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STANDING COMMITTEE ON ENERGY

(2023-24)

SEVENTEENTH LOK SABHA

MINISTRY OF POWER

**[Action taken by the Government on the recommendations contained
in the Thirty-Fifth Report (17th Lok Sabha) on Demands for Grants
(2023-24) of the Ministry of Power]**

FORTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2023/ Agrahayana, 1945 (Saka)

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***[Action taken by the Government on the recommendations contained in
the Thirty-Fifth Report (17th Lok Sabha) on Demands for Grants
(2023-24) of the Ministry of Power]***

Presented to the Lok Sabha on 19th December, 2023

Laid in the Rajya Sabha on 19th December, 2023



LOK SABHA SECRETARIAT
NEW DELHI

December, 2023/ Agrahayana, 1945 (Saka)

COE NO. 374

Price:

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Sixteenth Edition) and Printed by_____.

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COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2023-24)

LOK SABHA

Shri Jagdambika Pal - Chairperson

2. Shri Gurjeet Singh Aujla
3. Shri Chandra Sekhar Bellana
4. Shri Pradeep Kumar Chaudhary
5. Dr. A. Chellakumar
6. Shri Harish Dwivedi
7. Shri S. Gnanathiraviam
8. Shri Sanjay Haribhau Jadhav
9. Shri Kishan Kapoor
10. Shri Sunil Kumar Mondal
11. Shri Ashok Mahadeorao Nete
12. Shri Praveen Kumar Nishad
13. Shri Gyaneshwar Patil
14. Shri Jai Prakash
15. Shri Dipsinh Shankarsinh Rathod
16. Shri Devendra Singh *alias* Bhole Singh
17. Shri Rajveer Singh (Raju Bhaiya)
18. Shri Shivkumar Chanabasappa Udasi
19. Shri Balashowry Vallabbhaneni
20. Shri P. Velusamy
21. Vacant*

RAJYA SABHA

22. Shri Gulam Ali
23. Shri Rajendra Gehlot
24. Shri Narain Dass Gupta
25. Shri Javed Ali Khan
26. Shri Muzibulla Khan
27. Shri Maharaja Sanajaoba Leishemba
28. Shri Krishan Lal Panwar
29. Shri K.R.N. Rajeshkumar
30. Dr. Sudhanshu Trivedi
31. Shri K.T.S. Tulsi

SECRETARIAT

1. Shri Ramkumar Suryanarayanan Joint Secretary
2. Shri Kulmohan Singh Arora Additional Director
3. Shri S. Lakshmikanta Singh Deputy Secretary
4. Ms. Madhumita Assistant Committee Officer

* Vacant *vice* Shri Uttam Kumar Nalamada Reddy ceased to be Member of the Committee w.e.f. 13th December, 2023 consequent upon his resignation from membership of the Lok Sabha.

INTRODUCTION

I, the Chairperson, Standing Committee on Energy, having been authorized by the Committee to present the Report on their behalf, present this Fortieth Report on Action taken by the Government on the recommendations contained in the Thirty-Fifth Report (17th Lok Sabha) on Demands for Grants (2023-24) of the Ministry of Power.

2. The Thirty-Fifth Report was presented to the Lok Sabha on 21st March, 2023 and was laid on table of the Rajya Sabha on the same day. Replies of the Government to the observations/recommendations contained in this Report were received on 8th June, 2023.

3. The Report was considered and adopted by the Committee at their sitting held on 14th December, 2023.

4. An Analysis of action-taken by the Government on the observations/recommendations contained in the Thirty-Fifth Report (17th Lok Sabha) of the Committee is given at Appendix-II.

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

**New Delhi;
14 December, 2023
Agrahayana 23, 1945 (Saka)**

**Jagdambika Pal
Chairperson,
Standing Committee on Energy**

CHAPTER -I

This Report of the Standing Committee on Energy deals with action-taken by the Ministry of Power on Observations/Recommendations contained in the Thirty-Fifth Report (Seventeenth Lok Sabha) on Demands for Grants (2023-24) of the Ministry of Power.

2. The Thirty-Fifth Report was presented to the Lok Sabha on 21st March, 2023 and was laid on table of the Rajya Sabha on the same day. The Report contained 18 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, 16, 17 and 18

Total - 18
Chapter-II

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

Nil
00

Total -
Chapter-III

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

Nil
00

Total-
Chapter-IV

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

Nil
00

Total -
Chapter-V

4. The Committee further desire that Action-taken Statement on the Observations/Recommendations contained in Chapter-I of this Report 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 Observations/Recommendations that require reiteration or merit comments.

Recommendation No. 3

6. The Committee had recommended as under:

“The Committee note that the Budgetary Estimate of the Ministry of Power for the year 2022-23 was Rs. 16,074.74 crore. However, the same was Revised to Rs. 13,106.58 crore. The actual utilization upto 31.01.2023 is Rs. 9,439.21 crore which is 58.7% of the BE and 72% of RE. The Committee observe that the performance of the Ministry of Power in regard to the utilization of allocated fund (except for the year 2020-21 due to COVID-19) has been good. In 2021-22, the financial performance of the Ministry was 117% of their Budgetary Estimates. The Committee would expect that fund utilization for 2022-23 will not lag and the tempo will be maintained.

The Committee recognizing the importance of the Power Sector has been advocating for higher budgetary allocation for the Ministry. As the Ministry has been allocated the highest-ever budgetary provision of Rs. 20,671.32 crore for the year 2023- 24, now the onus falls on them to ensure that the enhanced allocation is fully utilized for achieving the targets envisaged under various schemes and heads. Since the utilization of budgetary allocation of the Ministry depends heavily on the progress made by the States, the Committee are of the view that regular meetings with the States, closer monitoring and their hand-holding in critical areas could be the key to ensure timely implementation of Schemes.”

7. In its action-taken reply, the Ministry of Power has stated as under:

“Steps being taken by Ministry of Power for utilization of budget allocated for better implementation of various schemes are given below:

(a) The Ministry has a robust mechanism at various levels to ensure that the enhanced allocation is fully utilized for achieving the

targets under distribution sector schemes. The monitoring and review of fund allocation and utilization is being done by the Ministry on a regular basis. A weekly/bi-weekly meeting is conducted under the chairmanship of Secretary (Power) along with nodal agencies (PFC and REC), to monitor the progress of works sanctioned under the schemes. An inter-Ministerial committee headed by Secretary (Power) regularly reviews and monitor implantation of the scheme. Further, a Review Planning and Monitoring (RPM) meeting under the chairmanship of Hon'ble Minister of Power is held on a regular basis with all administrative heads of Power Departments/ DISCOMs of states to review the progress of works. At the state level, periodic discussions and visits are carried out by the nodal agencies to ensure hand holding and closer monitoring of progress for timely implementation of the schemes.

(b) Bureau of Energy Efficiency (BEE) in collaboration with Ministry of Power aimed to undertake the following actions during FY 2023-24:

a) Biannual National level meetings and Quarterly Regional level meetings will be organized with respective State Designated Agencies (SDAs) to monitor and review the progress of various activities/ programmes/schemes being implemented by them and utilization of funds thereof.

b) In addition to reviewing the physical and financial progress of SDAs, above meetings also focus on discussing the "best practices" of some of the SDAs, thereby providing to all the SDAs, a platform for active peer learning for enhanced and effective implementation of different activities /programmes.

c) Regular one-to-one meetings will be convened to address the issues/ challenges in programme implementation being faced by the SDAs, wherein they would be provided with necessary advocacy and handholding, particularly in critical areas viz. innovative demonstration projects, manpower support, State Energy Conservation Fund (SECF), etc.

d) A report on implementation of different activities /programmes by SDAs is being obtained from them on monthly basis to monitor their physical and financial progress.

(c) In order to strengthen the intra-state transmission system as well as distribution system of the North East Region and to improve connectivity of the upcoming load centers with the National Grid to achieve affordable and reliable 24X7 power supply to all categories of end consumers in NER States, Government of India (GoI)

approved the following schemes which is being implemented by POWERGRID:

- (a) North-Eastern Region Power System Improvement Project (NERPSIP);
- (b) Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim (Comprehensive Scheme)

Higher provision of Rs. 2387 crore has been kept in Budget Estimate 2023-24 for above projects based on balance works to be executed under the projects. Efforts shall be made to meet the budgetary estimates for FY 2023-24.

The recommendation of Hon'ble Committee for closer monitoring to ensure timely implementation of schemes is noted."

8. The Committee while recognizing the highest ever budgetary allocation of Rs. 20,671.32 crore for the Ministry of Power in BE 2023-24, also reminded the Ministry about their responsibility of full and timely utilization of the allocated fund. The Committee also desired the Ministry to work in close coordination with the States, as the utilization of budgetary allocation was heavily dependent on the performance of the States. In response, the Ministry has described about its mechanism at various levels for full utilization of its enhanced allocation. The Ministry has also provided details of the monitoring and review systems in place for the Ministry, its organizations and State nodal agencies. The Committee appreciate the mechanisms put in place by the Ministry to achieve the full utilization of allocated funds as well as the systems to monitor and review this utilization. However, the Committee are of the view that strict adherence to these mechanisms are constantly required to ensure actual and proper utilization of the allocated funds. The Committee would again like to highlight the need for being closely associated with States on a regular basis to ensure that the States work in consonance with Centre when it comes to the development of Power Sector of the Country. The Committee would like the Ministry to ensure that the officials of the Nodal Agencies who hold the discussions and make visits to the States are qualified appropriately and trained adequately to handle the complexities.

Recommendation No. 8

9. The Committee had recommended as under:

“The Committee note that the Ministry of Power has initiated a new Scheme ‘Viability Gap Funding’ for the development of Pump Storage Plants and Battery Energy Storage Systems. The Committee further note that the estimated Capital Cost of the scheme is Rs 9,400 crore with gross budgetary support of Rs. 3,760 crore. The Ministry has stated that the VGF support will bring down the tariff from storage at acceptable levels to DISCOMS/consumers. The Committee find only a token provision has been made for 2023-24 under this Scheme. The Ministry of Power, however, had posted a demand of Rs. 96 crore for the Scheme. Due to the advent of variable and intermittent renewable energy into the power system in a big way, the need for Pumped Storage Plants/Battery Storage is being felt for balancing the demand and supply fluctuations in the Grid. The Committee, therefore, welcome this initiative and believe that this Scheme will also provide impetus for the growth of the Hydropower Sector (Pumped Storage Projects). The Committee, therefore, desire that the Ministry should monitor the development of such projects and provide necessary assistance, if required. The Committee expect the Ministry to post additional Demands under this head at the stage of Revised Estimates as per the progress of work in this regard and also spell out as to how the VGF allocation will be used. The Committee also expect that VGF support should be leveraged to increase our understanding of the technology and application and should not be considered as a continuous tool for support.”

10. In its action-taken reply, the Ministry of Power has stated as under:

“Ministry of Power had sought ‘in-principle’ approval of Department of Expenditure, Ministry of Finance in June, 2022 for initiating a new scheme for meeting the Viability Gap Funding (VGF) requirements in the Energy Storage System for Power Sector for development of 4,000 MWh of Battery Energy Storage Systems and 5,000 MW of Hydro Pump Storage Plant. Department of Expenditure, Ministry of Finance in July, 2022 conveyed its ‘in-principle’ approval for support to Battery Energy Storage System of 4000 MWh involving a VGF of ₹ 2,940 crore and support to Pump Storage Plant for projects of 3000 MW involving a VGF of ₹ 3,000 crore. However, later on a conscious decision was taken by the Government to work

separately on a comprehensive policy for PSP which would cover VGF requirements for PSP. Accordingly, the scheme was formulated for Viability Gap Funding for development of Battery Energy Storage Systems of 4,000 MWh capacity only.

Ministry had sought budgetary support of ₹ 96 crore for the proposed Scheme titled 'Viability Gap Funding for development of Battery Energy Storage Systems' in FY 2023-24 as the Scheme was proposed to be approved and operationalized in the Financial Year (FY) 2022-23 and as such the disbursement of funds for BESS projects was to commence in FY 2023-24 with budgetary requirement of ₹ 96 crore. However, the VGF Scheme is yet to be approved by the competent authority. The Scheme is likely to be approved and operationalized by June, 2023 and first bidding for BESS projects may commence by July 2023. The fund requirement shall arise from FY 2024-25 onwards only. Hence, the proposed Scheme doesn't entail any disbursement in FY 2023-24 and the Ministry can proceed with the envisaged timelines with the token amount available.

The criteria for disbursement of funds of VGF for BESS is as under:

Disbursement Plan of VGF for BESS:

Disbursement of VGF for BESS	% (Percentage)
1. On financial closure subject to bank guarantee and possession of 90 % of the total land required for the project by the developer	10
2. On COD	45
3. Completion of 1 st year from COD	15
4. Completion of 2 nd year from COD	15
5. Completion of 3 rd year from COD	15
Total	100

The underlying challenge in rapid adoption of BESS is that presently the BESS manufacturing capacity is limited, and therefore costs are high. Recently, the Ministry concluded bids for a pilot project of 1 GWh BESS, and the discovered levelized cost of storage was above ₹10/kWh, which is very high. It is expected that the costs will come down with increasing volumes. For the first few bids, Viability Gap Funding will be required. As volumes grow, the costs may come down and VGF may not be required. Therefore, VGF support is to be leveraged to increase understanding of the technology and application and not envisaged as a continuous tool for support.”

11. The Committee had expressed surprise over the token provision made in Budget 2023-24 for the scheme 'Viability Gap Funding' for the development of Pump Storage Plants and Battery Energy Storage Systems, even though the estimated Capital Cost of the scheme was Rs. 9,400 crore with gross budgetary support of Rs. 3,760 crore. The Ministry of Power had posted a demand of Rs. 96 crore for the scheme and hence, the Committee expected the Ministry to post additional Demands under this head at the stage of Revised Estimates as per the progress of work in this regard and also spell out the mechanism of utilization of this allocation. In response, the Ministry has informed the Committee that after receiving "in-principle" approval for both Battery Energy Storage System and Pump Storage Plant from the Department of Expenditure, Ministry of Finance, the Government took a conscious decision to work separately on a comprehensive policy for PSP which would also cover VGF requirements for PSP. Accordingly, the scheme was formulated for Viability Gap Funding for development of Battery Energy Storage Systems of 4,000 MWh capacity only. The new scheme titled 'Viability Gap Funding for development of Battery Energy Storage Systems was proposed to be approved and operationalized in the Financial Year 2022-23 and as such, the disbursement of funds for Battery Energy Storage System projects was to commence in FY 2023-24 with budgetary requirement of ₹ 96 crore. However, the VGF scheme had still not been approved by the competent authority and hence, the proposed scheme didn't entail any disbursement in FY 2023-24. The Committee note that as per the Ministry's reply, the VGF scheme was likely to be approved and operationalized by June, 2023 and the first bidding for Battery Energy Storage System projects was likely to commence by July, 2023. The Committee would like to be apprised of the current status of this scheme along with the budgetary demand that the Ministry is likely to place in FY 2024-25. The Committee expect the Ministry to adhere to the revised timeline of the scheme and place a strong case for its budgetary allocation before the Department of Expenditure. The Committee understand the challenges associated with developing Grid scale battery storage but if the country has to successfully balance the variable and intermittent renewable energy into the power system, then energy storage systems, including Grid scale

battery storage must be adequately developed. The Committee would also like to be apprised about the status of the PSP policy as well as its timeline of operation.

Recommendation No. 10

12. The Committee had recommended as under:

“As innovations are coming up across the Globe at a faster pace, research activities especially in the Power Sector is required not only to ensure that the nation does not lag in the know-how but also provide an opportunity for our Nation to take a lead role in Technology Innovations across the world. The Committee, therefore, desire that every possible effort should be made to promote Research and Development in the Power Sector. They also recommend that the budgetary provision of Central Power Research Institute (CPRI) shall be reviewed as per the changing scenario and the growing needs of the Power Sector. It should also be ensured that whatever funds are allocated to them are effectively utilized.”

13. In its action-taken reply, the Ministry of Power has stated as under:

“Research and development for the Indian power sector is one of the prime areas of focus for the Ministry of Power. With the rapidly changing technological landscape, it is essential that our country stay at the forefront of innovation to remain competitive globally. To support research and development in the power sector, the Ministry has approved continuation of the "R&D schemes of Ministry of Power being implemented through CPRI" with a total outlay of Rs 112 crores for the period of 2021-26. The preparation of the National Electricity Plan (NEP) (2022- 27) is in its concluding phase and chapter 11 of the NEP outlines the key areas of research that will be emphasized over the next 5 years and supported under the R&D scheme. This scheme is overseen by the Standing Committee on R&D (SCRD), chaired by Chairperson, Central Electricity Authority (CEA) and includes senior representatives from the Industry, Academia, Utilities, and the Ministry. The committee is aided by four Technical Committees, headed by eminent professors from IITs, which provide guidance to the project team to ensure that the outcomes are beneficial for the Indian power sector.

CPRI periodically calls for proposals for indigenous development of the latest technologies that can help our nation gain knowledge and create opportunities to lead in technology

innovations worldwide. The institute has supported projects in areas such as cyber security, energy storage, solar panels, data analytics, co-firing of bio-mass in Thermal Power plants and nano-materials. CPRI also monitors the latest trends and needs of Indian manufacturers and is augmenting and establishing new test facilities in line with national requirements. The progress of CPRI is periodically monitored by the Standing Committee chaired by Additional Secretary, Power, and also by the Governing Council chaired by Secretary (P) to ensure adequate funding is available to support the CPRI activities and also monitor the effective utilization of the funds.”

14. In their recommendation, the Committee had exhorted the Ministry to undertake every possible effort to undertake Research and Development (R&D) in the Power Sector in order to take a lead role in Technology Innovations across the world. The Committee also desired that the budgetary provision of CPRI be reviewed as per the changing scenario and growing needs of the Power Sector and effective utilization of the allocated fund be ensured. In its response, the Ministry informed the Committee about the approved continuation of the "R&D schemes of Ministry of Power being implemented through CPRI" with a total outlay of Rs. 112 crore for the period of 2021-26. The Committee while appreciating the Ministry for continuing this scheme also feel that the allocated fund be fully utilised for high-tech R&D for the next five years.

CHAPTER -II

Observations/Recommendations which have been accepted by the Government

Recommendation No. 1

Budgetary Allocation

The Committee note that the Ministry of Power has been allocated Rs. 20,671.32 crore for 2023-24 which is 29% more than the previous year's allocation of Rs. 16,074.74 crore. This allocation of the Ministry is 0.46 % of the total Union Budget (2023-24), which for this year is the highest ever and has decisively breached the budgetary allocation range of 15-16,000 crore for the Ministry of Power which was continuing for years. The Committee treat this improvement as reflective of better budgetary planning of the Ministry when better financial projections have been made against which the Ministry of Finance has been convinced to provide more allocation for the Ministry and hope that similar approach will be maintained in future.

Reply of the Government

Ministry of Finance, Government of India has allocated a sum of ₹20671.32 crore in Budget Estimate (BE) for FY 2023-24 to implement the ongoing schemes/ projects of the Ministry. This includes ₹ 16108.92 crore for Schemes/projects of the Ministry of Power and ₹ 4312.48 crore is for meeting the Non scheme Expenditure and Establishment expenditure of Rs 249.92 crore. Power Sector is the backbone of all industrial/ economic activities of the country. The Budget allocation will be utilised in the schemes of Ministry of Power namely Reform Linked Distribution Sector Scheme, Transmission and Strengthening of Power System in the country. The objectives of these schemes of Ministry of Power are to provide 24*7 uninterrupted Power Supply to all the households and for Industrial activities. In this Financial Year (FY), Rs. 14456.60 crore has been allocated to these schemes which is 70% of the total BE. As on 06.06.2023, Rs. 2334.05 crore has been released under these schemes. Monitoring of the expenditure of allocated budget in various major schemes are being done by Hon'ble Minister of Power and NRE and Secretary (Power) on weekly / fortnightly basis.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 2

The Committee observe that the budgetary allocations to the Ministry of Power are being utilized for many important programmes being run by the Ministry to develop the sector to fulfil the present, as well as the future, need for electricity in the country. Programme such as Revamped Reforms-based and Results-linked, Distribution Sector Scheme (RDSS) is aiming to bring down high AT&C losses in the country, Energy Conservation and Efficiency programmes help in avoiding billions of units of electricity. The Committee, therefore, have been emphasizing the need for due attention of the Government for the development of the Power Sector and recommending adequate budgetary allocation for the Ministry of Power. Taking into account the importance of the Power Sector in the overall development of the socio-economic conditions of the people of the country and the fund absorptive capacity of the Ministry, the enhanced budgetary provisions for the Ministry is a welcome step. The Committee desire that the trend of higher budgetary allocation for the Power Sector should continue. They, therefore, recommend the Ministry of Power to post next year's budgetary demands as per the actual requirement of the Sector for its desired growth with a concrete utilization plan to justify the higher budgetary allocation.

Reply of the Government

Ministry of Power is committed to meeting the fund utilization targets as per the stipulated milestones. The budgetary demands under Revamped Reforms-based and Results-linked, Distribution Sector Scheme (RDSS) are worked out on the basis of scheme guidelines and expected progress of projects sanctioned under the scheme in order to reduce the AT&C losses to pan-India levels of 12-15% and Average Cost of Supply (ACS) - Average Revenue Realized (ARR) gap to zero by 2024-25.

Further, the schemes on "Promoting Energy Efficiency activities in different sectors of Indian economy" and "National Mission on Enhanced Energy Efficiency" have been approved for the period from FY 2021-22 to FY 2025-26. The estimated fund required for Bureau of Energy Efficiency (BEE) schemes is Rs. 435.48 crore till 2025-26. The major activities of BEE are related to policy formulation, regulating instruments and capacity building, therefore the available funds are adequate to promote energy efficiency in targeted sector. The consumers/industries do their own investments to avail benefits of Energy Efficiency.

Funds for strengthening of the transmission and distribution network in North Eastern region shall also be required till FY 2025-26. So, provisions of budget are in tune with the long term objectives and planning of the power sector.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 3

Past performance of Ministry

The Committee note that the Budgetary Estimate of the Ministry of Power for the year 2022-23 was Rs. 16,074.74 crore. However, the same was Revised to Rs. 13,106.58 crore. The actual utilization upto 31.01.2023 is Rs. 9,439.21 crore which is 58.7% of the BE and 72% of RE. The Committee observe that the performance of the Ministry of Power in regard to the utilization of allocated fund (except for the year 2020-21 due to COVID-19) has been good. In 2021-22, the financial performance of the Ministry was 117% of their Budgetary Estimates. The Committee would expect that fund utilization for 2022-23 will not lag and the tempo will be maintained.

The Committee recognizing the importance of the Power Sector has been advocating for higher budgetary allocation for the Ministry. As the Ministry has been allocated the highest-ever budgetary provision of Rs. 20,671.32 crore for the year 2023- 24, now the onus falls on them to ensure that the enhanced allocation is fully utilized for achieving the targets envisaged under various schemes and heads. Since the utilization of budgetary allocation of the Ministry depends heavily on the progress made by the States, the Committee are of the view that regular meetings with the States, closer monitoring and their hand-holding in critical areas could be the key to ensure timely implementation of Schemes.

Reply of the Government

Steps being taken by Ministry of Power for utilization of budget allocated for better implementation of various schemes are given below:

- (a) The Ministry has a robust mechanism at various levels to ensure that the enhanced allocation is fully utilized for achieving the targets under distribution sector schemes. The monitoring and review of fund allocation and utilization is being done by the Ministry on a regular basis. A weekly/bi-weekly meeting is conducted under the chairmanship of Secretary (Power) along with nodal agencies (PFC and REC), to monitor

the progress of works sanctioned under the schemes. An inter-Ministerial committee headed by Secretary (Power) regularly reviews and monitor implantation of the scheme. Further, a Review Planning and Monitoring (RPM) meeting under the chairmanship of Hon'ble Minister of Power is held on a regular basis with all administrative heads of Power Departments/ DISCOMs of states to review the progress of works. At the state level, periodic discussions and visits are carried out by the nodal agencies to ensure hand holding and closer monitoring of progress for timely implementation of the schemes.

- (b) Bureau of Energy Efficiency (BEE) in collaboration with Ministry of Power aimed to undertake the following actions during FY 2023-24:
- a) Biannual National level meetings and Quarterly Regional level meetings will be organized with respective State Designated Agencies (SDAs) to monitor and review the progress of various activities /programmes/ schemes being implemented by them and utilization of funds thereof.
 - b) In addition to reviewing the physical and financial progress of SDAs, above meetings also focus on discussing the “best practices” of some of the SDAs, thereby providing to all the SDAs, a platform for active peer learning for enhanced and effective implementation of different activities /programmes.
 - c) Regular one-to-one meetings will be convened to address the issues/ challenges in programme implementation being faced by the SDAs, wherein they would be provided with necessary advocacy and handholding, particularly in critical areas viz. innovative demonstration projects, manpower support, State Energy Conservation Fund (SECF), etc.
 - d) A report on implementation of different activities /programmes by SDAs is being obtained from them on monthly basis to monitor their physical and financial progress.
- (c) In order to strengthen the intra-state transmission system as well as distribution system of the North East Region and to improve connectivity of the upcoming load centers with the National Grid to achieve affordable and reliable 24X7 power supply to all categories of end consumers in NER States, Government of India (GoI) approved the following schemes which is being implemented by POWERGRID:

- (a) North-Eastern Region Power System Improvement Project (NERPSIP);
- (b) Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim (Comprehensive Scheme)

Higher provision of Rs. 2387 crore has been kept in Budget Estimate 2023-24 for above projects based on balance works to be executed under the projects. Efforts shall be made to meet the budgetary estimates for FY 2023-24.

The recommendation of Hon'ble Committee for closer monitoring to ensure timely implementation of schemes is noted.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

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

Recommendation No. 4

Quarterly Expenditure

The Committee note that the Ministry of Finance, Department of Economic Affairs has prescribed that each Ministry/Department shall prepare the Monthly/Quarterly (Plan). It has also been stated that not more than 33% and 15% expenditure of Budget Estimates (BE) shall be permissible in the last quarter and last month of the financial year respectively. The Committee further note that the fund utilization by the Ministry of Power during the Qtr.1, Qtr.2, Qtr.3 and Qtr.4 of fiscal 2022-23 have been 8.78%, 24.92%, 20.2% and 4.81% (upto 31.01.2023) of the BE of Rs. 16,074.74 crore. Even as per the Revised Estimate of Rs. 13,106.58 for the year 2022-23, they still have a balance of Rs. 3,667.37 crore (28% of RE) which is to be utilized in the remaining two months of the current fiscal. The Committee also note that the Ministry during the year 2021-22 also had utilized as much as 63.5% of their BE and 52.8% of RE in the last Qtr.4 contrary to laid out guidelines. The Committee are of the view that the disciplined quarterly utilization of fund especially in the first quarter greatly helps in optimum utilization of fund allocated for the financial year without resorting to 'March Rush' at the end of the fiscal, which may impair the implementation of Programmes/Schemes. The Committee, therefore, recommend a more consistent and regimented quarterly

utilization of fund by the Ministry particularly for the First and the Last Quarter of the financial year.

Reply of the Government

The Ministry is aligned with the view of the Hon'ble Committee to have a uniform quarterly utilization instead of a staggered utilization in the year end. Steps are also being taken for various major schemes as given below:

- Under Revamped Distribution Sector Scheme(RDSS), funds are released to the beneficiaries as per scheme design and on the basis achieving stipulated milestones and annual evaluation.
- Bureau to Energy Efficiency (BEE) develops a comprehensive budget utilization plan for each program with specific allocation for each quarter every year. To prevent last minute March rush, earlier deadline are set for the programs and funds will be prioritize accordingly. With consistent and disciplined approach, the implementation of programs and schemes will be implemented effectively and efficiently leading to optimum utilization of funds.
- Under Strengthening of the transmission and distribution network in North Eastern region, based on balance works under the project, quarterly provisions are kept for the expenditure to be incurred under various contract packages, working season etc.

The recommendation by the committee for a more disciplined and consistent approach to utilizing funds allocated for the financial year is noted.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 5

Revamped Distribution Sector Scheme (RDSS)

The Committee note that the objective of Revamped Distribution Sector Scheme (RDSS) is to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector. It also aims to reduce the AT&C losses to Pan-India levels of 12-15% and Average Cost of Supply (ASC) – Average Revenue Realized (ARR) gap to zero by 2024-25. The Scheme has a total layout of Rs.3,03,758 crore including Gross Budgetary Support (GBS) of Rs. 97,631 crore. As per the Expenditure Finance

Committee note of the Scheme the year-wise phasing of GBS for the year 2021-22, 2022-23 and 2023-24 had to be Rs. 7,500 crore, Rs. 10,000 crore and Rs. 25,800 crore, respectively. Against this, the Ministry had made provisions of Rs. 1,000 crore and Rs. 7,565 crore for the year 2021-22 and 2022-23 whereas the actual utilization has been Rs. 814 crore and Rs 4,555.94 crore (upto 20.02. 2023) respectively. For the year 2023-24, the Scheme has been allocated Rs. 12,071.60 crore. Juxtaposing the budgetary allocation so far with the initial trajectory drawn for the tenure of the Scheme, it appears that the funds budgeted may prove to be inadequate. The Committee would expect the Ministry to leave no stone unturned in ensuring that the Scheme is implemented within the targeted timeline. The Committee further desire that the Ministry should impress upon the States to expeditiously complete the tendering process of the envisaged works under the Scheme. They also recommend that the fund allocation for this important program may, if needed, accordingly be suitably enhanced next year with a view to avoid any delay in implementation of this programme.

Reply of the Government

Under Revamped Distribution Sector Scheme(RDSS), Ministry of Power has already sanctioned projects worth Rs. 2.54 Lakh Crores with GBS of about Rs. 1.0 Lakh Crores for Smart metering and Loss Reduction works. The prime responsibility of issuing of tenders, awarding the works and implementation of the projects under RDSS lies with the respective distribution utilities. However, Ministry of Power is regularly following up with the states/DISCOMs on the progress of tendering and award of sanctioned works. Most of the states have issued tenders and are in various stages of award of works. Fund requirement for next year will be worked out on the basis of expected progress of works on the basis of scheme guidelines.

Further, in order to monitor the timely implementation of approved projects under RDSS, an inter-ministerial Monitoring Committee has been constituted under the chairmanship of Secretary, Ministry of Power which holds the meetings regularly.

Recommendation No. 6

Smart Meters

The Committee note that the RDSS Scheme envisages the installation of 25 crore Smart Meters at consumer, DT, and feeder level by the year 2025-26. Smart metering projects are envisaged to be implemented in Design, Build, Finance, Operate and Transfer (DBFOT) mode through Public-Private Partnership (PPP). The Committee also note that so far only 70 lakh Smart Meters have been installed. Out of this, only 10 lakh are Pre-Paid Meters. Considering the present pace of installation of Smart Meters, the target of installation of 25 crore Smart Meters by the year 2025 seems to be a herculean task. The Ministry, however, has stated that the pace of installation of Smart Meters will accelerate in the coming years as the work related to it is at various stages of the tendering process. Nonetheless, the Committee would like to recommend the Ministry to closely monitor the progress of the work related to installation of Smart Meters and take prompt remedial action on the related issues so that targets set in this regard are achieved without any delay. They also desire that the Ministry should ensure that there is no constraint in the supply of technologically updated and good quality Smart Meters in the country.

Reply of the Government

Smart metering works of states amounting to Rs. 1.35 Lakh crores covering more than 20.5 crore consumers have been approved till April, 2023. This is one of the largest initiatives taken by the Ministry. Ministry is regularly following up with the states/DISCOMs on the progress of tendering and award of works for smart metering works. Further, the Ministry is continually engaging with the nodal agencies and states to resolve issues, if any, related to implementation. A bi-weekly review meeting is conducted to undertake structured review of the smart metering works being undertaken by the states under chairmanship of Secretary (Power), Government of India.

Till date, States like Assam, Bihar, Gujarat and MP have already awarded the works. Most of the remaining states have also issued tenders and are in various stages of award of works.

To ensure that there is no constraint in the supply of technologically updated and good quality smart meters, an Expert Group of Smart Metering (EGSM) has been created to engage with the states as well as the industry to ensure smooth roll out of smart metering implementation plan under the scheme.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 7

Aggregate Technical & Commercial (AT&C) losses

The Committee note that there are 10 States/Union Territories where Aggregate Technical & Commercial (AT&C) losses, instead of decreasing, have rather increased during the last five years. In Maharashtra, the AT&C losses which were 14.38% in 2017-18 have jumped to 26.55% in the year 2020-21. Similarly, Chandigarh was having only 4% AT&C losses in 2017-18 but it increased to 11.89% in 2020-21. In Nagaland and Jammu & Kashmir, AT&C losses are as high as 60%. These figures do not augur well for the aim of the Government to contain AT&C losses in the country to the level of 12-15%. The Committee, therefore, desire that the Ministry should urgently find out the reasons for the increase in AT&C losses in these States and help the concerned States/DISCOMs to make customized plans to arrest deterioration of the condition. The Committee would also like to be apprised of the findings/outcome of such exercise by the Ministry at the stage of furnishing action taken notes.

Reply of the Government

Collection efficiency in FY 2020-21 was primarily affected for many states owing to COVID 19. This has negatively affected the AT&C losses for FY 2020-21. Preliminary analysis shows that AT&C losses have reduced by 5% from 21.5% in FY 2020-21 to ~16.5% in FY 2021-22

and most of the states have shown improvement in AT&C losses. Reduction in AT&C loss is a key objective under RDSS. This scheme ensures 100% payment of Government department dues and subsidy as a pre-qualification criterion which coupled with the prepaid smart metering works will greatly improve the collection efficiency of the states. Further, under the scheme, all DISCOMs/ Power Departments (PDs) have yearly targets of AT&C loss reduction which forms basis for evaluation and qualification of fund disbursement. Loss reduction works proposed under RDSS will also improve the operational efficiency. It is expected that by FY 2024-25 the AT&C loss at national level will reduce to 12-15%.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 8

Viability Gap Funding (VGF)

The Committee note that the Ministry of Power has initiated a new Scheme ‘Viability Gap Funding’ for the development of Pump Storage Plants and Battery Energy Storage Systems. The Committee further note that the estimated Capital Cost of the scheme is Rs 9,400 crore with gross budgetary support of Rs. 3,760 crore. The Ministry has stated that the VGF support will bring down the tariff from storage at acceptable levels to DISCOMS/consumers. The Committee find only a token provision has been made for 2023-24 under this Scheme. The Ministry of Power, however, had posted a demand of Rs. 96 crore for the Scheme. Due to the advent of variable and intermittent renewable energy into the power system in a big way, the need for Pumped Storage Plants/Battery Storage is being felt for balancing the demand and supply fluctuations in the Grid. The Committee, therefore, welcome this initiative and believe that this Scheme will also provide impetus for the growth of the Hydropower Sector (Pumped Storage Projects). The Committee, therefore, desire that the Ministry should monitor the development of such projects and provide necessary assistance, if required. The Committee expect the Ministry to post additional Demands under this head at the stage of Revised Estimates as per the progress of work in this regard and also

spell out as to how the VGF allocation will be used. The Committee also expect that VGF support should be leveraged to increase our understanding of the technology and application and should not be considered as a continuous tool for support.

Reply of the Government

Ministry of Power had sought 'in-principle' approval of Department of Expenditure, Ministry of Finance in June, 2022 for initiating a new scheme for meeting the Viability Gap Funding (VGF) requirements in the Energy Storage System for Power Sector for development of 4,000 MWh of Battery Energy Storage Systems and 5,000 MW of Hydro Pump Storage Plant. Department of Expenditure, Ministry of Finance in July, 2022 conveyed its 'in-principle' approval for support to Battery Energy Storage System of 4000 MWh involving a VGF of ₹ 2,940 crore and support to Pump Storage Plant for projects of 3000 MW involving a VGF of ₹ 3,000 crore. However, later on a conscious decision was taken by the Government to work separately on a comprehensive policy for PSP which would cover VGF requirements for PSP. Accordingly, the scheme was formulated for Viability Gap Funding for development of Battery Energy Storage Systems of 4,000 MWh capacity only.

Ministry had sought budgetary support of ₹ 96 crore for the proposed Scheme titled 'Viability Gap Funding for development of Battery Energy Storage Systems' in FY 2023-24 as the Scheme was proposed to be approved and operationalized in the Financial Year (FY) 2022-23 and as such the disbursement of funds for BESS projects was to commence in FY 2023-24 with budgetary requirement of ₹ 96 crore. However, the VGF Scheme is yet to be approved by the competent authority. The Scheme is likely to be approved and operationalized by June, 2023 and first bidding for BESS projects may commence by July 2023. The fund requirement shall arise from FY 2024-25 onwards only. Hence, the proposed Scheme doesn't entail any disbursement in FY 2023-24 and the Ministry can proceed with the envisaged timelines with the token amount available.

The criteria for disbursement of funds of VGF for BESS is as under:

Disbursement Plan of VGF for BESS:

Disbursement of VGF for BESS	% (Percentage)
1. On financial closure subject to bank guarantee and possession of 90 % of the total land required for the project by the developer	10
2. On COD	45
3. Completion of 1 st year from COD	15
4. Completion of 2 nd year from COD	15
5. Completion of 3 rd year from COD	15
Total	100

The underlying challenge in rapid adoption of BESS is that presently the BESS manufacturing capacity is limited, and therefore costs are high. Recently, the Ministry concluded bids for a pilot project of 1 GWh BESS, and the discovered levelized cost of storage was above ₹10/kWh, which is very high. It is expected that the costs will come down with increasing volumes. For the first few bids, Viability Gap Funding will be required. As volumes grow, the costs may come down and VGF may not be required. Therefore, VGF support is to be leveraged to increase understanding of the technology and application and not envisaged as a continuous tool for support.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Comments of the Committee

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

Recommendation No. 9

Bureau of Energy Efficiency (BEE)

The Committee note that over the years the Bureau of Energy Efficiency (BEE) has not been able to fully utilize the allocated fund. In the year 2020-21 against the allocated fund of Rs. 213 crore the actual utilization was Rs. 61 crore (28% of BE). In 2021-22, against the BE of Rs. 197 crore,

the actual utilization was Rs. 155 crore (78% of BE). In the current fiscal also, against the BE of Rs. 180 crore, only Rs. 71 crore (39.4% of BE) could be utilized so far (upto 20.02.2023). The Committee further note that for the year 2023-24, no fund is allocated under the head BEE, however, under a new head 'Scheme for Promoting Energy Efficiency activities in different sectors of Indian Economy' a provision of Rs. 103.80 crore has been made. Also, for Energy Conservation Rs. 30.90 crore has been allocated. The Committee also observe that Energy Efficiency and Conservation initiatives have resulted into enormous saving of electricity and brought down the Energy Intensity to 0.22 Mega Joule/Rupee in 2019-20. The Committee further note that as per the assessment made, the energy saving potential of the country is estimated to be 86.9 Mtoe under the moderate savings scenario and 129 Mtoe under the ambitious saving scenario by the year 2031. The Committee, therefore, recommend that the Ministry in collaboration with the other concerned Ministries and Agencies chalk out a comprehensive plan to realise the massive energy-saving potential in the country. The Committee expect the Ministry to provide all possible assistance to the Bureau of Energy Efficiency (BEE) in overcoming the constraints being faced by the energy efficiency sector like shortage of adequate funds for Energy Service Companies (ESCO), hesitancy of Industry/Banks to invest in the Energy Efficiency, States not having Stand-Alone State Designated Agencies, etc.

Reply of the Government

During the Conference of Parties (COP-26) held in Glasgow, UK, India announced its enhanced Nationally Determined Commitments (NDCs). One of the targets was to achieve 45% emission- intensity reduction by 2030. To achieve this enhanced target, Ministry of Environment, Forests and Climate Change (MoEFCC) had requested that all the Climate change Missions be revised to ensure fulfilment of the commitments made by India under the NDCs. BEE has prepared a document entitled “**Roadmap Of Sustainable and Holistic Approach to National Energy Efficiency**” (ROSHANEE) in a broader version of the Mission and includes all the current and potential areas of energy efficiency in each sector to consolidate energy related mitigation actions and align them with the larger objectives of India’s NDCs.To

develop a strategic plan to contribute towards India's NDCs by 2030 through a systemic Energy Transition programme, Inter Ministerial Committee (IMC) was formulated. The analysis by the committee indicates that absolute emissions by 2030 are required to be limited around 4584 MtCO_{2e}. This means that the overall emissions in the economy would have to be reduced by 3753 MtCO_{2e} (over the baseline scenario of 2005 level) to successfully meet our revised NDC commitment.

The main sectors which will contribute in this regard are Industry, Transport and Buildings which together shares 90% of the estimated emission reduction of 740 MtCO₂ to achieve 45% from 2005 level. Therefore, these three sectors are considered focused areas for coordination at Inter-Ministerial level.

The targeted emission reduction from these sub sectors through key interventions and related programmes are given in the table below:

Estimation of emission reduction for key sectors (tentative plan) through Energy effective measures.

S. N.	Sector	Activity Area	BAU Emission (2030)	Target Emission (2030)	CO2 Emission reduction	Programme
1	Industrial (including MSME)	Energy intensity improvement in large industry, Use of cleantech in MSMEs	1622	1310	312	PAT Scheme SME Programme Tech. Upgradation
2	Transport	Improving fuel efficiency of vehicles, Adoption of EVs, Modal shift from road to rail	806	619	187	Fuel efficiency norms Electric Mobility Net zero Railway / Modal Shift
3	Domestic	Deployment of LEDs, Use of efficient appliances, Energy efficient homes	659	543	116	UJALA Star Rated Appliances ECO Niwas Samhita
4	Commercial	Energy efficient /NZ buildings, Use of efficient appliances	305	230	75	ECBC , Net Zero Campus Star Rated appliance
5	Agriculture	Solarization of Diesel Pumps, Promoting Star Rated pumps	262	229	33	KUSUM DSM
6	Municipal	Deployment of energy efficient streetlights and pumps	95	78	17	SLNP DSM
Sub-total			3749	3009	740	

The sector wise CO2 saving plan through Energy Efficiency improvement are given in the table below:

Estimation of emission reduction for industrial sectors

Sector	Emission Reduction Targets(MtCO2)	Programme/Scheme	Nodal Ministry/ Department	Key intervention
Iron&Steel	144	NationalSteelPolicy, PATScheme	MinistryofSteel	(Energy Efficiency improvement, Fuel
Cement	32	PATScheme	DPIIT	
Aluminum	30.32	PATScheme	MinistryofMines	
Petroleum Refinery	24.77	RefineryImprovement Programme&PAT Scheme	MoPNG	
Pulp&Paper	32.01	PATScheme	DPIIT	

Textile	5.03	Technology Upgradation, PAT Scheme	Ministry of Textile	technology)
ChlorAlkali	6.65	PAT Scheme	Department of Chemicals & Petrochemicals	
Petrochemicals (Cracker units)	21.72	PAT Scheme		
Steel Re-rolling (SME)	9	Technology Upgradation, Fuel switching, RE deployment	Ministry of Medium, Small and Micro Enterprises	
Foundry (SME)	3.9			
Forging (SME)	2.6			
Total	312			

BEE under the Ministry of Power developed various energy savings estimate to realize the savings potential of the country. To promote Energy Efficiency in large commercial buildings, BEE has initiated implementation of Energy Services Companies (ESCO) business model in large commercial buildings in India. A standard guideline is prepared to implement projects including supply, installation, testing, commissioning and operation & Maintenance for a period of 5 years at identified buildings through Investment Grade Energy Audit (IGEA).

To promote energy efficiency financing, a scheme entitled "Assistance in Deploying Energy Efficient Technologies in Industries & Establishment (ADEETIE)" has been prepared by BEE. This scheme aims to strengthen the financing in energy efficiency sector by creating conducive regulatory and policy regime through interest subvention and credit guarantee component. Ministry of Finance has conveyed the in-principle approval to the proposal of ADEETIE (Assistance in Deploying Energy Efficient Technologies in Industries & Establishment) with the total outlay of Rs. 2000 crore. ADEETIE scheme would cover only 2.5 % of investment potential (2.5 % of Rs. 6,01,210 crore) estimated for industries by way of investment of about Rs. 10000 crores.

Hon'ble Union Minister of Power and New & Renewable Energy has written to Hon'ble Chief Minister of all States requesting for establishment of Standalone SDA in their State/UT and reiterated this direction during his meetings with Senior Officers of States/UTs. However, the Standalone SDA has been already established at 2 states viz. Andhra Pradesh & Kerala. BEE has also sent reminders to Addl. Chief Secretary / Principal Secretary / Secretary (Energy/Power) to take necessary actions for the establishment of Standalone SDA in their State/UT. Some States/UTs viz. Chandigarh,

Chhattisgarh, Gujarat, Haryana, Rajasthan and Uttar Pradesh have initiated the process of establishment of Standalone SDA.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 10

Central Power Research Institute (CPRI)

As innovations are coming up across the Globe at a faster pace, research activities especially in the Power Sector is required not only to ensure that the nation does not lag in the know-how but also provide an opportunity for our Nation to take a lead role in Technology Innovations across the world. The Committee, therefore, desire that every possible effort should be made to promote Research and Development in the Power Sector. They also recommend that the budgetary provision of Central Power Research Institute (CPRI) shall be reviewed as per the changing scenario and the growing needs of the Power Sector. It should also be ensured that whatever funds are allocated to them are effectively utilized.

Reply of the Government

Research and development for the Indian power sector is one of the prime areas of focus for the Ministry of Power. With the rapidly changing technological landscape, it is essential that our country stay at the forefront of innovation to remain competitive globally. To support research and development in the power sector, the Ministry has approved continuation of the "R&D schemes of Ministry of Power being implemented through CPRI" with a total outlay of Rs 112 crores for the period of 2021-26. The preparation of the National Electricity Plan (NEP) (2022- 27) is in its concluding phase and chapter 11 of the NEP outlines the key areas of research that will be emphasized over the next 5 years and supported under the R&D scheme. This scheme is overseen by the Standing Committee on R&D (SCRD), chaired by Chairperson, Central Electricity Authority (CEA) and includes senior representatives

from the Industry, Academia, Utilities, and the Ministry. The committee is aided by four Technical Committees, headed by eminent professors from IITs, which provide guidance to the project team to ensure that the outcomes are beneficial for the Indian power sector.

CPRI periodically calls for proposals for indigenous development of the latest technologies that can help our nation gain knowledge and create opportunities to lead in technology innovations worldwide. The institute has supported projects in areas such as cyber security, energy storage, solar panels, data analytics, co-firing of bio-mass in Thermal Power plants and nano-materials. CPRI also monitors the latest trends and needs of Indian manufacturers and is augmenting and establishing new test facilities in line with national requirements. The progress of CPRI is periodically monitored by the Standing Committee chaired by Additional Secretary, Power, and also by the Governing Council chaired by Secretary (P) to ensure adequate funding is available to support the CPRI activities and also monitor the effective utilization of the funds.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Comments of the Committee

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

Recommendation No. 11

National Power Training Institute (NPTI)

NPTI has submitted that there are areas such as Cyber Security, Smart Distribution Sector, etc. where the shortage of trained manpower is being felt. The Committee, therefore, are of the view that there is a need for a thorough review of the mandate and functioning of NPTI to rediscover its role in the rapidly changing Power Sector scenario. Their budgetary allocations and performance should correspond to the ensuing requirements.

Reply of the Government

NPTI has been given a mandate for Training & Certification in the area of Cyber Security, Capacity Building Under Revamped Distribution Sector Scheme, Training & Certification of Load Despatch Personnel. The

outcome of these new courses will cope up the shortage of trained manpower.

NPTI is making all out efforts to train and certify power professionals on Cyber Security. Till now more than 1500 professionals have been trained. In order to create trained manpower in this sector, Post Graduate Diploma is also being started by NPTI. Training programs in the area of Smart Distribution were also conducted by NPTI and a National SCADA Resource Centre led by PFC is being established.

NPTI has submitted proposal for funds for establishment of Renewable Energy Labs and also to establish modern hostel facilities for the trainees for the financial year 2023-24. Funds for these project are catered in Budget Estimate (BE) for the FY 2023-24.

The affairs of NPTI are managed, administered, directed and controlled by the Governing Council chaired by Secretary (Power), Government of India. The Governing Council from time to time reviews the functioning of NPTI, budgetary allocations and Annual Budget of NPTI is also discussed in the Governing Council meeting

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 12

Strengthening of Power System

The Committee note that there are two programmes for the North-Eastern Region namely, 'North Eastern Region Power System Improvement Project (NERPSIP)' for six States Assam, Manipur, Meghalaya, Mizoram, Tripura and Nagaland for strengthening of the Transmission and Distribution Systems (33kV and above) and 'Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim'. The scrutiny of financial provisions for these Schemes by the Committee has revealed that the estimated cost of 'Power System Improvement in North Eastern States excluding Arunachal Pradesh and Sikkim' was Rs. 5,111.33 crore

which has been revised to Rs.6,700 crore. Similarly, the original estimation of Rs. 4,754.42 crore for 'Strengthening of transmission System in the States of Arunachal Pradesh and Sikkim' has been revised to Rs.9,129.32 crore with an increase of 92%. The Committee have been appreciative of these programmes as they would immensely help in strengthening the Power System in the North-Eastern Region. The Committee do understand that due to the difficult geographical conditions in the region there is a possibility of time and cost variation, however, such a high cost escalation is not acceptable. The Committee, therefore, desire that it must be ensured that these programmes are properly executed within their targeted timelines to avoid any further cost overrun. The Committee also desire that Detailed Projects Reports (DPRs) of other projects of the Power Sector shall also be prepared meticulously and examined thoroughly by the agencies concerned to rule out major deviations at the time of execution of the projects.

Reply of the Government

The recommendation of Hon'ble Committee for due diligence during preparation of Detailed Project Report (DPR) to avoid such cost & time overrun in future power sector schemes is noted.

Detailed Project Report (DPR) of projects for North-Eastern Region namely, 'North Eastern Region Power System Improvement Project (NERPSIP)' for six States Assam, Manipur, Meghalaya, Mizoram, Tripura and Nagaland for strengthening of the Transmission and Distribution Systems (33kV and above) and 'Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim' was prepared based on information available at that particular point, prevailing norms for Land &RoW Compensations etc. The major reasons for cost and time overrun in these projects are given below:

- Retendering / re-award of works due to poor response from bidders leading to time- overrun
- Higher prices discovered through competitive bidding
- Additions / changes in scope during execution stage as intimated by various State Govts.
- Higher payment for Land and RoW compensation based on demands from State revenue authorities;

Best efforts to complete the projects within their targeted timelines will be made.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 13

Smart Grid Mission

The Committee note that under Smart Grid Mission works such as Deployment of Smart Meters and Advanced Metering Infrastructure, Development of medium sized micro grids upto 1 MW, Real time monitoring and control of Distribution transformers, Creation of EV charging infrastructure for supporting proliferation of Electric Vehicles, etc. are being carried out. The Smart Grid project will also go a long way in integration of Renewable Energy. The Committee, therefore, recommend the Ministry to ensure that the funds under the Scheme are fully and effectively utilized so that the important works envisaged under the Scheme can be accomplished at the earliest.

Reply of the Government

National Smart Grid Mission (NSGM) funds utilization is linked to the milestones achievement by the project implementing utilities. As there are delays seen in the field implementation which in turn delays the claims of the utilities thereby resulting in low expenditure. However, all sincere efforts are being put in for implementation of projects in faster pace and optimum fund utilization through regular reviews at NSGM and at Ministry of Power. Further, in the current extension period (April 2021 to March 2024), NSGM focus is on completion of sanctioned and ongoing projects, training and capacity, technical assistance to utilities through online tools developed by NSGM, handholding of DISCOMs on their Smart Grid preparedness, developing Smart Grid roadmaps, establishing new processes for distribution system efficiency & effectiveness improvement, reliability improvements and data analysis etc. Further, NSGM has also been made part of an expert committee and shall act as secretariat of the said committee to recommend a complete

framework of Smart Grids. In the previous Financial year (FY2022-23), more than 90% utilization has been achieved (₹25.765 Crores was utilized out of ₹28.56 Crores allotted as RE).

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 14

District Electricity Committees

The Committee note that an instruction was issued by the Ministry of Power in September, 2021 for the constitution of 'District Electricity Committees' by all the States/UTs to ensure the involvement and oversight of the people over all the Government of India schemes and to institutionalize the system of consultation with public representatives. However, the Committee have observed instances of no meeting or very few meetings being held by these Committees. The Ministry has submitted that a circular to all the States calling for regular meetings of these Committees has been issued. Nonetheless, the Committee desire the Ministry to issue another circular to the States with the instruction that apart from holding regular meetings of these Committees, it may also be ensured that the senior level Executives/Officers should attend those meetings for swift and proper resolution of issues related to the implementation of the various programmes being run by the Ministry. The Committee expect that the Ministry would provide a copy of communication sent to the States in this regard at the stage of furnishing action-taken notes.

Reply of the Government

Ministry of Power had issued a letter dated 25.01.2023 (**attached at Annexure 14.1**) to the States/UTs, wherein it was decided that the executing agencies inter-alia shall ensure the attendance of concerned Chief Engineer/Executive Engineer/Project-Director in the DEC meetings, whenever it is convened to review and coordinate overall development of power supply infrastructure in the district in accordance with the Gol schemes by the Committee.

Recommendation No. 15

Supply of Power

The Committee note with satisfaction that the Peak Shortage of power which was 4.7% in the year 2014-15 came down to 0.4% in the year 2020-21. Similarly, the Energy Shortage which was 3.6% in the year 2014-15, came down significantly to 0.4% in 2021-2022. The Ministry has stated that they are expecting a peak of 2.30 lakh Mega Watt during April, 2023, therefore, necessary arrangements including running of gas-based power stations have been made to meet the peak demand. However, instances of shortages in the supply of power despite having more than 4 lakh MW of installed generation capacity, is a cause of concern for the Committee. The Committee, therefore, recommend that apart from making ad hoc arrangements to meet the peak demand, there should be comprehensive planning to fully meet the peak as well as the energy demand in the country by optimal utilization of the generation resources. The Committee also expect that the endeavour of the Ministry to achieve 24x7 power supply in the country will be fructified sooner than later.

Reply of the Government

The details of All India Power Supply Position both in terms of Energy (MU) and Peak (MW) during the period 2014-15 to 2021-22 with the respective growth on year to year basis, have been given below:

ENERGY

Year	Energy Requirement		Energy Supplied		Energy Not Supplied	
	(MU)	% Growth	(MU)	% Growth	(MU)	(%)
2014-15	1,068,923	(+) 6.7	1,030,785	(+) 7.4	38,138	3.6
2015-16	1,114,408	(+) 4.3	1,090,850	(+) 5.8	23,558	2.1
2016-17	1,142,928	(+) 2.6	1,135,332	(+) 4.1	7,596	0.7
2017-18	1,213,326	(+) 6.2	1,204,697	(+) 6.1	8,629	0.7
2018-19	1,274,595	(+) 5.0	1,267,526	(+) 5.2	7,070	0.6
2019-20	1,291,010	(+) 1.3	1,284,444	(+) 1.3	6,566	0.5
2020-21	1,275,534	(-) 1.2	1,270,663	(-) 1.1	4,871	0.4
2021-22	1,379,812	(+) 8.2	1,374,024	(+) 8.1	5,787	0.4

PEAK

Year	Peak Demand		Peak Met		Demand Not Met	
	(MW)	% Growth	(MW)	% Growth	(MW)	%
2014-15	148,166	(+) 9.0	141,160	(+) 8.7	7,006	4.7
2015-16	153,366	(+) 3.5	148,463	(+) 5.2	4,903	3.2
2016-17	159,542	(+) 4.0	156,934	(+) 5.7	2,608	1.6
2017-18	164,066	(+) 2.8	160,752	(+) 2.4	3,314	2.0
2018-19	177,022	(+) 7.9	175,528	(+) 9.2	1,494	0.8
2019-20	183,804	(+) 3.8	182,533	(+) 4.0	1,271	0.7
2020-21	190,198	(+) 3.5	189,395	(+) 3.8	802	0.4
2021-22	203,014	(+) 6.7	200,539	(+) 5.9	2,475	1.2

The break-up details of All India installed capacity as on 28.02.2023 is given below:

Ownership / Sector	Mode wise breakup (in MW)								Grand Total (MW)
	Thermal					Nuclear	Hydro	RES* (MNRE)	
	Coal	Lignite	Gas	Diesel	Total				
State	66738	1150	7012	280	75180	0	27254	2491	104925
Private	73198	1830	10574	309	85911	0	3931	117990	207832
Central	64500	3640	7238	0	75378	6780	15665	1632	99455
Total	204435	6620	24824	589	236469	6780	46850	122113	412212

***Break up of RES capacity (in MW) as on 28.02.2023 is as under:**

Small Hydro Power	Wind Power	BM Power /Cogen.	Waste to Energy	Solar Power	Total Capacity RES
4943	42015	10218	556	64381	122113

As per LGBR 2023-24 i.e resource adequacy plan for year 2023-24, the month-wise details of Anticipated All India Energy Requirement and Peak Demand for the year 2023-24 is as under :

Month	All India Energy Requirement (in MUs)	All India Peak Demand (in MW)
April,2023	142,097	229,018
May,2023	141,464	218,609
June,2023	139,860	224,173
July,2023	133,967	205,846
August,2023	137,992	212,057
September,2023	133,159	217,326
October,2023	121,305	214,382
November,2023	117,049	205,128
December,2023	127,735	217,694
January,2024	130,739	227,236
February,2024	122,093	219,345

March,2024	142,413	228,403
TOTAL 2023-24	1,589,873	229,018 (Maximum)

In order to meet the peak demand arising during year 2023-24, Ministry of Power has made the arrangements as given below:

- a) Measures have been taken to ensure the availability of the generation capacity. The generators shall complete the maintenance work of their plants well before the period of high demand. Ministry of Power has directed thermal power plants not to undertake any planned outage during April and May 2023.
- b) Power Plants under long outage/likely to be decommissioned would be operationalized before the high demand period.
- c) All captive coal blocks to maximize the coal production to supplement the coal supply from domestic coal companies (CIL and SCCL).
- d) Ministry of Power vide order dated 20.02.2023 has issued directions to Imported Coal Based Power Plants under Section 11 of Electricity Act to operate and generate power to their full capacity.
- e) Ministry of Power vide order dated 09.01.2023 directed Central/State Gencos and IPPs to take necessary actions to import coal for blending at the rate of 6% by weight so as to have sufficient stock at their power plants for smooth operations till September 2023.
- f) Availability of NTPC Gas Based Power Plants during crunch period (April-May 2023).
- g) Ministry of Power has directed NTPC Vidyut Vyapar Nigam Limited (NVVN) for operation of Gas based power Utilities other than NTPC through competitive bidding for market based power sale in the crunch period in summer 2023 to support the peak demand.
- h) All Central, State Gencos have been advised to ensure availability of their Gas based Power Plants during the crunch period. Additional arrangement for gas for running gas based stations has been planned from GAIL, during high power demand months.
- i) Reservoir level of Hydro Stations are getting monitored for optimum utilization of water. All hydro plants have been instructed to operate in consultation with RLDCs/ SLDCs to optimize water utilization in current month for better availability

in next month.

- j) The Electricity Amendment Rule, 2022 has been notified on 29th December 2022 which mandate preparation of resource adequacy plan so as to successfully meet the power demand of the consumers.
- k) High Price – Day Ahead Market and Surplus Power Portal (PUSHP) have been launched on 9th March, 2023. This will help the needy States to buy power during high demand period.

[Ministry of Power

O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 16

Hydropower

The Committee note that there are two Schemes viz. 'Support for Cost of Enabling Infrastructure i.e., roads/ bridge' and 'Support for Flood moderation storage Hydro Electric Projects' to promote the growth of the hydropower sector in the country. Under 'Support for Cost of Enabling Infrastructure i.e., roads/ bridge' only a total of Rs. 10 crore could be utilized under this Scheme. Further, there is a budgetary provision of Rs. 10 crore for 2023-24 for this Scheme. The Committee also note that the total assessed hydropower potential in the country including Pumped Storage is to the tune of 2,50,000 Mega Watt. Despite the enormous potential, we have been able to develop only 46,850 MW of large hydro (above 25 MW) and 4,940 MW of small hydro. The Committee have observed that in recent years, the Government has been making sincere efforts to give a fillip to this Sector. These efforts have started showing results at the ground also. The Ministry has submitted that hydropower capacity of 12,000 MW is under construction and will be completed by 2026. The Committee would expect that the initiatives taken will bear fruit as per the timeline fixed. The Committee believe that in the emerging scenario of the Power Sector, Hydropower and Pumped Storage would have an important role in grid balancing and power storage and therefore, their timely development would greatly benefit the power sector. The Committee, therefore, desire that the Government should continue their earnest efforts to further develop this Sector.

Reply of the Government

An amount of Rs. 10 crore for the Financial Year (FY) 2022-23 was allocated for the 'Support for Cost of Enabling Infrastructure i.e., roads/bridge'. Further, based on the budgetary estimates provided by Central Electricity Authority (CEA), the amount has been released by the Ministry for the said purpose.

Further, Government of India has taken several initiatives to tap the hydro potential and to boost hydropower development in the country. The details are given below:

(i) Initiatives to reduce time and cost overruns in hydro projects:

- a. Measures to reduce time and cost overrun has been notified by Ministry of Power (MoP) vide OM dated 8-11-2019.
- b. Dispute Avoidance Mechanism for avoidance and resolution of contractual disputes in hydro CPSU's at initial stage of construction by engagement of an Independent Engineer has been devised vide MoP OM dated 27-9-2021.
- c. Dispute Resolution Mechanism for resolution of disputes for contracts being executed by power sector CPSU's/ other organizations through Conciliation Committees has been devised vide OM dated 29-12-2021.
- d. Guidelines for early settlement of disputes and to minimize the arbitral claims/ disputes have been issued by MoP vide OM dated 22-03-2022.
- e. IT based monitoring system is being introduced for close monitoring of the hydro projects. The IT portal in this regard has been prepared and tested during August'22 and presently training to developers and filling of data is in progress.
- f. Measures on the 'Possible Measures which can help reduce the occurrence and impact of Geological Uncertainties in Hydroelectric Projects' was prepared by CEA.
- g. To prevent contractual disputes with respect to price variation calculation in case of change of Wholesale Price Index (WPI) series, Guidelines for 'Price Variation Calculation in case of Change/ Discontinuation of Wholesale Price Index Series during execution of the contract' were issued by MoP on 04.05.2022.
- h. Time bound appraisal norms have been evolved for examination of

DPRs in CEA within a period of 150 working days.

- i. Review/ Monitoring Meetings regularly by Ministry of Power/ Central Electricity Authority (CEA) to sort out the critical issues on Quarterly Basis.

(ii) GoI Policy Measures to promote Hydro Power Sector:

Government of India has approved a number of measures for promoting hydro power sector as given below:

- a. Declaring Large Hydro Power (LHPs) (> 25 MW projects) as Renewable Energy
- b. Hydro Purchase Obligation (HPO) as a separate entity within Non-solar Renewable Purchase Obligation (RPO).
- c. Tariff rationalization measures for bringing down hydro power tariff.
- d. Budgetary Support for Flood Moderation/Storage Hydro Electric Projects (HEPs).
- e. Budgetary Support to Cost of Enabling Infrastructure, i.e. roads/bridges
 - (a) Rs. 1.5 crore per MW for projects upto 200 MW;
 - (b) Rs. 1.0 crore per MW for projects above 200 MW.

These measures would reduce the capital cost as well as the project tariff in initial years which would improve project viability & saleability. Hydropower Purchase Obligation (HPO) trajectory has been notified on 29.01.2021 and varies from 0.18% to 2.82% for the period of 2021-22 to 2029-30 respectively. Guidelines for Budgetary Support for Flood Moderation/Storage Hydro Electric Projects (HEPs) and towards Cost of Enabling Infrastructure have also been notified on 28.09.2021.

(iii) Salient features of proposed Hydro Power Policy- 2023:

- a. A single window system for clearances, thereby reducing the time spent in taking clearances from various Ministries/Departments;
- b. Transparent selection procedure/ criteria to be followed by the States for awarding sites to developers.
- c. Constitution of a National Committee on Hydro Power (NCHP), having representation from various Ministries/Departments and with powers to accord investment approvals for projects, where no investment from Government exchequer is involved.
- d. Extension of certain dispensations available for Small Hydro

Projects concerning Environment Clearances and Forest clearances for Large Hydro Projects.

- e. Notification of “Benchmark Tariff for Hydro” based on the prevailing and past Average Power Purchase Cost (APPC) to ensure that only viable projects are developed.
- f. Encouraging State Governments to form Joint Ventures with the CPSUs to ensure professional management and timely completion of projects with the GoI infusing 26% equity of the State as Grant for the North-Eastern Region of the country.
- g. State Governments shall complement the financial support from Government of India through waiver/stagger quantum of free power, reimburse SGST as well as avoid levies and cess.
- h. Encouraging Financial Institutions to provide long term soft loans as hydro power has already been recognized as renewable source of energy.
- i. Waiver of Inter-State Transmission charges as provided to other renewable sources .
- j. Operation of hydro power plants focusing on supplying peaking power and balancing support to integrate large amounts of intermittent Solar/Wind power.

(iv) Basin Wise Indication of stalled HE Projects in Arunachal Pradesh: Due to uncertainties and the long gestation period associated with the construction of hydropower, private investments in the hydro sector have not taken off. Many Projects allotted to Private developers by the Government of Arunachal Pradesh in past have not been taken forward for many years. These stalled projects have been holding up the potential of Arunachal Pradesh in developing HE Projects. The same is required to be taken forward for completion in the interest of the State and the Power sector. Government of India, Ministry of Power in consultation with the State Govt. of Arunachal Pradesh, indicated Basin wise 29 HE Projects, having Installed Capacity of 32415 MW in Arunachal Pradesh on 22-12-2021 to Hydro CPSUs.

(v) Pumped Storage Projects Guidelines-2023: Ministry of Power, Government of India has finalized the “Guidelines to promote the development of Pumped Storage Projects” on 10.04.2023. Salient features of the guidelines are as under:

- a. Provision for allotment of project sites to CPSUs/ State PSUs on nomination basis for prompt development of capacity.

- b. Transparent selection procedure/ criteria to be followed by the States for awarding sites to private developers.
- c. Exemption from free power to home state.
- d. Exemption from LADF obligation.
- e. Market Reforms to monetization of ancillary services provided by PSPs.
- f. Rationalization of Environmental Clearances for off-river PSP sites.
- g. Utilization of exhausted mines for development of PSPs.

As per recommendations of the Hon'ble Committee, Ministry of Power will continue its initiatives and make earnest efforts to further develop the Hydro-power Sector in the country.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 17

Electrification of left out villages/hamlets

The Committee expect that the Ministry would proactively engage with the concerned States to identify un-electrified villages/hamlets in the country which were left out in DeenDayal Upadhyaya Gram Jyoti Yojana (DDUGJY) so that their electrification can be ensured at the earliest. The Committee also expect the Ministry to furnish details of such identified villages/hamlets at the time of furnishing action-taken notes.

Reply of the Government

Government of India is committed towards providing electricity access to left out unelectrified households in the country. The Monitoring Committee of RDSS has already approved the norms for electrification of left out households. States have advised to submit the proposal to the Nodal Agencies as the approved norms and scheme guidelines. Further, Nodal Agencies, after due appraisal of the proposal received from States, will submit it to the Monitoring Committee for approval.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

Recommendation No. 18

New National Electricity Policy

The Committee note that the present National Electricity Policy was adopted in the year 2005. The Committee observe that the present Policy no longer reflects the aspirations, challenges and dynamics of the fast-changing electricity sector. This Committee had reviewed the subject 'National Electricity Policy' way back in 2017 and in their 30th Report (16th Lok Sabha) had opined that it should be amended at the earliest by taking into account a holistic view of the sector. Further, in their 7th Report (17th Lok Sabha) on 'Demands for Grants (2021-22) of the Ministry of Power', the Committee had again recommended formulation of a New Electricity Policy expeditiously. As the Policy serves as a beacon light for the Power Sector as a whole and lays a coherent trajectory for its future growth and development, therefore, the Committee would reiterate that the new Electricity Policy may be finalized and notified at the earliest.

Reply of the Government

National Electricity Policy was notified by the Central Government under Section 3 of Electricity Act, 2003 on 12th February, 2005. Parliamentary Standing Committee on Energy recommended that Central Government may bring out a new National Electricity Policy. Accordingly, an Expert Committee was constituted by the Ministry of Power under the chairmanship of Shri Gireesh B. Pradhan, ex-Chairperson, Central Electricity Regulatory Commission, to prepare and recommend National Electricity Policy (NEP). The Expert Committee held consultation with States, experts and other stakeholders and submitted its Report to the Ministry. Based on the report submitted by the Expert Committee, draft NEP was circulated to the State Governments and Central Electricity Authority (CEA) seeking comments on the same. After incorporating the suggestions/comments, suitably, draft NEP, 2023 has been circulated on 26.4.2023 for Inter Ministerial Consultation.

[Ministry of Power
O.M. No. 10/1/2023-Budget, Dated: 08.06.2023]

CHAPTER -III

Observations/Recommendations which the Committee do not desire to pursue in view of the Government's Replies

Nil

CHAPTER -IV

Observations/Recommendations in respect of which the Replies of the Government have not been accepted by the Committee and which require Reiteration

Nil

CHAPTER – V

Observations/Recommendations in respect of which the final Replies of the Government are still awaited

Nil

**New Delhi;
14 December, 2023
Agrahayana 23, 1945 (Saka)**

**Jagdambika Pal
Chairperson,
Standing Committee on Energy**

Annexure 14.1

F.No.42/17/2011-RE [206787]
Government of India / Bharat Sarkar
Ministry of Power / Vidyut Mantralaya
Shram Shakti Bhawan, New Delhi-110001
* * * * *

Dated, the 25th January, 2023

To

The Additional Chief Secretary/Principal Secretary/Secretary (Power/Energy)
of all States/UTs

Subject: Constitution of District Electricity Committees.

Sir/Madam,

In continuation to this Ministry's letter of even No. 42/17/2011-RE dated 02.03.2022 and 16.09.2021 (copies enclosed) requesting thereby all States/UTs to constitute District Electricity Committee (DEC), the undersigned is directed to state that it has been decided by the Ministry to include the following aspect in addition to the other aspects to review and coordinate overall development of power supply infrastructure in the district in accordance with the Gol schemes by the Committee:

"It should be ensured by the executing agencies that the meeting is attended by the concerned Chief Engineer/Executive Engineer/Project-Director whenever it is convened".

2. It is therefore, requested to ensure regular convening of the aforesaid meeting and to issue suitable directions to the concerned DISCOMs/Convenor of the Committee to provide the desired information to the Members of the Committee, prior to the DEC meeting.
3. This issues with the approval of Competent Authority.

Yours faithfully,



(Shailesh Kumar)
Deputy Secretary to the Govt. of India
Tel:011-23766236
Email: shailesh.jha@gov.in

Copy to:

- (i) CMD, REC Ltd., Plot No.I-4, Sector-29, Gurugram, Haryana-122001.
- (ii) CMD, PFC Ltd., UrjaNidi 1, Barakhamba Lane, New Delhi-110001.

Copy for information:

- (i) PS to HMoP/PS to HMoSP**
- (ii) Sr. PPS to Secretary (Power)**
- (iii) PPS to AS&FA**
- (iv) PPS to JS(D)**
- (v) PS to Deputy Secretary(UR&SI)/PS to Deputy Secretary (Distribution)**

Dated the 02nd March, 2022

To

The Additional Chief Secretary/Principal Secretary/Secretary (Power/Energy) of all States/UTs

Subject: Constitution of District Electricity Committees.

Sir/Madam,

I'm directed to refer to the Ministry of Power's letter of even number dated 16.9.2021 requested thereby all States/ UTs to constitute District Electricity Committee (DEC) to ensure the involvement and oversight of the people over all Government of India schemes and to institutionalize the system of consultation with public representatives (copy enclosed).

2. The composition of the Committee has been prescribed as under:

(a)	Most Senior MP in the district	Chairperson
(b)	Other MPs in the district	Co-chairpersons
(c)	District Collector	Member Secretary
(d)	Chairperson / President of the District Panchayat	Member
(e)	MLAs of the district	Members
(f)	Most Senior representatives of CPSUs of Ministry of Power and NRE located in the concerned district, or their nominated officials for the district	Members
(g)	Chief Engineer/Superintending Engineer of the DISCOM / Power Department concerned	Convenor

3. During various review meetings with different States, clarification has been sought on following two aspects with regard to composition of the DEC:

- a. Criteria for nomination of Chairperson of the Committee in case a district falls under multiple parliamentary constituencies, thereby a single district may have more than one Member of Parliament.
- b. Composition of DEC in areas where multiple districts form part of single parliamentary constituency thus creating a situation where one Member of Parliament may have to preside over multiple District level committees, as such committees are required to be formed for each of the district. Such situation may be more prevalent in smaller states like Nagaland, Mizoram, Manipur, Sikkim etc.

4. The position in respect of point 3(a) and 3(b) above is clarified as under:

Clarification in respect of Point 3(a):

- i. Where there are more than one Member of Parliament (Lok Sabha) representing the district, the senior most Member of Parliament (Lok Sabha) should be nominated as the Chairperson. However, the warrant of precedence maintained by the Ministry of Home Affairs should be followed, which may result in exceptions.
- ii. If the district has more than one Parliamentary Constituency (Lok Sabha) as its segments and the senior-most Member of Parliament (Lok Sabha) is made Chairperson of DEC in some other district, the next senior-most Member of Parliament (Lok Sabha) should be made the Chairperson.
- iii. In case of same seniority, the Chairperson should be the Member of Parliament in whose Parliamentary Constituency the largest geographical area of the district falls.
- iv. The other Members of Parliament (Lok Sabha) representing the district should be designated as Co-Chairperson(s).
- v. In case of a MP (Rajya Sabha) representing the State and exercising option to be associated with the district level Committee of that district (on first come basis), to be designated as Co-Chairperson. In case the MP from Rajya Sabha is senior following the warrant of precedence maintained by the Ministry of Home Affairs, he/ she may be made as Chairperson of the committee.

Clarification in respect of Point 3(b):

- i. DEC has to be constituted for each district separately.
 - ii. Individual Member of Parliament (Lok Sabha) may be designated as the chairperson for more than one District Level Committee.
5. Further, the States, which are yet to notify the District Electricity Committees, are requested to issue notification for constitution of District Electricity Committees at the earliest under intimation to this Ministry.

Yours faithfully,

Encl: As above.


(Benjamin Karunakaran)

Deputy Secretary to the Govt of India
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Email: ds.distribution-mop@gov.in
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Copy to:

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2. CMD, PFC Ltd., Urjanidhi, 1, Barakhamba Lane, New Delhi - 110001

F.No.42/17/2011-RE [206787]
Government of India / Bharat Sarkar
Ministry of Power / VidyutMantralaya
Shram Shakti Bhawan, New Delhi-110001
** ** **

Dated the 16th September, 2021

To

**The Additional Chief Secretary/Principal Secretary/Secretary
(Power/Energy) of all States/UTs**

Subject: Constitution of District Electricity Committees.

Sir/Madam,

Government of India have been providing funds under different schemes for strengthening the Distribution Systems in the country. In the past five years almost 2 lac crore were provided under DDUGJY/IPDS/SAUBHAGYA/RE etc. to ensure universal access by electrifying every village and every hamlet and every household; and for setting up more substations, upgrading existing substations, for HT/LT lines/Transformers etc. for strengthening the Distribution systems. However, Government of India have been receiving complaints regarding the quality of works, works not been completed etc. Now the Govt. have approved a new scheme of 3 lac crores for further strengthening the Distribution Systems wherever necessary, and modernizing it to meet emerging challenges. In order to ensure the involvement and oversight of the people in the process it has been decided to set up a District Level Committee which shall exercise oversight over all Government of India schemes; as also its impact on the provision of services to the people.

(i) The Composition of the Committee may be as under:

(a)	Most Senior MP in the district	Chairperson
(b)	Other MPs in the district	Co-chairpersons
(c)	District Collector	Member Secretary
(d)	Chairperson / President of the District Panchayat	Member
(e)	MLAs of the district	Members
(f)	Most Senior representatives of CPSUs of Ministry of Power and NRE located in the concerned district, or their nominated officials for the district.	Members
(g)	Chief Engineer/Superintending Engineer of the DISCOM / Power Department concerned	Convenor

(ii) The Committee will meet periodically at District Headquarters at least once in three months to review and coordinate overall development of power supply infrastructure in the district in accordance with the schemes of the Government which may, inter-alia, include the following aspects :

- a. All Government of India Schemes, including their progress and quality issues.

Bewli

- b. Development of Sub-transmission and distribution network including regular operations and maintenance of network – identifying further areas where strengthening is needed.
 - c. Impact of the works on quality and reliability of power supply.
 - d. Standards of Performance and consumer services / quality of supply.
 - e. Complaints and Grievance Redressal System.
 - f. Any other relevant matter
- (iii) It will be the responsibility of the Convenor and Member Secretary to conduct the meetings on regular basis and issue timely minutes.
2. Therefore, all the States/UTs are requested to notify and ensure establishment of District Electricity Committees as mentioned above under intimation to this Ministry.

Yours faithfully,



(Bimlesh Pawar)

Under Secretary to the Govt. of India

Email: bimlesh.pawar@nic.in

distribution2-mop@gov.in

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Copy to:-

1. CMD, REC Ltd., Plot No I-4, Sector-29, Gurugram, Haryana-122001
2. CMD, Power Finance Corporation Ltd., Urjanidhi 1, Barakhamba Lane, New Delhi- 110001

Copy for information:-

PS to HMoP/ PS to HMoSP/ Sr. PPS to Secretary (Power) / PPS to AS&FA/PPS to AS (D)/ PPS to JS(D) / PS to Director (UR&SI/DS), Ministry of Power.

STANDING COMMITTEE ON ENERGY

**MINUTES OF EIGHTH SITTING OF THE STANDING COMMITTEE ON ENERGY
(2023-24) HELD ON 14th DECEMBER, 2023 IN COMMITTEE ROOM-3,
PARLIAMENT HOUSE ANNEXE EXTENSION, NEW DELHI**

The Committee sat from 1500 hours to 1530 hours

LOK SABHA

PRESENT

Shri Jagdambika Pal - Chairperson

MEMBERS - LOK SABHA

- 2 Shri Chandra Sekhar Bellana
- 3 Shri Pradeep Kumar Chaudhary
- 4 Dr. A. Chellakumar
- 5 Shri Kishan Kapoor
- 6 Shri Sunil Kumar Mondal
- 7 Shri Jai Prakash
- 8 Shri Rajveer Singh (Raju Bhaiya)
- 9 Shri Shivkumar Chanabasappa Udasi

MEMBERS - RAJYA SABHA

- 10 Shri Rajendra Gehlot
- 11 Shri Narain Dass Gupta
- 12 Shri Javed Ali Khan
- 13 Shri Muzibulla Khan
- 14 Shri Maharaja Sanajaoba Leishemba
- 15 Shri Krishan Lal Panwar
- 16 Dr. Sudhanshu Trivedi
- 17 Shti K.T.S. Tulsi

SECRETARIAT

1. Shri Ramkumar Suryanarayanan Joint Secretary
2. Shri Kulmohan Singh Arora Additional Director
3. Shri S. Lakshmikanta Singh Deputy Secretary

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

- (i) Report on action taken by the Government on observations/recommendations contained in 34th Report (17th Lok Sabha) on Demands for Grants (2023-24) of the Ministry of New and Renewable Energy.
- (ii) Report on action taken by the Government on observations/recommendations contained in 35th Report (17th Lok Sabha) on Demands for Grants (2023-24) of the Ministry of Power.
- (iii) Report on the subject 'Bio-Energy and Waste to Energy - Recovery of Energy from Urban, Industrial and Agricultural Wastes/ Residues and role of Urban Local Bodies in Energy Management'.

3. After discussing the contents of the Reports in detail, the Committee adopted the draft Report on 'Action taken by the Government on observations/recommendations contained in 34th Report (17th Lok Sabha) on Demands for Grants (2023-24) of the Ministry of New and Renewable Energy and draft Report on 'Action taken by the Government on observations/recommendations contained in 35th Report (17th Lok Sabha) on Demands for Grants (2023-24) of the Ministry of Power without any amendment/modification. The draft Report on the subject 'Bio-Energy and Waste to Energy - Recovery of Energy from Urban, Industrial and Agricultural Wastes/ Residues and role of Urban Local Bodies in Energy Management' was adopted with minor modifications/amendments.

4. The Committee authorized the Chairperson to finalize the above-mentioned Reports and present the same to both Houses of the Parliament during the current session.

The Committee then adjourned.

(Vide Introduction of the Report)

**Analysis of action-taken by the Government on Observations/
Recommendations contained in the Thirty-Fifth Report (17th Lok Sabha)
of the Standing Committee on Energy**

(i)	Total number of Recommendations	18
(ii)	Observations/Recommendations 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, 17 and 18 Total:	18
	Percentage:	100 %
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies: Sl. No. Nil Total:	Nil
	Percentage:	00
(iv)	Observations/Recommendations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration: Sl. Nos. Nil Total:	Nil
	Percentage:	00
(v)	Observations/Recommendations in respect of which final replies of the Government are still awaited: Sl. No. Nil Total:	Nil
	Percentage:	00