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STANDING COMMITTEE ON ENERGY

(2017-18)

SIXTEENTH LOK SABHA

**[Action Taken by the Government on the recommendations
contained in the Thirty-eighth Report (16th Lok Sabha) on
Demands for Grants of the Ministry of Power for the year 2018-19]**

FORTY-FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2018/ Shravana, 1940 (Saka)

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(2017-18)**

(SIXTEENTH LOK SABHA)

MINISTRY OF POWER

**[Action Taken on the recommendations contained in Thirty-eighth Report
(16th Lok Sabha) on Demands for Grants of the Ministry of Power for the year
2018-19]**

Presented to Lok Sabha on 7.8.2018

Laid in Rajya Sabha on 7.8.2018



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2018/Shravana, 1940 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2017-18)

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3. Shri Om Birla
4. Shri M. Chandrakasi
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30. Smt. Viplove Thakur
31. Shri Narain Dass Gupta

SECRETARIAT

- | | | |
|----|-------------------|----------------------------|
| 1 | Shri A.K. Singh | Additional Secretary |
| 2 | Shri N.K.Pandey | Director |
| 3. | Shri Manish Kumar | Senior Executive Assistant |

INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this 41st Report on the action taken by the Government on the recommendations contained in 38th Report of the Standing Committee on Energy (16th Lok Sabha) on Demands for Grants of the Ministry of Power for the year 2018-19.

2. The 38th Report was presented to Lok Sabha on 13th March and was laid same day on the Table of Rajya Sabha. Replies of the Government to all the recommendations contained in the Report were received on 23rd May, 2018.

3. The Report was considered and adopted by the Committee at their sitting held on 2st August, 2018.

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

5. An analysis on the Action Taken by the Government on the recommendations contained in the 38th Report of the Committee is given at Appendix-II.

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

NEW DELHI
2 August, 2018
11 Shravana, 1940 (Saka)

Dr. Kambhampati Hari Babu
Chairperson,
Standing Committee on Energy

CHAPTER - I

This Report of the Standing Committee on Energy deals with the action taken by the Government on the Observations/Recommendations contained in the Thirty-eighth Report (Sixteenth Lok Sabha) on Demands for Grants of the Ministry of Power for the year 2018-19.

2. The Thirty-eighth Report was presented to, Lok Sabha on 13th March, 2018 and was laid same day on the Table of Rajya Sabha. The Report contained 16 Observations/Recommendations.

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

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

Serial Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15 and 16

Total - 16
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

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

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

(Recommendation Sl. No. 2, Para No. 2.2)

6. The Committee had noted that the some important programmes under strengthening of power system heads such as Smart Grid and Green Energy Corridor has been a non-starter. The Smart Grid scheme envisages setting up of an institutional mechanism by launching the "National Smart Grid Mission". which would serve the need of an electrical grid with automation, communication and IT systems that can monitor power flows from the point of generation to the point of consumption and ensure control of power flow or curtailment of loads matching generation on real time basis. The Committee had further noted that the Green Energy Corridor is the scheme for maximization of renewable energy generation and integration with the main grid, without compromising on the security and stability of the power system. Since a massive 1.75 GW capacity of renewable energy will be added in the coming years, these programmes are extremely important. For the last three years, only a token amount had been allocated which has not been utilized fully. For the current year also a meager Rs. 5.5 crore and Rs. 10 crores have been provided to smart Grid and Green Energy Corridor respectively. Likewise, the implementation and allocation under the head Strengthening of Transmission System in the State of Arunanchal Pradesh and Sikkim has been tardy. This year also it has been allocated

Rs. 300 crore only. The Committee, therefore, had recommended that the Government should appropriately enhance the allocation to these important programmes and expedite their execution.

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

“The allocation in smart grid under National Smart Grid Mission (NSGM) have been addressed through consideration and approval of EFC for Extension of NSGM upto March 2020 (coterminous with 15th Finance Commission) with a proposed outlay of Rs 990 Crores (GBS Rs 312 Crores) with focus on expeditious implementation of smart grid projects so as to showcase the demonstrated benefits of these projects on ground in time. New Smart grid projects have been appraised and put up to technical Committee under Chairman, CEA for appraisal/recommendation to Empowered Committee under Secretary (Power) for Sanction.

The Ministry would like to apprise the Parliamentary Committee that given the high technology interventions under Smart Grids; the NSGM is playing an important role in creating an ecosystem for furthering the Smart Grids in the Country, apart from undertaking projects. This is important to ensure that Smart Grids are integrated into the current distribution system properly. However, as suggested by the Parliamentary Committee, based on the progress of the works sanctioned and the new projects to be sanctioned, the Ministry would seek additional funds during the Revised Estimate Stage.”

8. **The Committee in their Report, while recognizing the importance of some of the programmes including ‘Smart Grid’, had expressed concern over the meager allocation made to them. The Committee now note with satisfaction that the Ministry have responded positively to the suggestion of the Committee by allocating Rs. 990 crore for Smart Grid. They have also stated that New Smart grid projects have been appraised and put up to technical Committee under Chairman, CEA for appraisal/recommendation to Empowered Committee under Secretary (Power) for sanction. The Committee have been further apprised that the Ministry would seek additional funds during the Revised Estimate Stage. The Committee are happy with the efforts made by the Ministry in regard to enhancement of allocation to these important programmes and expect that the fund allocated will not only be fully**

utilized but also additional demand for fund will be made at the of Revised Estimate.

(Recommendation Sl. No. 5, Para No. 2.5)

9. The Committee had noted that apart from rural electrification, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) has two more components. One is separation of agriculture and non-agriculture feeders to facilitate Discoms in the judicious rostering of supply to agricultural and uninterrupted quality power supply to non-agricultural consumers. And the other is strengthening and Augmentation of Sub Transmission & Distribution infrastructure in rural areas, including metering of Distribution Transformers/feeders/consumers. Though the achievement under rural electrification component was right on track, the progress of work under other components leaves much to be desired. In regard to feeder segregation, against the sanctioned 1,59,801 ckm, the achievement at that time was only 15,244 ckm which stands a meager 10% of the sanctioned capacity. Similarly, against the sanctioned 1,825 new sub-stations, only 215 new sub-stations, which was 12% of the sanctioned, were commissioned at that time. A total of 3,85,883 distribution transformers had been sanctioned under the scheme, however, the achievement at that time was only 38,719. In regard to DTR & Feeder Metering, the area which the Committee have long been putting emphasis, has very poor performance till that time. Against the sanctioned 4.06 lakh, the achievement was only 0.46 lakh. The Committee believed that addition of these components has conceptually improved the earlier rural electrification programme of the Government and helpful in making it more sustainable and efficient. Therefore, proper and timely execution of work under these components is just as important as that of rural electrification. The Committee, therefore, had recommended that the pace of implementation of other two components other than rural electrification should be increased so that the work of rural electrification be made more sustainable.

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

"Under DDUGJY, the progress in some of the States is slow due to delay in award of the contract, delay in getting forest & railway clearances, land acquisition for sub-stations, Right of Way (RoW) issues, law & order issues and difficult terrain etc. In order to close monitoring and speedy resolution of impediments, a robust institutional mechanism has been put in place at District, State and Central levels. The States have already been requested during monthly meetings to expedite the progress of DDUGJY. The Review Meetings on regional basis are regularly held by the Ministry. Besides, one-to-one meetings with the State Governments are also held for redressal of issue(s)".

11. The Committee had expressed their concern over the slow progress made in two other components under Deen Dayal Upadhyaya Gram Jyoti

Yojana (DDUGJY). The Ministry while admitting this fact, have assigned various reasons for the same. They have also stated various efforts made by them to overcome it. The Committee expect the Ministry to pay equal attention to these two components of the scheme along with the most visible component of the scheme i.e. household electrification. They further desire that the Ministry would make every effort to expedite the implementation these two components of the programme. The Committee expect that the Ministry of Power would apprise the Committee of the latest data regarding achievement made under these components at the time of furnishing Final Action Taken Notes.

(Recommendation Sl. No. 6, Para No. 2.6)

12. The Committee had noted that Government of India has approved Pradhan Mantri Sahaj Bijli Har Ghar Yojana "Saubhagya" with an outlay of Rs. 16,320 crore including a Gross Budgetary Support (GBS) of Rs. 12,320.00 crore from Government of India. As per the Ministry of Power the objective of the scheme is to achieve universal household electrification by providing last mile connectivity and electricity connections to all remaining un-electrified households in rural and urban areas. In regard to timeline for implementation of this scheme, it was stated that all States/UTs are required to complete the works of households' electrification by 31st March, 2019. However, spillover works; if any will continue till 2021-22. The progress of rural household electrification is being updated by the respective State DISCOMs directly on Saubhagya web-portal. As on 07th February, 2018, progress of electrification of 22.39 lakh rural households across the country; had been reported by the States. The Ministry had also informed that 3.56 crore households are yet to be electrified. The Committee find that the earlier concept of universal electrification was ridden with conditions. Earlier, under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), and Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), there was a provision to provide free electricity connection to BPL households. However, the launch of 'Saubhagya Scheme' has totally changed the earlier concept of universal electrification as it envisages providing electricity connection to each and every household. Saubhagya Scheme aims to cover non-BPL: rural as well as economically weaker urban households. This initiative of the Government is laudable as the Committee since long have been pointing out to the lacuna in the concept of universal electrification. However, the Committee were not sure about the set deadline for completion of this programme i.e March, 2019. The Committee had noted that as on 31-01-2018, 2.83 crore BPL households could be given free electricity connections under the scheme which is continuing since 2005. Therefore,

providing electricity connection to 3.56 crore households and that too in one year timeframe seems to be a herculean task. The Committee were very apprehensive in regard to achievement of the target fixed under Saubhagya scheme and were of the belief that unless extraordinary and concerted efforts by the Central Government as well as the State Governments are made, the said target is difficult to achieve. The Committee, therefore, had recommended the Ministry to make every possible efforts to achieve the said target. The Ministry was expected to guide and do handholding of States in this regard.

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

“The target of electrifying all the remaining un-electrified households (as on 10.10.2017) across the country by March, 2019 is indeed a herculean task. Considering the stipulated timelines, the implementing agencies have been asked to kick start the works for releasing electricity connections to eligible households with immediate effect. Further, following strategic measures have been adopted by Ministry of Power and the Nodal Agency of DDUGJY & Saubhagya – the REC, for accelerating the progress

A. Sanction and Budget Allocation:

- Adhoc advance has been released to States based on the scope of un-electrified household and progress thereon.
- An additional budgetary support of 15% (5% for special category states) would be released to States on achievement of 100% household electrification of all willing households by 31st December, 2018.
- Sufficient funds are being allocated to the States as per their achievement of pre-defined milestone.

B. Implementation Strategy:

- State DISCOMs update the progress village -wise, district-wise, State-wise profiling of un-electrified households done on Saubhagya portal on near real time basis.
- 100 districts in 8 States account for most of the remaining un-electrified households.
- States have been permitted to electrify household by award of new contracts, extension of existing contracts or execution of works departmentally.
- States have been requested to make application form for service connection simple and electronic,

- State DISCOMs have been requested to organize camps to facilitate on the spot filling up of application forms for releasing service connections.

- States have been requested to involve Gram Panchayat / public institutions in rural areas to collect application form, complete documentation and other activities, if required.

C. Review and Monitoring:

- At State level, a Committee under the Chairmanship of Chief Secretary is in place to monitor the progress and resolve issues relating to implementation. Further, the progress is reviewed by Chief Secretary of respective State on fortnightly basis.

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

- Rural Electrification Corporation Limited (REC), the nodal agency, monitors implementation of scheme through its State Offices at field level.

- At District level, (DISHA) District Development Coordination & Monitoring Committee meetings (under the aegis of Ministry of Rural Development) headed by senior-most Hon'ble Member of Parliament (Lok Sabha) of the district & other MPs of the district as co-chair with District Magistrate as Convener, reviews the progress of Saubhagya along with other schemes.

- Saubhagya Mobile App and <http://saubhagya.gov.in/> portal has been developed for monitoring of household electrification works on near real time basis

Based on the information furnished by the States, 48.72 lakh service connections have been released under Saubhagya, as on 26.04.2018. This information is made available in public domain for effective monitoring and use of all stakeholders. In view of the above, proactive steps taken by Government of India and with the help of States the target of Saubhagya is expected to be achievable. "

14. The Committee taking into account the huge number of remaining household to be electrified, i.e. 3.56 crore, in their Report, had recommended the Ministry to make efforts to achieve the goal within the targeted date i.e. 31st March, 2019. The Ministry in their reply have stated that implementing agencies have been asked to kick start the works for releasing electricity connections to eligible households with immediate effects. They have detailed the strategic measures which have been adopted by Ministry of Power and the Nodal Agency of DDUGJY & Saubhagya – the REC, for accelerating the progress. They have also furnished data regarding household electrification according to which 48.72 lakh service connections have been released under Saubhagya as on 26.04.2018. Further, as per Saubhagya website 91.22 lakh households have been provided connections as on 25.07.2018. The Committee note that there are still 2.63 crore households which are yet to be given electricity connections. Considering the timeframe, the target is an uphill task and merit top priority of the Central and State agencies to achieve it within the stipulated timeframe. The Committee, therefore, hope that the Ministry will not only put their sincere efforts but also provide all possible assistance and do handholding to State Government in this regard.

(Recommendation Sl. No. 10, Para No. 2.10)

15. The Committee had noted that Integrated Power Development Scheme (IPDS) was formulated on 20th November, 2014 with an objective to provide 24x7 Power supplies for consumers, to provide access to all urban household and facilitate State Power Utilities to reduce the level of AT&C losses to 15%. The component of IPDS inter alia include (i) strengthening of sub-transmission and distribution networks in the urban areas; (ii) metering of distribution transformers/ feeders/ consumers in the urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network under R-APDRP for 12th and 13th Plans by

carrying forward the approved outlay of R-APDRP to IPDS. All Discoms including private and State Power Departments will be eligible for financial assistance under the scheme. The Committee had been apprised that the scheme is designed to help in AT&C loss reduction, establishment of IT enabled energy accounting/auditing improvement in billed energy based on metered consumption and improvement in collection efficiency. In regard to meeting the targets under the scheme, the Committee had been apprised that achievements generally are in line with above targets. State Utilities have already awarded distribution strengthening projects worth Rs. 24,309 crore which is more than 90% of sanctioned cost. The awarded projects are in various stages of execution and it is expected that all projects may be completed within the scheduled completion period i.e. 24 months of awards. The Committee had also noted that the overall physical progress under IPDS was mere 21%. The Secretary, Power accepted- before the Committee that the spendings under IPDS in some part were slow. The Committee, therefore, had recommended that the Government should pay utmost attention to implementation of this programme so that work awarded could be executed within the stipulated timeline. Further, they had desired that every effort be made to optimally utilize the allocated fund for this scheme.

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

“Ministry of Power, Government of India is paying utmost attention to the implementation of IPDS to ensure that works awarded are completed by 31.03.2019. IPDS implementation is being rigorously monitored at highest levels of Ministry of Power and M/s Power Finance Corporation, designated as nodal agency by MoP for operationalization of the scheme. Following monitoring mechanism is being followed by PFC strictly to ensure speedy implementation as follows:

(I) Central level monitoring at MoP

Monthly Review, Panning & Monitoring (RPM) meetings by Ministry of Power with Secretaries(Power) of States/CMD's of Discoms. Such meetings are often chaired by Hon'ble Minister of State for Power, Gol. IPDS Monitoring Committee under chairmanship of Secretary(P) reviews implementation of IPDS (including subsumed R-APDRP) for operationalization of the Programme. MoP team also frequently visits States for expediting implementation.

(II) Concurrent Monitoring by PFC

Regular review by PFC, the nodal agency along with Web based project monitoring. Also, day-to-day monitoring at the level of Nodal/Zonal Officers of PFC with States/Utilities to resolve Implementation issues, expediting milestone linked to progress of project implementation and release of funds.

(III) State level monitoring in states

Regular monitoring and review at State level by Distribution Reforms Committee(DRC), chaired by Energy Secretary. Also, regular follow-up meetings are taken by MDs/CMDs of respective Power Utilities. Also,

periodic reviews are taken by Disha(District Development Coordination and Monitoring Committee).

(IV) Quality Monitoring

The Project Management Agency (PMA) appointed by Discoms to assist them in project management for ensuring timely implementation of project. Concurrent and post implementation evaluation by Third Party Concurrent Evaluating Agency(TPCEA) for verification of material and process at site, reporting of progress etc.

With almost all the system strengthening projects been awarded and surveys having been completed, the progress of IPDS works is likely to scale up. Further, rigorous monitoring of IPDS implementation has resulted in overall progress of system strengthening works to a level of 29% as on 15th April'18 vis-à-vis 9% as on 30th November'17. At said pace, 100% implementation is likely within timeline. To ensure that funds provided to State Utilities under IPDS are optimally utilized, following steps are being taken:

IPDS being a Government of India program, the release from nodal agency (PFC) to utilities is being done through Public Financial Management System(PFMS) and utilities are using same for funds flows under the scheme. Utilities receiving funds under IPDS are registered / mapped in PFMS. PFC ensures that all utilities to whom funds are to be released are properly registered/mapped in PFMS.

17. Being unsatisfied with the physical progress under Integrated Power Development Scheme (IPDS) which was mere 21%, the Committee in their Report had recommended the Ministry to pay required attention to expedite the execution of the scheme. The Committee now note that the Ministry in their reply have stated that they are paying utmost attention to the implementation of IPDS to ensure that works awarded are completed by 31.03.2019. They have further assured the Committee that the scheme is being rigorously monitored at highest levels. The Committee have time and again emphasized the importance of this scheme as its successful implementation would strengthen the distribution sector in particular and power sector at large. The slow pace of execution of the scheme has been the concern of the Committee for a long time. The Committee, therefore, expect that the Ministry would make sincerely

sincere efforts and adhere to their timeline of 31.03.2019 for implementation of Integrated Power Development Scheme (IPDS).

(Recommendation Sl. No. 12, Para No. 2.12)

18. The Committee had noted that State DISCOMs in the country had huge accumulated losses and outstanding debt. As a result of which financially stressed DISCOMs are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth and development. Efforts towards 100% village electrification, 24x7 power supply and clean energy cannot be achieved without performing DISCOMs. Power outages also adversely affect national priorities like "Make in India" and "Digital India". In addition, default on bank loans by financially stressed DISCOMs has the potential to seriously impact the banking sector and the economy at large. The Committee had further noted that the Scheme "UDAY" (Ujwal DISCOM Assurance Yojana) for financial turnaround of State owned Power Distribution Companies has been formulated by the Government in consultation with the various stakeholders to ensure a sustainable permanent solution to the problem. The Scheme has been made effective with effect from 2011-2015. The Scheme is operationalized through a bipartite/tripartite agreement amongst the Ministry of Power, State Government and the DISCOMs. The Scheme "UDAY" is optional for all States. In regard to progress and achievement under the scheme, the Committee had been apprised that DISCOMs debt of around Rs.2,08,641 crore has already been taken over by the states. Hence to that extent the benefits to DISCOMs by way of savings in interest and increase in cash flow has been achieved. Also, improvement in some crucial parameters viz. ACS-ARR Gap, Collection Efficiency, Billing Efficiency, and AT&C losses, has also been seen. However, no decrease in Power Purchase Cost is a matter of concern. The Committee while appreciating the effort of the Government in launching this scheme which involves no financial grant from the Central Government, were a bit apprehensive also in regard to its successful implementation and achieving desired goal. The Committee were aware that the task of financial turnaround of Discoms financial health is difficult and complicated. All the earlier efforts of the Central Government have miserably failed in achieving their intended goals. As the present scheme aims at not only bailing out Discoms of financial stress but also making them economically viable, there is a greater possibility of its becoming successful. The Committee, therefore, had recommended that the Government should keep making indefatigable efforts for implementation of UDAY scheme and guide, persuade and do handholding of State Governments/Discoms to achieve their goals as per the trajectory drawn under the scheme.

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

“UDAY was launched in the latter part of FY 2016. As per data submitted by States so far, the aggregate ACS-ARR gaps of UDAY DISCOMs has come down to 29 paise/unit by the end of 9 months of FY 2018 as against

59 paise/Unit at the end of FY 2016, thereby indicating the progress towards the target of achieving financial break even.

Power purchase costs are around 80% of the costs of DISCOMs, and therefore UDAY has focussed comprehensively on reducing this cost for achieving sustainability. In the beginning of UDAY program, the average power purchase cost of UDAY states was Rs.4.18 in FY16, which increased to Rs.4.23 in FY17. Further, the first nine months data of FY18 submitted by States suggests that the Power purchase costs remained almost same at Rs.4.24. It may be observed that during almost last two financial years the average power purchase cost has risen from Rs.4.18 to Rs.4.24 less than 1.50% increase, which indicates that efficiency improvements across the Power Sector value chain have absorbed most of the inflationary impacts arising out of Coal price hikes, increase in environmental cess, and rail freight hikes in the interim periods.

It may also be brought to the notice of the Committee that the power purchase costs for DISCOMs had been on an increasing trend in pre-UDAY period, peaking at almost 7% increase in FY 2016, in the latter half, when UDAY was launched. On the cost recovery front, the billed energy to consumers in FY17 showed an increase of almost 9% on an aggregate basis, which indicates the efforts made by DISCOMs in billing consumers.

Ministry of Power is making all possible efforts, through regular interactions, conducting workshops, sharing best practices among DISCOMs, and by handholding the States/DISCOMs enabling them to achieve the goals under UDAY. Following measures are being taken to make UDAY successful:

- i. Close focus on Outcomes of AT&C losses and ACS-ARR gaps.
- ii. Reduction of interest burden on utilities through issuance of bonds;
- iii. Bringing financial discipline in working of utilities;
- iv. Emphasis on key operational parameters;
- v. Web Portal and Mobile App for data-flow and transparency;
- vi. Focused analysis of utilities' quarterly, half-yearly and annual performances;
- vii. Regular state specific reviews by Ministry Officials;
- viii. Enhanced involvement of state governments in turnaround of utilities;
- ix. Capacity building of utilities;
- x. Handholding in State owned Power Plants by NTPC for efficiency improvements of State GENCOs
- xi. Identifying issues of consequence to States on a routine basis, and discussing measures to solve them.

- xii. Encouraging DISCOMs to focus on high AT&C loss (>40%) Divisions, and take remedial measures to reduce the losses.

Further, the progress of the scheme has also been reviewed regularly by Hon'ble Minister of State(IC) for Power and New & Renewable Energy apart from the regular monitoring by Central Monitoring Committee headed by Secretary (Power), Government of India.

20. In regard to success of UDAY scheme, the Ministry have informed that the aggregate Average Cost of Supply (ASC) – Average Revenue Realized (ARR) gaps of UDAY DISCOMS has come down to 29 paise/unit by the end of 9 months of financial year 2018 as against 59 paise/unit at the end of financial year 2016. They have further stated in the beginning of UDAY programme, the average power purchase cost of UDAY states was Rs. 4.18 in FY 2016, which increased to Rs. 4.23 in FY 2017. Further, the first nine months data of FY 2018 submitted by States suggest that the Power purchase costs remained almost same at Rs. 4.24. It may be observed that during almost last two financial years the average power purchase cost has risen from Rs. 4.18 to Rs. 4.24 that is less than 1.5% increase. They have also reported considerable improvement in billing efficiency also. The Committee find that the achievements made under the scheme so far are encouraging. The Committee are of the view that for the viability of the whole power sector, the success of this scheme is vital. The Committee, therefore, expect that the Government will relentlessly make efforts in the form of UDAY for turnaround of DISCOMS's financial health.

(Recommendation Sl. No. 14, Para No. 2.14)

21. The Committee had noted that the hydro power installed capacity in the country as on 31.01.2018 was 44,963.42 MW. As on 31.01.2018, 205 Nos. of hydro stations with total installed capacity of 44,963.42 MW including 9 pumped storage schemes (PSS) with installed capacity of 4,785.6 MW were under operation. In regard to development of hydro power in the country, the committee had noted that the pace has been rather slow as a total capacity addition of 5,479 MW only had been achieved during the 12th Plan against the targeted capacity addition of about 10,897 MW during the same period. Further, a Hydro Power capacity of 4,376.01 MW has been installed since 2014-15 up to end of January 2018. The committee had been expressing their displeasure over the slow pace of the development of the hydro power. Nevertheless, any concrete measure in this regard is yet to be taken by the government. The committees were of the view that the sooner we start utilizing the hydro power potential the better it will be in terms of cost as over the years, the hydro projects are becoming increasingly costlier mainly due to increased costs associated with environment and R&R. These environmental and R&R norms are unlikely to ease out and in fact are likely to become further stringent with time. The Committee, therefore, were of the view that to develop the hydro power sector at a desired pace, there is urgent need for overhauling of hydro power policy instead of ad hoc and isolated efforts. The concern of the Committee has been acknowledged by the Secretary, Power who accepted that in wake of upcoming renewable energy, hydro power has become more important. He has further stated that the Ministry is formulating a new policy for hydro power sector. The Committee had recommended that the Government should formulate a new policy for hydro power sector which will address the existing as well as the anticipated problems being faced by this sector. The committee had hoped that the matter raised by the Committee from time to time such as sharing the burden of enabling infrastructure by the government, providing long term loan and cheaper loan to hydro projects, streamlining the process of various clearances and R&R process in regard to setting up hydro power projects and pro-active participation of Central and the State Government in it, and consideration of all hydro power projects irrespective of their capacity as renewable source of energy, etc. will be taken care of while formulating the new policy will be done in an expeditious and time bound manner.

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

“A Cabinet Note comprising of various policy initiatives as well as facilitation measures for revival of under construction hydro electric projects is under active inter-Ministerial consultation.”

23. The Committee would like to be apprised of the outcome of inter-Ministerial consultation relating to development of hydro power at the time of Final Action Taken Notes.

(Recommendation Sl. No. 16, Para No. 2.16)

24. The Committee had noted that Central Power Research Institute (CPRI, Bengaluru serves as a National Laboratory for applied research in the field of electrical power and also functions as an independent authority for testing, evaluation and certification of electrical equipment and components. For the financial year 2017-18, the allocation for CPRI was Rs. 150 crore only. However, the Committee had found that this budgetary allocation was revised to Rs. 50.36 crore at the time of RE. The Committee had inferred that reduction in the allocation may be the result of lesser utilization of money as the Actual expenditure of CPRI for the year 2016-17 has been only Rs. 65.79 crore. Again, for the year 2018-19, a provision of Rs. 150 crore has been made for CPRI. The Committee had observed that the country is one of the biggest generator and consumers of electricity in the world. However, in terms of technological innovation and achievements there is not much to mention about. The Committee are surprised that despite an existing big market with huge future potential in the country, our allocation for R&D, is negligible. The Committee had believed that there is immense scope for technological innovation and upgradation of existing technologies, be it increasing the efficiency of electrical devices and bringing down its cost, introduction of super critical technology and reduction of emission, from thermal power plants, technologies related to transmission and distribution of electricity for reducing AT&C losses, so on and so forth. The Committee, had therefore, strongly recommended that the Government should give due attention to Research and Development in the field of electricity by allocating more fund. The Committee had also desired that the areas of technological advancement should be prioritized and all efforts be made to achieve it in a time bound manner by the involvement of premium technological institutions of the country.

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

“The Ministry of Power (MoP) agrees with the views of the Committee that the areas of technological advancement should be prioritized and all efforts be made to achieve it in a time bound manner.

2.1. It is stated that Ministry of Power through CPRI is implementing three R&D schemes i.e National Perspective Plan (NPP), Research Scheme on Power (RSoP) and In-House Research & Development (IHRD) to create strong research and development base in power sector. SFC proposal for R& D schemes of the Ministry of Power being implemented through CPRI for Rs 158.00 Cr for three years w.e.f 2017-18, is under consideration.

2.2. The projects under NPP aim to promote R&D in the power sector in technological areas of importance to manufacturers, power utilities and academia in collaborative mode. For Projects directly taken by CPRI under this scheme, 50% funding is by Ministry of Power and 50% funding by the concerned manufacturer/power utilities/ academia. RsoP schemes are fully funded by MoP and aims to carry out need based research in power sector including research in various operational problems encountered in power system. The RSOP projects are undertaken by organizations including academia such as IITs, NITs, etc. Under IHRD, various Divisions and Units of the CPRI take up Research Projects under the In-house R&D (IHRD) scheme which is fully funded by Ministry of Power.

2.3. Besides, the Ministry of Power also participates in research projects under Impacting Research Innovation and Technology (IMPRINT) and Uchhatar Avishkar Yojana (UAY) scheme/programme of Ministry of Human Resource and Development (MHRD). Since the research projects under UAY and IMPRINT are mainly collaborative in nature involving participation of industry and the IITs, these are being considered as R&D proposals/projects under National Perspective Plan (NPP) scheme.

In addition to the above, research in power sector is also being undertaken by various PSUs (NTPC, PGCIL, THDC, NEEPCO, SJVN and NHPC) under this Ministry in their domain fields.

3. In order to have a coordinated approach and proper monitoring of R&D activities being carried in the power sector by Organisations/ PSUs of the Ministry of Power, a High Level Committee under the Chairmanship of Secretary (Power) has been constituted by the Ministry vide Order dated 25th Nov, 2016. Subsequently, in the first meeting of the Committee held on 19th January 2017, a sub-Committee was constituted to list out all major R&D activities being undertaken by organisations/PSUs under MoP, identify areas where there is an overlap and possibility for collaboration, areas of importance for the power sector and focus areas for research in the next 3 to 4 years. The final report submitted by the sub-group which includes a number of areas focusing on measures to achieve higher efficiency levels in all the domains of the power sector has also been deliberated upon during the second meeting of the Committee held on 19th September, 2017. It is agreed that some minimum acceptable standards need to be fixed for performance in research areas and it should be made mandatory for all to comply.

Inter alia, the following decisions were taken during the meeting:-

(i) CEA may organise an interaction with the industry wherein the report of the sub-Committee could be circulated and the industry be invited to participate in R&D in identified thrust areas. Regional workshops could also be organised.

(ii) Besides the R&D already being undertaken by them, PSUs/Organisations under MoP may also be asked to also focus on some of the thrust areas identified in the report for R&D.

(iii) DG, NPTI may explore collaboration with the industry (IEEMA) for R&D in identified thrust areas.

4. It is further stated that CPRI along with BEE and CEA has already initiated a research program on indigenous development of LED lamps and luminaries, identifying a supply side weakness in LED lighting products such as heavy dependence on imports for electronic components, LED chips / wafers, modifications required as per Indian conditions for the imported products and limited testing capacity for LED lighting.

CPRI along with BEE has also initiated research projects on "Electricity based clean cooking technologies" with the objective to make e-cooking adaptable for Indian Dishes which is expected to lead to huge savings in LPG imports."

26. The Committee, on finding unsatisfactory condition of R&D in the country, had sought the due attention of the Government. The Ministry in their reply have enumerated various efforts being made in this regard. The Committee while appreciating these efforts, would like to re-emphasize the importance of R&D for power sector and desire the Government to take this task on a Mission mode.

CHAPTER II

RECOMMENDATIONS/ OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (SI No. 1 Para No. 2.1)

Annual Plan Outlay

The Committee while scrutinizing the Gross Budgetary Support (GBS) of the Ministry of Power for the year 2018-19 note that against proposed outlay of Rs.36,843.32 crore of the Ministry of Power, the Ministry of Finance have allocated Rs. 15,046.92 crore only. Though the approved allocation of Rs.15,046.92 crore is slightly higher than the previous year's allocation of Rs. 13,881 crore, it is less than 50% of the proposed. The budgetary cut is across the board and all the important and flagship programmes of the Ministry are affected. Against the demand of Rs. 26,271 crore, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) has been allocated Rs.6,550 crore only. Under IPDS, a demand of Rs. 5,950 crore has been reduced to Rs. 4,935 crore. Similarly, under PSDF, an allocation of Rs. 544 crore has been made against the proposal of Rs. 3,040.66 crore. At the one hand Government is striving hard to achieve the goal of universal electrification in the country and strengthen the power system, on the other hand they are resorting to severe budgetary cuts. As the Government has preponed the timeline for achieving the targets of electricity access to every households, the Committee were hoping that the Ministry of Power will get a substantially enhanced budgetary allocation. However, a budget of less than half of the proposed allocation is disappointing and, therefore, the committee express their concern. As financial allocation and its utilization has direct link with the physical progress and achievement of programmes, the Committee is now a bit apprehensive about the achievement of proposed physical targets considering the much lesser allocation. In view of the above the Committee feel that important programmes of the Ministry should not suffer any delay due to paucity of fund and, therefore, strongly recommend that the Ministry of Power should endeavour to optimally utilize whatever fund has allocated and post further demand at the time of Revise Estimate (RE). The Ministry of Finance is expected that they will allocate extra budgetary allocation at the time of RE if the Ministry of Power require so.

Reply of the Government

The Ministry of Power is thankful for the above observations of Standing Committee on Energy and hope the continued support of the Committee in future.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation (SI No. 2 Para No. 2.2)

The Committee note that the some important programmes under strengthening of power system heads such as Smart Grid and Green Energy Corridor has been a non-starter. The Smart Grid scheme envisages setting up of an institutional mechanism by launching the "National Smart Grid Mission". which would serve the need of an electrical grid with automation, communication and IT systems that can monitor power flows from the point of generation to the point of consumption and ensure control of power flow or curtailment of loads matching generation on real time basis. The Committee further note that the Green Energy Corridor is the scheme for maximization of renewable energy generation and integration with the main grid, without compromising on the security and stability of the power system. Since a massive 1.75 GW capacity of renewable energy will be added in the coming years, these programmes are extremely important. For the last three years, only a token amount is being allocated which is also not being utilized fully. This year also a meager Rs. 5.5 crore and Rs. 10 crores have been provided to smart Grid and Green Energy Corridor respectively. Likewise, the implementation and allocation under the head Strengthening of Transmission System in the State of Arunachal Pradesh and Sikkim has been tardy. This year also it has been allocated Rs. 300 crore only. The Committee, therefore, recommend that the Government should appropriately enhance the allocation to these important programmes and expedite their execution.

Reply of the Government

The allocation in smart grid under National Smart Grid Mission (NSGM) have been addressed through consideration and approval of EFC for Extension of NSGM upto March 2020 (coterminous with 15th Finance Commission) with a proposed outlay of Rs 990 Crores (GBS Rs 312 Crores) with focus on expeditious implementation of smart grid projects so as to showcase the demonstrated benefits of these projects on ground in time. New Smart grid projects have been appraised and put up to technical Committee under Chairman, CEA for appraisal/recommendation to Empowered Committee under Secretary (Power) for Sanction.

The Ministry would like to apprise the Parliamentary Committee that given the high technology interventions under Smart Grids, the NSGM is playing an important role in creating an ecosystem for furthering the Smart Grids in the Country, apart from undertaking projects. This is important to ensure that Smart Grids are integrated into the current distribution system properly. However, as suggested by the Parliamentary Committee, based on the progress of the works sanctioned and the new projects to be sanctioned, the Ministry would seek additional funds during the Revised Estimate Stage.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation (Sl No. 3 Para No. 2.3)

Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

The Committee note that the Government has approved DDUGJY with a total investment of rupees 43,033 crore including a budgetary support of Rs. 33,453 crore, in the country for feeder separation and strengthening of sub-transmission and distribution network. Rural electrification is the core activity under the scheme. Since, the Government envisages to fully implement the scheme by March, 2019, there is need to expedite the execution work. As per the given trajectory of annual budgetary support, Rs. 7500 crore was to be allocated this financial year i.e. 2018-19. However, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) has been allocated only Rs. 6500 crore. The Committee are surprised over the lesser than proposed allocation for such an important programmes of the Ministry. If we go by the budgetary allocation, it can be inferred that the targets set under the scheme will not be achieved as per schedule and the programme is bound to be delayed. The Committee, therefore, recommend that the scheme should be allocated more fund at the time of RE as well as in the next financial year.

Reply of the Government

Government of India is providing sufficient funds for smooth implementation of DDUGJY. Accordingly, Government of India, under DDUGJY, has allocated Rs.3,800 crore for the financial year 2018-19. Further a provision for Rs.15,000 crore is made for allocation through Extra Budgetary Resource (EBR) for DDUGJY and Saubhagya during 2018-19.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation (Sl. No. 4 Para 2.4)

The Committee note that there were 18,452 Un-electrified villages as on 1st March, 2015. However, by the end of January, 2018, this number is reduced to 1,234. The deadline set by the Government in regard to electrify all the unelectrified villages is May, 2018 which is not very far. Though the number of villages that is to be electrified is miniscule, the Committee are aware that these remaining villages are located in the difficult terrain. Most of the remaining un-electrified villages are in the State of Arunachal Pradesh, Chhatisgarh, and Jammu & Kashmir. The Committee are also aware of the difficulties being faced in electrification of these remaining villages. Nevertheless, the Committee expect that instead of showing any complacency, the Ministry will reinvigorate their efforts and resolve the issue being faced in electrification of these villages. The Committee, therefore, recommend that

the timeline for electrification of all the un-electrified villages should be strictly adhered to.

Reply of the Government

Ministry of Power and Nodal Agency-Rural Electrification Corporation (REC) are taking all proactive actions and extending all possible support to the States to accomplish Village Electrification on time.

The target of electrification of 18,452 un-electrified villages (as reported on 01.04.2015) has been achieved as on 30.4.2018. A number of 1,271 villages were found uninhabited.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation (Sl. No. 5 Para 2.5)

The Committee note that apart from rural electrification, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) has two more components. One is separation of agriculture and non-agriculture feeders to facilitate Discoms in the judicious rostering of supply to agricultural and uninterrupted quality power supply to non-agricultural consumers. And the other is strengthening and Augmentation of Sub Transmission & Distribution infrastructure in rural areas, including metering of Distribution Transformers/feeders/consumers. Though the achievement under rural electrification component is right on track, the progress of work under other components leaves much to be desired. In regard to feeder segregation, against the sanctioned 1,59,801 ckm, the achievement so far is only 15,244 ckm which stands a meager 10% of the sanctioned capacity. Similarly, against the sanctioned 1,825 new sub-stations, only 215 new sub-stations, which is 12% of the sanctioned, has so far been commissioned. A total of 3,85,883 distribution transformers has been sanctioned under the scheme, however, the achievement so far is only 38,719. In regard to DTR & Feeder Metering, the area which the Committee have long been putting emphasis, has very poor performance so far. Against the sanctioned 4.06 lakh, the achievement is only 0.46 lakh. The Committee believe that addition of these components has conceptually improved the earlier rural electrification programme of the Government and helpful in making it more sustainable and efficient. Therefore, proper and timely execution of work under these components is just as important as that of rural electrification. The Committee, therefore, recommend that the pace of implementation of other two components other than rural electrification should be increased so that the work of rural electrification be made more sustainable.

Reply of the Government

Under DDUGJY, the progress in some of the States is slow due to delay in award of the contract, delay in getting forest & railway clearances, land acquisition for sub-stations, Right of Way (RoW) issues, law & order issues and difficult terrain etc. In order to close monitoring and speedy resolution of impediments, a robust institutional mechanism has been put in place at District, State and Central levels. The States have already been requested during monthly meetings to expedite the progress of DDUGJY. The Review Meetings on regional basis are regularly held by the Ministry. Besides, one-to-one meetings with the State Governments are also held for redressal of issue(s).

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation SI. No. 6 (Para 2.6)

The Committee note that Government of India has approved Pradhan Mantri Sahaj Bijli Har Ghar Yojana "Saubhagya" with an outlay of Rs. 16,320 crore including a Gross Budgetary Support (GBS) of Rs. 12,320.00 crore from Government of India. As per the Ministry of Power the objective of the scheme is to achieve universal household electrification by providing last mile connectivity and electricity connections to all remaining un-electrified households in rural and urban areas. In regard to timeline for implementation of this scheme, it has been stated that all States/UTs are required to complete the works of households' electrification by 31st March, 2019. However, spillover works; if any will continue till 2021-22. The progress of rural household electrification is being updated by the respective State DISCOMs directly on Saubhagya web-portal. As on 07th February, 2018, progress of electrification of 22.39 lakh rural households across the country; have been reported by the States. The Ministry have also informed that 3.56 crore households are yet to be electrified. The Committee find that the earlier concept of universal electrification was ridden with conditions. Earlier, under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), and Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), there was a provision to provide free electricity connection to BPL households. However, the launch of 'Saubhagya Scheme' has totally changed the earlier concept of universal electrification as it envisages providing electricity connection to each and every household. Saubhagya Scheme aims to cover non-BPL: rural as well as economically weaker urban households. This initiative of the Government is laudable as the Committee since long have been pointing out to the lacuna in the concept of universal electrification. However, the Committee are not sure about the set deadline for completion of this programme i.e March, 2019. The Committee note that as on 31-01-2018, 2.83 crore BPL households -Could be given free electricity connections under the scheme which is continuing since 2005.

Therefore, providing electricity connection to 3.56 crore households and that too in one year timeframe seems to be a herculean task. The Committee are very apprehensive in regard to achievement of the target fixed under Saubhagya scheme and are of the belief that unless, extraordinary and concerted efforts by the Central Government as well as the State Governments are made, the said target is difficult to achieve. The Committee, therefore, recommend the Ministry that every possible efforts be made to achieve the said target. The Ministry is expected to guide and do handholding of States in this regard.

Reply of the Government

The target of electrifying all the remaining un-electrified households (as on 10.10.2017) across the country by March, 2019 is indeed a herculean task. Considering the stipulated timelines, the implementing agencies have been asked to kick start the works for releasing electricity connections to eligible households with immediate effect. Further, following strategic measures have been adopted by Ministry of Power and the Nodal Agency of DDUGJY & Saubhagya – the REC, for accelerating the progress:

D. Sanction and Budget Allocation:

- Adhoc advance has been released to States based on the scope of un-electrified household and progress thereon.
- An additional budgetary support of 15% (5% for special category states) would be released to States on achievement of 100% household electrification of all willing households by 31st December, 2018.
- Sufficient funds are being allocated to the States as per their achievement of pre-defined milestone.

E. Implementation Strategy:

- State DISCOMs update the progress village -wise, district-wise, State-wise profiling of un-electrified households done on Saubhagya portal on near real time basis.
- 100 districts in 8 States account for most of the remaining un-electrified households.
- States have been permitted to electrify household by award of new contracts, extension of existing contracts or execution of works departmentally.
- States have been requested to make application form for service connection simple and electronic,
- State DISCOMs have been requested to organize camps to facilitate on the spot filling up of application forms for releasing service connections.
- States have been requested to involve Gram Panchayat / public institutions in rural areas to collect application form, complete documentation and other activities, if required.

F. Review and Monitoring:

- At State level, a Committee under the Chairmanship of Chief Secretary is in place to monitor the progress and resolve issues relating to implementation. Further, the progress is reviewed by Chief Secretary of respective State on fortnightly basis.
- At Central level, inter-ministerial Monitoring Committee on DDUGJY/Saubhagya headed by the Secretary, Ministry of Power, Government of India is monitoring the implementation of the scheme. Besides, the progress is reviewed with States / Power Utilities in Review, Planning and Monitoring (RPM) meetings of Ministry of Power on monthly basis.
- Rural Electrification Corporation Limited (REC), the nodal agency, monitors implementation of scheme through its State Offices at field level.
- At District level, (DISHA) District Development Coordination & Monitoring Committee meetings (under the aegis of Ministry of Rural Development) headed by senior-most Hon'ble Member of Parliament (Lok Sabha) of the district & other MPs of the district as co-chair with District Magistrate as Convener, reviews the progress of Saubhagya along with other schemes.
- Saubhagya Mobile App and <http://saubhagya.gov.in/> portal has been developed for monitoring of household electrification works on near real time basis

Based on the information furnished by the States, 48.72 lakh service connections have been released under Saubhagya, as on 26.04.2018. This information is made available in public domain for effective monitoring and use of all stakeholders. In view of the above, proactive steps taken by Government of India and with the help of States the target of Saubhagya is expected to be achievable.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 7 (Para 2.7)

The Committee note that at State level, a Committee under the Chairmanship of Chief Secretary is in place to monitor progress 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 Coordination & 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. In regard to penal actions taken against the responsible person when irregularities are found during the monitoring check under the scheme, the Ministry have stated that under DDUGJY, the defects in works reported by Quality Monitors, are rectified by the respective Implementing Agencies. The

complaints received from public, are addressed to the concerned State, Utility, Implementing Agencies for remedial measures/compliance. Despite the said monitoring mechanism in place, the Committee are aware of the irregularities and quality issues in the implementation of this scheme. The Committee find that though the scheme is mainly financed by the Central Government, the execution of work and related decisions are taken by the State Governments. This has created a scenario where nobody could be made accountable for any misdeed. The Secretary, Power also vindicated the view of the Committee and has stated that the present monitoring mechanism that is not working very well, therefore, there is need to improve it. He assured the Committee that the States will be told to develop the monitoring system at the grassroots level and have a system of reporting. The Committee, therefore, recommend that the monitoring mechanism for Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) should be reviewed and made more effective so that accountability may be fixed and penal action may taken against the erring persons.

Reply of the Government

Under DDUGJY, the State Power Utilities shall be the solely responsible & accountable for assuring quality works. For effective monitoring of works under DDUGJY, appointment of Projects Management Agencies (PMAs), who are not the executing agencies have been envisaged under DDUGJY scheme. PMA Assist Project Implementing Agencies (PIAs) in implementation of projects in such activities which involves formulation of Detailed Project Reports (DPRs), award of works, monitoring the progress, quality monitoring etc. Besides, project management activities performed by PMA, there is an independent and separate quality monitoring mechanism in the scheme. REC, the nodal agency for the program has deployed quality monitoring agencies, viz, REC Quality Monitors (RQMs) who ensure quality of material as well as the quality of workmanship. The defects reported by the RQMs is reported to PIAs, who in turn get the same rectified and submit the compliance report to REC.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl.No. 8 (Para 2.8)

The Committee note that for implementation of DeenDayalUpadhyaya GramJyoti Yojana (DDUGJY), the Central Government provides financial support toStates upto 75% of the projects cost and upto 90% in case of Special Category . States, However, for implementation of the programme, the Central Government is heavily dependent on the State Governments. As the Electricity falls under the concurrent list of the Constitution, theoretically, the arrangement so made under the scheme conform the constitutional provisions. However, in practicality, this

arrangement leaves so, many loopholes and uncertainties that lead to avoidable delays and preventable quality issues. The Committee find that the lack of effective coordination between the Centre and the State as far as the implementation of the Centrally Scheme is concerned, add fuel to the fire. The Committee, therefore, recommend that the coordination mechanism in regard to implementation of this scheme should be further strengthened and made more effective. Since, this is a Central Government's Scheme, the onus of its desired implementation lies with them. Therefore, the Committee expect the Central Government to play a more active role in implementation of this program

Reply of the Government

The projects sanctioned under the scheme are being implemented by the concerned State DISCOMs / Power Deptt., therefore, effective coordination is solicited from these implementing agencies. For effective monitoring of works under DDUGJY, appointment of Projects Management Agencies (PMAs), who are not the executing agencies have been envisaged under DDUGJY scheme. These PMAs help in effective coordination with Discoms and Government of India. To facilitate efficient monitoring of projects, a web enabled platform has been developed for updating progress on near real time basis.

In order to expedite the progress and resolution of various impediments, meetings of various stockholders are conducted at District, State and Centre level, and all possible help is extended by the Ministry of Power to achieve the objective of the scheme.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 9 (Para 2.9)

The Committee note that the Government endeavor to provide electricity connection to all the households in the country by launching Saubhagya Scheme. The creation of infrastructure for providing electricity access to every village of the country is being done under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY).The Committee have time and again emphasized that the work of providing universal electricity access is not limited to erection of required infrastructure and service connection but it also extend to actual supply of electricity. The work of universal electricity access is accomplished only when all the households get reliable and quality power supply as per their requirements. The Committee are aware that the country has now got the adequate power generation capacity and there is situation of surplus power due to low demand in the country. The Committee are aware that Discoms are reluctant to divulge the actual demand due to various reasons. Therefore, Discoms are either not getting into long term power purchase agreements as per their actual requirement or purchase electricity

through short term trading. As the Government is determined to provide 24x7 power supply in the country, it is the high time that the issue of latent electricity demand of the country in the form of power outages by the Discoms, should be addressed. The Committee, therefore, recommend that the Government should formulate policy/guideline that obliges Discoms to meet most of their actual electricity demand through long term PPA.

Reply of the Government

The supply of electricity falls under the jurisdiction of respective State Power Utilities. However, in order to enable continuous electricity supply, Government of India have taken up a joint initiative with all States/UTs for preparation of State specific documents for providing 24x7 power supply to all and adequate supply of power to agricultural consumers as per State policy. 24x7 "Power for All" document has been signed with all the States/UTs.

Government of India supplements the efforts of States with schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojna-Saubhagya, Integrated Power Development Scheme (IPDS) and Ujwal DISCOM Assurance Yojana (UDAY) to help them to achieve the objective of providing continuous and reliable power supply to every household.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 10 (Para 2.10)

Integrated Power Development Scheme (IPDS)

The Committee note that Integrated Power Development Scheme (IPDS) was formulated on 20th November, 2014 with an objective to provide 24x7 Power supplies for consumers, to provide access to all urban household and facilitate State Power Utilities to reduce the level of AT&C losses to 15%. The component of IPDS inter alia include (i) strengthening of sub-transmission and distribution networks in the urban areas; (ii) metering of distribution transformers/ feeders/ consumers in the urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network under R-APDRP for 12th and 13th Plans by carrying forward the approved outlay of R-APDRP to IPDS. All Discoms including private and State Power Departments will be eligible for financial assistance under the scheme. The Committee have been apprised that the scheme is designed to help in AT&C loss reduction, establishment of IT enabled energy accounting/auditing improvement in billed energy based on metered consumption and improvement in collection efficiency. In regard to meeting the targets under the scheme, the Committee have been apprised that achievements generally are in line with above targets. State

Utilities have already awarded distribution strengthening projects worth Rs. 24,309 crore which is more than 90% of sanctioned cost. The awarded projects are in various stages of execution and it is expected that all projects may be completed within the scheduled completion period i.e. 24 months of awards. The Committee also note that the overall physical progress under IPDS is mere 21%. The Secretary, Power accepted- before the Committee that the spendings under IPDS in some part are slow. The Committee, therefore, recommend that the Government should pay utmost attention to implementation of this programme so that-work awarded could be executed within the stipulated timeline. Further, every effort be made to optimally utilize the allocated fund for this scheme.

Reply of the Government

Ministry of Power, Government of India is paying utmost attention to the implementation of IPDS to ensure that works awarded are completed by 31.03.2019. IPDS implementation is being rigorously monitored at highest levels of Ministry of Power and M/s Power Finance Corporation, designated as nodal agency by MoP for operationalization of the scheme. Following monitoring mechanism is being followed by PFC strictly to ensure speedy implementation as follows:

(V) Central level monitoring at MoP

Monthly Review, Panning & Monitoring (RPM) meetings by Ministry of Power with Secretaries(Power) of States/CMD's of Discoms. Such meetings are often chaired by Hon'ble Minister of State for Power,GoI. IPDS Monitoring Committee under chairmanship of Secretary(P) reviews implementation of IPDS (including subsumed R-APDRP) for operationalization of the Programme. MoP team also frequently visits States for expediting implementation.

(VI) Concurrent Monitoring by PFC

Regular review by PFC, the nodal agency along with Web based project monitoring. Also, day-to-day monitoring at the level of Nodal/Zonal Officers of PFC with States/Utilities to resolve Implementation issues, expediting milestone linked to progress of project implementation and release of funds.

(VII) State level monitoring in states

Regular monitoring and review at State level by Distribution Reforms Committee(DRC), chaired by Energy Secretary. Also, regular follow-up meetings are taken by MDs/CMDs of respective Power Utilities. Also, periodic reviews are taken by Disha(District Development Coordination and Monitoring Committee).

(VIII) Quality Monitoring

The Project Management Agency (PMA) appointed by Discoms to assist them in project management for ensuring timely implementation of project. Concurrent and post implementation evaluation by Third Party Concurrent Evaluating

Agency(TPCEA) for verification of material and process at site, reporting of progress etc.

With almost all the system strengthening projects been awarded and surveys having been completed, the progress of IPDS works is likely to scale up. Further, rigorous monitoring of IPDS implementation has resulted in overall progress of system strengthening works to a level of 29% as on 15th April'18 vis-à-vis 9% as on 30th November'17. At said pace, 100% implementation is likely within timeline. To ensure that funds provided to State Utilities under IPDS are optimally utilized, following steps are being taken:

IPDS being a Government of India program, the release from nodal agency (PFC) to utilities is being done through Public Financial Management System(PFMS) and utilities are using same for funds flows under the scheme. Utilities receiving funds under IPDS are registered / mapped in PFMS. PFC ensures that all utilities to whom funds are to be released are properly registered/mapped in PFMS.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 11 (Para 2.11)

The Committee note that the prime objective of IPDS is to bring down AT&C losses. For this electricity supply infrastructure is being strengthened and augmented. Also, IT enabled system is being put up for efficiency, transparency and better control. There is no need to expound the importance of bringing down AT&C losses on the sustainable basis for the financial health of Discoms. The quality of work and infrastructure provided under the scheme will greatly determine the efficiency of system that will lead to reduction in AT&C losses. However, it has been brought to the notice of the Committee that there are many instances where the quality of the work and the materials being used in the execution of the work under the scheme is not up to the specified standards. The Committee, therefore, express their concern over the quality of the work being done under IPDS as this defeats the very purpose of strengthening the system. The Committee, therefore, recommend that the Ministry should devise a monitoring mechanism that enable to keep a close vigil on the quality of work being done under the scheme.

Reply of the Government

Ministry of Power, Government of India has already appointed Third Party Concurrent Evaluation Agencies (TPCEA) for various States for concurrent evaluation of the project and for carrying out inspections on sample basis. Third Party Concurrent Evaluating Agency (TPCEA) shall be carrying out inspection and quality checks during scheme implementation at various stages (25%, 60%, 100% and final inspection) on sample basis. They shall also carry out concurrent & post implementation evaluation of the IPDS scheme in above areas.

TPCEA shall also verify Compliances including Quality of Material and Erection and Process and achievements of the execution of projects in various Circles in Utilities.

The scope includes:

Material Checking: To check if material is as per approved Material Quality Plan & if material prior to sanction is not used.

Field Quality Plan: To verify execution of work in adherence to approved FQP. Verifying Quality Check Documents of Utility

Field Inspections on sample basis

Evaluation of other processes and achievements: like processes for bidding, stage wise delays, metering etc.

Adherence to Systems and Procedures:

Submission of Weekly Progress Reports

Submission of Reports of Concurrent & Post Implementation Evaluation

Verifying Quality Check Documents of Utility

The TPCEAs are being deployed progressively in various States on achievement of at least 25% progress by State. Further, for assessing the quality of the erstwhile RAPDRP projects, the Ministry has recently engaged Quality Council of India (QCI). QCI is to start their assessments shortly.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 12 (Para 2.12)

Ujwal DISCOM Assurance Yojana (UDAY)

The Committee note that State DISCOMs in the country had huge accumulated losses and outstanding debt. As a result of which financially stressed DISCOMs are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth and development. Efforts towards 100% village electrification, 24x7 power supply and clean energy cannot be achieved without performing DISCOMs. Power outages also adversely affect national priorities like "Make in India" and "Digital India". In addition, default on bank loans by financially stressed DISCOMs has the potential to seriously impact the banking sector and the economy at large. The Committee further note that the Scheme "UDAY" (Ujwal DISCOM Assurance Yojana) for financial turnaround of State owned Power Distribution Companies has been formulated by the Government in consultation with the various stakeholders to ensure a sustainable permanent solution to the problem. The Scheme has been made effective with effect from 2011-2015. The Scheme is operationalized through a bipartite/tripartite agreement amongst the Ministry of Power, State Government and the DISCOMs. The Scheme "UDAY" is optional for all States. In regard to progress and achievement under the

scheme, the Committee have been apprised that DISCOMs debt of around Rs.2,08,641 crore has already been taken over by the states. Hence to that extent the benefits to DISCOMs by way of savings in interest and increase in cash flow has been achieved. Also, improvement in some crucial parameters viz. ACS-ARR Gap, Collection Efficiency, Billing Efficiency, and AT&C losses, has also been seen. However, no decrease in Power Purchase Cost is a matter of concern. The Committee while appreciating the effort of the Government in launching this scheme which involves no financial grant from the Central Government, are a bit apprehensive also in regard to its successful implementation and achieving desired goal. The Committee are aware that the task of financial turnaround of Discoms financial health is difficult and complicated. All the earlier efforts of the Central Government have miserably failed in achieving their intended goals. As the present scheme aims at not only bailing out Discoms of financial stress but also making them economically viable, there is a greater possibility of its becoming successful. The Committee, therefore, recommend that the Government should keep making indefatigable efforts for implementation of UDAY scheme and guide, persuade and do handholding of State Governments/Discoms to achieve their goals as per the trajectory drawn under the scheme.

Reply of the Government

UDAY was launched in the latter part of FY 2016. As per data submitted by States so far, the aggregate ACS-ARR gaps of UDAY DISCOMs has come down to 29 paise/unit by the end of 9 months of FY 2018 as against 59 paise/Unit at the end of FY 2016, thereby indicating the progress towards the target of achieving financial break even.

Power purchase costs are around 80% of the costs of DISCOMs, and therefore UDAY has focussed comprehensively on reducing this cost for achieving sustainability. In the beginning of UDAY program, the average power purchase cost of UDAY states was Rs.4.18 in FY16, which increased to Rs.4.23 in FY17. Further, the first nine months data of FY18 submitted by States suggests that the Power purchase costs remained almost same at Rs.4.24. It may be observed that during almost last two financial years the average power purchase cost has risen from Rs.4.18 to Rs.4.24 less than 1.50% increase, which indicates that efficiency improvements across the Power Sector value chain have absorbed most of the inflationary impacts arising out of Coal price hikes, increase in environmental cess, and rail freight hikes in the interim periods.

It may also be brought to the notice of the Committee that the power purchase costs for DISCOMs had been on an increasing trend in pre-UDAY period, peaking at almost 7% increase in FY 2016, in the latter half, when UDAY was launched. On the cost recovery front, the billed energy to consumers in FY17 showed an increase of

almost 9% on an aggregate basis, which indicates the efforts made by DISCOMs in billing consumers.

Ministry of Power is making all possible efforts, through regular interactions, conducting workshops, sharing best practices among DISCOMs, and by handholding the States/DISCOMs enabling them to achieve the goals under UDAY. Following measures are being taken to make UDAY successful:

- xiii. Close focus on Outcomes of AT&C losses and ACS-ARR gaps.
- xiv. Reduction of interest burden on utilities through issuance of bonds;
- xv. Bringing financial discipline in working of utilities;
- xvi. Emphasis on key operational parameters;
- xvii. Web Portal and Mobile App for data-flow and transparency;
- xviii. Focused analysis of utilities' quarterly, half-yearly and annual performances;
- xix. Regular state specific reviews by Ministry Officials;
- xx. Enhanced involvement of state governments in turnaround of utilities;
- xxi. Capacity building of utilities;
- xxii. Handholding in State owned Power Plants by NTPC for efficiency improvements of State GENCOs
- xxiii. Identifying issues of consequence to States on a routine basis, and discussing measures to solve them.
- xxiv. Encouraging DISCOMs to focus on high AT&C loss (>40%) Divisions, and take remedial measures to reduce the losses.

Further, the progress of the scheme has also been reviewed regularly by Hon'ble Minister of State(IC) for Power and New & Renewable Energy apart from the regular monitoring by Central Monitoring Committee headed by Secretary (Power), Government of India.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 13 (Para 2.13)

Hydro Power

The Committee note that as per reassessment studies of hydro-electric potential carried out by the Central Electricity Authority during 1978-87, the hydro power potential in terms of Installed Capacity (IC) is estimated at 1,48,701 MW out of which 1,45,320 MW of the potential consists of hydroelectric schemes having installed capacity above 25 MW. The Ministry have stated that the above reassessment is still valid. However, the Government is conducting Reassessment of the hydro power potential of the country. The reassessment has been necessitated due to the availability of additional hydrological, topographical and

other data about upstream and downstream water usages in last 29 years, Th/ have further stated that the work for Basin wise review of Hydro Electric Potential & Preparation of Basin reports have been taken up by CEA in association with WAPCOS Ltd. in March, 2017. The reassessment study is being carried out, taking into consideration the actual site constraints in terms of site geology, submergence and other aspects including impacts of these projects on the Environment and Forest. The study includes the features of the hydro schemes already developed/under different stages of development. The study is likely to be completed in a period of 30 months i.e. by September, 2019. The Committee has been insisting for reassessment of hydro potential as the available data is 30-40 years old; thus welcome this move of the Government. The Committee, however, would like to recommend that the said study should be completed within the targeted timeframe. The Committee also desire the Government to provide all possible assistance to this study to enable it assess the potential of hydro power in the country, accurately.

Reply of the Government

The recommendations of the committee regarding timely completion of the Study has been noted for compliance. It is also assured that the Government is committed to extend all possible assistance to the Study to assess the hydro potential in the Country.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 14 (Para 2.14)

The Committee note that the hydro power installed capacity in the country as on 31.01.2018 is 44,963.42 MW. As on 31.01.2018, 205 Nos. of hydro stations with total installed capacity of 44,963.42 MW including 9 pumped storage schemes (PSS) with installed capacity of 4,785.6 MW are under operation. In regard to development of hydro power in the country, the committee note that the pace has been rather slow as a total capacity addition of 5,479 MW only has been achieved during the 12th Plan against the targeted capacity addition of about 10,897 MW during the same period. Further, a Hydro Power capacity of 4,376.01 MW has been installed since 2014-15 up to end of January 2018. The committee have been expressing their displeasure over the slow pace of the development of the hydro power. Nevertheless, any concrete measure in this regard is yet to be taken by the

government. The committee are of the view the sooner we start utilizing the hydro power potential the better it will be in terms of cost as over the years, the hydro projects are becoming increasingly costlier mainly due to increased costs associated with environment and R&R. These environmental and R&R norms are unlikely to

ease out and in fact are likely to become further stringent with time. The Committee, therefore, are of the view that to develop the hydro power sector at a desired pace, there is urgent need for overhauling of hydro power policy instead of ad hoc and isolated efforts. The concern of the Committee has been acknowledged by the Secretary, Power who accepted that in wake of upcoming renewable energy, hydro power has become more important. He has further stated that the Ministry is formulating a new policy for hydro power sector. The Committee recommend that the Government should formulate a new policy for hydro power sector which will address the existing as well as the anticipated problems being faced by this sector. The committee hope that the matter raised by the Committee from time to time such as sharing the burden of enabling infrastructure by the government, providing long term loan and cheaper loan to hydro projects, streamlining the process of various clearances and R&R process in regard to setting up hydro power projects and proactive participation of Central and the State Government in it, and consideration of all hydro power projects irrespective of their capacity as renewable source of energy, etc. will be taken care of while formulating the new policy will be done in an expeditious and time bound manner.

Reply of the Government

A Cabinet Note comprising of various policy initiatives as well as facilitation measures for revival of under construction hydro electric projects is under active inter-Ministerial consultation.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 15 (Para 2.15)

The Committee find that the pace of development of hydro power is not a desired considering the immense hydro power potential is yet to be utilized. The Private Sector which as performed exceptionally well in the thermal power, has failed to leave any mark in hydro power sector. The performance of Central Power Sector Undertaking involved into hydro power sector viz. NHPC, NEEPCO, THDC, SJVNL etc., in respect of capacity addition leaves much to be desired. These CPSUs have not many hydro power projects to develop. The committee are of the firm belief that in involvement of private players in a big way is necessary for the development of hydro power sector. However, they are not sure whether this would happen soon. The Committee find that the said PSUs are having the required infrastructure, manpower, expertise, and are also specialized in the development of hydro projects. The committee feel that under-utilization of these PSUs is nothing but sheer waste of available resources and expertise. The committee are aware that hydro power projects have the long gestation period and their development is a cumbersome process with greater uncertainties. Thus, the return on the investment takes longer time to come in comparison with the thermal power projects. However, in the long

run it has the benefit of being clean, green and cheaper power. The Committee sires that the Government should take the burden of developing hydro power in the country so that the country can reap the arising benefit in the long run. The Committee, therefore, recommends that more projects and funds should be given to PSUs engaged in hydro power. The committee also desires that the Government should also mull to provide financial assistance in the form of grant to such hydro power projects that are difficult to develop.

Reply of the Government

A Cabinet Note comprising of various policy initiatives as well as facilitation measures for revival of under construction hydro electric projects is under active inter-Ministerial consultation.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

Recommendation Sl. No. 16 (Para 2.16)

Research and Development

The Committee notes that Central Power Research Institute (CPRI, Bengaluru) serves as a National Laboratory for applied research in the field of electrical power and also functions as an independent authority for testing, evaluation and certification of electrical equipment and components. For the financial year 2017-18, the allocation for CPRI was Rs. 150 crore only. However, the Committee finds that this budgetary allocation was revised to Rs. 50.36 crore at the time of RE. The Committee infers that reduction in the allocation may be the result of lesser utilization of money as the Actual expenditure of CPRI for the year 2016-17 has been only Rs. 65.79 crore. Again, for the year 2018-19, a provision of Rs. 150 crore has been made for CPRI. The Committee observes that the country is one of the biggest generators and consumers of electricity in the world. However, in terms of technological innovation and achievements there is not much to mention about. The Committee is surprised that despite an existing big market with huge future potential in the country, our allocation for R&D, is negligible. The Committee believes there is immense scope for technological innovation and upgradation of existing technologies, be it increasing the efficiency of electrical devices and bringing down its cost, introduction of super critical technology and reduction of emission, from thermal power plants, technologies related to transmission and distribution of electricity for reducing AT&C losses, so on and so forth. The Committee, therefore, strongly recommends that the Government should give due attention to Research and Development in the field of electricity by allocating more funds. The Committee also desires that the areas of technological advancement should be prioritized and all

efforts be made to achieve it in a time bound manner by the involvement of premium technological institutions of the country.

Reply of the Government

The Ministry of Power (MoP) agrees with the views of the Committee that the areas of technological advancement should be prioritized and all efforts be made to achieve it in a time bound manner.

2.1. It is stated that Ministry of Power through CPRI is implementing three R&D schemes i.e National Perspective Plan (NPP), Research Scheme on Power (RSoP) and In-House Research & Development (IHRD) to create strong research and development base in power sector. SFC proposal for R& D schemes of the Ministry of Power being implemented through CPRI for Rs 158.00 Cr for three years w.e.f 2017-18, is under consideration.

2.2. The projects under NPP aim to promote R&D in the power sector in technological areas of importance to manufacturers, power utilities and academia in collaborative mode. For Projects directly taken by CPRI under this scheme, 50% funding is by Ministry of Power and 50% funding by the concerned manufacturer/power utilities/ academia. RsoP schemes are fully funded by MoP and aims to carry out need based research in power sector including research in various operational problems encountered in power system. The RSOP projects are undertaken by organizations including academia such as IITs, NITs, etc. Under IHRD, various Divisions and Units of the CPRI take up Research Projects under the In-house R&D (IHRD) scheme which is fully funded by Ministry of Power.

2.3. Besides, the Ministry of Power also participates in research projects under Impacting Research Innovation and Technology (IMPRINT) and Uchhatar Avishkar Yojana (UAY) scheme/programme of Ministry of Human Resource and Development (MHRD). Since the research projects under UAY and IMPRINT are mainly collaborative in nature involving participation of industry and the IITs, these are being considered as R&D proposals/projects under National Perspective Plan (NPP) scheme.

In addition to the above, research in power sector is also being undertaken by various PSUs (NTPC, PGCIL, THDC, NEEPCO, SJVN and NHPC) under this Ministry in their domain fields.

3. In order to have a coordinated approach and proper monitoring of R&D activities being carried in the power sector by Organisations/ PSUs of the Ministry of Power, a High Level Committee under the Chairmanship of Secretary (Power) has been constituted by the Ministry vide Order dated 25th Nov, 2016. Subsequently, in the first meeting of the Committee held on 19th January 2017, a sub-Committee was constituted to list out all major R&D activities being undertaken by

organisations/PSUs under MoP, identify areas where there is an overlap and possibility for collaboration, areas of importance for the power sector and focus areas for research in the next 3 to 4 years. The final report submitted by the sub-group which includes a number of areas focusing on measures to achieve higher efficiency levels in all the domains of the power sector has also been deliberated upon during the second meeting of the Committee held on 19th September, 2017. It is agreed that some minimum acceptable standards need to be fixed for performance in research areas and it should be made mandatory for all to comply. Inter alia, the following decisions were taken during the meeting:-

(i) CEA may organise an interaction with the industry wherein the report of the sub-Committee could be circulated and the industry be invited to participate in R&D in identified thrust areas. Regional workshops could also be organised.

(ii) Besides the R&D already being undertaken by them, PSUs/Organisations under MoP may also be asked to also focus on some of the thrust areas identified in the report for R&D.

(iii) DG, NPTI may explore collaboration with the industry (IEEMA) for R&D in identified thrust areas.

4. It is further stated that CPRI along with BEE and CEA has already initiated a research program on indigenous development of LED lamps and luminaries, identifying a supply side weakness in LED lighting products such as heavy dependence on imports for electronic components, LED chips / wafers, modifications required as per Indian conditions for the imported products and limited testing capacity for LED lighting.

CPRI along with BEE has also initiated research projects on "Electricity based clean cooking technologies" with the objective to make e-cooking adaptable for Indian Dishes which is expected to lead to huge savings in LPG imports.

Ministry of Power O.M.No.10/2/2018-Budget Date : 23.05.2018

CHAPTER III

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

-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

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

-NIL-

**New Delhi;
2 August, 2018
11 Shravana, 1940(Saka)**

**DR. KAMBHAMPATI HARIBABU,
Chairperson,
Standing Committee on Energy.**

APPENDIX 1

MINUTES OF THE NINETEENTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2017-18) HELD ON 2ND AUGUST, 2018 IN COMMITTEE ROOM 'C', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee met from 1700 hrs. to 1730 hrs.

PRESENT

LOK SABHA

Dr. Kambhampati Haribabu- Chairperson

2. Shri Devendra Singh Bhole
3. Shri Om Birla
4. Shri Harish Dwivedi
5. Dr. Arun Kumar
6. Shri Malyadri Sriram
7. Dr. Pritam Gopinath Munde
8. Shri Jagdambika Pal
9. Shri Ravindra Kumar Pandey
10. Shri Vinayak Bhaurao Raut
11. Shri Bhanu Pratap Singh Verma

RAJYA SABHA

12. Shri T.K.S. Elangovan
13. Shri Oscar Fernandes
14. Shri Manish Gupta
15. Shri Narain Dass Gupta

SECRETARIAT

- | | | |
|------------------------------|---|-----------------|
| 1. Shri N.K. Pandey | - | Director |
| 2. 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 "Impact of RBI's Revised Framework for Resolution of Stressed Assets on NPAs in the Electricity Sector".

(ii) Draft Action Taken Report on the recommendations contained in the Thirty Eighth Report (16th Lok Sabha) on Demands for Grants (2018-19) of the Ministry of Power.

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

4. The Committee decided to undertake a study tour in the month of August, 2018 for detailed examination of the various subjects selected by the Committee. The Committee also wished to seek necessary permission regarding this study visit from the Hon'ble Speaker.

The Committee then adjourned.

APPENDIX-II

(Vide Introduction of Report)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/ OBSERVATIONS CONTAINED IN THE 38th REPORT (16TH LOK SABHA) OF THE STANDING COMMITTEE ON ENERGY

(i)	Total number of Recommendations	16
(ii)	Recommendations/ Observations which have been accepted by the Government:	
	Sl. Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15&16	
	Total:	16
	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	0%
(v)	Recommendation/ Observation in respect of which final reply of the Government are still awaited:	
	- Nil -	
	Total:	00
	Percentage	00%