-06 before touching 7.3% by the end of the 10th Plan. The annual growth in electricity generation during the 11th Plan has been 6.3% (2007-08), 2.7% (2008-09) and 6.37% (April, 2009 to February, 2010). The reasons attributed to low generation during 2008-09 have been due to lower hydrogenation because of weak and delayed monsoon, shortage of coal, gas and nuclear fuel, as well as, delay in commercial operation, full generation from some of the newly commissioned thermal units and due to non-completion of balance of plant works etc. Since the growth in electricity generation from the 10th Plan to first three years of the 11th Plan does not show a marked systematic increase**

**but only an increase of 1 to 1.5%, the Committee reiterate that all efforts should be made to increase the growth of electricity generation in the 11th Plan period to fill the gap between the demand and supply position of electricity by achieving the electricity targets fully.**

#### **Capacity Addition and Progress of 11th Plan period**

##### **(Rec. Sl. No. 2, Para No. 2.11)**

9. The Committee had noted that there had been project specific reasons which had retarded the physical and financial performance of power sector PSUs during the 10th Plan. The Committee therefore, asked the Ministry to identify the project specific reasons halting the progress of power projects in 11th Plan and address them in right perspective. The 10th Plan also showed similar trends in achievement of physical and financial targets. The Committee further noted that the effective implementation and execution of the 11th Plan targets was contingent upon fuel linkages being firmed up and the early start of work on new projects. The Committee therefore, recommended that Ministry of Power should expedite their efforts for fuel linkages and placement of orders for early procurement of equipment/ machinery necessary for the power sector in the next two years for the success of the present plan period.

10. The Ministry in their reply have stated:

“A capacity totaling to 16,212 MW is likely to slip to the 12th Plan from the proposed capacity addition target of 78,700 MW in the 11th Plan. The project specific reasons for delay in the progress of power projects in 11th Plan.

The orders for all major Civil, Electro-Mechanical and Hydro-Mechanical works for 11th Plan hydro-power projects have already been placed. Orders for main plant & equipments have already been placed in respect of 11th Plan thermal power projects.

Regarding placement of order for balance of plants, few BoPs are still left to be ordered in respect of power projects which are not included in 11th Plan Mid-Term Appraisal Target (with high degree of certainty). However, project authorities are being impressed upon to place the BoPs' orders urgently.

Coal linkages for most of the 11th Plan thermal power projects have been approved. Some of the 11th plan power projects require

tapering linkages due to delay in development of captive coal blocks. In some cases capacity has increased due to change in unit size requiring enhancement in coal linkage. Further, in regard to some of the thermal power projects under construction in 11th Plan, the coal linkage is yet to be issued/confirmed by the Coal companies due to delay in submission of commitment guarantee or land availability certificate.”

**11. The Committee note that for effective implementation and achievement of 11th Plan targets all major civil electromechanical and hydro mechanical works for the 11th Plan hydro power projects had already been placed. Similarly orders for main plant and equipments have already been placed in respect of thermal power projects planned for 11th Five Year Plan. Regarding placement of orders for Balance of Plants, few BoPs are still left to be ordered in respect of power projects which are not included in 11th Plan Mid-Term appraisal Target (with high degree of certainty). Moreover, some of the 11th Plan power projects need tapering coal linkage due to delay in development of captive coal blocks and in some cases due to change in unit size etc. of the power plants. Coal linkage is yet to be issued/confirmed by the coal companies for various reasons like delay in submission of commitment guarantee or land availability certificate etc. The Committee are anguished that issues of coal linkages for the 11th Plan power projects have still not been sorted out so far. The Committee recommend that all efforts should be made to import coal expeditiously and also make efforts to acquire coal blocks outside the country. However, adequate precautions should be taken to ensure the proper blending of coal in the power plants as per our requirements.**

#### **Mid-Term Appraisal of 11th Five Year Plan (Power Sector)**

##### **(Rec. Sl. No. 3, Paragraph No. 2.12)**

12. The Committee noted that recently the Ministry of Power had completed the mid-term appraisal of 11th Five Year Plan. As the Committee had not examined the detailed results of this exercise, they had asked the Government to take necessary action on the weak areas identified in the review so as to achieve the set targets of the 11th Plan in the remaining period of the Plan.

13. The Ministry in their reply have stated:

“As per the Mid-Term Appraisal, a total capacity of 62,374 MW is likely with a high level of certainty during 11th Plan. A capacity of 22,302 MW has already been commissioned till 31.3.2010 and a

capacity aggregating to 40,072 MW is likely to be commissioned with a high level of certainty during the balance period of 11th Plan.

The report on Mid-Term Appraisal of 11th Plan by the Planning Commission is under preparation. However, the steps taken by the Government to achieve the capacity addition target during the 11th Five Year Plan are as follows:

- Monitoring mechanism in the Ministry has been strengthened. The progress of generation projects for completion of 11th Five Year Plan is reviewed intensively in periodical meetings by Central Electricity Authority, Ministry of Power and Power Projects Monitoring Panel (PPMP). An Advisory Group under the chairmanship of Hon'ble Minister of Power with retired power secretaries amongst others has been set up to suggest ways and means to achieve the 11th Plan capacity addition targets.
- Inadequate manufacturing capacity was recognized as one of the major reasons for slippages during 10th Plan. Accordingly, the issue of inadequate manufacturing capacity was taken up with Ministry of Heavy Industry/BHEL at various fora. As a result, BHEL have taken up capacity augmentation programme to increase their capacity (Thermal + Hydro + Nuclear) to 15,000 MW/annum by March, 2010 and upto 20,000 MW by March, 2012.

The issue of supply of equipments by BHEL has been discussed in the Committee of Secretaries chaired by the Cabinet Secretary on December 8, 2009. In pursuance of the decision taken in the meeting, a Group under the Chairmanship of Secretary (Heavy Industry) to finalise a joint action plan which would lay down the schedule/ timeframe for completion of projects as per targets, has been set up. Members of the Group include Secretary (Power), Chairperson, CEA, CMD, NTPC and CMD, BHEL.

- M/s. L&T has already formed a Joint Venture Company with MHI, Japan for manufacture of supercritical steam generator and steam turbine generators in India. Other such joint ventures are M/s. JSW and Toshiba, M/s. Bharat Forge and Alstom and M/s. BB Engineering and Ansaldo for manufacture of various power plants equipments.
- All stakeholders have been sensitized towards enlarging the vendor base so as to meet the Balance of Plants (BoP) requirements.

- Pre-qualification requirement for supercritical unit manufacturers has since been modified so as to qualify new Joint Venture between Indian company and the technology provider company.
- Bulk ordering of 11 units of 660 MW each with supercritical technology with mandatory phased indigenous manufacturing Programme has also been initiated to promote indigenous manufacturing.
- To overcome the shortage of skilled manpower, 'Adopt an ITI' initiative has been taken up."

**14. The Committee note that as per the Mid-Term Appraisal, a total capacity of 62,374 MW is likely to be achieved with a high level of certainty during the 11th Plan. The Mid-Term Appraisal Report by the Planning Commission is under preparation. The Committee have however, been informed of the steps taken for achievement of capacity addition target during the Eleventh Five Year Plan. The Report of the Planning Commission on the Mid-Term Appraisal of the 11th Plan may be made available to the Committee at the earliest along with the action taken on weak areas identified by the Planning Commission.**

**Joint Ventures for manufacture of Balance of Plants (BoPs)**

**(Rec. Sl. No. 10, Para No. 3.3.18)**

15. The Committee had noted that NTPC had formed a Joint Venture Company with Bharat Forge Limited on 19.06.2008 to establish a facility, subject to establishment of techno-commercial viability to take up manufacture of castings forgings, fittings and high pressure pipings and also Balance of Plant (BoP) equipment for the power sector. NTPC and BHEL had also formed a joint venture for EPC (Engineering, Procurement and Construction) activities and equipment manufacturing for power projects. The Committee felt that these Joint Ventures should work out details of production lines to be set up and start the manufacturing units within a time schedule to ensure that they deliver all the equipment required to achieve the capacity addition targets set for this plan period and also the 12th Plan period. The Committee desired that many more Joint Ventures are set up to boost capacity addition programme.

16. The Ministry in their reply have stated:

"NTPC-BHEL Power Projects Ltd. (NBPPL) and Bharat Forge NTPC Energy Systems Ltd. are separate Joint Venture Companies

functioning under their respective independent Board of Directors. The present status of the JV Companies is given below:

JV with BHEL: To take up EPC and manufacturing of equipments for Power Projects and other Infrastructure Projects in India and abroad.

JV Company named “NTPC-BHEL Power Projects Pvt. Limited” (NBPPL) was incorporated on 29.04.2008. Shri C. P. Singh is the CMD and two full time Directors (one each from NTPC & BHEL) and 2 part time Directors (one each from NTPC & BHEL) have been nominated.

NBPPL has finalized land for setting up of manufacturing unit in Andhra Pradesh.

BHEL, Delhi has issued LOA to NBPPL for Balance of Plant Non-Turnkey package for Palatana Combined Cycle Power Plant in Tripura.

BHEL has issued another LOI for BoP items for Turnkey packages and Non-turnkey packages, for Namrup 1X100 MW Combined Cycle Power Plant.

As on date the paid-up capital of the company is Rs. 20 crore, with NTPC and BHEL's share of Rs. 10 crore each.

**JV with BHARAT FORGE LIMITED (BFL):**

JV Company “**BF-NTPC Energy Systems Ltd.**”(BFL) was incorporated on 19th June 2008 with Shri B. S. Kalyani as Chairman and Directors on Board nominated from Bharat Forge and NTPC.

To start with, JVC to concentrate on Casting and Forging for Pumps and H.P. Piping.

M/s. L&T has already formed a Joint Venture Company with MHI, Japan for manufacture of supercritical steam generator and steam turbine generators in India.

Other Joint Ventures formed as steps for achieving capacity addition target by way of manufacturing of various power plant equipments have been:—

- (a) M/s. JSW and Toshiba;
- (b) M/s. Bharat Forge and Alstom; and
- (c) M/s. BB Engineering and Ansaldo.”

17. The Committee note that some Joint Ventures like NBPPL i.e. NTPC-BHEL power projects Limited and Bharat Forge NTPC energy systems Limited have been set up to manufacture equipments for the power sector to achieve the capacity addition targets. However, a lot is required to be done to start the manufacturing process. Only land has been identified by NBPPL in Andhra Pradesh so far. Joint Venture with BFL for manufacturing, castings and forgings of pumps and HP piping, is yet to identify the land for its unit. M/s Larson and Tubro has also formed a Joint Venture company with MHI, Japan for manufacture of supercritical steam generator and steam turbine generators in India. The Committee strongly recommend that Ministry of Power should take all necessary steps to ensure that the Joint Ventures take off as per schedules and any foreseeable possible obstacles should not become the cause of any delay in capacity addition programme.

#### **Development of Hydro Power in the Country**

**(Rec. Sl. No. 11, Para No. 3.4.10)**

18. The Committee had recommended the Ministry should take up the execution of hydro power projects for which DPRs have been prepared in a time bound manner. The Committee also liked the Ministry to facilitate various statutory clearances for 34 Schemes which have been held up for non-availability of clearances. According to the Ministry a shelf of 109 projects having aggregate capacity of 30,920 MW have been kept for the 12th Plan. The Committee desired that all ground work in regard to the projects envisaged in the 12th Plan need to be undertaken immediately as the gestation period of hydro projects is quite long and in order to reap the benefits, work has to be initiated 5-7 years before the target dates.

The Ministry in their reply have stated:

“In the beginning of 11th Plan, the Planning Commission has approved a capacity addition of 78,700 MW in 11th Plan period comprising of 36,874 MW (46.9%) in Central Sector, 26,783 MW (34%) in State Sector and 15,043 MW (19.1%) in Private Sector. The Hydro capacity addition share during 11th Plan is 15,627 MW (8,654 MW in Central Sector, 3,482 MW in State Sector and 3,491 MW in Private Sector). Hydro projects with aggregate installed capacity of 3431 MW has already been commissioned and balance projects are under various stages of Implementation.



Based on mid-term review, the status of hydro capacity addition is now as under:

• Projects commissioned	—	3,431 MW
• Projects expected to be commissioned during remaining period of 11th plan with high degree of confidence	—	4,764 MW
Commissioned + expected with confidence	—	<b>8,195 MW</b>
• Projects with efforts	—	2,110 MW
• <b>Projects expected in 11th plan from the prog.</b>	—	<b>10,305 MW</b>
• Projects expected from outside the programme	—	42 MW
• <b>Total capacity expected in 11th Plan</b> (Including those with efforts)	—	<b>10,347 MW</b>
• Projects slipping from the prog. of 11th plan	—	5,322 MW

19. As regards, pending statutory clearances in respect of 34 schemes, it is informed that there are several statutory clearances which are required for an H.E. Project viz., environmental & forest clearances, technical clearances, defence clearances, MHA clearances etc. So far this Ministry is concerned, the Central Electricity Authority (CEA) awards technical clearances to HE Projects. 43 Nos. of Hydro Electric Schemes with installed capacity 20743 MW have been cleared by CEA since 2002-03. The DPR of 11 Nos. of H.E. Schemes with total installed capacity of 7740 MW are presently under examination/preliminary scrutiny in CEA. The CEA adheres a time limit of 90 days to give technical clearance to an H.E. Project, if the DPR is in conformity with the guidelines.

As regards, the projects envisaged in the 12th Plan (2012-17) is concerned, a shelf of 87 candidate hydro projects having aggregate capacity of 20334 MW have been prepared to meet the requirement of additional capacity. The sector-wise breakup of these hydro projects is given below:—

	Nos.	Capacity (MW)
Central	19	7034
State	32	7169
Private	36	6131
<b>Total</b>	<b>87</b>	<b>20334</b>

20. The Committee note that hydro capacity addition share during the 11th Plan is 15,627 MW. Hydro projects with aggregate installed capacity of 3431 MW have been commissioned in the first three years of the Plan period and balance projects are under various stages of implementations. Projects with capacity of 5,322 MW are slipping from the programme of 11th Plan. The Committee are astonished at the fact that one third capacity addition of the 11th Plan in the hydro sector is slipping from the programme. Moreover, the Committee have not been given any information on the ground work initiated undertaken or proposed to be undertaken for a shelf of 87 hydro power projects having aggregate capacity of 20,334 MW to be taken up in 12th Plan. Keeping in view the performance of 11th Plan in hydro sector, Detailed Project Reports should be prepared for the Hydro Projects envisaged for the 12th Plan scrupulously avoiding the factors responsible for the poor performance during 11th Plan.

#### **Development of Hydro Power in the North Eastern Region**

**(Rec. Sl. No. 12, Para No. 3.4.11)**

21. The Committee had been informed that an Inter-Ministerial Group (IMG) has been constituted to evolve a suitable framework to guide and accelerate development of hydro power in the North-East and Secretary, Ministry of Power is one of the Members of the IMG. The Group was to go into the details of identified issues and evolve suitable frame work to guide and accelerate development of hydro power in the North Eastern region. The Group was to submit its Report in 4 months. The Committee were also dismayed to note that a number of projects of NEEPCO had suffered time and cost overruns. The Kameng project was scheduled for commissioning in 2009-10 but may not be ready before 2012-13. The Turial project was scheduled to be commissioned in 2005-07 but has been called off on account of local agitation and revival of the works is under the consideration of the Government. The Committee wanted to be apprised of the latest developments in this regard and hoped that early solution to the problems related to development of hydro power in the North-Eastern region of the country were arrived at.

22. The Ministry in their reply have stated:

“In order to evolve a suitable framework to guide and accelerate the development of hydro power in North East an Inter Ministerial Group under the Chairmanship of Secretary Water Resources was constituted. Four meetings of the IMG were convened and detailed

discussion were held amongst the members and special invitees to finalized the report. The report of the IMG has been finalized and a copy of the report has been sent to PMO by the Ministry of Water Resources.

#### **Tuirial H.E. Project**

A revised PIB note at June, 2009 PL amounting to Rs. 836.14 crore for taking a decision on the revival of the project was circulated among the appraising agencies. PIB in its meeting held on 19.3.2010 considered the proposal regarding Tuirial H.E. Project wherein it was recommended by PIB that the proposal should be resubmitted after updating the cost estimates to the March, 2010 Price Level with reasons for escalation under standard heads prescribed by the Planning Commission, keeping in view the observations made by PIB.

**Kameng HEP (600 MW), Arunachal Pradesh :** The Investment approval was accorded on 02-12-2004 at a cost of Rs 2496 crores. All the packages have been awarded. The original commissioning schedule was December' 09 which has been revised to May, 2013. There have been major design changes of major hydraulic structures of the project, poor geological conditions in Head Race Tunnel, High Pressure Tunnel, Power House site and occurrence of flash flood in October, etc. resulting in delay of commissioning of the project. NEEPCO is presently working on formulating the RCE of the project."

**23. The Committee note that Report of the Inter-Ministerial Group (IMG) which was constituted to evolve a suitable framework to guide and accelerate development of hydro power in the North Eastern Region, has been finalized and a copy of the same has been sent to PMO. The Committee desire that necessary action on the Report should be initiated at the right earnest for concrete action into the matter and under intimation to the Committee.**

#### **Role of private sector in the North Eastern Region**

**(Rec. Sl. No. 13, Para No. 3.4.12)**

24. It came to the notice of the Committee that some projects in the North Eastern Region were being given to private developers. The Committee desired that the Ministry of Power look into this matter seriously and try to resolve the issues between NEEPCO and the State Government. The Committee desired that the issue might

also be referred to Inter-Ministerial Group for their consideration. The Committee hoped that projects of survey and investigation, for which money has been allocated would not be surrendered and work would continue on the same in the future. The Committee specifically asked the Ministry to take up the matter with the State Government of Arunachal Pradesh for allocating projects to NEEPCO for which DPR was carried out by them instead of handing over to private players.

25. The Ministry in their reply have stated:

“As a premier power developer under Govt. of India, NEEPCO since inception has always been given top priority in allotment of Power Projects by the respective State Governments of the Region. However, of late, the Govt. of Arunachal Pradesh has been allotting the Projects after payment of upfront premium, which NEEPCO cannot provide.

It may be pertinent to mention that the Govt. of Arunachal Pradesh had allotted the following projects to NEEPCO for carrying out S&I activities and preparation of DPR in the state:

1. Dibbin H.E. Project (125 MW)
2. Talong H.E. Project (160 MW)
3. Badao H.E. Project (70 MW)
4. Kapak Leyak H.E. Project (160 MW)
5. Ranganadi Stage-II H.E. Project (130 MW)
6. Kameng-I H.E. Project (1120 MW)
7. Kameng-II H.E. Project (600 MW)
8. Kameng Dam H.E. Project (600 MW)

However, the Projects under Sl. No. 1, 7 & 8 is under process of handover to the Private Developers in view of the decision taken by the State Govt. of Arunachal Pradesh.

In regard to Project under Sl. No. 2, as decided by the Govt. of Arunachal Pradesh, the same was already handed over to the Private Developer.

Detailed Project Report of Ranganadi Stage-II H.E. Project *i.e.* project under Sl. No. 5 was prepared and submitted to CEA. However, much headway could not be achieved due to non

conclusion of MoA with the Govt. of Arunachal Pradesh who desired that upfront payment needs to be effected prior to signing of MoA. Further, the State Govt. has withdrawn the authorization from NEEPCO for carrying out S&I activities in respect of Projects under Sl. No. 4 & 5.

Although MoU was signed with Govt. of Arunachal Pradesh in regard to S&I activities and execution of Kameng-I H.E. Project *i.e.* project under Sl. No.6, the S&I activities could not be initiated for want of clearance from National Board of Wild Life (NBWL) due to submergence of part of Pakke Tiger Reserve. Necessary action has been taken up with NBWL for according clearance against the Project. The Corporation has requested the State Govt. of Arunachal Pradesh to take up the matter with competent Authority on behalf of NEEPCO. The State Govt. has agreed to the proposal and matter is being taken up by them.

The issue of withdrawal of authorization issued to NEEPCO by Govt. of Arunachal Pradesh for undertaking works relating to survey & investigation and preparation of DPRs for development of Hydro Electric Projects was considered in the Ministry of Power and was also taken up at the highest level through DoNER with Govt. of Arunachal Pradesh for signing the implementation agreement with NEEPCO for implementation of Ranganadi Stage-II (130 MW), Badao (70 MW) and Kapak Leyak (160 MW). In order to resolve the outstanding issues of various hydro projects under implementation by NEEPCO in the State of Arunachal Pradesh, a meeting was held between the Hon'ble Chief Minister of Arunachal Pradesh and NEEPCO on 10th December, 2009 wherein all the issues were discussed extensively."

**26. The Committee note that NEEPCO, a power developer under the Central Sector had earlier been given top priority in allotment of power projects by the respective State Governments in the North Eastern Region. However, of late, the Government of Arunachal Pradesh has been allotting the projects to private developers after receiving payment of upfront premium. The Committee are not averse to the idea of allotting power projects to the private sector but it is however not appropriate to transfer projects from PSUs to private sector for which assessment work and preparation of DPRs has been done by them. In case of, NEEPCO which had carried out S&I activities and prepared DPRs in the State on 8 projects out of which 4 are understood have been handed over to private developers and the State Government has withdrawn the authorization from**

**NEEPCO for carrying out S&I activities in respect of other projects. Although the Ministry have informed that efforts are being made to resolve the issue at the highest level through the Department of North Eastern Region (DoNER) with the Government of Arunachal Pradesh, however, nothing tangible has come out so far. The Committee would like to be appraised of the conclusive action taken in the matter.**

#### **Electrification of BPL households and villages under RGGVY**

**(Rec. Sl. No. 18, Para No. 3.8.12)**

27. The Committee were deeply concerned to note that the electrification of BPL households situated within the villages had not made much headway. The Committee had been informed that the programme was basically aimed at BPL and the programme in the village was initiated by providing the basic infrastructure and if any additional requirement was there on account of APL, the State Governments were expected to put in the extra transformers/equipment. Needless to point out that the Centre and State Governments were required to work together in this field. The Committee felt that the Government should look at village electrification schemes with a holistic and integrated approach rather than selecting groups of BPL households located within a village, for the success of the programme. The planning and implementation of the scheme in these cases required major thrust and initiatives. The Committee desired that the Ministry should look into these problems more realistically and then chalk out an action plan, for electrification of the village along with BPL households. The Secretary, Ministry of Power also admitted that there were various problems regarding implementation of the scheme in four States *i.e.* Assam, Bihar, Orissa and Jharkhand. The Committee recommended that more stringent monitoring mechanism needed to be put in place not only in these States but also all over the country to ensure speedy implementation of this rural electrification programme.

28. The Ministry have stated:—

“For adopting a holistic approach towards rural electrification, Rural Electrification Policy was finalized in consultation with all the stakeholders and notified in August 2005. The aim is to provide rural electricity backbone to provide access to electricity to all rural households. Accordingly, the earlier RE scheme of “Accelerated electrification of one lakh village and one Crore households” with 40% subsidy was converted into RGGVY with

90% subsidy. The scope of the scheme was also widened by including electrification of majras and tolas also with revenue villages. Under RGGVY free connections are being provided to all the BPL households under the covered area, whereas under earlier scheme connections were being provided to only 10% households in the village to fulfil definition of village electrification. Under RGGVY, access to electricity is to be provided to all the rural households, including APL households. However, the connections by APL households have to be taken by paying the normal connection charges to the utility. Projects, submitted by the States under RGGVY, have been sanctioned in accordance with the RGGVY guidelines subject to the budgetary outlay of the scheme.

As rural electrification is the joint responsibility of Centre and States, States should come forward to fill the gaps, wherever required. Ministry of Power feels that scope of RGGVY does not need any enlargement at this stage (till whole country is covered with the present scope of scheme).

Rural Electrification in Assam, Bihar, Jharkhand and Orissa is at crucial stage at present. Presently, these States have maximum number of un-electrified villages at this stage. All the RGGVY projects have been sanctioned and are under implementation. It is expected that the major work shall be completed by 2011-12. Nodal officers have been identified for close monitoring of rural electrification in these States. Minister of Power, Minister of State for Power, Secretary (Power), RGGVY Monitoring Committee and other officers are closely monitoring implementation of RGGVY in the country with special emphasis on the above four States.”

**29. The Committee had desired that the Ministry to look at the Village Electrification Schemes with a holistic and integrated approach rather than selecting groups of BPL households located within a village, for the success of the programme. The Ministry have replied that since rural electrification is the joint responsibility of Centre and States, and States should come forwarded to fill the gaps, whenever required. The Ministry of Power has submitted that changing the scope of the scheme is not required. The Committee, however, feel that the Ministry of Power should take necessary steps to coordinate with State Governments on electrification of villages as well as BPL households so that both are carried out simultaneously. Any action in a disconcerted manner will not only belie the target achievements but also result in revenue loss and sufferings to the most deprived sections of the society. The**

**Ministry of Power have also informed that Rural Electrification in Assam, Bihar, Jharkhand and Orissa is at crucial stage and presently these States have maximum number of un-electrified villages. The Committee reiterate that all out efforts should be made to electrify villages and BPL households in these States without any delay.**



## **CHAPTER II**

### **OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **(Rec. Sl. No. 1, Para No. 2.10)**

The Committee note that during 10th Five Year Plan, the Government initiated reforms in the power sector starting with the enactment of Electricity Act, 2003. Many of the States restructured or corporatised their power sector and transformed their electricity boards into separate entities for transmission, distribution and generation. States also constituted or notified the constitution of SERCs, the Central Government notified the National Electricity Policy in 2005 and National Tariff Policy, 2006. The Central Government also notified the Rural Electricity Policy in August, 2006. The Central Government constituted the Appellate Tribunal for Electricity and the same became operational in July, 2005. Open access was also technically allowed and also made functional for inter-State transmission. Guidelines were formulated on Merchant Power Plants with an aim to restructure the electricity industry in November, 2006. The launch of the Ultra-Mega Power Projects (UMPPs) was also one of the initiatives in the 10th Plan as the Electricity Act, 2003 required competitive tariff based bidding from independent power producers. The Committee, however, observe that despite major mile-stones achieved during 10th Plan through various policy initiatives, as claimed by the Ministry, no marked improvement has been noted in the field of power generation. The Committee hope that the 11th Five Year Plan projects/programmes would be accomplished ensuring growth and development of the power sector leading to more generation. The Committee hope that the public sector will continue to play a dominant role in the 11th Plan while reforms will induce the private sector for greater participation for progress.

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

The annual growth in electricity generation which was 3.1% in the beginning of 10th Plan (2002-03), increased to around 5% during 2003-04 to 2005-06 before touching 7.3% by the end of 10th Plan (2006-07). The actual capacity addition achieved during the 10th Plan was 21,180 MW as against the target of 41,110 MW. The Planning Commission had fixed a capacity addition target of 78,700 MW during

the 11th Plan. The annual growth in electricity generation during 11th Plan has been 6.3% (2007-08), 2.7% (2008-09) and 6.37% (April, 2009 to February, 2010). The growth in electricity generation during 2008-09 was lower mainly due to weak and delayed monsoon leading to reduced hydro generation, shortage of coal, gas and nuclear fuel as well as delay in achieving commercial operation/full generation from some of the newly commissioned thermal units due to non-completion of balance of plant works, initial stabilisation problems in some of the new thermal units. The growth in electricity generation during 2009-10, could also have been higher than the level of 6.37% but for poor monsoon and shortage of coal.

Based on the inputs provided by the project developers and suppliers, CEA has assessed that a total capacity of 62,374 MW is likely to be commissioned with a high level of certainty during the 11th Plan. A capacity of 22,302 MW has already been commissioned till 31.03.2010 and a capacity aggregating to 40,072 MW is likely to be commissioned with a high level of certainty during the balance period of 11th Plan. This likely capacity addition of 62,374 MW during 11th Plan comprises 21,222 MW (34%) in Central Sector, 21,355 MW (34%) in State Sector and 19,797 MW (32%) in Private Sector. In addition projects totaling to 12,590 MW are being attempted for commissioning on best efforts basis. The installed generation capacity in the country has increased from 1,32,329 MW on March 31, 2007 to 1,59,398.49 MW on 31.03.2010. Electricity generation in the country has increased from about 662.5 Billion Units in 2006-07 to 723.8 Billion Units in 2008-09, thus registering an average annual growth of about 5.5% during this period (2006-07 to 2008-09).

A capacity addition of 22,302 MW has been achieved during the first three years of the 11th Plan which is higher than the total 21,180 MW capacity commissioned during the 10th Plan period. This shows that there is a marked improvement in field of power generation. Public sector would continue to play a dominant role in the 11th Plan, while efforts on the part of the Government will continue to attract private sector participation in power sector, including generation.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

#### **Comments of the Committee**

(Please see para 8 of Chapter-I of the Report)

**(Rec. Sl. No. 2, Para No. 2.11)**

The Committee observe that the proposed capacity addition in the 11th Plan is three and a half times of that achieved in the 10th Plan. The Committee note that as against the proposed capacity addition in the 11th Plan of 78,700 MW a capacity of 16,712 MW is slipping to the 12th Plan. Since most of the power projects including Ultra Mega Power Projects (UMPPs) envisaged in the 11th Plan are likely to be commissioned only in the 12th Plan and capacity addition of 78,700 MW may not be achieved. Moreover, against an outlay of Rs. 3,08,910.24 crore approved by the Planning Commission for the 11th Plan (comprising GBS of Rs. 30,451.91 crore and IEBR of Rs. 2,78,458.33 crore) during the first two years out of a total Plan outlay of Rs. 73,613.36 crore, the actual expenditure was only Rs. 60,879.31 crore. The Committee further note that there had been project specific reasons which had retarded the physical and financial performance of power sector PSUs during the 10th Plan. The Committee, therefore, would like the Ministry to identify the project specific reasons halting the progress of power projects in 11th Plan and address them in right perspective. The 10th Plan also showed similar trends in achievement of physical and financial targets. The effective implementation and execution of the 11th Plan targets is also contingent upon fuel linkages being firmed up and the early start of work on new projects. The Committee, therefore, recommend that Ministry of Power should expedite their efforts for fuel linkages and placement of orders for early procurement of equipment/machinery necessary for the power sector in the next two years for the success of the present plan period.

**Reply of the Government**

A capacity totaling to 16,212 MW is likely to slip to the 12th Plan from the proposed capacity addition target of 78,700 MW in the 11th Plan. The project specific reasons for delay in the progress of power projects in 11th Plan is enclosed at **Annexure-I**.

The orders for all major Civil, Electro-Mechanical and Hydro-Mechanical works for 11th Plan hydro-power projects have already been placed. Orders for main plant & equipments have already been placed in respect of 11th Plan thermal power projects.

Regarding placement of order for balance of plants, few BOPs are still left to be ordered in respect of power projects which are not included in 11th Plan Mid-Term Appraisal Target (with high degree of certainty). However, project authorities are being impressed upon to place the BOPs' orders urgently.

Coal linkages for most of the 11th Plan thermal power projects have been approved. Some of the 11th Plan power projects require tapering linkages due to delay in development of captive coal blocks. In some cases capacity has increased due to change in unit size requiring enhancement in coal linkage. Further, in regard to some of the thermal power projects under construction in 11th Plan, the coal linkage is yet to be issued/confirmed by the Coal companies due to delay in submission of commitment guarantee or land availability certificate. Details are enclosed at **Annexure-II**.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

**Comments of the Committee**

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

ANNEXURE I

**HYDRO POWER PROJECTS LIKELY TO SLIP FROM 11TH PLAN  
ORIGINAL TARGET (78,700 MW)**

Particulars	Benefits (MW)	Remarks/Critical Areas
1	2	3
<b>Central Sector</b>		
<b>Parbati St-II</b> NHPC, HP. 4x200= 800 MW	800	<ul style="list-style-type: none"> <li>• Delay in revised forest clearance.</li> <li>• Slow progress of HRT due to poor geology.</li> <li>• Slide in Power House area in Feb., 2007.</li> </ul>
<b>Rampur SJVNL, H.P.</b> 6 x 68.67= 412 MW	412	<ul style="list-style-type: none"> <li>• Slow progress of HRT due to poor geology.</li> </ul>
<b>Loharinaggala</b> NTPC, Uttaranchal 4x150= 600 MW	600	<ul style="list-style-type: none"> <li>• Work suspended due to environmental concerns.</li> <li>• Delay in forest clearance for approach road to Helgu Adit.</li> </ul>
<b>Tapovan Vishnugad</b> NTPC, Uttaranchal 4x130= 520 MW	520	<ul style="list-style-type: none"> <li>• Civil works of HRT due to delay in procurement/deployment of Tunnel Boring Machine by Civil Contractor.</li> <li>• Poor rock strata encountered in power house.</li> </ul>
<b>Subansiri Lower</b> NHPC, A.P. 8x250=2000 MW	2000	<ul style="list-style-type: none"> <li>• Frequent stoppage of work by locals in Andhra Pradesh side.</li> <li>• Signing of MOU with State Govt.</li> </ul>
<b>Kameng NEEPCO, A.P.</b> 4x150= 600 MW	600	<ul style="list-style-type: none"> <li>• Adverse geology resulting in slow progress in HRT. Also flash flood on 28.10.2008 caused major damage to some of the works.</li> </ul>
<b>Sub-Total (CS):</b>	<b>4932</b>	
<b>State Sector</b>		
<b>Uhl-IIIIH PJVVNL, H.P.</b> 3x33.3= 100 MW	100	<ul style="list-style-type: none"> <li>• Cancellation of contract for HRT and Neri Khad works due to slow progress.</li> <li>• Fresh award placed in October, 2008.</li> <li>• Poor geology in HRT.</li> </ul>
<b>Lower Jurala</b> APGENCO, A.P. 6x40= 240 MW	120	<ul style="list-style-type: none"> <li>• Order for E&amp;M works was placed on Chinese Firm CMEC (L1) in Jan., 2008 who did not sign the agreement due to exchange fluctuation.</li> </ul>

1	2	3
		<ul style="list-style-type: none"> <li>The fresh order was placed on M/s Alsthom India Ltd. with commissioning of 3 units by December, 2011 and balance 3 units in 12th Plan.</li> </ul>
<b>Sawara Kuddu</b> PVC, H.P. 3x36.67= 110 MW	110	<ul style="list-style-type: none"> <li>Initial delay due to MOE&amp;F clearance, clearance obtained on 17.05.2007.</li> <li>Delay in award of Civil &amp; E&amp;M package. Civil package of HRT was awarded in June, 2007 and E&amp;M package awarded in Feb., 09.</li> </ul>
<b>Pallivasal</b> KSEB, Kerala 3x20= 60 MW	60	<ul style="list-style-type: none"> <li>Delay in land acquisition.</li> <li>Slow progress of civil works.</li> </ul>
<b>Sub-Total (SS):</b>	<b>390</b>	
<b>Total (Slipping):</b>	<b>5322 MW</b>	

ANNEXURE I

THERMAL POWER PROJECTS LIKELY TO SLIP FROM  
11TH PLAN ORIGINAL TARGET (78700 MW)

Sector Reasons for Slipping State	Project Name	Impl. Agency	Order Date	Unit No.	Cap. (MW)	Ant. Comm. Date (@)
1	2	3	4	5	6	7
CENTRAL SECTOR						
Bihar	Barh STPP- I	NTPC	03/2005	U-1	660	09/2012
	Contractual issues (dispute between Powermachines Russia & NTPC)			U-2	660	03/2013
				U-3	660	09/2013
	Barh STPP-II		03/2008	U-1	660	10/2012
	Delay in placement of main plant order. Order was placed in 03/08.					
	Nabi Nagar TPP		01/2008	U-1	250	04/2012
	Zero date not yet finalised.					
				U-2	250	06/2012
	Land for the projects to be acquired.					
				U-3	250	10/2012
Jharkhand	BokaroTPS "A"Exp.	DVC	06/2008	U-1	500	07/2012
	Underground CW channel to be dismantled for start of work of boiler foundations.					
Maharashtra	Mauda TPP	NTPC	11/2008	U-2	500	11/2012
	Delay in placement of order for main plant. Order was placed in 11/08.					
TN	Tuticorin JV	NLC	01/2009	U-1	500	04/2012
	Delay in placement of order for main plant. Order was placed in 01/09.					
				U-2	500	02/2013
Tripura	Tripura Gas	ONGC	06/2008	Module 1	375	07/2012
	Orders for main plant civil works and logistics to be placed by BHEL.					
	- Forest clearance from MOE&F for erection of transmission lines is awaited.					
	- Widening of roads for transportation of heavy equipments to be done.					
				Module-2	375	12/2012
			Sub Total :		6140	

1	2	3	4	5	6	7
STATE SECTOR						
AP	Kakatiya TPP Extn.	APGENCO	10/2008	U-1	500	07/2012
	Delay in placement of order for main plant. Order was placed in 10/08.					
Chhattisgarh	Korba West St-III.	CSEB	04/2008	U-5	500	05/2012
	Delay in placement of order for main plant. Order was placed in 04/08.					
	Marwa TPP		03/2008	U-1	500	09/2012
	Delay in placement of order for main plant. Order was placed in 03/08.					
				U-2	500	11/2012
Gujarat	Sikka TPP Extn.	GSECL	04/2007	U-3	250	05/2012
	- Construction work held up in want of conditional environment clearance by MOE&F.					
	- Orders for BOPs are yet to be finalised.					
				U-4	250	09/2012
MP	Malwa TPP	MPGENCO	12/2008	U-1	500	05/2012
	- Delay in placement of order for main plant. Order was placed in 12/08.					
	- Orders for BOPs to be finalised.					
				U-2	500	09/2012
	Satpura TPP Extn.	MPPGCL	03/2008	U-2	250	07/2012
	- Delay in placement of order for main plant.					
	- Coal linkage not available.					
	- Civil works yet to commence.					
	- Orders for BOPs to be placed.					
Rajasthan	Kalisindh TPS	RRVUNL	07/2008	U-1	500	05/2012
	- Delay in placement of order for main plant. Order was placed in 07/08.					
	- Orders for BOPs to be finalised.					
UP	Anpara-D	UPRVUNL	10/2007	U-2	500	06/2012
	Agency for civil works to be finalised.					
	Sub Total :				4750	
	Total (11th Plan):				10890	

NOTE:- @ Anticipated schedules are subject to resolution of the issues indicated against each project.



ANNEXURE II

LIST OF 11TH PLAN STATE/CENTRAL/JOINT SECTOR  
PROJECTS AWAITING COAL LINKAGE

S.No.	Name of Project	Executing Agency	Capacity (MW)	Remarks
1	2	3	4	5

**A. 11th Plan Thermal Projects for which coal linkage is yet to be approved**

1.	Sagardighi TPP	WBDCL	2x300	<ul style="list-style-type: none"> <li>• The project already has coal linkage for 2x250 MW.</li> <li>• Due to change in unit size from 2x250 MW to 2x300 MW WBDCL have requested for additional 1.15 mtpa coal which was recommended by CEA/MoP.</li> <li>• SLC in its last meeting considered the project, the Committee decided that the project may be examined on file.</li> <li>• Coal linkage is yet to be approved.</li> </ul>
	Raghunathpur TPS	DVC	2x500+20% (Tapering Linkage)	<ul style="list-style-type: none"> <li>• DVC had requested for Additional tapering linkage is required for 700 MW. SLC in its last meeting considered the project and decided that the project may be examined on file.</li> </ul>
	Mejia TPS Phase-II	DVC	2x500 (Tapering Linkage)	<ul style="list-style-type: none"> <li>• DVC had requested for tapering linkage of 2.5 MTPA.</li> <li>• SLC in its last meeting considered the project and decided that the project may be examined on file.</li> </ul>
	Santalalih TPP Unit-6	WBDCL	250	<ul style="list-style-type: none"> <li>• SLC in its last meeting considered the project and decided that the project may be examined on file.</li> </ul>

1	2	3	4	5
	Ukai TPS Expansion Unit-6	GSECL	490	<ul style="list-style-type: none"> <li>• SLC in its last meeting considered the project and decided that the project may be examined on file.</li> </ul>
	Mettur TPP St.III TNEB Tamil Nadu (Change in unit size)	1x600	100	<ul style="list-style-type: none"> <li>• The project has approved coal linkage for 500 MW capacity. Due to change in unit size from 500 MW to 600 MW, TNEB has applied for enhancement of coal linkage to MoC on 25.07.2008.</li> </ul>
	Lignite based TPS of M/s Rajwest Power Ltd. at Barmer (Rajasthan)	8 x 135	8x135 Tapering coal linkage	<ul style="list-style-type: none"> <li>• M/s Rajwest Power Ltd. has applied for tapering coal linkage for their lignite based TPS at Barmer due to delay in development of the lignite mines.</li> <li>• As per the present status of the construction of power project, the first four units of 135 MW are expected to be commissioned in the current year and remaining units in the year 2010-11.</li> <li>• As such the project will need tapering coal linkage till the development of lignite mine.</li> </ul>
	Vindhyachal STPP Stage-IV, NTPC	2x500	2x500	<ul style="list-style-type: none"> <li>• SLC in its last meeting had noted that a large number of Power Plants are coming up in NCL area and Northern India. Further, there is already transportation constraints in NCL area for the existing plants of NTPC located at Vindhyachal. Therefore, the viability of project from the point of coal availability and evacuation may be examined in detail by CEA/MoP in consultation with NCL/CIL and based on the same, the SLC(LT) would take up this case for consideration in its next meeting.</li> </ul>

1	2	3	4	5
<b>B. 11th Plan Thermal Power Projects which are recommended by SLC(LT), LoA is yet to be issued</b>				
1.	Anpara 'D' Unit-2	UPRVUNL	500	<ul style="list-style-type: none"> <li>LoA was recommended in the SLC meeting held on 12.11.08.</li> <li>LoA for Unit-II is yet to be issued due to delay in submission of land details.</li> <li>The land certificate for 2 x 500 MW Anpara D TPP furnished by UPRVUNL <i>vide</i> letter dated 20.04.2009 was forwarded to Coal India Limited <i>vide</i> CEA letter dated 20.05.2009.</li> </ul>
2.	Kodarma TPS Phase-I	DVC	2x500	DVC <i>vide</i> letter dated 7.9.09 have requested Ministry of Coal for extension of validity of longterm coal linkage so that they can submit the commitment guarantee.
3.	Maithon Right Bank TPS	Maithon Power Ltd. a Joint Venture of DVC and the Tata Power Co. Limited	2x525	<ul style="list-style-type: none"> <li>M/s MPL <i>vide</i> letter dated 8.10.2009 has informed that CIL has cleared Unit-1 only for issue of LOA as the Unit-2 has been wrongly recorded as 12th Plan project in the record notes of discussions of last SLC(LT) meeting held on 12.11.2008. Ministry of Power <i>vide</i> letters dated 4.2.2009 &amp; 17.7.2009 has already clarified to Min. of Coal that Maithon Right Bank project is to be commissioned in 11th Plan.</li> </ul>
4.	Vallur TPS Phase-II	NTPC Tamil Nadu Energy Company Ltd. (a JV & NTPC & TNEB)	1x500	
5.	Mauda TPS Unit-2	NTPC	500	

1	2	3	4	5
6.	Bokaro 'A' TPS	DVC	1x500	<ul style="list-style-type: none"> <li>DVC could not submit the commitment guarantee within the stipulated time period. DVC have requested Min. of Coal for extension of validity of longterm coal linkage approved from CCL for Bokaro 'A' TPS (1 x 500 MW) to enable DVC to submit the commitment guarantee as applicable.</li> </ul>
7.	Chandrapura TPS Unit-7 & 8	DVC	2x250	<ul style="list-style-type: none"> <li>LT linkage approved for 2.08 MTPA</li> <li>CCL to intimate DVC to furnish the commitment guarantee as applicable.</li> </ul>

**(Rec. Sl. No. 4, Para No. 3.1.2)**

Since the budgetary provisions have already been passed by the Parliament, the Committee endorse the same. The programmes/schemes under the Ministry *vis-à-vis* budgetary provisions have been discussed in the succeeding paragraphs. The Committee would like the Ministry to take note of the recommendations of the Committee while carrying out the programmes and schemes within the approved budgetary provisions.

**Reply of the Government**

The Ministry has taken note of the recommendations of the Committee for carrying out the programmes and schemes within the approved budgetary provision.

[Ministry of Power, O.M. No. 10/4/2009 – Budget, dated 26.4.2010]

**(Rec. Sl. No. 5, Para No. 3.2.13)**

The Committee note that the Budget Estimates of Ministry of Power for the year 2009-10 including IEBR have been placed at Rs. 53,126.27 crore. While the Budget Estimates (2008-09) including IEBR were Rs. 40,460.10 crore and Revised Estimates were Rs. 36,306.47 crore, the actual utilization was Rs. 35,231.44 crore comprising of Rs. 6,044.86 crore as GBS and Rs. 29,186.58 crore as IEBR which was 87.08% of Budget Estimate and 97.04% of Revised Estimate respectively. The Committee also note that the utilization of funds quarterwise was 9.87%, 15.50%, 18.27% and 43.43% in the 1st, 2nd, 3rd and 4th quarters of 2008-09 respectively. Although the Ministry have justified that the expenditure in the first quarters is low and it picks up in the subsequent quarters, the Committee are apprehensive whether this situation would overcome in the subsequent years. Although a mechanism is reportedly in place to monitor new and ongoing projects for early sanction and utilization of funds not perceptible improvement has been observed in this regard. Even for the schemes like RGGVY, the Ministry have stated that funds are demanded on the basis of expected progress by the States towards implementation of the sanctioned projects. Also due to reasons like delay in awards, delay in allotment of land for sub-stations, supply of materials, execution of work, actual utilization of funds does not take place. Since some of the projects/schemes are spill over from the previous year, the Committee find no reason as to why the Plan outlay expenditure in the first quarter should be as low as 8 or 9% as against the stipulated

expenditure of about 25%. The Committee therefore, would like the Government to review the project planning/monitoring system of various PSUs/Bodies under the administrative control of the Ministry with a view to improve the same so as to ensure that funds are utilized evenly during the year. This would ensure proper utilization of funds as also achieving the physical targets set for various programmes/schemes in the power sector.

### **Reply of the Government**

Some of the important aspects of Monitoring mechanism is being followed for ensuring completion of projects as per scheduled date to avoid time and cost overrun are as under:

- (i) MoU is signed annually with targets of execution projects, investigation projects etc. besides other aspects. MoU milestones are regularly monitored and reported.
- (ii) Monitoring at highest level by Ministry of Power/CEA/ Ministry of Programme Implementation/Planning Commission in respect of mega and major projects for resolving matters related to Government/Inter-ministerial issues.
- (iii) Consultant (Hydro) to National Power Project Monitoring Committee has been assigned by MoP to make periodic review of progress of works and suggests ways and means for improving progress and achieving completion of Project as per schedule.
- (iv) In R-APDRP & RGGVY Schemes the Steering Committee is constantly monitoring the progress of the scheme and projects are sanctioned and disbursements are made evenly during the Year.
- (v) In House design and Testing of towers before award of contracts so that immediately placement of award, manufacturing activities could be taken up.
- (vi) Advance action for Survey using both conventional and modern Satellite imagery Technique (satellite) so that time required in carrying out survey is reduced.
- (vii) Expeditious action for Forest and Statutory clearance cases are taken up by the Ministry where efforts made at the organization level do not yield desired results.

- (viii) Advance Action towards Land Acquisition for Sub-station infrastructural works *viz.* Site leveling, Approach Road and Boundary wall etc. before Investment Approval/Award of Sub-station Contract thereby enabling timely commencement of main Sub-station works.

[Ministry of Power, O.M. No. 10/4/2009 – Budget, dated 26.4.2010]

**(Rec. Sl. No. 6, Para No. 3.2.14)**

The Committee also find that underutilization has also been observed in Plan outlays of NTPC, NHPC, DVC, THDC India Limited and NEEPCO. The main reasons for lesser utilization of funds by these PSUs are stated to be withdrawal of water commitment by the State Governments delay in technical bids in case of NTPC, ban on procurement of sand and aggregate from any mining in District Kullu for Mega Projects, non-availability of forest clearance for Kotli-BHEL-IA, IB and II; delay in transfer of forest land and non-starting of civil works in respect of Teesta Low Dam IV in case of NHPC, delay in supply of material, scarcity of cement and steel, delay in land acquisition etc. in case of DVC. The Committee feel that as an administrative Ministry, the Ministry of Power, should have been in a position to provide requisite help to power PSUs, which are facing these nagging problems since long and adversely affecting the planned power generation. The Committee would like the Ministry to prepare an action plan for taking conclusive action in this direction in coordination with other Central Ministries/State Governments.

**Reply of the Government**

So far as Hydro CPSUs are concerned, it may be stated that whenever support of this Ministry is required in obtaining various statutory clearances like Environmental Clearance and Forest Clearance and for resolving any important issue pertaining to Environmental and Forest aspects with Ministry of Environment and Forests, the same is brought to the notice of this Ministry by Hydro CPSUs. Further, this Ministry takes up the issues with MoEF. Recently this Ministry has taken up the matter with MoEF at Minister of State and Secretary Level *vide* letters dated 03.2.09 and 20.7.09 for expeditious forest clearance of Kotli-Bhel-IA, IB and Stage II of NHPC Ltd.

Whenever support of the Ministry of Power is required on the State issues like commitment of land and water from the State (including restoration of water commitment in a particular case, expediting land acquisition and other clearances from State

Governments) the Ministry of Power has always taken up the issues on behalf of NTPC and extended full support.

Various issues regarding project development are taken up in the meetings with State Ministers as well as in the State Power Minister's conference and at appropriate levels in the State Govt. from time to time.

Similarly, issues concerning with other Central Ministries like Ministry of Coal, Ministry of Environment and Forests are also being taken up at appropriate level.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

**(Rec. Sl. No. 7, Para No. 3.3.15)**

The Committee note that the capacity addition target of the Ministry of Power is 78,700 MW in the 11th Plan. The capacity achieved in 2007-08 was 9263.00 MW as against a target of 16335.2 MW and the achievement in 2008-09 was 3454.00 MW as against a target set of 11061.2. The target set this year was 14507 MW and so far 5383 MW has been achieved on 8.10.2009. The total achievement so far is 18100 MW in the 11th Plan out of a target of 78700 MW. The Committee are doubtful whether these targets would be achieved given the pace of achievements made in previous plans and in the first two years of the 11th Plan. The main reasons given by the Ministry for delay in the execution of projects include delay in placement of orders, delayed and non-sequential supplies, shortage of skilled manpower/ commissioning teams, delay in resolution of contractual issues, constraints in movement of heavy equipment due to bottlenecks in road transportation, IT based monitoring not implemented, inadequate deployment of construction machinery, delay in Environment and Forest clearance, land acquisition problems, shortage of fuel etc. The capacity addition programmes also faced similar problems during 10th Plan as a result of which targets set have fallen short of achievement. The Ministry have therefore, not learnt any lesson from past experience in overcoming such problems during 11th Plan. The Committee feel that some of the problems like delay in Environment and Forest clearance, land acquisition problems, shortage of fuel etc. could have been solved by having effective coordination with the concerned Ministries at the highest level. The Committee, therefore, recommend that expeditious action needs to be initiated and the Ministry of Power should co-ordinate with the various agencies and other Ministries to remove all bottlenecks and hurdles in capacity addition programme.



### **Reply of the Government**

The gap of about 4000 MW in the capacity addition as against the target of about 14,000 MW during the year 2009-10 occurred partly (about 1800 MW) due to the return of foreign personnel from the project sites. Other major reasons for non-achieving the targets were delay in equipment supplies, slow civil works and non-completion of various project construction activities.

Various steps are being taken to ensure timely commissioning of the projects which *inter-alia* include the following:—

1. Intensive monitoring mechanism has been put in place in the Central Electricity Authority (CEA). A monitoring panel has also been constituted for intensive monitoring of power projects.
2. Review of progress of power projects is being done at the highest level by Union Power Minister, Secretary, Minister of Power and Chairperson, CEA.
3. All stakeholders have been sensitized towards enlarging the vendor base so as to meet the balance of plants (BOPs) requirements. Also review of Pre Qualification Requirements (PQR) have been reviewed to facilitate entry of new BOP vendors.
4. Ministry of Power has been taking up the matter regarding enhancing the partnership of private sector in manufacturing of power equipments and to ensure that there is no shortage of power equipment in future. Joint manufacturing companies have been formed between M/s L&T and MHI, Japan, M/s JSW and Toshiba, M/s Bharat Forge and Alstom and M/s BB Engineering and Ansaldo for manufacture of various power plants equipments.
5. A joint venture agreement has been signed between NTPC limited and BHEL to take up work related to Engineering, Procurement and Construction (EPC) for power plants and other infrastructure projects.
6. GOI has instituted Meritorious Performance Award for early completion of power projects. CERC *w.e.f.* 01.04.2009 has also provided for additional ROE of 0.5% for timely completion for Central Sector power projects.

7. BHEL, being a major indigenous manufacturer for main plant equipment have also taken up capacity expansion to increase their capacity to 10000 MW by March, 2010 and 13500 MW by March, 2012 for large thermal power equipment.

BHEL has been asked to take following actions:

- Advance placement of orders for long delivery and critical items in international market.
- Development of skilled manpower in the area of high pressure welding, skilled fitters etc.
- Augmentation of their erection and commissioning infrastructure.

BHEL have also entered into collaboration with M/s Alstom and Siemens for manufacturing of supercritical boiler and turbine generators.

8. The daily coal supply position to thermal power stations is rigorously monitored by Central Electricity Authority (CEA) and Ministry of Coal is also apprised of the coal stock at the thermal power stations. An Inter-Ministerial Sub-Group comprising representatives from Ministry of Coal, Ministry of Railways, Ministry of Power and CEA reviews on weekly basis the coal supply to the plants having stock up to 7 days and address the constraints in supply of coal. Ministry of Power also reviews the coal supply position to thermal power stations with the Ministry of Coal, Ministry of Railways, Department of Shipping and power utilities from time to time.
9. The issues regarding requirement of coal for power station are also discussed and reviewed during the meeting of Infrastructure Constraints Review Committee headed by Secretary (Coordination), Cabinet Secretariat and Fuel Infrastructure Committee headed by Member (Energy), Planning Commission.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

**(Rec. Sl. No. 8, Para No. 3.3.16)**

The Committee have been informed that another problem coming in the way of capacity building programmes is of shortage of skilled manpower. The Committee find it difficult to understand why the shortage of manpower is a factor for executing the capacity addition

programme as the country abounds in educated, unemployed youths. The Committee would like the Ministry to tie up with technical institutes like IITs, ITIs and State Government Poly-techniques to arrange the skilled manpower, trainers and teaching staff etc. The Committee would also like the Ministry to set targets for each PSUs for adopting ITIs. This would go along way in solving shortage of technical manpower for establishing new power plants.

### **Reply of the Government**

There is no shortage of manpower of required qualifications in any category, technical or non-technical in the country considering the numbers passing out of the existing schools, colleges and other institutions each year. However, there are shortcomings in the skill set of ITI trained skilled workers for utilization of their services in the power sector. To address this, the Ministry of Power and the Central Electricity Authority had taken initiative under “Adopt an ITI” scheme since July 2007. Under this scheme, ITIs are being adopted by power sector Central Public Sector Undertakings (CPSUs) and Private Project developers under Public Private partnership scheme of the Directorate General of Employment and Training, Ministry of Labour and Employment to invest in augmentation and upgradation of the training assets of ITIs around their project areas, especially in respect of trades that are relevant to the power sector. The CPSUs under the Ministry of Power have adopted 52 numbers of ITIs so far, which includes setting up of 8 new ITIs. A Master Skill Development Plan has been initiated to develop master trainers who can train the ITI instructors in instructional techniques. The power developers are being encouraged to sponsor the training of ITI instructors and also to arrange the practical training of ITI students and instructors at their power plants. Efforts are being made to encourage and incentivise developers of each new Power Plant under execution to ensure that it adopts at least one ITI in its vicinity. This issue of manpower requirement and their skill development has been emphasized during the Chief Minister’s Conference (2007), and recently held Power Minister’s Conference in June 2009 and November 2009. State Governments have also been requested to facilitate adoption of ITIs by their respective State Power Utilities.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

### **(Rec. Sl. No. 9, Para No. 3.3.17)**

The Committee would like to stress that optimal output of existing power producing units could not be achieved without proper and continuous supply of coal and gas. The Committee therefore, desire

that the matter of availability of fuel for the power sector should be taken up at the highest level with the Ministry of Coal and Ministry of Petroleum & Natural Gas to work out the fuel linkage for the power sector.

### **Reply of the Government**

The concern regarding inadequate availability of coal was taken up in January, 2010 by the Minister of State for Power with Minister of State for Coal with a request to direct the Coal Companies of Coal India Limited to supply coal to the thermal power stations at least in accordance with Annual Contracted Quantity and also to improve transportation of coal from mine head(s) to railway sidings.

Coal Coordination meetings are held at regular intervals to sort out the different issues of coal availability. Ministry of Power has recommended coal linkage for 11th Plan projects to Ministry of Coal and thereafter, Standing Linkage Committee (long term), under Ministry of Coal, has granted Letter of Assurance (LOA) to projects which are coming in the 11th Plan. For 12th Plan projects, Ministry of Power has finalized the coal linkage policy. Even gas supply is monitored in consultation with Ministry of Petroleum and Natural Gas.

So far as gas is concerned, Empowered Group of Ministers (EGoM) headed by the Finance Minister has already been constituted on gas pricing and commercial utilization under NELP. So far, EGoM has allocated 31.1 mmscmd of gas on firm basis to the utilities. In addition, 12 mmscmd of gas has been allocated on fall back basis. Ministry of Power has taken up the matter with MoP & NG at secretary level for additional 90 mmscmd of gas for capacity of about 25,000 MW that could come up in 12th Plan.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

### **(Rec. Sl. No. 14, Para No. 3.5.6)**

The Committee note that according to section 9 of the Indian Electricity Act, 2003 sanction/licence for setting up of captive power plant is not required. The total installed generating capacity of captive power plants in the country is 24,976.4 MW. The National Electricity Policy emphasises the need for bringing power from standby generating stations to the grid, the tariff policy also urges the creation of an enabling environment by the Regulatory Commission that encourages captive plants to be connected to the grid. However, the

prevalent scenario is not so conducive for the captive power plants since their generating capacity is not fully utilized for lack of adequate fuel linkages. The Secretary, Ministry of Power admitted during evidence that in case of fuel linkage priority was given to the Central PSUs, State PSUs and Companies which supplied power to the grid. The captive generators were to arrange their own fuel. The Committee find that although the Government have been involved in moderating the charges/duties, providing grid connectivity, specifying guidelines on open access etc. to benefit the captive generators, however, the Committee would like to see the proactive role of the Ministry of Power for helping in providing fuel linkages to the captive generators who are unable to generate to their full capacity and also prevail upon them to supply additional power to the grid.

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

The Standing Linkage Committee of Ministry of Coal in its meetings held on 27.10.04, 02.06.05, 11.5.06, 6.11.07 & 29.01.2010 had approved coal linkages for 287 nos. of Captive Power Plants (CPPs) totaling to 13,332 MW. In addition to coal linkages approved/recommended for CPPs as above, captive coal blocks have also been allocated by Ministry of Coal for use by CPPs based on recommendations of Ministry of Power.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

#### **(Rec. Sl. No. 15, Para No. 3.6.5)**

The Committee note that the Ultra Mega Power Projects (UMPPs) have been taken up with an objective to overcome the general energy shortage in the country, encourage the private sector participation so as to make electricity available to the consumer at low tariff for a longer period of time. However, out of the nine UMPPs originally envisaged for development way back in 2006-07 only four projects viz. Sasan in Madhya Pradesh, Talaiya in Jharkhand, Mundra in Gujarat and Krishnapatnam have completed the bidding and SPVs (special purpose vehicles) have been transferred to the identified bidders. For the remaining projects *i.e.* Cheyyur UMPP, Tamil Nadu, Sundergarh UMPP, Orissa, Chhattisgarh UMPP, Maharashtra UMPP and Karnataka UMPP, the Ministry have explained that they are in the process of finalization of sites, acquisition of land, availability of water etc. The Ministry have also informed that they are also proposing second UMPPs in Andhra Pradesh and Gujarat. In this prevalent situation, it is unlikely that power would be produced and transmitted from these UMPPs in the remaining part of the 11th Plan period. The Committee

would like to be apprised of the developments in this field and desire that work on all UMPPs envisaged commence in this plan period itself, so as to reap the benefits of the power produced by these projects at the earliest.

### **Reply of the Government**

#### **UMPP**

The Government of India had launched an initiative for the development of coal-based Ultra Mega Power Projects (UMPPs), each with a capacity of 4,000 MW. Out of the nine UMPPs, originally envisaged, the bidding process in respect of Sasan, Mundra, Krishnapatnam and Talaiya UMPPs has been completed and the SPVs have already been transferred to the successful bidders. Further development work is being undertaken by the respective developers. The brief details of these projects are tabulated below:

Sl. No.	Name of UMPP	Date of Transfer	Levellised Tariff (in Rs. Per kWh)	Successful developer
1	Mundra, Gujarat	23.04.2007	2.264	Tata Power Ltd.
2	Sasan, Madhya Pradesh	07.08.2007	1.196	Reliance Power Ltd.
3	Krishnapatnam	29.01.2008	2.333	Reliance Power Ltd.
4	Talaiya	07.08.2009	1.77	Reliance Power Ltd.

#### **Mundra UMPP**

Piling work for all boilers & turbo generators have been completed. Structural and Mechanical erection of Boilers for four units already started. Work on TG building, main control room building, general civil works in other areas are in progress. Shell concreting for the first chimney completed and that of 2nd chimney completed upto 192 metre.

Bulk Power Transmission Agreement between PGCIL and the procuring States have been signed in July, 2008. The transmission system associated with the Mundra UMPP project is under implementation by PGCIL.

#### **Sasan UMPP**

About 63% of land is in possession of the developer, of which almost complete land required for the Main Plant Area has been

handed over to the developer. Construction of boundary wall, storage sheds etc. are in progress in site. Foundation work in Boiler, PH building, ESP, Chimney started. First Stage forest clearance for the forest land required for captive mines of Moher and Moher-Amlori has been received in November, 2009.

#### **Krishnapatnam UMPP**

Out of the total land requirement of 2626 acres for the power plant, about 91% has already been acquired and transferred to the developer. Transfer of balance land is under process by the State Government and expected by January, 2010. Construction of boundary wall/fencing, site grading, construction power supply, site office, stores etc. have been taken up by the developer at site. The area grading in main plant completed. Batching plant, site office and construction of store completed.

#### **Tilaiya UMPP**

The project site is near Barhi village to the north of Tilaiya Dam in Hazaribagh Distt. of Jharkhand. Kerandari-B&C Coal Blocks in North Karanpura coal field have been allocated by MoC on 20.07.07. The LoI was issued to the successful developer *i.e.* Reliance Power on 12th February, 2009. The Special Purpose Vehicle (SPV) has been transferred to the developer on 7th August, 2009. First stage forest clearance for Main Plant area has been received on 3.2.2010.

#### **Status of other UMPPs**

##### **Chhattisgarh UMPP**

The State Government has confirmed the site near Salka and Khamaria villages near Udaipur in district Sarguja. Government of Chhattisgarh intimated the approval for water allocation of 135 cusecs from Rehar river. The RfQ for this UMPP has been issued on 15th March, 2010.

##### **Cheyur UMPP, Tamil Nadu**

The project site at Cheyur has been confirmed by the State Government in March, 2008. PFC has assigned various technical studies like or technical consultancy assignment for power plant issued to WAPCOS, ocean related studies etc. ToR for port at Panaiyur has been cleared by the EAC, MoEF for Port, Infrastructure and CRZ Environment Impact Assessment (EIA) report has been submitted to

Tamil Nadu State Pollution Control Board for conducting hearing for power plant.

#### **Sundergarh UMPP, Orissa**

The State Govt. confirmed the site and water availability at Bedabahal in Sundergarh District. However, Govt. of Orissa (GoO) has imposed levy of a contribution of 5% profit of UMPP for peripheral development fund by the developer. The matter has been taken up with the State Government at different forum for removal of this clause. Finally, Govt. of Orissa has recently conveyed its approval for withdrawal of this condition *vide* GoO notification dated 18.12.2009.

With the withdrawal of this levy, all the pre-requisites for issuing Request for Qualification (RfQ) are in place, except the issuance of Section 4 notification. Special Secretary, MoP requested CS, GoO for intervention for issuance of Section 4 notification so that the RfQ can be issued at the earliest.

#### **Maharashtra UMPP**

In the Ministers' meeting on 4th August, 2008, the State Government confirmed a site *i.e.* Munge in Sindhudurg district for the UMPP with captive port near Achra creek. As decided in the meeting, a team of CEA/PFC official were deputed to finalize the location of the proposed UMPP on 12/13 September, 2008, however, the team could not visit the actual site due to local agitation. Secretary (P) has requested *vide* DO letter dated 19.11.2008, 31.12.2008, 02.02.2009 & 09.06.2009 to Chief Secretary, Government of Maharashtra for resolving the local agitation issue so as to facilitate the visit of CEA/PFC team.

In the meeting held on 17.12.2009 on Maharashtra issues taken by Hon'ble MoP, it was decided that Govt. of Maharashtra would sort out the issues related to site of this UMPP early. Further progress of this UMPP depends on the resolution of the local agitation issue by the State Government.

#### **Karnataka UMPP**

In the Ministers' meeting on 4th August, 2008, the State Government confirmed that the development of a UMPP at Tadri was not possible. Further, it was observed in the meeting that neither Kudgi nor Mannur, the alternate sites suggested by the State



Government, appeared feasible to be taken up under the UMPP initiative as they were neither pit-head nor a coastal site being over 300 km. from the coast.

CMD, PFC requested Chief Secretary, Govt. of Karnataka (GoK) *vide* D.O. letter dated 9.06.09 to suggest new site(s). Chief Secretary, GoK responded that Tadri is the best suitable site and further indicated that GoK is taking up confidence building measures in order to clear doubts of some local residents regarding environmental impact of the project. Further information is awaited from GoK.

### **Additional UMPPs**

#### **Andhra Pradesh**

The Special Purpose Vehicle (SPV) — Tatiya Andhra Mega Power Ltd. has been incorporated on 17.04.09. CEA/PFC in consultation with district Authority has finalized a site near Nayanupalli village in Prakasham district has been finalized. The application for requisition of land has been submitted to District Authority on 27.11.2009. The Terms of Reference (ToR) for the power project has been cleared by EAC (Thermal) of MoEF. It is expected that this UMPP will be brought to the bidding stage by the next financial year.

#### **Gujarat**

The State has suggested alternate sites for 2nd UMPP. Sites so suggested are being visited by CEA/PFC team.

#### **Orissa**

Two SPVs *i.e.* Ghogarpalli Integrated Power Company Limited and Sakhigopal Integrated Power Company Ltd. have been incorporated as wholly owned subsidiaries of PFCCL in May' 08 for two additional UMPPs in Orissa. The State has suggested sites for these UMPPs. Sites are being finalized by CEA/PFC.

Full benefits of these UMPPs are envisaged to come in the 12th Plan. One unit of Sasan UMPP and two units of Mundra UMPP are expected to come in the XI Plan. The Request for Qualification (RfQ) for UMPP in Chhattisgarh at Sarguja district has been issued on 15th March 2010. Efforts are being made to bring Orissa (Bedabahal) and Tamil Nadu UMPPs to bidding stage in the current year. However the Ministry is endeavoring to bring more projects at bidding stage at the earliest so as to obtain the benefits of these UMPPs at the earliest.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

**(Rec. Sl. No. 16, Para No. 3.7.7)**

The Committee note that Renovation and Modernisation is an important exercise and an ongoing process to renovate and extend the life of power plants and also to increase their Plant Load Factors (PLF). The Committee note that in this connection a programme called Partnership In Excellence (PIE) was initiated by the Ministry of Power in August, 2005 with a view to improve the performance of low performing units of power utilities with assistance from better performing power utilities like NTPC. The Committee are happy to note that the exercise which concluded in June, 2008 there was an overall increase in Plant Load Factor ranging from 43.9% to 52.1% during 2007-08 from the units, as per the data supplied by the Ministry. The Committee hope that such programmes will be initiated again in the near future in partnership with Central PSUs, who have a credible degree of experience in this field, so that many of the old units can be revived for increased generation of power. The Committee find that in the recent years the plant load factor in the private sector has grown to 91.0 level much above the Central Sector *i.e.* at 84.3 level for the year 2008-09. The Committee hopes that the power PSUs under the Central Sector also strive to achieve plant load factors of 90% and above.

**Reply of the Government**

NTPC, with installed capacity of 31,134 MW is the largest power generating utility of India. It contributed 28.60% of the total electricity generated in the country during 2008-09 with 18.97% share in the total installed capacity of the nation. NTPC is a multi station/project organisation. The fleet of NTPC's coal based operating Power Stations comprises of 15 Stations with 80 units including vintage as well as new units. Some of the units are as old as 40 years (taken over stations). The average PLF of NTPC's coal based stations for the year 2008-09 was 91.14% (4 stations registering PLF of more than 95% with NCTPP, Dadri registering PLF of 99.36%). It may be pertinent to mention here that the Talcher Thermal Power Station, taken over by NTPC from Orissa, which is more than 40 years old, registered PLF of 92.68% in the year 2008-09. In fact, most of the NTPC power stations operate in the region of 90% plus region.

NTPC has tremendously improved the PLF of taken-over plants namely Unchahar, Tanda, Badarpur and Talcher from very low PLF at

the time of taking over. Following table gives the improvement in PLF (station-wise) since taking over:

Name of Project (Year of Taking over)	PLF at the time of Taking over	PLF (2008-09)
Unchahar (U.P.) (1992)	18.0%	93.73%
Tanda (U.P.) (2000)	14.9%	89.40%
Badarpur (Delhi) (Transfer of management in 1978)	31.94%	89.12%
Talcher (Orissa) (1995)	18.7%	92.68%

In addition to turning around performance of the above mentioned power projects, NTPC was entrusted upon with improving the performance of some of the poorly performing units through participation in PIE program based upon the excellent performance of NTPC.

Further, NTPC is also taking adequate measures by Renovation & Modernization of its aging fleet and simultaneously tying up for assured supply of fuel (Coal/Gas) apart from recent initiative taken for dedicated coal/gas block development of its own so as to sustain the current/better level of performance of its Power Plants.

In May, 2005, MOP, GOI launched the Partnership-in-Excellence (PIE) programme for performance improvement of DVC old vintage units at CTPS, DTPS and BTPS 'B'. A comprehensive improvement plan envisaging the requirement of major refurbishment/component replacement was chalked out jointly with NTPC (PIE) to improve availability, PLF & other operating parameters. Accordingly, Short Term, Medium Term & Long Term Action Plan was framed & phasewise implementation of the aforesaid programme started from 2005-06. The Short Term & Medium Term Action Plan has already been implemented & increased in PLF to the tune of 15% has been achieved to this old vintage units. Due to high procurement lead time, some of the major 'PIE' group recommendation under Long Term Action Plan is still under implementation. Moreover, during detail inspection of boiler & TG at the time of unit overhauling, some major deficiencies/defects was noticed which will be addressed in a comprehensive manner for these old units of DVC based on major recommendation of OEM, failure history of system/equipment, phasing out obsolete technology etc. After implementation of Long Term Action Plan of (PIE) recommendation along with addressing the deficiencies/defects already noticed, further improvement in Plant Load Factor is envisaged.

[Ministry of Power, O.M. No. 10/4/2009-Budget, dated 26.4.2010]

**(Rec. Sl. No. 17, Para No. 3.8.11)**

The Committee note that the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) is an ambitious programme launched by the Government of India and as per the revised target of the scheme all villages and BPL households are to be electrified by March, 2012. The scheme was sanctioned in the Xth Plan with a budgetary allocation of Rs. 5000 crore, the continuation of the scheme in XIth Plan was sanctioned in January, 2008 with an outlay of Rs. 28,000 crore against a demand of Rs. 42,000 crore for comprehensive and rural electrification of the country. The allocations made to the scheme have been continually lower than the demands of funds sought by the Ministry. The Committee therefore, reiterate their earlier recommendation made in their 25th Report on Demands for Grants (2008-09) that funds required for the scheme may be made available in time for implementation of the scheme taking note of the fact that the funds demanded have been curtailed in the previous years and the targets achieved have also been lower than those set.

**Reply of the Government**

The BE, RE and actual utilization of funds during the last 3 years are as under:—

	2007-08	2008-09	2009-10
BE	3983.00	5500.00	7000.00
RE	3944.56	5500.00	5000.00
Actuals	3913.45	5500.00	5000.00

During the last year, the allocation of Rs. 7000 crore were reduced to Rs. 5,000 crore at RE stage. However, for the year 2010-11, the entire requirement of funds has been met by the Planning Commission/Ministry of Finance. However the achievement of Physical targets for the year 2009-10 is as below:—

	Target	Achievement
Un-electrified Villages	17,500	18,374
BPL Households	47,00,000	47,18,468

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

**(Rec. Sl. No. 19, Para No. 3.8.13)**

The Committee feel that the shortage of power is a major problem for the country and are apprehensive about the success of the Rajiv Gandhi Grameen Vidyutikaran Yojana, despite the fact that the revised terms and conditions of RGGVY laid a responsibility on the States for providing 6-8 hours of electricity to villages electrified under RGGVY. The Committee strongly feel that the success of the programme, is heavily dependent on availability of additional power and therefore recommend that the Government to ensure that capacity addition programmes for the 11th Plan by executing them in a time bound manner for additional power generation so as to make RGGVY a great success.

**Reply of the Government**

Electricity is a concurrent subject under the Constitution. Supply and distribution of Electricity in a State is the responsibility of the concerned State Government/Power utilities, which make arrangements for supply of power to various categories of consumers/areas in the State. Government of India supplements the efforts of the State Government by setting up generating stations in the States through CPSUs. The Planning Commission had fixed a capacity addition target of 78,700 MW during the 11th Plan to meet the power requirement of the country. According to the latest assessment of Central Electricity Authority, a capacity addition of 62,374 MW is likely to be achieved with a high level of certainty during the 11th Plan period. A capacity of 22,302 MW has already been commissioned till 31.03.2010 and a capacity aggregating to 40,072 MW is likely to be commissioned with a high level of certainty during the balance period of the 11th Plan. In addition projects totaling to 12,590 MW are being attempted for commissioning on best efforts basis. Following steps have been taken for the timely completion of projects and for improving power generation in the country:—

- Rigorous monitoring of capacity addition of ongoing generation projects.
- Enhancement of main plant equipment manufacturing capacity by Bharat Heavy Electricals Limited (BHEL).
- Widening of the vendor base by BHEL through outsourcing.
- Formation of Joint Venture company by NTPC Ltd. and BHEL, M/s. Larsen & Toubro and Mitsubishi Heavy Industries, Japan, M/s. JSW and Toshiba, M/s. Bharat Forge and Alstom and M/s. GB Engineering and Ansaldo for manufacture of various power plants equipments.

- Import of coal to meet the deficit in supply of indigenous coal.
- Augmentation of gas supply to utilize the stranded capacity of gas based power projects.

'Adopt an ITI' initiative taken up to overcome the shortage of skilled manpower.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

**(Rec. Sl. No. 20, Para No. 3.9.8)**

The Committee note that prior to the year 2001-02, utilities used to monitor Transmission and Distribution (T&D) losses and concept of Aggregate Technical and Commercial (AT&C) losses was introduced in 2001-02 and is now used as a measure on performance of distribution losses in the power sector. Further, according to the Report on the State Power Utilities prepared by Power Finance Corporation indicate that the AT&C loss of the State Power Utilities at the national level for 2005-06, 2006-07 and 2007-08 was 33.02%, 30.59% and 29.24% respectively of the total energy available for sale. The target for the Re-structured APDRP for the 11th Plan is to achieve 15% AT&C loss level in project areas. The Committee are extremely astonished to note that AT&C losses during last three to four years has been as high as high around 35%. The Committee trust that the projects sanctioned under the scheme would be taken up expeditiously so as to help achieve the desired level of AT&C losses.

**Reply of the Government**

The Re-structured APDRP has been launched by the Government of India with a sole objective to achieve the AT&C Loss level to the extent of 15% in project areas and reduction in AT&C loss by 3% and 1.5% per year at Utility level, having AT&C loss above 30% and AT&C loss below 30% respectively on sustainable basis, through establishment of base line data, fixing of accountability, strengthening & up-gradation of sub-transmission and distribution network and adoption of Information Technology.

Initially under Part –A of restructured APDRP, the funds are being provided to utilities as loan, which would be subsequently converted in grant on successful completion of the project and verification done by the third party independent evaluating agencies and under part–B, the projects are being taken up for strengthening and

up-gradation of sub-transmission and distribution network of the Utilities and under this scheme the loan will be converted into grant in phased manner on reduction of AT&C loss on sustainable basis for five years.

So far under Part-A, Total 1387 projects at the cost of Rs. 5130.70 crore (Including three SCADA projects sanctioned for Rajasthan) have been approved, by this 98% coverage of eligible towns as per census 2001 have been achieved, the projects for only one left out State *i.e.* Arunachal Pradesh could not be sanctioned, as the State does not meet the essential criteria of formation of State Regulatory Commission (SERC) in the State. The twelve states including one Union Territory (Andhra Pradesh, Rajasthan, Gujarat, Daman & Diu, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Sikkim, Uttrakhand, Uttar Pradesh and West Bengal) have also appointed the IT implementation agencies to execute the work according to approved DPRs of Part-A Projects. The rest of the States for which the projects have already been sanctioned are shortly going to award the work to the executing agencies.

On the completion of the Part-A scheme of re-structured APDRP after a period of three years from sanction date, the utilities would be able to implement the energy accounting & energy auditing system and would also be able to arrest the causes of losses in their distribution network. The implementation of the Part-B scheme would strengthen the weak transmission and distribution network which would ultimately improve the quality of power and reduce the technical losses in the distribution network. Ministry has been reviewing the progress of schemes for expeditious implementation of schemes on regular intervals with the Nodal agency (PFC) and with the states officials also.

Since this Part-A scheme under R-APDRP is new scheme of its kind, being implemented first time at national level, the Ministry has taken the parallel initiative of capacity building exercise of official of state power utilities so that by that time the projects are implemented fully, the officials, should become well versed with the IT enabled distribution system and ready to manage the IT enabled distribution system. Ministry is putting all efforts for successful implementation of the scheme therefore, it is expected that utilities would be able to achieve the desired level of AT&C losses. The Government of India has also sanctioned 239 Projects for 7 States at the cost of Rs. 3059.28 crore under Part-B of the R-APDRP for strengthening and up-gradation of the distribution network of the Distribution utilities of the States.

[Ministry of Power, O.M. No. 10/4/2009-Budget, dated 26.4.2010]

**(Rec. Sl. No. 22, Para No. 3.10.7)**

The Committee note that the Ministry of Power is funding the Central Power Research Institute (CPRI), an autonomous institute under the Ministry for Research and Development in the power sector. An allocation of Rs. 320.00 crore has been made to the Institute towards in-house research, collaborative research and capital schemes for building infrastructure for R&D in the 11th Five Year Plan. However, so far only Rs. 71.13 crore has been utilized for R&D. The Committee are appreciative of the fact the CPRI is working in various fields to evolve criteria for standards of various equipment for operation in Indian conditions and effectively participate in formulation of National Standards. Also various Sectional Committees of Bureau of Indian Standards (BIS) are represented by CPRI in different capacities. The Committee hope that the CPRI will strive for excellence in testing facilities for power sector equipment which is very essential for the power sector. The Committee hope the Institute will also be able to utilize the funds allocated to it for its various projects for achieving the set goals.

**Reply of the Government**

Central Power Research Institute (CPRI) is very actively participating in improving the national standards *i.e.* Bureau of Indian Standards (BIS) Standards in Electro Technical Division (ETD). Many of the CPRI Officers are either Chairman of the Sectional Committees or Principal/Alternate Members in various Committees.

CPRI has planned various capital projects for implementation for XI Five Year Plan to meet gaps in test facilities. A list of the capital projects undertaken by CPRI in the XIth Five Year Plan is enclosed at **Annexure**.

An allocation of Rs. 320.00 crore has been made for capital projects relating to various activities of CPRI in XIth Five Year Plan. Out of this, CPRI has already availed of Rs. 121.23 crore towards in-house collaborative research and capital schemes for building infrastructure for R&D in the 11th Five Year Plan.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]



ANNEXURE

ON-GOING AND COMPLETED XITH FIVE YEAR  
PLAN CAPITAL PROJECTS

Sl. No.	Project Name	Outlay (Rs. in crore)
1	2	3
1.	Development of a centre of excellence for simulation of power system and failure analysis (Jan'08 - Jan'09)- Project completed	2.60
2.	Refurbishment of 1500 MVA short circuit generator at Switchgear Testing & Development Station (STDS), Bhopal (Mar'.08 - Apr.'09) - Project completed	3.30
3.	Modernisation of short circuit test facility and augmentation of Power Transformer test facility (Feb.'08 - Feb.'10)	23.60
4.	Modernisation and augmentation of switchgear test facilities (Feb.08' - Feb.'10)	24.60
5.	Centre of excellence for dielectric studies (Feb.'09 - Feb.'12)	7.68
6.	Establishment of mobile diagnostic facility for power plant specific equipment for improving performance (Jan.'08 - Jan.'10)	4.10
7.	Centre of Excellence for life cycle management and condition assessment of substation & power plant electrical equipment (Jan.'09 - Jan.'12)	11.98
8.	Setting up of test facilities for Pre-Qualification test on 400 kV XLPE Cable System (Dec.'08 - Dec.'11)	14.80
9.	Refurbishment of 50 MVA short circuit test station (Feb.'08 - Aug.'10)	8.00
10.	Centre for advanced energy research in the area energy efficiency & energy audit (Jan.'08 - Jan.'11)	1.98
11.	Augmentation of test facilities for optimization of 800 kV AC and 800 kV DC transmission system (Feb.'08 - Feb.'11)	30.60
12.	Mechanical Strength Facility (Jan.'09 - Jan.'11)	6.50

1	2	3
13.	State of art Mobile field testing laboratory for onsite accuracy test and condition assessment of Extra High Voltage (EHV) class Instrument transformers facility for Current Transformer (CT)/Power Transformer (PT) (Dec.'07 - Dec.'09)	4.65
14.	Centre for Creep & Mechanical testing and Augmentation of wake simulation lab (Sep'.09 - Sept.'11)	2.40
15.	Collaborative Research on Emerging Technologies (Nov.'09 - Mar.'12)	1.60
Total:		148.39

**(Rec. Sl. No. 23, Para No. 3.10.8)**

The Committee also learnt that NTPC, NHPC, PGCIL and DVC have signed an agreement on 25th March, 2009 to set up a high power testing laboratory namely National High Power Test Laboratory Private Limited for short circuit testing of transformers upto 315 MVA as against the available testing facilities upto 90 MVA. CPRI has been appointed as management consultant for the project. The Committee consider it as a step in the right direction as there has been a need felt for testing and certification of transformers in the power sector and would like to be informed of the further developments in this regard.

**Reply of the Government**

A joint venture agreement was executed among NTPC Ltd., National Hydro-electric Power Corporation (NHPC), Power Grid Corporation of India Ltd. (PGCIL) and Damodar Valley Corporation (DVC) and a company was incorporated under the name of "National High Power Test Laboratory Pvt. Ltd. (NHPTL)" on 22.5.2009 with its registered office at New Delhi. CESI Italy has been appointed as Technical Consultant and a detailed contract agreement was signed by CESI Italy to carry out the feasibility study and preliminary engineering work. Meetings have been held with CESI Italy, wherein clarifications on all technical matters for establishment of the Lab as per Terms of Reference (ToR) were given to CESI and the various preliminary reports on the requirement and configuration of the Lab were discussed.

The various activities for the establishment of "National High Power Test Laboratory Pvt. Ltd. (NHPTL)" are being regularly reviewed through meetings.

[Ministry of Power, O.M. No. 10/4/2009-Budget, dated 26.4.2010]

**(Rec. Sl. No. 24, Para No. 3.11.8)**

The Committee note that to institutionlise energy conservation efforts in the country, the Government had enacted the Energy Conservation Act in 2001 and established the Bureau of Energy Efficiency (BEE) under the Ministry of Power. The Ministry have informed that Government has set up a targeted reduction of 5% energy consumption by the end of the XIth Five Year Plan and a target of 10,000 MW has been kept as energy conservation in the XIth Plan. The Committee are dismayed to note that Xth Plan could

only achieve a target of 877 MW and the achievement during 2007-08 and 2008-09 has been only 2127 MW which amount to fuel savings around 1% of total fuel use. The target fixed for 2009-10 is 2600 MW. The Committee hope that the targets set for energy conservation for 2009-10 are achieved by BEE and also that they strive to achieve the targets set for the XIth Plan as a whole.

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

With regard to achieving the targeted avoided capacity of 2600 MW during 2009-10, BEE has already achieved 1348 MW (Provisional) upto 30th September, 2009 against the schemes planned for the XIth Plan. In percentage terms, BEE has achieved 51.88% and it is expected that the target for 2009-10 will also be achieved as was the case for the last 2 years.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

#### **(Rec. Sl. No. 25, Para No. 3.11.9)**

The Committee learn that despite the recommendation of the Committee made in their 29th Report (14th Lok Sabha) tax benefits have still not been given to energy efficient products. The Committee reiterate the same and hope that tax benefits will be given to energy efficient initiatives in the next budget. The Committee desire that much more efforts are needed to popularize the energy efficiency campaign by holding seminars and conferences all over India on regular basis involving the active participation of concerned institutes and individuals. Action should also be taken to give publicity in print and electronic media in regional languages in the country.

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

Ministry of Power had once again taken up the issue of providing tax incentives on energy efficient equipments with the Ministry of Finance in the budgetary exercise 2010-11.

Certain concessions have been extended to LED indicator lamps and display systems under the Customs Act, 1962 *vide* Notification No. 22/2010-Customs dated 27.02.2010 (copy enclosed). As per Notification No. 22/2010-Customs dated 27.02.2010, read with the Notification No. 25/2002-Customs dated 1.03.2002, “Crystals; Mounted Piezo electric crystals; oscillators; capacitors; EMI/RFI filters; LED indicator lamps and display systems” have been exempted from so much of that portion of the duty of customs leviable thereon, as is in excess of the amount calculated at the rate of 15% *ad valorem*.

Central Excise duty has also been reduced on LED lights or fixtures from 8 per cent to 4 per cent, *vide* Notification No. 12/2010-Central Excise, dated 27.02.2010 MOP/BEE is implementing a comprehensive multi-media campaign for enhancing awareness amongst masses in favour of energy efficiency. MOP has approved a scheme with an allocation of Rs. 86.07 crores for this purpose.

Ministry of Power will continue to pursue other proposals separately. Also, MOP/BEE is implementing a comprehensive multi-media campaign for enhancing awareness amongst masses in favour of energy efficiency. MOP has approved a scheme with an allocation of Rs. 86.07 crores for this purpose.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

### CHAPTER III

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

##### **(Rec. Sl. No. 21, Para No. 3.9.9)**

The Committee note that 1130 projects at a cost of Rs. 4183.93 crore have been approved of eighteen States (Andhra Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Sikkim, Tamil Nadu, Uttarakhand, Uttar Pradesh and West Bengal) under Part-A of the APDRP scheme. So far Rs. 1093.57 crore has been released under the R-APDRP. As informed by the Ministry the funding under the scheme is linked with the achievement of targets, the entire amount of loan for Part-A gets converted into grant on completion of the project and up to 50% (90% for special category States) loan of Part-B projects would be converted into grant on achieving the 15% AT&C loss in the project area on a sustainable basis. The Committee hope that the projects sanctioned actually achieve the desired 15% AT&C losses on long-term basis and the Ministry of Power and Power Finance Corporation would effectively work in *tandem* to monitor the projects. As the special category States, especially in the North-East region, have very high AT&C losses, the Committee recommend that all efforts should be made to sanction some projects in the region at the earliest so that these States can also benefit from the programme.

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

As stated above as on 31.03.2010 the Government of India has approved total 1387 projects at the cost of Rs. 5130.70 under Part-A of R-APDRP for twenty seven States. Out of twenty seven States, all eligible towns for NER States except Arunachal Pradesh under Part-A have also been sanctioned. The projects for Arunachal Pradesh could not be sanctioned as the State does not meet the essential criteria of formation of State Electricity Regulatory Commission (SERC). The

detail of projects sanctioned for NER States under Part-A of R-APDRP is indicated below:

Sl. No.	Name of State	Nos. of eligible towns	Nos. of towns sanctioned	Sanctioned cost (Rs. crore)
1.	Assam	66	66	173.18
2.	Manipur	13	13	31.55
3.	Meghalaya	9	9	33.99
4.	Mizoram	8	8	34.26
5.	Nagaland	9	9	34.58
6.	Sikkim	2	2	26.30
7.	Tripura	16	16	34.36

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

## CHAPTER IV

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

**(Rec. Sl. No. 10, Para No. 3.3.18)**

The Committee are happy to note that NTPC has formed a Joint Venture Company with Bharat Forge Limited on 19.06.2008 to establish a facility, subject to establishment of techno-commercial viability to take up manufacture of castings forgings, fittings and high pressure pipings and also Balance of Plant (BOP) equipment for the power sector. NTPC and BHEL have also formed a joint venture for EPC (Engineering, Procurement and Construction) activities and equipment manufacturing for power projects. The Committee feel that these Joint Ventures should work out details of production lines to be set up and start the manufacturing units within a time schedule to ensure that they deliver all the equipment required to achieve the capacity addition targets set for this plan period and also the 12th Plan period. The Committee would appreciate if more such Joint Ventures are formed to boost capacity addition programme.

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

NTPC-BHEL Power Projects Ltd. (NBPPL) and Bharat Forge, NTPC Energy Systems Ltd. are separate Joint Venture Companies functioning under their respective independent Board of Directors. The present status of the JV Companies is given below:

**JV with BHEL:** To take up EPC and manufacturing of equipments for Power Projects and other Infrastructure Projects in India and abroad.

- JV Company named “**NTPC-BHEL Power Projects Pvt. Limited**” (NBPPL) was incorporated on 29.04.2008. Shri C. P. Singh is the CMD and two full time Directors (one each from NTPC & BHEL) and 2 part time Directors (one each from NTPC & BHEL) have been nominated.



- NBPPL has finalized land for setting up of manufacturing unit in Andhra Pradesh.
- BHEL, Delhi has issued LOA to NBPPL for Balance of Plant Non-Turnkey package for Palatana Combined Cycle Power Plant in Tripura.
- BHEL has issued another LOI for BoP items for Turnkey packages and Non-turnkey packages, for Namrup 1x100 MW Combined Cycle Power Plant.
- As on date the paid-up capital of the company is Rs. 20 crore , with NTPC and BHEL's share of Rs. 10 crore each.

**JV with Bharat Forge Limited (BFL):**

- JV Company “**BF - NTPC Energy Systems Ltd.**” (BFL) was incorporated on 19th June 2008 with Shri B.S. Kalyani as Chairman and Directors on Board nominated from Bharat Forge and NTPC.
- To start with, JVC to concentrate on Casting and Forging for Pumps and H.P. Piping.
- Site visit for land identification for setting up manufacturing facility was conducted on 11.06.2009.
- Management Consultant appointed for preparing the Business case of the Company on 13.08.2009. Work is in progress.
- Consultant has submitted a presentation/Report for Stage-I, *i.e.* selection of short listed products for carrying out studies on Power Sector Review and BoP Products Opportunity Assessment on 16.11.2009. JV Company and Joint Business Development Group (JBDG) meeting was held on 09.12.2009 to conclude the first stage report of the consultant.
- 16 Products were short listed by the consultants as per their report. Further study on 4-5 products is being undertaken by them.
- Land has been finalized in Sholapur, Maharashtra.

M/s. L&T has already formed a Joint Venture Company with MHI, Japan for manufacture of supercritical steam generator and steam turbine generators in India.

Other Joint Ventures formed as steps for achieving capacity addition target by way of manufacturing of various power plant equipments have been:—

- (a) M/s. JSW and Toshiba;
- (b) M/s. Bharat Forge and Alstom; and
- (c) M/s. BB Engineering and Ansaldo.

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

#### **Comments of the Committee**

(Please see para 17 of Chapter-I of the Report)

#### **(Rec. Sl. No. 11, Para No. 3.4.10)**

The Committee note that hydro power is a clean and continuous source of energy and does not require the use of heavily exploited fossil fuels. The country abounds in hydro power potential, especially in the North East region of the country. The Government had launched, the 50, 000 MW hydro power initiative way back in 2003. The Ministry of Power have informed that under the scheme, Pre-Feasibility Reports (PFRs) of 162 hydro electric projects having aggregate installed capacity of 47,930 MW were prepared during 2003-04 which includes 62 schemes with aggregate installed capacity of 30, 416 MW in North East region and 10 schemes in Sikkim with total installed capacity of 1469 MW. As a follow up, the Ministry decided to take up 77 schemes with an aggregate capacity of 33951 MW for preparation of DPR/ implementation for likely benefits during the 11th Plan and beyond. The Committee would like the Ministry to take up for execution of these projects for which DPRs have been prepared in a time bound manner. The Committee also like the Ministry to facilitate various statutory clearances for 34 schemes which have been held up for non-availability of clearances. According to the Ministry a shelf of 109 projects having aggregate capacity of 30,920 MW have been kept for the 12th Plan. The Committee desire that all ground work in regard to the projects envisaged in the 12th Plan needs to be undertaken immediately as the gestation period of hydro projects is quite long and in order to reap the benefits, work has to be initiated 5-7 years before the target dates.

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

#### **11th Plan Hydro Capacity Addition Programme**

In the beginning of 11th Plan, the Planning Commission has approved a capacity addition of 78,700 MW in 11th Plan period comprising of 36,874 MW (46.9%) in Central Sector, 26,783 MW (34%)

in State Sector and 15,043 MW (19.1%) in Private Sector. The Hydro capacity addition share during 11th Plan is 15,627 MW (8,654 MW in Central Sector, 3,482 MW in State Sector and 3,491 MW in Private Sector). Hydro projects with aggregate installed capacity of 3,431 MW has already been commissioned and balance projects are under various stages of implementation.

Based on mid-term review, the status of hydro capacity addition is now as under:

• Projects commissioned	— 3,431 MW
• Projects expected to be commissioned during remaining period of 11th plan with high degree of confidence	— 4,764 MW
Commissioned + expected with confidence	— <b>8,195 MW</b>
• Projects with efforts	— 2,110 MW
• <b>Projects expected in 11th plan from the prog.</b>	— <b>10,305 MW</b>
• Projects expected from outside the programme	— 42 MW
• <b>Total capacity expected in 11th Plan</b> (Including those with efforts)	— <b>10, 347 MW</b>
• Projects slipping from the prog. of 11th plan	— 5,322 MW

The list of H.E. projects likely to give benefits in 11th plan is given in **Annex-I**.

As regards, pending statutory clearances in respect of 34 schemes, it is informed that there are several statutory clearances which are required for an H.E. Project viz., environmental & forest clearances, technical clearances, defence clearances, MHA clearances etc. So far this Ministry is concerned, the Central Electricity Authority (CEA) awards technical clearances to H.E. Projects. 43 Nos. of Hydro Electric Schemes with installed capacity 20,743 MW have been cleared by CEA since 2002-03. The DPR of 11 Nos. of H.E. Schemes with total installed capacity of 7740 MW are presently under examination/preliminary scrutiny in CEA. The CEA adheres a time-limit of 90 days to give technical clearance to an H.E. Project, if the DPR is in conformity with the guidelines.

As regards, the projects envisaged in the 12th Plan (2012-17) is concerned, a shelf of 87 candidate hydro projects having aggregate capacity of 20,334 MW have been prepared to meet the requirement

of additional capacity. The sector-wise break-up of these hydro projects is given below:—

	Nos.	Capacity (MW)
Central	19	7034
State	32	7169
Private	36	6131
Total	87	20334

[Ministry of Power, O.M. No. 10/4/2009–Budget, dated 26.4.2010]

**Comments of the committee**

(Please see para 20 of Chapter-I of the Report)

## ANNEXURE I

HYDRO ELECTRIC PROJECTS LIKELY TO GIVE BENEFITS IN  
11TH PLAN—AS PLAN PROGRESS

(As on 31.10.09)

Sl. No.	Name of Project/ Executing Agency/State	Rating No. x MW = MW	Year wise Capacity addition in MW during 11th plan					Likely to slip	Total
			2007-08	2008-09	2009-10	2010-11	2011-12		
1	2	3	4	5	6	7	8	9	10
<b>Central Sector</b>									
<b>A. Commissioned</b>									
1.	Omkareshwar NHDC, MP	8x65= 520	520						520
2.	Teesta-V NHPC , Sikkim	3x170= 510	510						510
	Sub-total (Commissioned)		1030	0	0	0	0	0	1030
<b>B. Assured</b>									
3.	Nimoo Bazgo NHPC, J&K	3x15= 45					45		45
4.	Chutak NHPC, J&K	4x11=44					44		44
5.	Uri-II NHPC, J&K	4x60= 240				240			240
6.	Sewa-II NHPC, J&K	3x40= 120			120				120
7.	Chamera St.-III NHPC, HP	3x77= 231				231			231
8.	Parbati St.-III NHPC, HP	4x130= 520				520			520
9.	Koteshwar THDC , Utt.	4x100= 400				400			400
10.	Teesta Low Dam-III NHPC, WB	4x33= 132				132			132
11.	Teesta Low Dam-IV NHPC, WB	4x40= 160					160		160
	Sub-total (Assured)		0	0	120	1523	249	0	1892
<b>C. With efforts</b>									
12.	Kol Dam NTPC, HP	4x200= 800					800		800
	Sub-total (With efforts)		0	0	0	0	800	0	800

1	2	3	4	5	6	7	8	9	10
<b>D. Likely to slip</b>									
13.	Rampur SJVNL, HP	6 x 68.67= 412						412	412
14.	Parbati St-II NHPC, HP	4x200= 800						800	800
15.	Loharinagpala NTPC, Uttrakhand	4x150= 600						600	600
16.	Tapovan Vishnugad NTPC, Uttrakhand	4x130= 520						520	520
17.	Subansiri Lower NHPC, Ar.Pr.	8x250= 2000						2000	2000
18.	Kameng NEEPCO, Ar.Pr.	4x150= 600						600	600
	Sub-total (Likely to slip)			0	0	0	0	4932	4932
	Total- Central sector		1030	120	1523	1049	4932	8654	
<b>State Sector</b>									
<b>A. Commissioned</b>									
19.	Baglihar JKPDC, J&K	3x150= 450		450					450
20.	Maneri Bhali-II UJVNL, Uttrakhand	4x76= 304	304						304
21.	Ghatghar WRD, Mah.	2x125= 250		250					250
22a.	Priyadarshini Jurala APGENCO, AP	6x39= 234	39	39	39				117
23.	Varahi Ext. KPCL, Ktk.	2x115= 230		230					230
24.	Purulia PSS WBSEB, WB	4x225= 900	900						900
25.	Balimela Extn. OHPC, Orissa	2x75= 150	150						150
	Sub-Total (Commissioned)		1393	969	39	0	0	0	2401
<b>B. Assured</b>									
22b.	Priyadarshini Jurala APGENCO, AP	6x39= 234			39	39			117
26.	Nagarjuna Sagar TR APGENCO, AP	2x25= 50				50			50
27.	Kuttiyadi Adl. Extn. KSEB, Kerala	2x50= 100			100				100
28.	Bhawani Barrage-II TNEB, TN	2x15= 30					30		30

1	2	3	4	5	6	7	8	9	10
29.	Bhawani Barrage-III TNEB, TN	2x15= 30					30		30
30.	Myntdu-Leishka St-I MeSEB, Meghalaya	2x42= 84			84				84
	Sub-Total (Assured)		0	0	262	89	60	0	411
	<b>C. With efforts</b>								
31a.	Lower Jurala APGENCO, A.P.	6x40= 240					120		120
32.	Pulichintala APGENCO, A.P.	4x30=120					120		120
33.	New Umtru MeSEB, Meghalaya	2x20= 40					40		40
	Sub-Total (With efforts)		0	0	0	0	280	0	280
	<b>D. Likely to slip</b>								
34.	Uhl-III HPIVVNL, HP	3x33.3= 100						100	100
35.	Pallivasal KSEB, Kerala	3x20= 60						60	60
31b.	Lower Jurala APGENCO, AP	6x40= 240						120	120
36.	Sawara Kuddu PVC, HP	3x36.67= 110						110	110
	Sub-Total (Likely to slip)		0	0	0	0	0	390	390
	Total (State sector)		1393	969	301	89	340	390	3482
	<b>Private Sector</b>								
	<b>A. Assured</b>								
37.	Allain Duhangan ADHPL, HP	2x96= 192			192				192
38.	Karcham Wangtoo JPKHCL, HP	4x250= 1000					1000		1000
39.	Budhil LANCO, HP	2x35= 70				70			70
40.	Malana-II Everest PC, HP	2x50= 100			100				100
41.	Maheshwar SMHPCL, MP	10x40= 400					400		400
42.	Chujachen GATI, Sikkim	2x49.5= 99				99			99
43a.	Teesta-III Teesta URJA, Sikkim	6x200= 1200					600		600
	Sub-Total (Assured)		0	0	292	169	2000	0	2461
	<b>B. With efforts</b>								
44.	Sorang Sorang PC, HP	2x50= 100					100		100
45.	Shrinagar GVKIND, Uttarakhand	4x82.5= 330					330		330

1	2	3	4	5	6	7	8	9	10
43b.	Teesta-III, Teesta URJA, Sikkim	6x200= 1200					600		600
	Sub-Total (With efforts)		0	0	0	0	1030	0	1030
	Total- Private sector		0	0	292	169	3030	0	3491
	Total (11th Plan progress)		2423	969	713	1781	4419	5322	15627
<b>Additional Project (Assured)</b>									
1.	Myntdu-St.-I Addl. unit MeSEB, Meghalaya	1x42 = 42					42		42
	Total:		2423	969	713	1823	4419	5322	15669
<b>Summary</b>									
		Central	State	Private	Total				
A.	Commissioned	1030	2401		3431				
B.	Assured	1892	411	2461	4764				
	Total: (Com. + Assured)	2922	2812	2461	8195				
C.	With efforts	800	280	1030	2110				
D.	Likely to slip	4932	390		5322				
	Total (11th Plan):	8654	3482	3491	15627				
E.	Additional		42		42				
	Total:	8654	3524	3491	15669				



*ANNEXURE II*

**HYDRO PROJECTS IDENTIFIED FOR BENEFITS  
DURING 12th PLAN**

Sl.No.	Name of scheme	State	Agency	Installed Capacity (IC)	Benefit in 12th Plan	Schedule of Commissioning
1	2	3	4	5	6	7
1.	Bajoli Holi	H.P.	IPP	180	180	2015-16
2.	Dhaura Sidh	H.P.	SJVNL	40	40	2014-15
3.	Kashang-I	H.P.	HPPCL	65	65	2012-13
4.	Kashang-IV	H.P.	HPPCL	48	48	2013-14
5.	Kashang-II & III	H.P.	HPPCL	130	130	2013-14
6.	Kutehr	H.P.	IPP	260	260	2014-15
7.	Renuka Dam	H.P.	HPPCL	40	40	2015-16
8.	Sainj	H.P.	HPPCL	100	100	2014-15
9.	Shongtong Karcham	H.P.	HPPCL	402	402	2014-15
10.	Tangnu Romai	H.P.	IPP	44	44	2012-13
11.	Tidong-I	H.P.	IPP	100	100	2012-13
12.	Baglihar-II	J & K	PDC	450	450	2012-13
13.	Kawar	J & K	NHPC	520	520	2016-17
14.	Kiru	J & K	NHPC	600	600	2016-17
15.	Kishan Ganga	J & K	NHPC	330	330	2015-16
16.	New Ganderbal	J & K	PDC	93	93	2015-16
17.	Alaknanda (Badrinath)	Uttarakhand	IPP	300	300	2015-16
18.	Arkot Tiuni	Uttarakhand	UJVNL	72	72	2014-15
19.	Bogudiyar Sirkari	Uttarakhand	IPP	170	170	2015-16
20.	Bowala Nand Prayag	Uttarakhand	UJVNL	300	300	2015-16
21.	Devsari Dam	Uttarakhand	SJVNL	252	252	2015-16

1	2	3	4	5	6	7
22.	Hanol Tiuni	Uttarakhand	SJVNL	60	60	2015-16
23.	Kotlibhel-St-1A	Uttarakhand	NHPC	195	195	2014-15
24.	Kotlibhel-St-1B	Uttarakhand	NHPC	320	320	2014-15
25.	Kotlibhel-St-II	Uttarakhand	NHPC	530	530	2014-15
26.	Lata Tapovan	Uttarakhand	NTPC	171	171	2014-15
27.	Mapang Bogudiyar	Uttarakhand	IPP	200	200	2015-16
28.	Naitwar Mori (Dewra Mori)	Uttarakhand	SJVNL	56	56	2013-14
29.	Nand Prayag Langasu	Uttarakhand	UJVNL	100	100	2015-16
30.	Pala Maneri	Uttarakhand	UJVNL	480	480	2015-16
31.	Phata Byung	Uttarakhand	IPP	76	76	12th. Plan
32.	Rupsiyabagar Khasiyabara	Uttarakhand	NTPC	260	260	2015-16
33.	Singoli Bhatwari	Uttarakhand	IPP	99	99	12th. Plan
34.	Tamak Lata	Uttarakhand	UJVNL	280	280	2015-16
35.	Tehri St-II PSS	Uttarakhand	THDC	1000	1000	2013-14
36.	Tuini Plasu	Uttarakhand	UJVNL	42	42	2015-16
37.	Vishnugad Pipalkoti	Uttarakhand	THDC	444	444	2014-15
38.	Shahpur Kandi	Punjab	PSEB	168	168	12th. Plan
39.	UBDC-III	Punjab	IPP	75	75	12th. Plan
40.	Dummugudem	A.P.	APID	210	210	2014-15
41.	Pollavaram MPP	A.P.	APID	960	480	2014-15
42.	Singareddypally	A.P.	APID	320	320	2015-16
43.	Achenkovil	Kerala	KSEB	30	30	2014-15
44.	Athirapally	Kerala	KSEB	163	163	2014-15
45.	Mankulam	Kerala	KSEB	40	40	2014-15
46.	Pambar	Kerala	KSEB	40	40	2015-16
47.	Sengulam Extention	Kerala	KSEB	60	60	2015-16
48.	Thottiar	Kerala	KSEB	40	40	2012-13

1	2	3	4	5	6	7
49.	Kundah PSS	Tamil Nadu	TNEB	500	500	2012-13
50.	Gundia-I	Karnataka	KPCL	200	200	2013-14
51.	Gundia-II	Karnataka	KPCL	200	200	2014-15
52.	Shiva Samudram Seasonal HEP	Karnataka	KPCL	270	270	2014-15
53.	Ramam St.-I	W. B.	WBSEDCL	36	36	2015-16
54.	Ramam St.-III	W. B.	NTPC	120	120	2014-15
55.	Ramman Ultimate (IV)	W. B.	WBSEDCL	30	30	2016-17
56.	Bhasmey	Sikkim	IPP	54	54	2013-14
57.	Dikchu	Sikkim	IPP	96	96	2012-13
58.	Jorethang Loop	Sikkim	IPP	96	96	2012-13
59.	Panan	Sikkim	IPP	280	280	2014-15
60.	Rangit-II	Sikkim	IPP	66	66	2013-14
61.	Rangit-IV	Sikkim	IPP	120	120	2012-13
62.	Rongnichu	Sikkim	IPP	96	96	2013-14
63.	Tashiding	Sikkim	IPP	97	97	2012-13
64.	Teesta St.-IV	Sikkim	NHPC	520	520	2016-17
65.	Teesta-VI	Sikkim	IPP	500	500	2012-13
66.	Ting Ting	Sikkim	IPP	99	99	2012-13
67.	Dardu	Ar. P	IPP	60	60	2013-14
68.	Demwe Lower	Ar. P	IPP	1630	1630	2015-16
69.	Dibbin	Ar. P	IPP	120	120	2014-15
70.	Dinchong	Ar. P	IPP	90	90	2015-16
71.	Londa (Talong)	Ar. P	IPP	160	160	2014-15
72.	Mago Chhu	Ar. P	IPP	96	96	2015-16
73.	Nafra	Ar. P	IPP	96	96	2015-16
74.	Nyamjunchhu St.-I	Ar. P	IPP	98	98	2014-15
75.	Nyamjunchhu St.-II	Ar. P	IPP	97	97	2014-15
76.	Nyamjunchhu St.-III	Ar. P	IPP	95	95	2014-15

1	2	3	4	5	6	7
77.	Nyukcha Rong Chhu	Ar. P	IPP	96	96	2015-16
78.	Par	Ar. P	IPP	55	55	2013-14
79.	Pare	Ar. P	NEEPCO	110	110	2012-13
80.	Rego	Ar. P	IPP	70	70	2015-16
81.	Saskang Rong	Ar. P	IPP	30	30	2014-15
82.	Siang Lower	Ar. P	IPP	2700	1200	2015-16 & 2017-18
83.	Tato-II	Ar. P	IPP	700	700	2016-17
84.	Tawang-I	Ar. P	NHPC	750	750	2016-17
85.	Tawang-II	Ar. P	NHPC	750	750	2016-17
86.	Lower Kopili	Assam	Assam GENCO	150	150	2014-15
87.	Loktak D/S	Manipur	NHPC	66	66	2016-17
Total				22314	20334	

**(Rec. Sl. No. 13, Para No. 3.4.12)**

The Committee note that survey and investigation is an important part of setting up of hydro-projects. The funds kept for the same were reduced from Rs. 30 crore (IEBR) in respect of NEEPCO at R.E. stage (2008-09) to Rs. 11.52 crore. The Secretary (Power), Government of Arunachal Pradesh had in February, 2007 informed that the Government of Arunachal Pradesh had withdrawn all authorization issued to NEEPCO for undertaking works relating to survey and investigation and preparation of DPRs for development of Hydro Electric Projects without prior MOU/MOA/implementation agreement signed with the State Government for the project sites identified in Kameng, Subansiri and Lohit Basins located within the territory of Arunachal Pradesh except Kameng-I/Bhareli-I (HEP), pare HEP and ongoing Kameng. The Committee also learn that some projects were also being given to private developers. The Committee desire that the Ministry of Power to look into this matter seriously and try to resolve the issues between NEEPCO and the State Government. The Committee desire that the issue may also be referred to Inter-Ministerial Group for their consideration. The Committee hope that projects of survey and investigation, for which money has been allocated will not be surrendered and work will continue on the same in the future. The Committee specifically would like the Ministry to take up the matter with the State Government of Arunachal Pradesh for allocating projects to NEEPCO for which DPR was carried out by them instead of handing over to private players.

**Reply of the Government**

As a premier power developer under Govt. of India, NEEPCO since inception has always been given top priority in allotment of Power Projects by the respective State Governments of the Region. However, of late, the Govt. of Arunachal Pradesh has been allotting the Projects after payment of upfront premium, which NEEPCO cannot provide.

It may be pertinent to mention that the Govt. of Arunachal Pradesh had allotted the following projects to NEEPCO for carrying out carried out S&I activities and preparation of DPR in the State:

9. Dibbin H.E. Project ( 125 MW)
10. Talong H.E. Project (160 MW)
11. Badao H.E. Project (70 MW)

12. Kapak Leyak H.E. Project (160 MW)
13. Ranganadi Stage-II H.E. Project ( 130 MW)
14. Kameng-I H.E. Project (1120 MW)
15. Kameng-II H.E. Project (600 MW)
16. Kameng Dam H.E. Project ( 600 MW)

However, the Projects under Sl. No. 1, 7 & 8 is under process of handover to the Private Developers in view of the decision taken by the State Government of Arunachal Pradesh.

In regard to Project under Sl. No. 2, as decided by the Government of Arunachal Pradesh, the same was already handed over to the Private Developer.

Detailed Project Report of Ranganadi Stage-II H.E. Project *i.e.* project under Sl. No. 5 was prepared and submitted to CEA. However, much headway could not be achieved due to non conclusion of MoA with the Government of Arunachal Pradesh who desired that upfront payment needs to be effected prior to signing of MoA. Further, the State Government has withdrawn the authorization from NEEPCO for carrying out S&I activities in respect of Projects under Sl. No. 4 & 5.

Although MoU was signed with Govt. of Arunachal Pradesh in regard to S&I activities and execution of Kameng-I H.E. Project *i.e.* project under Sl. No. 6, the S&I activities could not be initiated for want of clearance from National Board of Wild Life (NBWL) due to submergence of part of Pakke Tiger Reserve. Necessary action has been taken up with NBWL for according clearance against the Project. The Corporation has requested the State Government of Arunachal Pradesh to take up the matter with competent Authority on behalf of NEEPCO. The State Government has agreed to the proposal and matter is being taken up by them.

The issue of withdrawn of authorization issued to NEEPCO by Government of Arunachal Pradesh for undertaking works relating to survey and investigation and preparation of DPRs for development of Hydro Electric Projects was considered in the Ministry of Power and was also taken up at the highest level through DoNER with Government of Arunachal Pradesh for signing the implementation agreement with NEEPCO for implementation of Ranganadi Stage-II (130 MW), Badao (70 MW) and Kapak Leyak (160 MW). In order to resolve the outstanding issues of various hydro projects under implementation by NEEPCO in the State of Arunachal Pradesh, a

meeting was held between the Hon'ble Chief Minister of Arunachal Pradesh and NEEPCO on 10th December, 2009 wherein all the issues were discussed extensively.

[Ministry of Power, O.M. No. 10/4/2009—Budget, dated 26.4.2010]

### **Comments of the Committee**

(Please see para 26 of Chapter-I of the Report)

#### **(Rec. Sl. No. 18, Para No. 3.8.12)**

The Committee are also deeply concerned to note that the electrification of BPL households situated within the villages has not made much headway. The Committee have been informed that the programme is basically aimed at BPL and the programme in the village is initiated by providing the basic infrastructure and if any additional requirement is there on account of APL, the State Government is expected to put in the extra transformers/equipment. Needless to point out that the Centre and State Governments are required to work together in this field. The Committee feel that the Government should look at village electrification schemes with a holistic and integrated approach rather than selecting groups of BPL households located within a village, for the success of the programme. The planning and implementation of the scheme in these cases may require major thrust and initiatives. The Committee desire that the Ministry should look into these problems more realistically and then chalk out an action plan, for electrification of the village along with BPL households. The Secretary, Ministry of Power also admitted that there were various problems regarding implementation of the scheme in four States *i.e.* Assam, Bihar, Orissa and Jharkhand. The Committee feel that more stringent monitoring mechanism needs to be put in place not only in these States but also all over the country to ensure speedy implementation of this rural electrification programme.

### **Reply of the Government**

For adopting a holistic approach towards rural electrification, Rural Electrification Policy was finalized in consultation with all the stakeholders and notified in August 2005. The aim is to provide rural electricity backbone to provide access to electricity to all rural households. Accordingly, the earlier RE scheme of "Accelerated electrification of one lakh village and one crore households" with 40% subsidy was converted into RGGVY with 90% subsidy. The scope of the scheme was also widened by including electrification of majras

and tolas also with revenue villages. Under RGGVY free connections are being provided to all the BPL households under the covered area, whereas under earlier scheme connections were being provided to only 10% households in the village to fulfil definition of village electrification. Under RGGVY, access to electricity is to be provided to all the rural households, including APL households. However, the connections by APL households have to be taken by paying the normal connection charges to the utility. Projects, submitted by the States under RGGVY, have been sanctioned in accordance with the RGGVY guidelines subject to the budgetary outlay of the scheme.

As rural electrification is the joint responsibility of Centre and States, States should come forward to fill the gaps, wherever required. Ministry of Power feels that scope of RGGVY does not need any enlargement at this stage (till whole country is covered with the present scope of scheme).

Rural Electrification in Assam, Bihar, Jharkhand and Orissa is at crucial stage at present. Presently, these States have maximum number of un-electrified villages at this stage. All the RGGVY projects have been sanctioned and are under implementation. It is expected that the major work shall be completed by 2011-12. Nodal officers have been identified for close monitoring of rural electrification in these States. Minister of Power, Minister of State for Power, Secretary (Power), RGGVY Monitoring Committee and other officers are closely monitoring implementation of RGGVY in the country with special emphasis on the above four States.

[Ministry of Power, O.M. No. 10/4/2009—Budget, dated 26.4.2010]

#### **Comments of the Committee**

(Please see para 29 of Chapter-I of the Report)



## CHAPTER V

### OBSERVATION/RECOMMENDATIONS IN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

#### **(Rec. Sl.No. 3, Paragraph No. 2.12)**

The Committee note that recently the Ministry of Power has completed the mid-term appraisal of 11th Five Year Plan. The Committee have not examined the detailed results of this exercise. The Committee would however, like the Government to take necessary action on the weak areas identified in the review so as to achieve the set targets of the 11th Plan in the remaining period of the Plan.

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

As per the Mid Term appraisal, a total capacity of 62,374 MW is likely with a high level of certainty during 11th Plan. A capacity of 22,302 MW has already been commissioned till 31.3.2010 and a capacity aggregating to 40,072 MW is likely to be commissioned with a high level of certainty during the balance period of 11th Plan.

The report on Mid Term Appraisal of 11th Plan by the Planning Commission is under preparation. However, the steps taken by the Government to achieve the capacity addition target during the Eleventh Five Year Plan are as follows:

- Monitoring mechanism in the Ministry has been strengthened. The progress of generation projects for completion 11th Five Year Plan is reviewed intensively in periodical meetings by Central Electricity Authority, Ministry of Power and Power Projects Monitoring Panel (PPMP). An Advisory Group under the chairmanship of Hon'ble Minister of Power with retired power secretaries amongst others has been set up to suggest ways and means to achieve the 11th Plan capacity addition targets.
- Inadequate manufacturing capacity was recognized as one of the major reasons for slippages during 10th Plan. Accordingly, the issue of inadequate manufacturing capacity was taken up with Ministry of Heavy Industry/BHEL at various fora. As a result, BHEL have taken up capacity

augmentation programme to increase their capacity (Thermal + Hydro + Nuclear) to 15,000 MW/annum by March, 2010 and upto 20,000 MW by March, 2012.

The issue of supply of equipments by BHEL has been discussed in the Committee of Secretaries chaired by the Cabinet Secretary on December 8, 2009. In pursuance of the decision taken in the meeting, a Group under the Chairmanship of Secretary (Heavy Industry) to finalise a joint action plan which would lay down the schedule/ timeframe for completion of projects as per targets, has been set up. Members of the Group include Secretary (Power), Chairperson, CEA, CMD, NTPC and CMD, BHEL.

- M/s L&T has already formed a Joint Venture Company with MHI, Japan for manufacture of supercritical steam generator and steam turbine generators in India. Other such joint ventures are M/s JSW and Toshiba, M/s Bharat Forge and Alstom and M/s BB Engineering and Ansaldo for manufacture of various power plants equipments.
- All stakeholders have been sensitized towards enlarging the vendor base so as to meet the Balance of Plants (BoP) requirements.
- Pre-qualification requirement for super critical unit manufacturers has since been modified so as to qualify new Joint Venture between Indian company and the technology provider company.
- Bulk ordering of 11 units of 660 MW each with supercritical technology with mandatory phased indigenous manufacturing Programme has also been initiated to promote indigenous manufacturing.
- To overcome the shortage of skilled manpower, 'Adopt an ITI' initiative has been taken up.

The position with regard to ordering of main plants and equipments, Balance of Plants and coal linkages has been given in reply to Para 2.11 above.

[Ministry of Power, O.M. No. 10/4/2009—Budget, dated 26.4.2010]

#### **Comments of the Committee**

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

**(Rec. Sl. No. 12, Para No. 3.4.11)**

The Committee have been informed that an Inter-Ministerial Group (IMG) has been constituted to evolve a suitable framework to guide and accelerate development of hydro power in the North-East and Secretary, Ministry of Power is one of the Members of the IMG. The Group shall go into the details of identified issues and evolve suitable framework to guide and accelerate development of hydro power in the North-East region. The Group shall submit its Report in 4 months. The Committee are also dismayed to note that a number of projects of NEEPCO have suffered time and cost overruns. The Kameng project was scheduled for commissioning in 2009-10 but may not be ready before 2012-13. The Tuirial project was scheduled to be commissioned in 2005-07 but has been called off on account of local agitation and revival of the works is under the consideration of the Government. The Committee would like to be apprised of the latest developments in this regard and hope that early solution to the problems related to development of hydro power in the North-East region of the country are arrived at. The Committee would await the findings/ Recommendations of the IMG.

**Reply of the Government**

**Present Status of IMG**

In order to evolve a suitable framework to guide and accelerate the development of hydro power in North-East an Inter-Ministerial Group under the Chairmanship of Secretary, Water Resources was constituted. Four meetings of the IMG were convened and detailed discussion was held amongst the members and special invites to finalized the report. The report of the IMG has been finalized and a copy of the report has been sent to PMO by the Ministry of Water Resources.

**Tuirial H.E. Project**

A revised PIB note at June, 2009 PL amounting to Rs. 836.14 cr. for taking a decision on the revival of the project was circulated among the appraising agencies. PIB in its meeting held on 19.3.2010 considered the proposal regarding Tuirial H.E. Project wherein it was recommended by PIB that the proposal should be resubmitted after updating the cost estimates to the March, 2010 Price Level with reasons for escalation under standard heads prescribed by the Planning Commission, keeping in view the observations made by PIB.

### **Kameng HEP (600 MW), Arunachal Pradesh**

The Investment approval was accorded on 02.12.2004 at a cost of Rs. 2496 crs. All the packages have been awarded. The original commissioning schedule was December, 2009 which has been revised to May, 2013. There have been major design changes of major hydraulic structures of the project, poor geological conditions in Head Race Tunnel, High Pressure Tunnel, Power House site and occurrence of flash flood in October, etc. resulting in delay of commissioning of the project. NEEPCO is presently working on formulating the RCE of the project.

[Ministry of Power, O.M. No. 10/4/2009—Budget, dated 26.4.2010]

#### **Comments of the Committee**

(Please see para 23 of Chapter-I of the Report)

NEW DELHI;  
30 July, 2010  

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9 Sravana, 1932 (Saka)

MULAYAM SINGH YADAV,  
*Chairman,*  
*Standing Committee on Energy.*

## APPENDIX I

### STANDING COMMITTEE ON ENERGY

MINUTES OF THE EIGHTEENTH SITTING OF THE STANDING  
COMMITTEE ON ENERGY (2009-10) HELD ON 8TH JULY, 2010  
IN COMMITTEE ROOM '53' PARLIAMENT HOUSE,  
NEW DELHI

The Committee sat from 1100 hrs. to 1200 hrs.

#### PRESENT

Shri Mulayam Singh Yadav — *Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri S.K. Bwiswmuthiary
3. Shri Adhir Ranjan Chowdhury
4. Shri Paban Singh Ghatowar
5. Shri Arjun Munda
6. Shri Sanjay Nirupam
7. Shri Jagdambika Pal
8. Shri Ravindra Kumar Pandey
9. Shri Nityananda Pradhan
10. Shri M.B. Rajesh
11. Dr. K.S. Rao
12. Shri E.G. Sugavanam

##### *Rajya Sabha*

13. Shri Motilal Vora
14. Shri Ram Chandra Khuntia
15. Shri Shivpratap Singh
16. Shri Shyamal Chakraborty
17. Shri Veer Pal Singh Yadav
18. Shri Govindrao Wamanrao Adik
19. Shri Mohammad Shafi
20. Prof. Anil Kumar Sahani

SECRETARIAT

1. Shri Brahm Dutt — *Joint Secretary*
2. Shri N.K. Pandey — *Additional Director*
3. Shri Rajesh Ranjan Kumar — *Deputy Secretary*

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2. \*\*\*

3. \*\*\*

4. \*\*\*

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6. \*\*\*

7. The Committee then took up for consideration the draft 8th Report on the Action Taken by the Government on the recommendations contained in the 1st Report on the Demands For Grants of the Ministry of Power for the year 2009-10. The Committee adopted the same and authorized the Chairman to present the Report to both the Houses of Parliament in the ensuing session.

*The Committee then adjourned.*

## APPENDIX II

(Vide Introduction of Report)

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

(i) Total number of Recommendations	25
(ii) Observations/Recommendations which have been accepted by the Government: Sl.Nos. 1, 2, 4, 5, 6, 7, 8, 9, 14, 15, 16, 17, 19, 20, 22, 23, 24 and 25	
Total:	18
Percentage	72%
(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies: Sl. No. 21	
Total:	01
Percentage	4%
(iv) Observations/Recommendations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration: Sl. Nos. 10, 11, 13 and 18	
Total:	04
Percentage	16%
(v) Observations/Recommendations in respect of which final replies of the Government are still awaited: Sl. Nos. 3 and 12	
Total:	02
Percentage	8%