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STANDING COMMITTEE ON ENERGY

(2024-25)

EIGHTEENTH LOK SABHA

MINISTRY OF POWER

**[Action-taken by the Government on observations/recommendations
contained in the First Report (18th Lok Sabha) on 'Demands for Grants
(2024-25) of the Ministry of Power']**

SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 2025/ Shravana, 1947 (Saka)



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STANDING COMMITTEE ON ENERGY
(2024-25)
(EIGHTEENTH LOK SABHA)

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**[Action-taken by the Government on observations/recommendations
contained in the First Report (18th Lok Sabha) on 'Demands for Grants
(2024-25) of the Ministry of Power']**

Presented to Lok Sabha on 4th August, 2025

Laid in Rajya Sabha on 5th August, 2025



LOK SABHA SECRETARIAT
NEW DELHI

July, 2025/ Shravana, 1947 (Saka)



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COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2024-25)

LOK SABHA

Shri Shrirang Appa Barne – Chairperson

2. Shri Shyamkumar Daulat Barve
3. Shri Jagadish Chandra Barma Basunia
4. Shri Devusinh Chauhan
5. Shri Shahu Shahaji Chhatrapati
6. Captain Brijesh Chowta
7. Shri Malaiyarasan D.
8. Shri Chandra Prakash Joshi
9. Dr. Shivaji Bandappa Kalge
10. Dr. Kirsan Namdeo
11. Shri Nilesh Dnyandev Lanke
12. Shri Dulu Mahato
13. Shri Ramprit Mandal
14. Smt. Bijuli Kalita Medhi
15. Shri Jagdambika Pal
16. Shri Kunduru Raghuveer
17. Smt. Shambhavi
18. Shri Chandubhai Chhaganbhai Shihora
19. Dr. Shrikant Eknath Shinde
20. Shri Abhay Kumar Sinha
21. Smt. Dimple Yadav

RAJYA SABHA

22. Shri Gulam Ali
23. Shri Birendra Prasad Baishya*
24. Dr. Laxmikant Bajpayee
25. Shri Ajit Kumar Bhuyan
26. Shri R. Dharmar
27. Shri N.R. Elango
28. Shri Javed Ali Khan
29. Shri Harsh Mahajan
30. Smt. Mamata Mohanta
31. Shri Rajeev Shukla

SECRETARIAT

- | | | |
|----|------------------------------|------------------|
| 1. | Shri Ramkumar Suryanarayanan | Joint Secretary |
| 2. | Shri Kulmohan Singh Arora | Director |
| 3. | Shri Ajitesh Singh | Deputy Secretary |
| 4. | Ms. Deepika | Under Secretary |

** Shri Birendra Prasad Baishya ceased to be Member of the Committee consequent upon his retirement from Rajya Sabha on 14th June, 2025. He has been re-nominated as Member of the Committee w.e.f. 24th July, 2025.*

INTRODUCTION

I, the Chairperson, Standing Committee on Energy, having been authorized by the Committee to present the Report on their behalf, present this Sixth Report on action-taken by the Government on observations/recommendations contained in the First Report (18th Lok Sabha) on 'Demands for Grants (2024-25) of the Ministry of Power'.

2. The First Report was presented to the Lok Sabha on 10th December, 2024 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 5th March, 2025.

3. The Report was considered and adopted by the Committee at their sitting held on 30th July, 2025.

4. An Analysis of action-taken by the Government on the observations/recommendations contained in the First Report (18th 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
30th July, 2025
8 Shravana, 1947 (Saka)

Shrirang Appa Barne
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 First Report (Eighteenth Lok Sabha) on 'Demands for Grants (2024-25) of the Ministry of Power'.

2. The First Report was presented to the Lok Sabha on 10th December, 2024 and was laid on table of the Rajya Sabha on the same day. The Report contained 12 Recommendations/Observations.

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

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| (i) Observations/Recommendations which have been accepted by the Government:
Serial Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 | Total – 12
Chapter-II |
| (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies:

Nil | Total - 00
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 | Total– 00
Chapter-IV |
| (iv) Observation/Recommendation in respect of which the final replies of the Government are still awaited:

Nil | Total - 00
Chapter-V |

4. The Committee desire that Action-taken Statement on the observations/recommendations in Chapter-I of this Report may be furnished to the Committee within three months of the presentation of this Report.

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

Recommendation No. 3

6. The Committee had recommended as under:

“The Committee note that SC Sub-Plan (SCSP), Tribal Area Sub-Plan (TASP) and other Special Component Plans have been introduced in order to ensure direct policy driven benefits for SCs, STs, Tribal Areas and North-Eastern Region Areas. Under these Plans, funds are earmarked for SCs, STs, etc. under separate budget heads for each Ministry of the Government of India. The allocation includes programmes benefitting SC/ST hamlets or designing of new appropriate development programmes. The Committee understand that the Schemes/Programmes which are being implemented by the Ministry are more centered around development of infrastructure, rather than being completely individual centric. Nonetheless, the Committee recommend that the Ministry should focus on maximum utilization of funds allocated for Scheduled Castes, Scheduled Tribes and other Socially Backward Groups as per the mandated requirement so that these groups get included in the development process of the Power Sector.”

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

“The Revamped Distribution Sector Scheme (RDSS) was approved with an outlay of Rs. 3,03,758 crore and with a Gross Budgetary Support of Rs. 97,631 crore, for a period of five years from 2021-22 to FY 2025-26. The RDSS has a universal coverage and is mainly focused on strengthening of distribution network for the benefit of all category of consumers.

Under the RDSS, Projects worth Rs. 2.78 lakh crore for distribution infrastructure and smart metering works have been sanctioned, which besides Distribution Infrastructure works includes

smart metering of 19.79 crore consumers, 52.53 lakh Distribution Transformers (DTs) and 2.11 lakh Feeders. This also includes:

- a) Works amounting to Rs. 1,067 crores for extension/strengthening of electricity infrastructure in the Northern Border areas for the five States/UTs of Himachal Pradesh, Ladakh, Uttarakhand, Sikkim and Arunachal Pradesh.
- b) Works worth Rs. 3,773 crore have been sanctioned for electrification of 8,21,529 nos. of households left out under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) out of which 77,209 nos. of households have been electrified.
- c) Works worth Rs. 516 crore for electrification of 1,29,269 nos. of Particularly Vulnerable Tribal Groups (PVTG) households identified under Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM JANMAN) in 14 States out of which 85,984 nos. of households have been electrified.
- d) Works worth Rs. 39.34 crore under the Vibrant Village Program (VVP) have been sanctioned for the border villages in the States of Himachal Pradesh, Uttarakhand and Arunachal Pradesh.
- e) Works worth Rs. 209 crores for electrification of 42,852 un-electrified tribal households and 1,193 public places identified under Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DA-JGUA) have also been sanctioned in 6 States.

The year-wise release of funds under SCSP and TASP heads under the RDSS is given below:

HEAD	2021-22		2022-23		2023-24		2024-25
	Released (Rs. Cr.)	Utilized (Rs. Cr.)	Released (Rs. Cr.)	Utilized (Rs. Cr.)	Released (Rs. Cr.)	Utilized (Rs. Cr.)	Released (as on 28.02.2025)
SCSP	-	-	678.76	318.79	1,351.36	1,272.04	2,059.10
TASP	-	-	388.74	194.73	899.25	763.36	933.09

8. In their recommendation, the Committee rooted for maximum utilization of funds allocated for the Scheduled Castes, the Scheduled Tribes and other Socially Backward Groups as per the mandated requirement so that these groups get included in the development process of the Power Sector.

In its action-taken reply, the Ministry has furnished that under RDSS, Projects worth Rs. 2.78 lakh crore for distribution infrastructure and smart metering works have been sanctioned, which includes works amounting to Rs. 1,067 crores for extension/strengthening of electricity

infrastructure in the Northern Border Areas for the five States/UTs of Himachal Pradesh, Ladakh, Uttarakhand, Sikkim and Arunachal Pradesh and works amounting to Rs. 4537.34 crores for electrification of households under Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN), Vibrant Village Program, Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DA-JGUA) and left-out households under SAUBHAGYA. The Committee appreciate the Ministry for extensive coverage of backward areas for strengthening of electricity infrastructure and electrification of households. The Committee would like to be apprised about the district-wise details regarding strengthening of electricity infrastructure and electrification of households in all the aspirational districts of the Country.

Recommendation No. 5

9. The Committee had recommended as under:

“The Committee note that under Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and thereafter, under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), all the States declared all the inhabited un-electrified census villages across the Country, as electrified on 28th April, 2018 and all willing households as electrified on 31st March, 2019. While a total of 18,374 villages were electrified under DDUGJY, a total of 2.86 crore households were electrified under the aegis of SAUBHAGYA. The Committee highly appreciate the fact that the Government of India stands committed to support all the States for electrification of households. Thus, electrification work of 8,00,552 left out households under SAUBHAGYA; 1,29,269 identified Particularly Vulnerable Tribal Group (PVTG) households under PM-JANMAN; 2,837 households located in remote, hilly and border areas identified under Vibrant Village Program and 3,030 households under Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DAJGUA), have been taken up under Revamped Distribution Sector Scheme. While applauding the Ministry for taking up the work related to electrification of a total of 9,35,688 households in various States of the Country, the Committee recommend that electrification of these households should be done on mission mode so that these households get electrified by the sun-set date of Revamped Distribution Sector Scheme i.e. 31st March, 2026.”

10. In its Action-taken reply, the Ministry has stated as under:

“To ensure electricity access to each and every household in the country, the Ministry has undertaken the electrification of additional 9,97,680 households, including Particularly Vulnerable Tribal Group (PVTG) Households identified under PM-JANMAN, Vibrant Village Program (VVP) and Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DA JAGUA) in remote areas, through Revamped Distribution Sector Scheme (RDSS). Out of the sanctioned household electrification works, electrification of 1,74,207 households have been completed as on date (16.01.2025). The Ministry has initiated a focused approach to expedite the process and is working closely in coordination with States and implementing agencies to ensure successful completion of works in a time-bound manner.”

11. In response to the recommendation of the Committee about mission-mode electrification of households, the Ministry has submitted that out of the sanctioned 9,97,680 households, electrification of 1,74,207 households have been completed as on 16th January, 2025 and the Ministry has been working closely in coordination with States and implementing agencies to ensure successful completion of works in a time-bound manner.

Noting that more than 82% of the sanctioned households are left to be electrified with about 14 months to go for sun-set date of Revamped Distribution Sector Scheme i.e. 31st March, 2026; the Committee re-emphasize that the Ministry should make sustained efforts and ensure time-bound completion of sanctioned work. The Committee may also be apprised about the State/UT-wise updated status regarding electrification of households under Revamped Distribution Sector Scheme.

Recommendation No. 6

12. The Committee had recommended as under:

“The Committee note that there is reduction in National Level AT&C Losses from the level of 27.8% during the year 2008-09 to 15.37% in the year 2023. However, AT&C Losses have increased for the States of Jharkhand, Maharashtra, Mizoram and Telangana during the last 5 years. Further, Arunachal Pradesh, Chhattisgarh, Gujarat (Uttar

Gujarat Vij Company Limited and Paschim Gujarat Vij Company Limited), Jharkhand, Madhya Pradesh (MP-West), Maharashtra (MSEDCL), Mizoram, Nagaland, Puducherry, Sikkim and Tripura have reduced their losses, but were not able to meet the targets for AT&C Losses in the year 2023. The Committee feel that increase in AT&C Losses in the States like, Maharashtra and Telangana is a cause for concern as this trend may hamper the reduction of AT&C Losses in the Country to the level of 12-15% by the stipulated date. The Committee, therefore, recommend that the Ministry should take this matter up with the concerned States/DISCOMs so as to avoid further deterioration of the condition related to AT&C Losses in these States.”

13. In its Action-taken reply, the Ministry has stated as under:

“Increase in AT&C losses in some of the States is indeed a matter of concern. The reduction in the technical component of AT&C losses is being addressed by ensuring expeditious implementation of Loss Reduction works sanctioned under the Scheme. The Loss reduction infrastructure works include replacement of bare conductors with covered conductors, using LT AB cable and HVDC, upgradation/augmentation of Distribution transformer/sub-stations, etc. In addition, the Smart Metering implementation under the Scheme is bound to address the commercial loss suffered by the DISCOMs. Smart pre-paid metering ensures automatic energy accounting and enhances billing and collection efficiency which would help in reduction in AT&C losses.

To further ensure time bound implementation of Smart Metering in States, the Ministry has issued advisory in December, 2024 for implementing pre-paid smart metering. The advisory prescribes prioritizing smart metering for Government establishments and high-load consumers such as commercial and industrial consumers; and thereafter transitioning to other category of consumers based on demonstration of benefits. In addition, Standard Operating Procedure (SoPs) for timely accounting and payment of subsidy have been issued to States, compliance to which will help improve AT&C losses.

The Ministry intends to facilitate knowledge sharing and adoption of best practices from States that have successfully reduced their losses including Smart Metering and Loss Reduction initiatives.”

14. In their recommendation, the Committee raised concerns regarding increase in AT&C losses in some of the States like

Maharashtra and Telangana. The Ministry, in its action-taken reply, has stated that the reduction in the technical component of AT&C losses is being addressed by implementation of Loss Reduction Works and Smart Metering would address the problem of commercial losses suffered by the DISCOMs. The Ministry has further submitted that advisory for implementing pre-paid smart metering and Standard Operating Procedure (SoPs) for timely accounting and payment of subsidy have been issued. The Ministry also intends to facilitate knowledge sharing and adoption of best practices from States that have successfully reduced their losses. The Committee would like to know about the impact of advisory issued in December, 2024 for time bound implementation of Smart Metering in the States and the Ministry may also apprise the Committee about the best practices/case-studies from the States that have successfully reduced their losses.

Recommendation No. 7

15. The Committee had recommended as under:

“The Committee note that a Smart Meter is an advanced version of Electronic Meter with two-way communication and remotely operated connect/ disconnect switch inside the meter. The main objective of Smart Metering is to enable near real time two-way communication between Smart Meter and Data Centre so as to enable remote reading, monitoring and control of meters at the consumer end. Revamped Distribution Sector Scheme envisages the installation of 25 crore Smart Meters by the year 2025-26. The Committee also note that 130.94 lakh Smart Meters have been installed in the Country so far. Considering the present pace of installation of Smart Meters, the target of installation of 25 crore Smart Meters by the year 2025-26 seems to be a difficult task. The Committee feel that there is an urgent need to create awareness about Smart Meters among the masses as support of the people is of utmost importance in making implementation of a Programme successful. The Committee, therefore recommend that:

i) The Ministry should closely monitor the progress of the work related to installation of Smart Meters and take prompt remedial action on various complaints and other related issues so that targets set in this regard are achieved without any delay.

ii) Awareness Programme, preferably in vernacular language, should be initiated in order to enhance awareness for adoption of Smart Meters at the consumer level.”

16. In its Action-taken reply, the Ministry has stated as under:

“The Ministry is committed to achieving successful implementation of smart metering. In this regard, regular review meetings are being taken by MoP with MD/CMDs of DISCOMs/AMISPs and stakeholders to closely monitor the progress of the work related to installation of Smart Meters. So far 104 such meetings have been convened to review smart metering and RDSS works. The Ministry in coordination with the States is ensuring identification and addressal of issues/challenges faced by the implementing agencies. Best practices of successful States such as Bihar and Assam related to implementation of Smart Meters have been demonstrated at various platforms. The Ministry has also issued various advisories and SoPs for implementation of pre-paid Smart meters.

To create awareness about Smart Meters among the masses and as a confidence building measure for consumers, the Ministry has prioritized pre-paid smart metering for Government establishments and high-load consumers such as commercial and industrial consumers; and thereafter transitioning to other category of consumers based on demonstration of benefits. The Ministry has also issued specific advisory on implementation of Check Meters which would help build confidence among consumers. The SoP issued prescribes for regular consumer engagement to be conducted in respect of Smart Meters.

The Ministry has also directed DISCOMs to set up effective and efficient consumer grievance redressal mechanism for prompt remedial action on complaints related to both pre and post installation of Smart meters. DISCOMs have been directed to create consumer awareness through various communication channels (including print and digital media) in vernacular language. Many States have already started the Consumer awareness program in vernacular language.”

17. In response to the recommendation of the Committee about the need to take prompt remedial action on various complaints and other related issues regarding Smart Meters and initiation of Awareness Programme, preferably in vernacular language, in order to enhance awareness for adoption of Smart Meters at the consumer level, the

Ministry has listed various steps taken by it for successful implementation of Smart Metering Programme, like review meetings with stakeholders, identification and addressal of issues/challenges faced by the implementing agencies, demonstration of best practices of successful States such as Bihar and Assam, prioritization of pre-paid smart metering for Government Establishments and high-load consumers, advisory on implementation of Check Meters, direction to DISCOMs to set-up effective and efficient consumer grievance redressal mechanism, etc. In this regard, the Committee would like to know about the State-wise number and percentage of Government Establishments and High-Load Consumers, such as industrial and commercial consumers which have been shifted to pre-paid smart metering. Further, the Committee would like to be apprised about the Discom-wise status regarding initiation of Consumer Grievance Redressal Mechanism for prompt remedial action on complaints related to both pre and post installation of Smart Meters.

CHAPTER – II

Observations/Recommendations which have been accepted by the Government

Recommendation No. 1

The Committee note that the budgetary allocation for the Ministry of Power is 0.43 % of the total Budget (2024-25) of the Government of India. The Ministry had projected a demand of Rs. 26,083.90 crores, however a sum of Rs. 20,502 crores has been allocated to the Ministry for the Financial Year 2024-25, which is 169.32 crores less than the previous year's allocation. The Committee observe that the Ministry sought Rs. 20,337.66 crores for Revamped Distribution Sector Scheme, but it has been allocated Rs. 12,585 crores for the same. Further, the Ministry did not demand any funds for Programmes like, North Eastern Region Power System Improvement Project; Strengthening of Transmission System in the States of Arunachal Pradesh and Sikkim and Support for Flood Moderation Storage Hydro Electric Projects; however, Rs. 600.01 crores, Rs. 1315.01 crores and Rs. 449.25 crores have been allocated for these Programmes respectively. There seems to be a mismatch between the priorities of the Ministry and corresponding allocation of funds. The Committee, therefore recommend the Ministry to be careful in estimation of its demands and also ensure that schemes/programmes do not suffer due to lack or under-utilization of allocated funds.

Reply of the Government

Ministry of Power has noted the recommendation of the Committee. If the physical targets of the concerned schemes / projects require more funds due to better implementation, the Ministry shall try to mobilize additional funds through the (i) reallocation of funds within Ministry and (ii) Revised Estimate/Supplementary Demand for Grants. Further, best efforts are being made for better utilization of the allocated funds.

[Ministry of Power

O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Recommendation No. 2

The Committee note that the Budgetary Estimates of the Ministry for the financial year 2022-23 was Rs. 16,074.74 crores which was revised to Rs. 13,106.58 crores and actual utilization was Rs. 9,312.98 crores. It means actual utilization was 57.94% of the Budgetary Estimates and 71.06% of the Revised Estimates. Nonetheless, the situation improved somewhat during the financial year 2023-24, as the actual utilization was 80.89% of the Budgetary Estimates and 94.82% of the Revised Estimates. During the financial year

2024-25, the Ministry has been able to utilize 60.06% of the Budgetary Estimates as on 30th September, 2024. Moreover, the scheduled capacity addition targets with respect to Thermal and Hydro Power could also not be achieved. The Committee feel that such under-utilization of funds and non-achievement of scheduled targets will have an adverse effect on the future budgetary allocation of the Ministry. Therefore, the Committee recommend that the Ministry should ensure optimum utilization of the allocated funds and achievement of scheduled capacity addition targets in a time bound manner.

Reply of the Government

Ministry of Power has noted the recommendation of the Committee. It is stated that as per the Revamped Distribution Sector Scheme guidelines, a DISCOM will be eligible for release of 10% of the grant for Loss Reduction works as project advance after approval of the Detailed Project Report (DPR) for Loss Reduction works. Accordingly, funds were released to DISCOMs after approval of the DPRs of DISCOMs by the RDSS Monitoring Committee. To ensure better utilization of funds, weekly review meetings are being held with Central Nodal Agencies (CNA) and respective State/DISCOMs Agencies (SA).

Further, the following are the main reasons for not achieving the scheduled thermal power capacity addition target:

- i) Work slowed due to COVID pandemic;
- ii) Delay in supply of materials at site by equipment manufacturers;
- iii) Delay in land acquisitions and Disruption of works due to Local agitations;
- iv) Delay due to change in design to meet environmental norms;
- v) Delay in getting coal mines, coal linkages;
- vi) Delay in getting Environment Clearance;
- vii) Non availability of Experts, especially in case of foreign experts;
- viii) Contractual Issues/litigation/delay in payment to sub-contractors;
- ix) Delay in readiness of railway line/Railway sidings;
- x) Non-mobilization of funds and their payments;
- xi) Non sequential supply of materials at site;
- xii) Inadequate manpower mobilization at site;
- xiii) No proper mechanism to compensate hike in steel price;
- xiv) Limited vendor availability for BoP (Balance of Plants) packages.

The following action/steps are taken to ensure timely completion of the under construction thermal power projects:

- CEA monitors the progress of under-construction power projects through frequent site visits and interaction with the developers & other stakeholders.

CEA holds review meetings periodically with the developers and other stakeholders to identify and resolve issues critical for commissioning of Projects.

- Regular reviews are also undertaken in MoP to identify the constraint areas to facilitate faster resolution of inter-Ministerial and other outstanding Issues.
- In case of Central Power Sector Undertakings (CPSUs) projects, the project implementation parameters/milestones are incorporated in the annual MoU signed between respective CPSUs and Ministry of Power and the same are monitored during the quarterly performance review meetings of CPSUs and other meetings held in MoP/CEA.
- Critical issues related with project implementation are being taken up with State Government/District Administration for facilitating the support in resolving the issues to the project implementing agencies.
- As and when required, issues are also reviewed in the PRAGATI portal of PM for proactive governance and timely implementation.
- For timely completion of thermal power projects, IT based project management i.e. PROMPT Portal (Portal for Online Monitoring of Projects-Thermal) has also been developed and launched on 20-08-2024 for monitoring of under construction thermal power projects. It is designed to facilitate updated status, monitoring and analysis of thermal power projects. This online platform enables project managers and stakeholders to make informed decisions swiftly, ensuring that potential delays and issues are identified early and addressed promptly.

Project-wise reason for the slippage of Hydroelectric projects (above 25 MW) included in the hydro capacity addition programme for the year 2019-20 to 2023-24 is enclosed as **Annexure-I**.

The various steps taken/proposed to avoid slippage in hydro projects are as follows:

- i) Measures to reduce time and cost overrun has been notified by MoP *vide* OM no. 2/3/2016-NHPC dated 8-11-2019 (**Annexure-II**).
- ii) Dispute Avoidance Mechanism for avoidance and resolution of contractual disputes of contracts executed by hydro CPSUs at initial stage by engagement of an Independent Engineer has been devised *vide* MoP OM No.15-18/1/2020-HYDEL-II (MOP) dated 27-9-2021.
- iii) Dispute Resolution Mechanism for resolution of disputes of contracts executed by CPSUs/other organizations under MoP through Conciliation Committees has been devised *vide* OM dated 29-12-2021.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Recommendation No. 3

The Committee note that SC Sub-Plan (SCSP), Tribal Area Sub-Plan (TASP) and other Special Component Plans have been introduced in order to ensure direct policy driven benefits for SCs, STs, Tribal Areas and North-Eastern Region Areas. Under these Plans, funds are earmarked for SCs, STs, etc. under separate budget heads for each Ministry of the Government of India. The allocation includes programmes benefitting SC/ST hamlets or designing of new appropriate development programmes. The Committee understand that the Schemes/Programmes which are being implemented by the Ministry are more centered around development of infrastructure, rather than being completely individual centric. Nonetheless, the Committee recommend that the Ministry should focus on maximum utilization of funds allocated for Scheduled Castes, Scheduled Tribes and other Socially Backward Groups as per the mandated requirement so that these groups get included in the development process of the Power Sector.

Reply of the Government

The Revamped Distribution Sector Scheme (RDSS) was approved with an outlay of Rs. 3,03,758 crore and with a Gross Budgetary Support of Rs. 97,631 crore, for a period of five years from 2021-22 to FY 2025-26. The RDSS has a universal coverage and is mainly focused on strengthening of distribution network for the benefit of all category of consumers.

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- b) Works worth Rs. 3,773 crore have been sanctioned for electrification of 8,21,529 nos. of households left out under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) out of which 77,209 nos. of households have been electrified.
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e) Works worth Rs. 209 crores for electrification of 42,852 un-electrified tribal households and 1,193 public places identified under Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DA-JGUA) have also been sanctioned in 6 States.

The year-wise release of funds under SCSP and TASP heads under the RDSS is given below:

HEAD	2021-22		2022-23		2023-24		2024-25
	Released (Rs. Cr.)	Utilized (Rs. Cr.)	Released (Rs. Cr.)	Utilized (Rs. Cr.)	Released (Rs. Cr.)	Utilized (Rs. Cr.)	Released (as on 28.02.2025)
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TASP	-	-	388.74	194.73	899.25	763.36	933.09

[Ministry of Power

O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Comments of the Committee

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

Recommendation No. 4

The Committee note that the Revamped Distribution Sector Scheme (RDSS) has been formulated with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution sector and it aims to reduce the AT&C Losses at pan-India level to 12-15% and Average Cost of Supply (ASC)–Average Revenue Realized (ARR) Gap to zero. The Scheme has an outlay of Rs. 3,03,758 crores with a Gross Budgetary Support of Rs. 97,631 crores from the Government of India over a period of five years from Financial Year 2021-22 to 2025-26. The Committee observe that a total of Rs. 17,400 crores (Revised Estimates) have been allocated for Revamped Distribution Sector Scheme during the first 3 years of this Scheme i.e. from the Financial Year 2021-22 to 2023-24. Out of this allocation, Rs. 13,616 crores could actually be utilized during these years i.e. 78.25% of the allocation. For 2024-25, Rs. 12,585 crores have been allocated for this Scheme, out of which, Rs. 8517.38 crores have been utilized as on 30th September, 2024. The Committee feel that utilization of funds under Revamped Distribution Sector Scheme has been sub-optimal. The Committee further observe that around 51% of the sanctioned smart meters and 75% of the sanctioned infrastructure works have been awarded; however, only 12% of the overall physical progress has

been achieved till date and the balance works are under different stages of tendering process. Since only about 16 months are left as the sun-set date for this Scheme is 31st March, 2026; the Committee recommend that the Ministry should expedite the implementation of the Revamped Distribution Sector Scheme so that stipulated targets are achieved within the given timeline.

Reply of the Government

Ministry of Power acknowledges the need for improvement in fund utilization and project progress under the Scheme. As on date (17.01.2025) out of BE of Rs. 12,585 crore for FY 25, a total of Rs. 11,951.23 crore has been released to various DISCOMs out of which Rs. 9,687 crore has been utilized by the DISCOMs so far. The release of funds, except 10% of Gross Budgetary Support (GBS) in advance, is contingent upon DISCOMs/ Power Departments qualifying annual evaluations under the scheme and based on actual physical progress. The implementation of the projects was relatively slow during the initial years of the scheme and so was the utilization of funds due to reasons like delay in award of projects by the DISCOMs/Power Departments, administrative challenges etc. However, with regular review, the progress is now picking up.

Considering that the sunset date for the Scheme is March 2026, the Ministry has increased the monitoring of physical implementation of works by the DISCOMs in coordination with Nodal Agencies. So far, about 71 review meetings at the level of Ministry (including 50 Meetings of the Monitoring Committee and about 21 reviews at the level of Minister of Power) have been held in last 1.5 years.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Recommendation No. 5

The Committee note that under Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and thereafter, under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), all the States declared all the inhabited un-electrified census villages across the Country, as electrified on 28th April, 2018 and all willing households as electrified on 31st March, 2019. While a total of 18,374 villages were electrified under DDUGJY, a total of 2.86 crore households were electrified under the aegis of SAUBHAGYA. The Committee highly appreciate the fact that the Government of India stands committed to support all the States for electrification of households. Thus, electrification work of 8,00,552 left out households under SAUBHAGYA; 1,29,269 identified Particularly

Vulnerable Tribal Group (PVTG) households under PM-JANMAN; 2,837 households located in remote, hilly and border areas identified under Vibrant Village Program and 3,030 households under Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DAJGUA), have been taken up under Revamped Distribution Sector Scheme. While applauding the Ministry for taking up the work related to electrification of a total of 9,35,688 households in various States of the Country, the Committee recommend that electrification of these households should be done on mission mode so that these households get electrified by the sun-set date of Revamped Distribution Sector Scheme i.e. 31st March, 2026.

Reply of the Government

To ensure electricity access to each and every household in the country, the Ministry has undertaken the electrification of additional 9,97,680 households, including Particularly Vulnerable Tribal Group (PVTG) Households identified under PM-JANMAN, Vibrant Village Program (VVP) and Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DA JAGUA) in remote areas, through Revamped Distribution Sector Scheme (RDSS). Out of the sanctioned household electrification works, electrification of 1,74,207 households have been completed as on date (16.01.2025). The Ministry has initiated a focused approach to expedite the process and is working closely in coordination with States and implementing agencies to ensure successful completion of works in a time-bound manner.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Comments of the Committee

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

Recommendation No. 6

The Committee note that there is reduction in National Level AT&C Losses from the level of 27.8% during the year 2008-09 to 15.37% in the year 2023. However, AT&C Losses have increased for the States of Jharkhand, Maharashtra, Mizoram and Telangana during the last 5 years. Further, Arunachal Pradesh, Chhattisgarh, Gujarat (Uttar Gujarat Vij Company Limited and Paschim Gujarat Vij Company Limited), Jharkhand, Madhya Pradesh (MP-West), Maharashtra (MSEDCL), Mizoram, Nagaland, Puducherry, Sikkim and Tripura have reduced their losses, but were not able to meet the targets for AT&C Losses in the year 2023. The Committee feel that increase in AT&C Losses in the States like, Maharashtra and Telangana is a cause for concern as this trend may hamper the reduction of AT&C Losses in the Country to the

level of 12-15% by the stipulated date. The Committee, therefore, recommend that the Ministry should take this matter up with the concerned States/DISCOMs so as to avoid further deterioration of the condition related to AT&C Losses in these States.

Reply of the Government

Increase in AT&C losses in some of the States is indeed a matter of concern. The reduction in the technical component of AT&C losses is being addressed by ensuring expeditious implementation of Loss Reduction works sanctioned under the Scheme. The Loss reduction infrastructure works include replacement of bare conductors with covered conductors, using LT AB cable and HVDC, upgradation/augmentation of Distribution transformer/sub-stations, etc. In addition, the Smart Metering implementation under the Scheme is bound to address the commercial loss suffered by the DISCOMs. Smart pre-paid metering ensures automatic energy accounting and enhances billing and collection efficiency which would help in reduction in AT&C losses.

To further ensure time bound implementation of Smart Metering in States, the Ministry has issued advisory in December, 2024 for implementing pre-paid smart metering. The advisory prescribes prioritizing smart metering for Government establishments and high-load consumers such as commercial and industrial consumers; and thereafter transitioning to other category of consumers based on demonstration of benefits. In addition, Standard Operating Procedure (SoPs) for timely accounting and payment of subsidy have been issued to States, compliance to which will help improve AT&C losses.

The Ministry intends to facilitate knowledge sharing and adoption of best practices from States that have successfully reduced their losses including Smart Metering and Loss Reduction initiatives.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Comments of the Committee

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

Recommendation No. 7

The Committee note that a Smart Meter is an advanced version of Electronic Meter with two-way communication and remotely operated connect/disconnect switch inside the meter. The main objective of Smart Metering is to enable near real time two-way communication between Smart Meter and Data Centre so as to enable remote reading, monitoring and control of meters

at the consumer end. Revamped Distribution Sector Scheme envisages the installation of 25 crore Smart Meters by the year 2025-26. The Committee also note that 130.94 lakh Smart Meters have been installed in the Country so far. Considering the present pace of installation of Smart Meters, the target of installation of 25 crore Smart Meters by the year 2025-26 seems to be a difficult task. The Committee feel that there is an urgent need to create awareness about Smart Meters among the masses as support of the people is of utmost importance in making implementation of a Programme successful. The Committee, therefore recommend that:

- i) The Ministry should closely monitor the progress of the work related to installation of Smart Meters and take prompt remedial action on various complaints and other related issues so that targets set in this regard are achieved without any delay.
- ii) Awareness Programme, preferably in vernacular language, should be initiated in order to enhance awareness for adoption of Smart Meters at the consumer level.

Reply of the Government

The Ministry is committed to achieving successful implementation of smart metering. In this regard, regular review meetings are being taken by MoP with MD/CMDs of DISCOMs/AMISPs and stakeholders to closely monitor the progress of the work related to installation of Smart Meters. So far 104 such meetings have been convened to review smart metering and RDSS works. The Ministry in coordination with the States is ensuring identification and addressal of issues/challenges faced by the implementing agencies. Best practices of successful States such as Bihar and Assam related to implementation of Smart Meters have been demonstrated at various platforms. The Ministry has also issued various advisories and SoPs for implementation of pre-paid Smart meters.

To create awareness about Smart Meters among the masses and as a confidence building measure for consumers, the Ministry has prioritized pre-paid smart metering for Government establishments and high-load consumers such as commercial and industrial consumers; and thereafter transitioning to other category of consumers based on demonstration of benefits. The Ministry has also issued specific advisory on implementation of Check Meters which would help build confidence among consumers. The SoP issued prescribes for regular consumer engagement to be conducted in respect of Smart Meters.

The Ministry has also directed DISCOMs to set up effective and efficient consumer grievance redressal mechanism for prompt remedial action on complaints related to both pre and post installation of Smart meters.

DISCOMs have been directed to create consumer awareness through various communication channels (including print and digital media) in vernacular language. Many States have already started the Consumer awareness program in vernacular language.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Comments of the Committee

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

Recommendation No. 8

The Committee appreciate that two Projects/Schemes have been initiated for strengthening of Transmission and Distribution Infrastructure in North-Eastern States of the Country viz. 'North Eastern Region Power System Improvement Project (NERPSIP)' which aims to strengthen the Intra-State Transmission and Distribution Infrastructure in six States of North Eastern Region (Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura) and 'Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim'. The Committee observe that the 'North Eastern Region Power System Improvement Project' got the approval of the Government in December 2014 and it is expected to get completed in December 2024. The estimated cost for this Project was Rs. 5,111.33 crores which has been revised to Rs. 6,700 crores in December 2020 i.e. a cost escalation of 31.08%. Similarly, the 'Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim' got the approval of the Government in October 2014 and it is expected to get completed in March 2025. The estimated cost for this Project was Rs. 4,754.42 crores which has been revised to Rs. 9,129.32 crores in March 2021 i.e. a cost escalation of whopping 92.02%. The Committee feel that some time and cost escalations in these Projects may be attributed to difficult geographical conditions in the Region, but such a high cost escalation can not be justified. The Committee, therefore recommend that the Ministry should ensure that these Projects get completed within their targeted schedule in order to avoid any further cost overrun.

Reply of the Government

Ministry of Power has noted the recommendations of the Committee. Further, it may also be stated that the major reasons for cost and time overrun in the North Eastern Region Power System Improvement Project (NERPSIP) and 'Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim' are as follows:

- **Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim:**

- a) Major reasons for revision in cost:**

- i) Variation in prices of major indices such as Steel bloom, Aluminum, Copper, CRGO etc, during the implementation of the Scheme leading to Price variation in the Project Cost;
 - ii) Increase in Compensation for Land, Forest, Crop & Tree based on actual/anticipated expenditure. Compensation towards tower base & line corridor based on diminution value of land in RoW corridor as per GoI/State notifications;
 - iii) Compensation towards lines passing through USF/RF areas as notified by State Govt;
 - iv) Increase in quantities of approved items due to increase in line length, addition of new scope as per CEA communications/ requirements of State Utilities of Sikkim and Arunachal Pradesh etc.;
 - v) Changes in taxes and duties due to the introduction of Goods & Services Tax;
 - vi) Due to the non-performance of some of the executing agencies, some packages had to be annulled and re-tendered.

- b) Major reasons for extension in time:**

- i) Due to non-availability of RoW (Right of Way) which is to be provided by the respective State Governments;
 - ii) Change in scope specifications of the project based on the requirement of State Utilities;
 - iii) Delay in award of majority of packages due to poor response and higher bid prices requiring resizing and retendering of various bids for works;
 - iv) Delay in handing over of Substation land by the respective State Governments;
 - v) Delay in providing Forest Clearance by the respective State Authorities for EHV and DMS lines;
 - vi) Delay due to COVID-19 restrictions;
 - vii) Flood in Sikkim during Oct'23 & again in June'24 affected the project activities.

- **North Eastern Region Power System Improvement Project (NERPSIP):**

- a) Major reasons for revision in cost:**

- i) Variation in prices of major indices such as Steel bloom, Aluminum, Copper, CRGO etc, during the implementation of the Scheme leading to Price variation in the Project Cost;

- ii) Increase in quantities of approved items due to increase in line length, addition of new scope as per CEA communications/requirements of respective State Utilities etc.;
- iii) Changes in taxes and Duties due to introduction of Goods & Services Tax.

b) Major reasons for extension in time:

- i) Change in scope/specifications of the project based on the requirement of State Utilities;
- ii) Delay in award of majority of packages due to poor response and higher bid prices requiring resizing and retendering of various bids for works;
- iii) Delay in handing over of Substation land by the respective State Governments;
- iv) Incessant rain & unprecedented floods in July-Aug'24 also impacted the project works;
- v) Delay due to COVID-19 restrictions;
- vi) Delay due to CAA protests etc.

Best efforts are being made to complete both the projects within the targeted schedule and project cost. Regular monitoring of the projects is being done at the level of Joint Secretary/Additional Secretary in the Ministry of Power (MoP). Regular interactions with State Government Authorities are being carried out by POWERGRID and MoP to resolve various issues pending with State Governments. POWERGRID deployed additional personnel in the project and separate setup created in POWERGRID for monitoring of NERPSIP.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Recommendation No. 9

The Committee note that the Central Electricity Authority is a Statutory Organization originally constituted under Section 3(1) of the repealed Electricity (Supply) Act, 1948 since substituted by Section 70 of the Electricity Act, 2003. It plays an important role in development of Hydro Power Projects in the Country. The Committee observe that Central Electricity Authority has proposed the establishment of a Single Window Cell with officers from Central Water Commission (CWC), Geological Survey of India (GSI) and Central Soil and Materials Research Station (CSMRS) in order to streamline the concurrence process for Hydro Projects. Recognizing the need to provide a push to the Hydro Sector, the Committee recommend that the Ministry should consider the feasibility of creation of such Single Window

Cell in order to expedite the development of Hydroelectric Projects in the Country.

Reply of the Government

Ministry of Power noted the recommendations of the Committee. In this regard, a “Single Window Clearance Cell” was proposed to be created in Hydro Wing, Central Electricity Authority (CEA) to expedite the concurrence process of DPRs of HEPs/PSPs. Therefore, Central Water Commission (CWC), Central Soil and Materials Research Station (CSMRS) and Geological Survey of India (GSI) were requested to post officers (2 each from CSMRS, GSI and 5 from CWC) in the cell from their organizations.

Accordingly, two officers from GSI are nominated for attending the works pertaining to the “Single Window Clearance Cell” in CEA in addition to their present assignment. Further, regional and state unit centres of GSI had also been involved for the works pertaining to “Single Window Clearance Cell”.

As expert reviewing will not be adequate/ effective/ practical with the proposed posting of 5 officers of CWC in CEA for appraisal of HEPs/PSPs, CWC proposed to continue with the present working system. Subsequently, CWC nominated two nodal officers for clearance of DPRs within the timeline. Further, two more Design directorates of CWC were roped in for DPR clearance.

Additionally, Secretary (Power) directed CEA to start process of calling Expressions of Interest for empanelling the Institute of National Importance for appraisal of DPR chapters related to Design Aspects for finalization of DPRs.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Recommendation No. 10

The Committee note that the Bureau of Energy Efficiency could utilize only Rs. 77.16 crores, against the Budgetary Estimates of Rs. 197.82 crores and Revised Estimates of Rs. 145 crores during the Financial Year 2022-23. It means the expenditure was 39% of the Budgetary Estimates and 53.21% of the Revised Estimates. Out of the un-spent balance of Financial Year 2022-23, Rs. 56.92 crores were revalidated for expenditure during 2023-24. The Committee feel that the budgetary utilization by the Bureau of Energy Efficiency is not up to the mark. Further, the Committee observe that energy efficiency and energy conservation activities undertaken during the year 2022-23, have resulted into total electrical savings of 306.55 Billion Units,

total annual energy savings of 50.98 Million Tonnes of Oil Equivalent i.e. 6.65% of total primary energy supply of the Country, total annual cost savings worth Rs. 1,94,320 crores approximately, equivalent reduction in CO2 emissions of around 306.40 Million Tonnes annually, etc. Appreciating the positive impact of energy efficiency and energy conservation activities in terms of saving of electrical energy and cost, the Committee recommend that:

- i) The Bureau of Energy Efficiency should gear itself up to ensure optimum utilization of the allocated amount. This requires greater efforts and better dynamism.
- ii) The Ministry should encourage all the States to establish Standalone State Designated Agencies (SDAs) dedicated solely to energy efficiency and conservation in order to provide a focused approach to implementation of energy conservation programs.

Reply of the Government

During FY 2022-23, delay in fund utilization was mainly caused by Transition to Centralized Central Nodal Agency (CNA) structure in line with the revised Funds Procedure in the Public Financial Management System (PFMS). This transition required all 36 State Designated Agencies (SDAs) to obtain state approvals and open new CNA accounts, which delayed fund disbursements and utilization.

The Bureau has implemented series of robust measures to facilitate efficient project execution, continuous monitoring and comprehensive review process. To ensure full utilization of the allocated funds following steps are being taken:

- a) Timely award of works to Implementing Agencies:** BEE ensures prompt award of works to Implementing Agencies, including State Designated Agencies (SDAs) and other concerned agencies.
- b) Regular Monitoring of Activities:** Monthly Reports are obtained from Implementing Agencies to closely monitor both physical and financial progress, to ensure that projects are on track and funds are properly and timely utilized, as intended. In addition, regular one to one meetings are organized to address issues or challenges faced during program implementation. This approach helps in identifying and resolving potential bottlenecks in timely manner.
- c) Review of Physical and Financial Progress of Activities:** For SDAs, BEE organizes bi-annual national level meetings and quarterly regional level meetings to review the physical and financial progress of various activities, programs and schemes being implemented. Additionally, these meetings focus on sharing 'Best Practices' from SDAs, thus providing platform for

active Peer-Learning which enhances the effectiveness of program implementation across all SDAs.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Recommendation No. 11

The Committee note that the Central Power Research Institute serves as a National Testing and Certification Authority for the purpose of certification of rating and performance to ensure availability of quality equipment for use under conditions prevalent in Indian Power Systems. It carries out testing and certifications for Distribution and Power Transformers, Switch Gear & Control Gears, Energy Meters and Smart Meters, Isolators, Lightning Arrestor, Capacitors, Cables and Conductors, Transmission Line Towers, Transformer Oil, LED etc. However, it has been submitted before this Committee that the certificates from Central Power Research Institute lack global acceptance. The Committee, therefore recommend that the Ministry should help Central Power Research Institute in this regard and take necessary action to ensure acceptance of its test certificates globally.

Reply of the Government

Ministry has noted the recommendations of the Committee. Ministry of Power has taken up the matter with the Ministry of External Affairs and Department of Commerce, Ministry of Commerce and Industry to promote the acceptance of Central Power Research Institute (CPRI) Test Reports and Certificates internationally.

Meetings were held with Indian Missions in Thailand, Bangladesh, Abu Dhabi, Kuwait, Accra, Muscat, Sharjah, Bahrain, Ghana etc. Also, CPRI participated in the 13th Joint Trade Committee (JTC) between India and Thailand, where CPRI officials successfully convinced the Thai Industrial Standards Institute (TISI) to accept CPRI Test Reports and Certificates.

Subsequent to the above developments, currently, no challenges have been reported regarding non-acceptance of CPRI Test Reports with recent customers from the Middle East, Malaysia, Sri Lanka, Bangladesh, Africa, Brazil, USA, UK, France, and other regions. Overseas customers from various countries are now availing services of CPRI on regular basis.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

Recommendation No. 12

The Committee note that the National Power Training Institute was allocated an amount of Rs. 50 crores at the time of Budgetary Estimates during the year 2022-23, which was reduced to Rs. 30 crores at the time of Revised Estimates. Against this allocation, the actual utilization was only Rs. 14.35 crores i.e. 28.70% of the Budgetary Estimates and 47.83% of the Revised Estimates. Similarly, the Institute was allocated an amount of Rs. 35 crores at the time of Budgetary Estimates during the year 2023-24, which remained same at the time of Revised Estimates and it could utilize Rs. 22.94 crores i.e. 65.54% of the Budgetary/Revised Estimates. The Committee feel that actual utilization of the budgetary allocations by the National Power Training Institute has been sub-optimal. The Committee were apprised that the Institute used to get Grant-in-Aid from the Ministry since its inception, but from the year 2004-05, it was declared as self sustained, which was maintained till 2018. Keeping in view the sub-optimal utilization of allocated funds by the National Power Training Institute and the fact that the Institute was self-sufficient for a long period of time and then it lapsed into dependence in 2018, the Committee recommend that the Ministry should take steps to ameliorate the reasons responsible for non-utilization of allocated funds by the Institute so that its funds absorptive capacity gets increased. The Committee would also like to be apprised about the steps taken by the Institute to regain its status of self sufficiency.

Reply of the Government

Government of India allocate funds to National Power Training Institute (NPTI) for meeting the requirement of its pension liabilities and for creation/upgradation of Infrastructure in its institutes spread across the country. In FY 2022-23 (RE) as against budgetary allocation of Rs.30 crore, NPTI utilized Rs. 14.35 crore out of which Rs. 12 crore was utilized for meeting pension liabilities and Rs. 2.35 crore for Infrastructure upgradation. Similarly, in FY 2023-24 (RE) as against budgetary allocation of Rs. 35 crore, NPTI utilized Rs. 22.93 crore out of which an amount of Rs. 10 crore was utilized for meeting pension liabilities and Rs. 12.93 crore for Infrastructure upgradation.

During the above mentioned period, NPTI proposed various works related to the upgradation of critical infrastructure of its institutes like construction and furnishing of hostel building etc. Due to considerable time taken by the institute in preparation and subsequent approval of Detailed Project Report (DPRs), the proposed works under them could not be executed and funds allocated to NPTI remained unutilized.

To enhance the absorptive capacity of the institution, the institute was advised by this ministry to submit proposals well in advance along with utilization certificates regularly so that funds could be released in time. With the help of these measures the utilization of funds under infrastructure head has improved in FY 2023-24 compared to FY 2022-23.

NPTI is an autonomous institute registered under the Haryana Registration and Regulation of Societies Act of 2012. It has consistently maintained self-sufficiency since 2004-05 and is bearing all recurring and non-plan expenditures, including the salaries of its employees, solely through its own revenue earnings. As mentioned above, the financial support of Ministry is limited to provide Grants for infrastructure development and towards pension liabilities.

[Ministry of Power
O.M. No. 10/1/2024-Budget, Dated: 05/03/2025]

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
30th July, 2025
8 Shrawana, 1947 (Saka)**

**Shrirang Appa Barne
Chairperson,
Standing Committee on Energy**

ANNEXURE - I

Project-wise reasons for the slippage of Hydroelectric projects (above 25 MW) included in the hydro capacity addition programme for the year 2019-20 to 2023-24

Hydro Capacity Addition during the Year 2019-20							
Sl. No.	Particular	Unit Nos.	Capacity (MW)		Commissioning		Remarks/ Critical Issues
			Target	Actual	As Programmed	Actual/ Anticipated	
A.	Central Sector						
1	Kameng NEEPCO, Arunachal Pradesh 4x150=600 MW	Unit # 1 Unit # 2 Unit # 3 Unit # 4	150 150 150 150	150 150	Aug'19 Aug'19 Aug'19 Aug'19	03.02.2020 10.02.2020 Slipped Slipped Slipping to (March-21)	-Seepage of water during welding affecting progress of works and causing delays. -Difficult approach and working condition. -Ventilation constrains Works affected due to heavy rains this monsoon.
Sub- total (A)		--	600	300	--	--	--
B.	State Sector						
2.	Uhl – III BVPCL, H.P. 3x33.33=100	Unit # 1 Unit # 2 Unit # 3	33.33 33.33 33.33	--	Oct,19 Nov,19 Dec,19	Slipping to (Dec,22)	-Difficult approach -Delay in welding of liner in bend. - Rupture in Penstock in May,2020
3	Sawra Kuddu HPPCL, H.P. 3x37=111 MW	Unit #1 Unit # 2 Unit # 3	37 37 37	--	Sep,19 Oct,19 Nov,19	Slipping to (March,21)	- Delay in completion of HRT works & associated transmission line. - During filling of water conductor system in May,20, leakage is observed in adit to HRT
Sub- total (B)		--	211	--	--	--	--
C.	Private Sector						
4.	Bajoli Holi GMR,H.P. 3x60=180 MW	Unit # 1 Unit # 2 Unit # 3	60 60 60	--	Jan.,20 Feb.,20 Mar.,20	Slipping to Dec 21 and efforts for June 21	-Works affected due to heavy rainfall in August,19 and inclement weather from early Dec,19. to end of Jan,20 -Poor financial health of civil contractor.
5.	Singoli Bhatwari L&T, Uttarakhand 2x33=99 MW	Unit #1 Unit # 2 Unit # 3	33 33 33	--	Mar.,20 Mar.,20 Mar.,20	Slipping to (Dec,20)	-Poor geology in HRT. - Agitation by local people. -Flash flood in June,2013.
6.	Sorang HSPCL Uttarakhand 2x50=100 MW	Unit #1 Unit # 2	50 50	--	Nov,19 Dec.,19	Slipping to Dec,21	- Poor planning of re-erection of penstock works - Weather constraints.
Sub- total (C)		--	379	--	--	--	--
Total (A+B+C)		--	1190	300	--		

Hydro Capacity Addition during the Year 2020-21							
Sl. No.	Particular	Unit Nos.	Capacity (MW)		Commissioning		Remarks / Critical Issues
			Target	Actual	As Programmed	Actual (A)/ Anticipated	
A.	Central Sector						
1	Kameng NEEPCO, Arunachal Pradesh 4x150=600 MW	Unit #3 Unit #4	150 150	300	March,21 March,21	21.01.2021 11.02.2021	Commissioned Commissioned
Sub- total (A)		--	300	300	--	--	--
B.	State Sector						
2	Sawra Kuddu HPPCL, H.P. 3x37=111 MW	Unit #1 Unit #2 Unit #3	37 37 37	111	(March,21) (March,21) (March,21)	12.11.2020 05.12.2020 16.12.2020	Commissioned Commissioned Commissioned
Sub- total (B)		--	111	111	--	--	--
C.	Private Sector						
3.	Singoli Bhatwari L&T, Uttarakhand 2x33=99 MW	Unit #1 Unit #2 Unit # 3	33 33 33	99	March.,21 March.,21 March.,21	19.11.2020 18.12.2020 25.12.2020	Commissioned Commissioned Commissioned
4.	Rongnichu 2x48= 96 MW* Madhya Bharat Power Corpn., Sikkim	Unit #1 Unit #2	48 48	--	March,21 March,21	To be commissioned in FY 2021-22 with 17 MW enhanced capacity	Land Acquisition Poor geology.
Sub- total (C)		--	195	--	--	--	--
Total (A+B+C)		--	606	510	--		
Hydro Capacity Addition during the Year 2021-22							
Sl. No.	Particular	Unit Nos.	Capacity (MW)		Capacity Addition		Remarks/ Critical Issues
			Target	Actual	As Programmed	Actual/ Anticipated	
A.	State Sector						
1	Pallivasal KSEB, Kerala 2x30=60 MW	Unit #1 Unit # 2	30 30	--	December'21 December'21	2022-23 2022-23	1. Delay in land acquisition. 2. Poor geology strata in HRT. 3. Works stopped by contractor since 28.1.15 to 11.04.2017 due to contractual issues. Contract terminated on 13.09.2018 and re-awarded in August, 2019.
2	Thottiyar KSEB, Kerala 1x30+1x10=40 MW	Unit #1 Unit # 2	10 30	--	December'21 December'21	2022-23 2022-23	1. Land acquisition issue. 2. The works of weir and approach channel stopped from 2010 to 2012 by local people. 3. The work stopped by Court from 12.12.2012 to April-2013. 4. Financial crunch with

							contractor leading to foreclosure of contract in April, 2017 and balance works re-awarded in January, 2018.
Sub- total (A)		--	100	--	--	--	--
B.	Private Sector						
3	Sorang HSPCL, H.P. 2x50=100 MW	Unit #1 Unit #2	50 50	100	June'21 June'21	23.09.2021 21.09.2021	Commissioned Commissioned
4	Bajoli Holi GMRBHPPL, H.P. 3x60=180 MW	Unit #1 Unit #2 Unit #3	60 60 60	60 60 60	June'21 June'21 June'21	25.03.2022 27.03.2022 28.03.2022	Commissioned Commissioned Commissioned
5	Rongnichu MBPCL, Sikkim 2x56.5=113 MW	Unit #1 Unit #2	56.5 56.5	113	May'21 May'21	25.06.2021 30.06.2021	Commissioned Commissioned
Sub-total (B)		--	393	393	--	--	--
Total (A+B)		--	493	--	--		
Hydro Capacity Addition during the Year 2022-23							
Sl. No.	Particular	Unit Nos.	Capacity (MW)		Capacity Addition		Remarks/Critical Issues
			Target	Actual	As Programmed	Actual(A)/ Anticipated	
A	Central Sector						
1	Naitwar mori 2X30=60MW	Unit #1 Unit #2	30 30	--	Dec'22 Jan'23	Slipped to 2023-24	-COVID-19 related restrictions. - Delay in Environment Clearance for Quarry site. -
2	Subansiri Lower 8x250= 2000 MW	Unit #1 Unit #2	250 250	--	Jan'23 Feb'23	Slipped to 2023-24	-Extended Monsoon & damage to protection wall of power house/collapse of DT-2
3	Tehri PSS 4x250= 1000 MW	Unit #1	250	--	Mar'23	Slipped to 2023-24	-Geological constraints
Sub-total (A)		--	810	--	--	--	--
B	State Sector						
1	Pallivasal KSEB, Kerala 2x30=60 MW	Unit #1 Unit #2	30 30		Mar'23 Mar'23	Slipped to 2023-24	-Extended Monsoon -Slow progress of works
2	Thottiyar KSEB, Kerala 1x30+1x10=40 MW	Unit #1 Unit #2	10 30		Feb'23 Mar'23	Slipped to 2023-24	-Extended Monsoon -Slow progress of works
3	Vyasi 2x60=120 MW	Unit #1 Unit #2	60 60	60 60	Apr'22 May'22	May'22 (A) April'22(A)	-U#1 Commissioned on 24.05.2022 -U#2 Commissioned on 22.04.2022
Sub- total (B)		--	220	120	--	--	--
C.	Private Sector						
1	Tidong-I 2x50= 100 MW	Unit #1	50	--	Mar'23	Slipped to 2023-24	-Delay in clearance of transmission line

								-Pressure shaft misalignment issues
Sub- total (C)		--	50	--	--	--	--	--
Total (A+B +C)		--	1080	120	--			
Note: UHL-III has slipped to FY 24-25.								
Hydro Capacity Addition Programme for 2023-24								
Sl. No.	Name of Project	State implementing Agency	Unit No.	Capacity (MW)		Capacity Addition		Reason for slippage
				Target	Actual	As Programmed	Actual(A)/ Anticipated	
A.	Central Sector							
1	Naitwar Mori 2x30=60 MW	Uttarakhand /SJVNL	U-1 U-2	30 30	30 30	June'23 July'23	24.11.2023 04.12.2023	Commissioned in Dec'23
2	Subansiri Lower 8x250=2000 MW	Arunachal Pradesh/NHPC	U-1 U-2	250 250	--	Aug'23 Sept'23	Slipped to 2026-27 Slipped to 2026-27	Diversion tunnel-1 collapsed. Slope stability of left bank. Erection of balance 6 nos. of radial gates, DT plugging.
Sub-total(A)		--	--	560	60	--	--	--
B.	State Sector							
3	Pallivasal 2x30=60 MW	Kerala/ KSEB Ltd.	U-1 U-2	30 30	--	Dec'23 Dec'23	Slipped to 2024-25 Slipped to 2024-25	Slow progress of works Slow progress of works
4	Thottiyar 1x30+1x10=40MW	Kerala/ KSEB Ltd.	U-1 U-2	30 10	--	Dec'23 Mar'24	Slipped to 2024-25 Slipped to 2024-25	Slow progress of works Slow progress of works
Sub-total (B)		--	--	100	--	--	--	--
Total (A+B)				660	60	--		
Note: Tehri PSS has slipped to FY 2024-25 and Tidong-I has slipped to FY 2025-26.								

Guidelines issued by the Ministry of Power to reduce the incidence of time and cost overruns in Hydro Power Projects

- i) Sunset Date:** The provisions of CERC Regulations (2019-24) are applicable across all generating projects and provide the time for completion of balance works; hence the cut-off date defined in CERC regulations may be considered as sunset date for future hydro projects.
- ii) Preparation of Realistic Project Schedule:** All hydro CPSUs may prepare more realistic project schedule based on past experience of projects in vicinity. Although, it may not be possible to foresee all the events causing delay in case of hydro projects, some margin, based upon the past experience of similar projects, may be built in project schedule to take care of contingencies.
- iii)** All Hydro PSUs must use latest software tools for Project Monitoring on regular basis at CPSU level. Representative from the concerned State Government may also be invited for Quarterly review meetings at Ministry level to resolve the issues, if any, with the State Government.
- iv)** If the project is not likely to be commissioned within the time limit approved by CCEA, the implementing Agency must seek prior approval of competent authority at least six months prior to the approved time limit on the following:
 - a) Components of works as per approved DPR/RCE which would not be completed on Scheduled Date with reason thereof along with likely completion date and likely expenditure (cost overrun with time overrun).
 - b) Segregation of Critical works and non-critical works for commissioning of the projects.
- v)** As CERC regulation is already known in advance, the implementing agency must mention the “sun set date” in the DPR/RCE itself while indicating non-critical works which would not be completed on CoD. However, in case CoD is not likely to be adhered to as per original time line approved by CCEA, while taking prior approval of the competent authority as suggested at Sl. No. (a) above, the “sun set date” may also be mandatorily mentioned for non-critical works.

vi) Following measures are to be followed to reduce incidences of time overrun and cost overrun for hydro projects:

- a) One of the major reasons for stoppage of works is delay in payments and settlement of disputes with the contractor leading to liquidity crunch with the contractor. Therefore, time bound resolution of disputes and timely payment mechanism should be ensured.
- b) Delegation of Power should be reviewed by the CPSU to ensure that sufficient power is delegated at project level for timely decisions on various issues at the project.
- c) Adoption of international best practices for implementation of hydro projects including methodology to deal with the geological surprises.
- d) The availability of all resources, viz., equipment and manpower as per schedule should be ensured.
- e) Equipment should be maintained in good condition and AMC of the equipment should be given to OEM.
- f) The new equipment would be purchased by the developer on behalf of contractor and may be hypothecated in the name of the developer or may also be purchased by the Contractor as per need of the project.
- g) Settlement of contractor's claim should be done in timely manner. The report/records should be kept in electronic form and need to be shared with the Head Quarter on real time basis.
- h) If the contractor wishes to raise a claim for any reason, such reasons/event should be notified by the contractors within 15 days of such event and claims should be raised by the contractor within 90 days. If the contractor either fails to (i) notify the even or (ii) files the claim within 90 days, the claim made by him shall not be entertained. Thereafter, the claims should be settled within 45 days after receiving the same by the Engineer-in-charge (EIC) otherwise the claim made by contractor will be deemed to have been accepted.
- i) If the Contractor is not satisfied with EIC decision, he may approach Dispute Resolution Board (DRB) within 15 days from the decision of EIC. It was also decided that at least one member of DRB should be from Technical background for better appreciation of technical issues. DRB will take decision within 6 months. If decision of

DRB is not adhered by the Contractor, then EIC's decision may be treated as final.

j) Web based e-diary system shall be maintained to keep record of for all events in respect of under construction projects. The letters/claims by contractor and response of the project in-charge should be entered in such system. All the letter/claims received from the contractor must be responded immediately to effectively counter his claim in the event of dispute.

k) If work is stalled for any reason other than natural calamity, Management should take quick decision (within 60 days) to resolve the issue, e.g. facilitate resumption of work by contractor or cancellation of contract and rebidding of works or any other mechanism found suitable for quick resumption of work etc., and should ensure that work is not stalled for more than 60 days. The overall responsibility for stoppage of work beyond 60 days shall be upon Director-in-charge of the construction of the projects & CMD.

l) Risk sharing mechanism for stoppage of work in situations, e.g., law and order problem, floods, earthquake, geological surprises, local resistance etc. should be well defined in contract document.

m) CPSUs should devise the mechanism of incentivizing labour on achieving project milestones in time.

STANDING COMMITTEE ON ENERGY

**MINUTES OF SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON
ENERGY (2024-25) HELD ON 30TH JULY, 2025 IN COMMITTEE ROOM-62,
SAMVIDHAN SADAN, NEW DELHI**

The Committee sat from 1500 hours to 1530 hours

MEMBERS - LOK SABHA

Shri Shrirang Appa Barne - Chairperson

2. Shri Shyamkumar Daulat Barve
3. Shri Devusinh Chauhan
4. Shri Malaiyarasan D.
5. Dr. Shivaji Bandappa Kalge
6. Dr. Kirsan Namdeo
7. Shri Nilesh Dnyandev Lanke
8. Shri Dulu Mahato
9. Shri Ramprit Mandal
10. Shri Jagdambika Pal
11. Dr. Shrikant Eknath Shinde
12. Shri Abhay Kumar Sinha

MEMBERS - RAJYA SABHA

13. Shri Ajit Kumar Bhuyan
14. Shri R. Dharmar
15. Shri Javed Ali Khan

SECRETARIAT

- | | | |
|----|------------------------------|------------------|
| 1. | Shri Ramkumar Suryanarayanan | Joint Secretary |
| 2. | Shri Kulmohan Singh Arora | Director |
| 3. | Shri Ajitesh Singh | Deputy Secretary |
| 4. | Ms. Deepika | Under 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 the 1st Report (18th Lok Sabha) on Demands for Grants (2024-25) of the Ministry of Power'.
- (ii) Report on 'Action-taken by the Government on observations/recommendations contained in the 2nd Report (18th Lok Sabha) on Demands for Grants (2024-25) of the Ministry of New and Renewable Energy'.
- (iii) Report on 'Action-taken by the Government on observations/recommendations contained in the 4th Report (18th Lok Sabha) on Demands for Grants (2025-26) of the Ministry of Power'.
- (iv) Report on 'Action-taken by the Government on observations/recommendations contained in the 5th Report (18th Lok Sabha) on Demands for Grants (2025-26) of the Ministry of New and Renewable Energy'.

3. After discussing the contents of the Reports in detail, the Committee adopted the abovementioned draft Reports without any amendment/modification.

4. The Committee authorized the Chairperson to finalize the above-mentioned Reports and present the same to both the Houses 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 First Report (18th Lok Sabha) of the
Standing Committee on Energy**

(i)	Total number of Recommendations	12
(ii)	Observations/Recommendations which have been accepted by the Government: Sl. Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 Total: Percentage:	12 100 %
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies: Sl. No. Nil Total: Percentage:	Nil 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. No. Nil Total: Percentage:	Nil 00
(v)	Observations/Recommendations in respect of which final replies of the Government are still awaited: Sl. No. Nil Total: Percentage:	Nil 00