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STANDING COMMITTEE ON ENERGY

(2017-18)

SIXTEENTH LOK SABHA

MINISTRY OF NEW AND RENEWABLE ENERGY

**[Action Taken on the recommendations contained in the
Twenty-Second Report (16th Lok Sabha) on Energy Access
in India - Review of Current Status and Role of Renewable
Energy]**

THIRTY-SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2018/Phalguna, 1939 (Saka)

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Presented to Lok Sabha on 07.03.2018

Laid in Rajya Sabha on 07.03.2018



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(2017-18)

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INTRODUCTION

I, the Chairperson, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this Thirty-sixth Report on the action taken by the Government on the recommendations contained in Twenty-Second Report of the Standing Committee on Energy on Energy Access in India - Review of Current Status and Role of Renewable Energy pertaining to the Ministry of New and Renewable Energy.

2. The Twenty-Second Report was presented to the Lok Sabha on 15th December, 2016 and was laid in Rajya Sabha on the same day. Replies of the Government to all the recommendations contained in the Report were received on 16th August, 2017.

3. The Report was considered and adopted by the Committee at their sitting held on 15th February, 2018.

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

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

NEW DELHI
5th March, 2018
Phalguna 14, 1939 (Saka)

Dr. Kambhampati Haribabu ,
Chairperson,
Standing Committee on Energy

REPORT

CHAPTER - I

This Report of the Standing Committee on Energy deals with the action taken by the Government on the Observations/Recommendations contained in the Twenty Second Report (Sixteenth Lok Sabha) on Energy Access in India - Review of Current Status and Role of Renewable Energy, which was presented to Lok Sabha on 15th December, 2016 and was laid on the same day on the Table of Rajya Sabha. The Report contained 14 Observations/Recommendations.

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

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

Serial Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13 and 14

Total - 14
Chapter-II

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

- Nil -

Total - 00
Chapter-III

- (iii) Observation/Recommendation in respect of which the reply of the Government has not been accepted by the Committee and which require reiteration:

- Nil -

Total - 00
Chapter-IV

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

- Nil -

Total - 00
Chapter-V

3. The Committee in principle accepted all the replies furnished by the Government. However, they will deal with action taken by the Government on some of their Recommendations that require merit comments.

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

Energy Access

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

5. The Committee had noted that the concept of energy access was not dealt with in the manner having focus on providing electricity to all the villages/persons irrespective of size and the geographical locations in the country. Access to energy is essential for economic growth and human development. Its absence constraints generation of productivities, income and employment. The proposition of energy access as such envisions the ability to obtain the energy access on demand/desire. It must also be within the economic connection and supply range of the energy network or supplier. For universal access to energy to electricity its prerequisites are that we should have a clear definition of energy access. Considering the scenario in its entirety and the stakes involved, the Committee had recommended that a clear definition of energy access be laid down with the objective of achieving it for the growth of the people and the backward areas of the country. The definition may, inter alia, include availability of energy to one and all in every nook and corner of the country irrespective of the geographical constraints and non-availability of conventional electricity network/carrier.

6. The Ministry of New and Renewable Energy in their action taken reply has stated:

"The recommendation of the Committee has been noted".

7. In view of the absence of clarity in definition of Energy Access, the Committee had recommended that a clear definition of energy access be laid down with the objective of achieving it for the growth of the people in the backward areas of the country. The Committee note that the Ministry has merely noted the recommendation of the Committee but does not come out clear on the concept of energy access. The Committee expect the Ministry to share their views and concept on energy access and the various initiatives taken by them for fulfillment of the same. The Committee desire that the

Ministry may come out with a clear definition of energy access keeping in view the Committee's recommendation. The Committee therefore, would like to re-emphasize that the definition of energy access may be laid down and which inter alia, include availability of energy to one and all in every nook and corner of the country irrespective of the geographical constraints and non-availability of conventional electricity network/carrier

Electricity For All

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

8. The Committee had noted that Electricity For All has been a declared objective of the Union and State Governments since 1970, when the rural electrification was identified as a key component of the minimum needs programmes. A number of schemes like Kutir Jyoti Scheme, Pradan Mantri Gramodaya Yojana, the Accelerated Rural Electrification Programme and the Accelerated Electrification of one lakh villages and one crore households in the year 2004-05, RGGVY and DDUGJY have been initiated. The Committee had also noted that despite a plethora of schemes, we have not been able to achieve the objective of Electricity For All or the energy access by the common man in the country. The Committee had therefore, recommended that the outcome of each of the schemes initiated with regard to Electricity For All may be reviewed and shortcomings/deficiencies identified to fix them, so that ongoing schemes/programmes do not suffer from the same deficiencies which have been responsible for the non/short delivery or performance schemes implemented to provide Electricity For All.

9. The Ministry of New and Renewable Energy in their reply has stated :

"As per REC, the left out un-electrified villages (18452 un-electrified villages as on 01.04.2015) are, by & large, last mile villages which are difficult to access and electrify. The electrification work is being monitored in real time on GARV app, in which physical progress is provided by Gram Vidyut Abhiyantas& mid-course corrective measures are taken by States, REC and Ministry of Power.

Further, DDUGJY scheme, as a whole is being reviewed at the following levels:

At State level, a Committee under the Chairmanship of Chief Secretary is in place to monitor progress and resolve issues relating to implementation viz. allocation of land for sub-stations, right of way, forest clearance, railway clearance, safety clearance etc.

At District level, District Development Co-ordination & Monitoring Committee namely DISHA (administered by Ministry of Rural Development) headed by senior most Member of Parliament (Lok Sabha) is in place to review and monitor implementation of central sector schemes including DDUGJY.

At Central level, inter-ministerial Monitoring Committee on DDUGJY headed by the Secretary, Ministry of Power, Government of India also monitor implementation of scheme. Besides, the progress is reviewed with States / Power Utilities in Review, Planning and Monitoring (RPM) meeting of Ministry of Power on monthly basis.

Rural Electrification Corporation Limited (REC), the nodal agency, monitors implementation of scheme through its project offices at field level. REC has developed a web enabled Mobile App, 'GARV' for monitoring of village electrification.

Based on the feedback/issues raised from all the stakeholder viz. implementing agencies, Contractors, Project Monitoring agencies, RQM,NQM, TPIA, State Governments of DDUGJY scheme during the review meetings necessary corrective measures are being taken including amendments in the DDUGJY guidelines and Standard Bidding Document, to increase the benefits of the schemes at large to the rural population.

10. The Committee are informed that the left out un-electrified villages (18452 un-electrified villages as on 01.04.2015) are, by and large, last mile villages which are difficult to access and electrify. The Committee do not agree with the excuses that those villages are inaccessible. If the existence of the said villages are possible, why electrification of those said villages are not possible? At this age of advance technology, machinery and equipment, it is high time for the Government to reach out to every nook and corner of the Country. Distance, topography etc should not be a constraints for electrification of even the remotest areas of the Country.

The Committee also note that the review of DDUGJY scheme at different level did not yield the desired result. While reviewing the scheme, the Committee desire that the objective of Electricity For All or the energy access by the common man in the country may be the focus of the assessment. The Committee also would like the Ministry to initiate Evaluation Study for all the remaining Schemes which have not been covered so far. The Committee, therefore would like to stress that the outcome of each of the schemes initiated with regard to Electricity For All may be reviewed and shortcomings/deficiencies be identified to fix them, so that ongoing schemes/programmes do not suffer from the same deficiencies which have been

responsible for the non/short delivery or performance of schemes implemented to provide Electricity For All.

CHAPTER II

RECOMMENDATIONS/ OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation No.1 Paragraph No.1)

The Committee note that the concept of energy access has not been dealt with in the manner having focus on providing electricity to all the villages/persons irrespective of size and the geographical locations in the country. Access to energy is essential for economic growth and human development. Its absence constraints generation of productivities, income and employment. The proposition of energy access as such envisions the ability to obtain the energy access on demand/desire. It must also be within the economic connection and supply range of the energy network or supplier. For universal access to energy to electricity its prerequisites are that we should have a clear definition of energy access. To meet it in reality, lot of spade work in cohesion may be required which would have innovative institutions, enabling mechanism targeted policies, subsidies and finances within its ambit. Considering the scenario in its entirety and the stakes involved, the Committee recommend that:

- i. A clear definition of energy access be laid down with the objective of achieving it for the growth of the people and the backward areas of the country. The definition may, inter alia, include availability of energy to one and all in every nook and corner of the country irrespective of the geographical constraints and non-availability of conventional electricity network/carrier.

Reply of the Government

The recommendation of the Committee has been noted.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.2 Paragraph No.2)

The Committee note that lack of energy access is mainly rural issue. The Committee are also aware that a sizeable population of urban areas are also deprived of the energy access, yet, the problem mainly revolves around rural context where it is phenomenally higher than urban areas. In view of the Committee, the lack of electrical infrastructural network is a significant factor contributing to the state of absence of electricity access of common man in the country. Another important factor adding to the problem is the non-availability of accurate figures regarding un-electrified villages and households of the country. Government mainly relies on the figures supplies by the State Governments and there are huge discrepancies with regard to the electrified/un-electrified villages of the country. The mismatch in figures makes the scheme

of electrification of villages ineffective and defunct. The flagship schemes of the Government like RGGVY and DDUGJY have not yielded the desired results despite the utmost sincerity and efforts of the Government. The intrinsic question comes as to why we are unable to achieve the target. So long as we do not develop a countervailing mechanism to authenticate the number of electrified/un-electrified villages/households, this problem will remain unresolved and we will be shooting in the dark only. An effective mechanism should be developed, which is not an unattainable task to minimize the dependence on the procedure of the acquisition of figures for this purpose. Some unconventional methods will have to be explored to know the accurate and real numbers of un-electrified villages/households. This identification could be done with the help of the new agencies like UrjaMitra and the elected representatives of the people. Therefore, the Committee recommend that

- i. For the purpose of the electrification of villages and to ensure energy access to all, the identification of villages should be done at block level through independent agencies/individuals in which the elected representatives can also be involved to endorse the findings of such individuals/agencies. They may also be asked as to how and in what manner energy access can be made a reality in remote and inaccessible areas or where this is yet become a reality. This exercise will help in mapping the un-electrified villages and also fixing the requirement of energy.

Reply of the Government

Rural Electrification Corporation Ltd (REC) stated that there were 18,452 un-electrified villages in the country as on 01 April 2015. This data has primarily been provided by the States which has been further ratified by the public representatives through District Electricity Committee (now Disha). However, if any village is found un-electrified during implementation, the same is also included for electrification. The progress of electrification works in these un-electrified villages is also updated in near real time basis in 12 milestones and villages are GIS mapped and also monitored on GARV mobile App. The GARV app is in public domain.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.3 Paragraph No.3)

The Committee note that Electricity For All has been a declared objective of the Union and State Governments since 1970, when the rural electrification was identified as a key component of the minimum needs programmes. A number of schemes like Kutir Jyoti Scheme, Pradan Mantri Gramodaya Yojana, the Accelerated Rural Electrification Programme and the Accelerated Electrification of one lakh villages and one crore households in the year 2004-05, RGGVY and DDUGJY have been initiated. The Committee note that despite a plethora of schemes, we have not been able to achieve the objective of electricity for all or the energy access by the common man in the country. There is no denying the fact that considerable progress has been made but a lot needs to be done to attain the goal of energy access. The Committee feel that to achieve the purpose, the involvement of local people from project conceptualization of commissioning and sustained operation, maintenance could be the important factors for its success. The

energy can be from grid, off-grid solutions including mini grid or standalone systems. Therefore, the Committee recommend that:

- i. The outcome of each of the schemes initiated so far with regard to Electricity For All may be reviewed and shortcomings/deficiencies identified to fix them, so that ongoing schemes/programmes do not suffer from the same deficiencies which have been responsible for the non/short delivery or performance schemes implemented to provide Electricity For All.

Reply of the Government

As per REC, the left out un-electrified villages (18452 un-electrified villages as on 01.04.2015) are, by & large, last mile villages which are difficult to access and electrify. The electrification work is being monitored in real time on GARV app, in which physical progress is provided by Gram Vidyut Abhiyantas & mid-course corrective measures are taken by States, REC and Ministry of Power.

Further, DDUGJY scheme, as a whole, is being reviewed at the following levels:

At State level, a Committee under the Chairmanship of Chief Secretary is in place to monitor progress and resolve issues relating to implementation viz. allocation of land for sub-stations, right of way, forest clearance, railway clearance, safety clearance etc.

At District level, District Development Co-ordination & Monitoring Committee namely DISHA (administered by Ministry of Rural Development) headed by senior most Member of Parliament (Lok Sabha) is in place to review and monitor implementation of central sector schemes including DDUGJY.

At Central level, inter-ministerial Monitoring Committee on DDUGJY headed by the Secretary, Ministry of Power, Government of India also monitor implementation of scheme. Besides, the progress is reviewed with States / Power Utilities in Review, Planning and Monitoring (RPM) meeting of Ministry of Power on monthly basis.

Rural Electrification Corporation Limited (REC), the nodal agency, monitors implementation of scheme through its project offices at field level. REC has developed a web enabled Mobile App, 'GARV' for monitoring of village electrification.

Based on the feedback/issues raised from all the stakeholder viz. implementing agencies, Contractors, Project Monitoring agencies, RQM, NQM, TPIA, State Governments of DDUGJY scheme during the review meetings necessary corrective measures are being taken including amendments in the DDUGJY guidelines and Standard Bidding Document, to increase the benefits of the schemes at large to the rural population.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

DeenDayalUpadhyaya Gram Jyoti Yojana (DDUGJY)

The Committee note that the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) aims at electrification of the un-electrified villages of the country. Villages are to be electrified through grid connectivity and the term of the scheme has been extended up to 2020. The Committee feel that this flagship scheme of the Government has a potential to fulfil the ambition of energy access in India to a greater extent. The Scheme has a total outlay of Rs.40300 crore with the budgetary support of Rs.33453 crore. Under the scheme, Government has also taken up a joint initiative with the States for preparation of state specific action plan for 24x7 power for all. Besides, rural electrification component projects with outlay of Rs. 32860 crore have also been subsumed in DDUGJY making the total outlay of the scheme to Rs. 75893 crore of which 63.27 will be provided through budgetary support of the Government and balance would be contributed by the States from their own resources/loans from financial institutions/banks. The Committee note that there is no financial crunch as far as the implementation of the scheme is concerned. However, despite availability of funds and other required infrastructure to implement the scheme, the desired progress has not been made to achieve the physical targets. The tenure of the scheme is being extended every time on the non-achievement of the targets. This situation leads us to believe that there may be systemic shortcomings which are hampering the growth and achievement of desired results under the scheme. There is no guarantee that the scheme will not be further extended beyond 2020 and all the targets will be achieved within the extended stipulated timeline. This kind of the approach instills the sense of lethargy in the implementation of the scheme and prevents us to identify and rectify the systemic inefficiencies. The indefinite procrastination will eat up our resources and multiply the simple problem into manifolds. This attitude cannot be allowed to persist. Therefore, the Committee recommend that:

- i. Since the inception of RGGVY in the year 2005, the scheme should be analysed thread bare and reasons be identified for its failure to achieve the targets. It should also be found why the problem has not been fixed so far.
- ii. Urgent and efficacious measure should be explored to make the implementation of the scheme a success failing which the responsibility for non-achievement of the target under the scheme should also be fixed.

Reply of the Government

REC states that so far, the progress has been satisfactory & the targets have been achieved, barring a few States. The project is being monitored microscopically at all levels & issues addressed proactively, without delay.

Further, REC has deployed Gram Vidyut Abhiyantas (GVAs) to assist State Governments / DISCOMs in monitoring of electrification of villages with effect from 01.01.2016. Once the village is declared as electrified by the State DISCOMs, the GVAs visit the village and the details regarding electrification of villages are uploaded on a Mobile App – GARV and web portal – garv.gov.in for use by all the stakeholders and dissemination of information to public for bringing in transparency in the system.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.5 Paragraph No.5)

The Committee note that during the 10th and 11th Plans, the target under each category of the electrification i.e (i) Unelectrified villages (ii) Intensive electrification of electrified villages and (iii) BPL connections were not met by good margin. Only 2,28,06,032 BPL connections could be provided against the target of 2,64,93,948. Moreover, there is no clarity with regard to intensive electrification of village and electrification of village. There is always a difference of opinion with regard to the number of electrified villages and the remaining villages for electrification. The Committee has also been apprised that no targets are fixed for intensive electrification of electrified villages. This kind of approach results in duplicity of work as well as in sham exercise in the name of electrification. It also raises the question as to what is the basis for selection of electrified villages for intensive electrification. This is an inconsistent policy leaving much scope for discretion, insincerity and specious approach. The besetting of these factors into any scheme are sufficient to make it unworthy, disoriented and unproductive. The Committee, therefore, recommend that:

- i. The multiplicity of the agencies involved therein and the high stakes that the scheme carries a proper, thoughtful, inclusive, implementable and target-oriented guidelines should be framed to make it successful. There is no point in indulging over repeat exercises like partial electrification and intensive electrification of villages. It is a waste of time and resources and should be avoided at any cost.
- ii. Appropriate guidelines in this regard may be framed or reframed immediately as the case may be and the Committee be apprised of the action taken in this regard.

Reply of the Government

As per REC, Under DDUGJY, access of electricity is being provided in un-electrified villages as well as already electrified villages. Creation of additional infrastructure (Intensive electrification) in already electrified villages is done to provide access of electricity to un-electrified households. Under DDUGJY, GOI is providing free service connection to BPL households and access of electricity is provided to APL households to facilitate extension of service connection by the utility immediately as and when the same is demanded by the APL household.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.6 Paragraph No.6)

The Committee note that during the 12th Plan period, total 768 projects under DDUGJY have been sanctioned. These projects include 495 off-grid projects. The project cost for the sanctioned project is Rs.23774 crore of which Rs.167 crores are for off-grid projects. This will cover the electrification of 9125 un-electrified villages of which 113 un-electrified villages will be of off-grid. Intensive electrification of 231852 electrified villages will also be done during the

period and release of free electricity connection of 132.56 lakh BPL households will be done of which 19415 such households will be from off-grid. As on 30.09.2016, electrification of 4701 villages has been done including 53 villages from off-grid sources. Intensive electrification of 41554 electrified villages has been done whereas 12.87 lakh BPL households connections have been released. The Committee note that the 12th Plan period is about to end but we are not even half way to the target in any of the category of electrification. This needs serious appraisal on an urgent basis as to why we are lagging behind in electrification under DDUGJY. The Committee are aware that usual excuses will be given for non-performance. This trend is not at all acceptable and there should be some element of accountability for non-achieving the target. When the projects were sanctioned and targets set, the entire process of electrification might have been conceived and laid down. If the possible hurdles hampering the progress and their remedy cannot be foreseen, thereby, resulting in the time and cost overrun, it raises serious questions about the efficacy of the scheme as well as the competence of the agencies involved. The Committee, therefore, recommend that:

- i. The target under DDUGJY should be fixed in a realistic manner and once they are finalized, there should be no compromise for any reason whatsoever with regard to the achievement of the targets. Adducing reasons and excuses for non-performance will give leeway to the officials/agencies to escape accountability which will not be in the interest of the timely completion of the project and achievement of the targets.

Reply of the Government

REC states that based on our earlier experience, Government of India, through REC, has appointed Gram Vidyut Abhiyantas (GVAs), for real time monitoring of projects. The issues raised by GVAs are promptly addressed by States, REC and Ministry of Power. Electrification of balance un-electrified village (18452 as on 01.04.20105) has been targeted to be completed, on mission mode, by May 2018. Electrification of these villages is being monitored on GARV app, assigning 12 milestones on the progress.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.7 Paragraph No.7)

The Committee have been apprised about the concept of the intensive electrification of the electrified villages stating that keeping in view the objective of the scheme to provide access to electricity to all households, it is envisaged to create rural electricity infrastructure in un-electrified villages as well as in already electrified villages. Creation of rural electricity infrastructure in already electrified villages for providing access to electricity to remaining un-electrified households and providing free electricity connections to BPL households has been termed as 'Intensive Electrification of Villages' under the scheme. Under Intensive Electrification (IE) mainly lines are erected and capacity of distribution transformer is enhanced. It has also been stated that against the sanctioned 7,28,440 number of electrified villages for intensive electrification, as on 30.09.2016 electrification of 3,81,430 electrified villages has been

completed so far. The Committee are concerned to know the prevailing state of affairs under the DDUGJY for intensive electrification of electrified villages which envisages creation of rural electricity infrastructure in un-electrified villages as well as in electrified villages. This is surprising as to whether the electrification already done in a village of whatever quantity is done without electricity infrastructure? Why this repeat exercise in the face of the fact that huge number of villages are still left for electrification. The Committee do understand that the electrification of entire village is essential but it should have been done from the beginning itself instead of indulging in this kind of time and money consuming frivolous exercises. The Committee, therefore, recommend that:

- i. It should be ensured that the factors like intensive electrification of electrified villages should be avoided and all out efforts should be made for the wholesome electrification of the un-electrified villages and also of the partially electrified villages so as to avoid the repeat exercise involving time, money and technical efforts.

Reply of the Government

As per REC, Due to funds constraints, a criteria of population of the targeted villages was stipulated in earlier scheme. However, in DDUGJY (new scheme), there is no criteria of population for a village to be electrified; all habitations irrespective of its population, is considered for electrification.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.8 Paragraph No.8)

The Committee note that Decentralized Distributed Generation (DDG) is the available option to provide electricity access to the electrified habitations. It is a cost effective, efficient, self-sufficient, technically less complicated and locally available resource consumption system to provide electricity to the areas where grid connectivity is either not feasible or not cost effective. The renewable sources of energy such as bio-mass, bio-fuels, bio-gas, mini hydro solar etc., can be characterized as effective source of Decentralized Distributed Generation (DDG). Primarily, it is an off-grid distribution network for local requirements of limited periphery. So far 4604 new projects have been sanctioned under DDG with the project cost of 1470 crore. The target for electrification under the scheme is the electrification of 3586 un-electrified villages and 1,87,286 BPL household connections. As on 31st October, 2016, only 518 projects have been commissioned which is far from satisfactory. The Committee note that there is a huge gap between the target and the achievement, consequently, a large number of habitations in BPL households are yet to be electrified because the projects sanctioned under DDG Scheme are from component of the DDUGJY. This has also led to financial re-orientation as far as this scheme is concerned. The Committee find that poor planning and implementation of DDG result in the end waste of resources as they are of perishable nature. If this is done as expected, not only the resource utilization will be effective but also lead to illuminating of households and villages which are yet to see the electricity. The Committee, therefore, recommend that:

- i. The projects under DDG should be sanctioned in a manner wherein targets are achievable. The time period for implementation of these projects should also be streamlined keeping in view the seasonal and cyclical availability of resources as well as the low gestation period in the commissioning of the projects.

Reply of the Government

REC updated that the progress of electrification works is updated in near real time basis in 12 milestones and villages are GIS mapped and also monitored on GARV mobile App.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.9 Paragraph No.9)

The Committee note that the concept of innovative financing has been introduced to implement the DDG and it has been stated that REC through its field offices helps the states in documentation of the processes. Besides, the financing pattern of DDUGJY scheme provides incentive to the performing state utilities. On achievement of stipulated milestones, the subsidy component is increased to 75 per cent of the project cost. This is done on timely completion of the scheme as per the laid down milestones, reduction in AT&C losses as per finalized trajectory and up front release of admissible revenue subsidy by the State Government based on the metered consumption. The Committee find that standalone system has been introduced under DDG consisting of 200 Wp panel, battery, 5 LEDs, Fan, Mobile charger, 25 watt power socket etc., available to each household. However, the condition of reduction in AT&C losses has been laid down for release of additional subsidy. It is incomprehensible why this condition has been made applicable and whether it is realistic and feasible in the standalone arrangements. To link release of additional subsidy with this kind of impractical condition amounts to non-granting of subsidy. Similarly, the upfront release of admissible revenue subsidy by the State Government based on improved consumption is also a mirage. The Committee, therefore, strongly recommend that:

- i. Linking DDG, with this kind of preposterous conditions will only discourage the scheme, thereby, denying the already deprived sections of society their rightful claim on electricity.

Reply of the Government

REC states that under DDG projects, 60% of the project cost (85% in case of special category States) is given as grant under DDUGJY and balance is arranged by respective implementing Agencies/State Governments through Loan/Equity. However, the aforesaid subsidy component is increased to 75% (90% in case of special category States) subject to only one condition i.e. timely completion of DDG projects. It is submitted that condition regarding reduction on AT&C losses and upfront release of admissible revenue subsidy by State Government are not applicable in DDG projects; it is applicable only in grid connected electrification works.

Remote Village Electrification Programme

The Committee note that the Government is implementing remote village electrification programme by providing financial support for lighting using renewable energy sources in those un-electrified remote census villages, hamlets of electrified census villages where grid connectivity is either not feasible or not cost effective and which are not covered under DDUGJY for grid electrification. This scheme is implemented through State Government Power Departments or the Forest Department. A subsidy up to 90 per cent of the cost of installation of various renewable energy devices are provided under the scheme. The Committee note that there has been good progress under the scheme as about 11335 villages and hamlets have been electrified against the target of 13059, up to August, 2016. Work is on in 637 villages, whereas, 1087 villages have been dropped from the sanctioned projects. The Committee understand the difficulties involved in the scheme of remote village electrification yet, they cannot be left unattended. The Committee strongly recommend that:

- i) The villages which are not covered under the DDUGJY and are to be electrified under some other schemes should also be given due attention and priority. Border and remote villages should not feel alienated for want of electricity and hence, a time bound programme should be chalked out to cover all the villages for electrification under the various schemes of the Government.

Reply of the Government

The program of Remote Village Electrification (RVE) which was earlier operational under MNRE, is now handled by Ministry of Power. However to meet the demand of electricity in remote locations using solar power packs, Ministry is implementing Solar Off Grid PV and Decentralized programme. Under this scheme, the provision of 30% subsidy is available for general states and upto 90% for special category states.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.11 Paragraph No.11)

Off-Grid/Decentralized Solar Photo Voltaic Programme

The Committee note that Off-Grid/Decentralized Solar Photo Voltaic Programme is supported for rural electrification in mini grid mode. Under the programme, various off-grid/grid connected and decentralized photo voltaic systems/applications up to a maximum capacity of 500 KWP per site are supported. It is implemented for rapid up scaling in an inclusive mode thereby, reducing the transaction cost and time. 30 per cent subsidy of benchmark cost for various solar devices is provided and funding under the scheme is done in project mode. Similarly, 40 per cent of the benchmark cost are also provided for small capacity power plants up to 1300 WP. Loan from bank is mandatory to avail subsidy under the scheme. The Committee welcome these steps and emphasize that this scheme should be given due popularity and incentive so as to widen its

scope in rural and inaccessible areas. This scheme has a potential to mitigate the hardships of people living in remote and inaccessible areas. Over one million households are already meeting their lighting energy needs through solar energy. Solar street lighting is another very useful application for public lighting purpose. Till now, over 4 lakh street lights have been installed throughout the country. The Committee are aware that to improve the standard of living and quality of life of those section of population which are deprived of access to electricity, solar photo voltaic mechanism can be helpful in mitigating their hardship.

The Committee, therefore, recommend that:

- i) Solar photo voltaic system should be appropriately developed and remodeled into different devices so that it can become more useful to the people living in remote areas. Street lights, home lights and lantern can be suitably designed to sustain round the clock while reenergizing themselves during the day.
- ii) It should be made a public movement for the purpose of electricity access in the areas where grid connectivity is not possible.

Reply of the Government

The Ministry is already promoting solar bases devices for remote areas of the country, for providing lights and promoting livelihood activities. Solar Charkha and Solar lighting dome are two such devices which have been developed in the recent years. Specifications and standards for the solar street lights and home lights have been developed to provide sufficient lighting in rural households.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.12 Paragraph No.12)

The Committee note that the Government has taken up an ambitious programme for installation of 1 lakh solar water pumping system for irrigation and drinking water. The provision of 30 per cent Central Financial Assistance has been made under the programme. Ministry of Drinking Water and Sanitation has also been associated for installing 15,330 pumps for providing community drinking water. In addition, 30 thousand solar pumps will also be installed through bank loan with 40 per cent Central Financial Assistance for irrigation purpose to individual farmers. The Committee while welcoming the move of the Government also congratulate them for this initiative in which the contribution from the beneficiary is only of 20 percent. 40 percent of the Central Financial Assistance and for rest of the 40 per cent of the cost, loan at normal rates are made available through banks. In this regard, the Committee would like to emphasize the fact that the cost of the solar pump should be realistic and implementable as the subsidy is based on the cost of water machine. The Committee would also like to draw the attention of the Government about the life and durability of these machines failing which the entire initiative will be negated.

The Committee, therefore, recommend that:

- i) The system of installation of solar water pumps should be made transparent, time bound and efficient.
- ii) It should also be ensured that the machines installed for the purpose are of high quality and maintenance free to the extent possible.
- iii) This should be done with utmost care and with indigenous technology involving of the beneficiary.

Reply of the Government

Under the Off Grid PV and Decentralized solar applications Programme, sufficient measures have been built into the scheme to ensure transparent, time bound and efficient system for allocation and procurement of solar pumps. These pumps are procured by the implementing agencies through a transparent tendering process. Timely installation has been ensured by setting timeline in the scheme and strict monitoring for compliance. The scheme also has a penalty clause which is activated in case of delays beyond the prescribed timelines. Further the quality is ensured by accepting only test lab certified solar pumps for the installation. The quality is also checked and verified by providing an inspection report while submission of project completion report. The utmost care has been taken for maintaining quality of the systems.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No. 13 Paragraph No. 13)

The Committee note that initiatives regarding solar water pumping system for irrigation and drinking water are based as per the requirements of the most needy sections of the society. The Programme is at the nascent stage and need vigorous strengthening. For confidence building of the people into the programme proper technical and administrative measure should be taken so as to popularize it among them. Funding pattern for installing the machine including subsidy component is a well considered move and the Committee applauded the Government for this. However, there is no scope for complacency and we should strive for excellence in the working of the mission. The various components of the mission should be of high standard and competitive in cost. Adequate maintenance infrastructure should also be made available as backup arrangement so that the possible obstacles in the machines are well taken care of. To popularize the programme other measures can also be considered sincerely. We should concentrate our efforts to make this programme a success as this will largely reduce the dependence of farmer on the conventional sources of electricity.

The Committee, therefore, recommend that:

- i. A watch should also be kept on the water output from these solar photo voltaic water pumping system. If necessary, the performance standard motor also be prescribed in this regard.
- ii. This useful move be popularized among the masses and efforts should be made to cater to ever increasing demand of the system. The sustainability

of the various components of the mission should also be ensured by introducing the quality checks at the appropriate levels.

Reply of the Government

The specifications issued by the Ministry have already prescribed water output per watt peak with respect to water head of the pump. Further, proactive measurements are taken to meet the performance of the solar pumps. This includes the quality check of the pumps through Ministry's empanelled test labs.

The Ministry is taking efforts to publicize not only solar pumps but other solar energy systems by various medias like Radio Broadcasting of program 'Akshay Urja aur Hum' every week for general masses. Ministry also put efforts to raise awareness about renewable amongst students, teachers, scientists and public at large. These programmes are implemented with specific focus on respective target groups. The mediums deployed include electronic media such as radio, TV, spot films etc; print media, newspapers; exhibitions; seminar/symposia etc.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

(Recommendation No.14 Paragraph No.14)

The Committee note that Government has come out with a scheme AtalJyoti Yojana which is a sub-scheme under off-grid and decentralized solar application to provide solar street lighting system in rural, semi urban and urban areas with inadequate coverage of grid power. The scheme also involves Members of Parliaments on the basis of their understanding of the needs and aspirations of the local people. The scheme is to be implemented in the States where household electrification is less than 50 per cent as per 2011 census. 75per cent of the cost of the street light will be made through Budget and remaining 25 per cent can be arranged from MPLADS fund, panchayat funds, municipality or other urban local body's fund. The Committee find this scheme to be insufficient and also sketchy. The Scheme aims to cover the urban, semi urban rural areas with inadequate coverage under grid power. This will lead to duplicity as there is no justification of inadequate power within the jurisdiction of grid network. The other condition of its implementation of less than 50 per cent household electrification is also not in consonance with the scheme. This is primarily a street lighting scheme and to implement it in areas where there is no household electricity will make it ineffective as people will tend to get electricity into their households from the network of this scheme. That may result in the mass destruction of the scheme and becoming non-productive.

The Committee, therefore, recommend that:

- i. The Atal Jyoti Yojana should be a compact scheme on the lines of other schemes under DDG. There should be wholesome electrification of

household as well as streets under the scheme so as to avoid any kind of misuse of the scheme.

Reply of the Government

For the electrification of household, Solar Power Packs and Home Lighting systems are being provided to eligible beneficiaries under Solar Off Grid PV and Decentralized Programme. This scheme provides subsidy for home lighting systems as well as street lights. The AJAY scheme, on the other hand, caters the need of community by providing solar street lights through MPLAD funds. The two schemes are different with different set of target groups. Further to avoid duplicity the precautions are being made to avoid sanctioning of the street lights in the same area.

[Ministry of New and Renewable Energy- OM No 8/7/2015 dated 16/8/2017]

CHAPTER III

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

-NIL-

CHAPTER IV

RECOMMENDATION / OBSERVATION IN RESPECT OF WHICH THE REPLY OF THE GOVERNMENT HAS NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

-NIL-

CHAPTER V

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

-NIL-

**New Delhi;
5th March, 2018,
Phalguna 14, 1939 (Saka)**

**Dr. Kambhampati Hari Babu
Chairperson,
Standing Committee on Energy**

APPENDIX - I

**MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2017-18)
HELD ON 15TH FEBRUARY, 2018 IN COMMITTEE ROOM G-074, PARLIAMENT LIBRARY
BUILDING, NEW DELHI**

The Committee met from 1100 hrs. to 1400 hrs.

PRESENT

LOK SABHA

Dr. Kambhampati Haribabu- Chairperson

2. Shri Om Birla
3. Shri Harish Dwivedi
4. Shri Bhagat Singh Koshyari
5. Dr. Arun Kumar
6. Kunwar Sarvesh Kumar
7. Shri Jagdambika Pal
8. Shri Ravindra Kumar Pandey
9. Shri M.B. Rajesh
10. Shri Gutha Sukhender Reddy
11. Shri Bhanu Pratap Singh Verma
12. Shri Kotha Prabhakar Reddy
13. Shri Nagendra Kumar Pradhan

RAJYA SABHA

14. Shri T.K.S. Elangovan
15. Shri Oscar Fernandes
16. Shri Shamsher Singh Manhas
17. Shri S.Muthukaruppan
18. Shri Surendra Singh Nagar
19. Smt. Viplove Thakur

SECRETARIAT

- | | | |
|-----------------------------|---|----------------------|
| 1. Shri A.K. Singh | - | Additional Secretary |
| 2. Shri N.K.Pandey | - | Director |
| 3. Smt. L.Nemjalhing Haokip | - | Under Secretary |

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

- i) Draft Report on "Stressed /Non-performing Assets in Electricity Sector'.

- ii) Draft Action Taken Report on the recommendations contained in the Fourteenth Report (16th Lok Sabha) on 'Evaluation of Role, Performance and Functioning of the Power Exchanges'
- iii) Draft Action Taken Report on the recommendations contained in the Sixteenth Report (16th Lok Sabha) on Demands for Grants of the Ministry of New and Renewable Energy for the year 2016-17.
- iv) Draft Action Taken Report on the recommendations contained in the Seventeenth Report (16th Lok Sabha) on 'Hydro Power – A Sustainable, Clean and Green Alternative'.
- v) Draft Action Taken Report on the recommendations contained in the Twenty-Second Report (16th Lok Sabha) on 'Energy Access in India – Review of Current Status and Role of Renewable Energy'.
- vi) Draft Action Taken Report on the recommendations contained in the Twenty-Seventh Report (16th Lok Sabha) on Demands for Grants of the Ministry of New and Renewable Energy for the year 2017-18.
- vii) Draft Action Taken Report on the recommendations contained in the Thirtieth Report (16th Lok Sabha) on 'National Electricity Policy – A Review'.

3. After discussing the contents of the Reports in detail, the Committee adopted the aforementioned draft Reports without any change. The Committee also authorized the Chairperson to finalize the above-mentioned Reports and present the same to both the Houses of Parliament in the second part of the Budget Session.

4.	X	X	X	X	X	X	X	X	X	X	X	X
5.	X	X	X	X	X	X	X	X	X	X	X	X
6.	X	X	X	X	X	X	X	X	X	X	X	X
7.	X	X	X	X	X	X	X	X	X	X	X	X
8.	X	X	X	X	X	X	X	X	X	X	X	X

The Committee then adjourned.

APPENDIX-II

(Vide Introduction of Report)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS/ OBSERVATIONS CONTAINED IN THE 22nd REPORT (16TH
LOK SABHA) OF THE STANDING COMMITTEE ON ENERGY

(i)	Total number of Recommendations	14
(ii)	Recommendations/ Observations which have been accepted by the Government:	
	Sl. Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13 and 14	
	Total:	14
	Percentage	100%
(iii)	Recommendation/ Observation which the Committee do not desire to pursue in view of the Government's reply:	
	- Nil -	
	Total:	00
	Percentage	00%
(iv)	Recommendation/ Observation in respect of which the reply of the Government has not been accepted by the Committee and which require reiteration:	

-Nil-

Total:	00
Percentage	00%

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

- Nil -

Total:	00
Percentage	00%