

SIXTEENTH REPORT
STANDING COMMITTEE ON
ENERGY (1995-96)

(TENTH LOK SABHA)

MINISTRY OF POWER—
DEMANDS FOR GRANTS (1994-95)

[Action Taken by the Government on the recommendations contained in the 6th Report of the Standing Committee on Energy (Tenth Lok Sabha)]



सत्यमेव जयते

Presented to Lok Sabha on 26th April, 1995
Laid in Rajya Sabha on 26th April, 1995

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**COMPOSITION OF THE STANDING COMMITTEE ON
ENERGY (1995-96)**

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4. Shri A. Louis Martin — *Under Secretary*

INTRODUCTION

1. the Chairman, Standing Committee on Energy having been authorised by the Committee to submit the report on their behalf, present this Sixteenth Report (Tenth Lok Sabha) on Action Taken by the Government on the recommendations contained in the 6th Report of the Standing Committee on Energy (Tenth Lok Sabha) on "Demands for Grants" (1994-95) of Ministry of Power.

2. The Sixth Report of the Standing Committee on Energy was presented to Lok Sabha on 22nd April, 1994. Replies of Government to all the recommendations contained in the report were received on 6th April, 1994. The Standing Committee on Energy considered and adopted this report at their sitting held on 17th April, 1995.

3. An analysis of the action taken by Government and the recommendations contained in the Sixth Report of the Committee is given in Appendix-II.

NEW DELHI;
April 18, 1995

Chaitra 28, 1917 (Saka)

JASWANT SINGH,
Chairman,
Standing Committee on Energy.

CHAPTER I

REPORT

The Report of the Committee deals with the action taken by the Government on the recommendations contained in the Sixth Report (Tenth Lok Sabha) of the Standing Committee on Energy on Demands for Grants (1994-95) of the Ministry of Power which was presented to Lok Sabha on 22nd April, 1994.

2. Action Taken Notes have been received from the Government in respect of all the 11 recommendations contained in the Report. These have been categorised as follows:—

- (i) *Recommendations / Observations which have been accepted by the Government :*
Para Sl. Nos. 2.3, 2.5, 2.6, 2.7, 2.11, 2.12, 2.13, 2.14, 2.16 and 2.18
- (ii) *Recommendations / Observations which the Committee do not desire to pursue in view of the Government's reply :*
Para Sl. No. 2.20
- (iii) *Recommendations / Observations in respect of which replies of the Government have not been accepted by the Committee :*
-NIL-
- (iv) *Recommendations / Observations in respect of which final replies of the Government are still awaited :*
-NIL-

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

Mobilisation of Resources

Recommendation (Para No. 2.6)

4. Taking note of the fact that mobilisation of resources through IEBR had not been up to expectation in the previous years, the Committee wondered whether it would be really possible to mobilise as much as Rs. 4276 crores through IEBR budgeted during 1994-95.

The Ministry of Power in its reply stated, among other things, that the Ministry had made its assessment on a realistic basis. The Ministry was confident of meeting the target.

The Committee observe from the performance Budget 1995-96 of the Ministry that the Ministry could actually realise only Rs. 2902 crores under IEBR during 1994-95. The Committee feel that the target fixed for 1995-96

also look ambitious. The Committee hope that targets in this regard will be fixed on realistic basis in future.

Information in Performance Budget

Recommendation (Para No. 2.18)

5. The Committee had pointed that the Performance Budget (1994-95) of the Ministry of Power had not shown the target and achievement in 1992-93 in regard to training of personnel by CEA and had given only the half yearly achievement for 1993-94 against the whole year target. The Committee pointed out that no meaningful conclusion could be drawn in the absence of comparable figures and had expressed the hope that the Ministry would incorporate the relevant information in the Performance Budget in future.

6. The Ministry in its reply *inter-alia*, stated that the Committee's observations regarding incorporation of the targets of the previous year in the Performance Budget is noted for future.

7. The Committee are glad to observe that information regarding target and achievements in regard to training of personnel by CEA has been given in the performance Budget for 1995-96 as desired by the Committee. The Committee hope that such information will continue to be included in future and in respect of all schemes/programmes of the Ministry.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 2.3)

The Committee observe that the figures regarding plan outlay for the Ministry of Power for the year 1994-95 indicated in the Expenditure Budget (Vol. I-P. 30) of the Govt. are at variance with the figures given in the Performance Budget (P. 28) of the Ministry. While the Expenditure Budget indicates an outlay of Rs. 8463.54 crores for 1994-95, according to Ministry's Performance Budget, the outlay is far less which stands at Rs. 7163.26 crores. The Committee would like the Ministry to clarify the position and indicate the exact plan outlay for the Ministry during 1994-95. However, for the purpose of analysing plan performance, the figures shown in the Performance Budget of the Ministry are being made use of.

Reply of the Government

1. It is true that the Expenditure Budget indicates a total outlay of Rs. 8463.54 crores for Power in 1994-95. This, however, has 3 components, namely, allocation to the Ministry of Power, Ministry of Atomic Energy and Ministry of Coal for the power components. The details are indicated below:

Ministry of Power	Rs. 7163.26 crores (Pg. 155 of Expenditure Budget-Vol. II)
Nuclear Power	Rs. 1183.00 crores (Pg. 31 of Expenditure Budget-Vol. I)
Neyveli Lignite Corpn. (Min. of Coal)	Rs. 117.28 crores (Pg. 32 of Expenditure Budget-Vol. I)
Total	Rs. 8463.54 crores

It may, thus, be seen that there is no variation between the figures furnished in the Performance Budget of the Ministry of Power (Page 28) and the figures given in the Expenditure Budget (Vol. I) Grant No. 68.

2. It is to be mentioned that Vol. I of Expenditure Budget gives both sectoral allocation as well as allocation to each Ministry/Department as per Demands for Grants. Since certain common activities are carried out by Units under different Ministries (in this case power generation from

different sources), it is essential to provide sectoral allocation separately and this does not lead to over-lapping.

3. Similarly, funds provided under a common programme to different ministries/units have to be clubbed together and exhibited under the nodal Ministry. It is for this reason that the amount provided to Rural Electrification Corporation under Minimum Needs Programme is included in the Demand of the Ministry of Finance, who are responsible for giving assistance to States under the programme. Such exhibition of expenditure does not amount to over-lapping since full details are given in Expenditure Budget Vol. II, as also in the respective Detailed Demands of Grants of each Ministry/Department.

[Ministry of Power D.O. No. 20020/2/93-Bud dated the 6th April, 1994]

Plan Budget

2.4. The details regarding the 8th Five Year Plan Outlay and actual utilisation/estimates of plan allocation in the first three years of the plan in respect of the Ministry of Power are given below:

(Rs. in crores)

	I.E.B.R.				Total IEBR	GBS			Total plan outlay
	I.R.	Bonds etc.	Bor- rowing	Others		EAB	NBS	GBS	
8th Plan	3110	9403	5086	380	17979	5441	2500	7941	25920
1992-93									
B.E.	—	—	—	—	3342	1425	400	1825	5167
Actual	—	—	—	—	1901	1426	276	1701	3602
1993-94									
B.E.	562	1850	1500	149	4061	1568	640	2208	6269
R.E.	556	1750	615	397	3318	1564	643	2207	5525
1994-95									
B.E.	632	2101	1093	450	4276	2247	640	2887	7163

IEBR—Internal and Extra Budgetary Resources

GBS—Gross Budgetary Support

NBS—Net Budgetary Support

EAB—External Assistance through Budget

I.R.—Internal Resources

Recommendation (Para No. 2.5)

It can be observed from the above table that the Net Budgetary Support envisaged for the Ministry as a whole for the 5 year period in the 8th plan is Rs. 2500 crores. As against this the Net Budgetary Support for the first three years of the plan has been Rs. 276 crores (actual) in 1992-93, Rs. 643 crores (R.E.) in 1993-94 and 640 crores (B.E.) in 1994-95. This would mean that only Rs. 941 crores will be available as Net Budgetary

Support for the remaining 2 years of the 8th plan. The Committee would like to know how it is proposed to raise additional resources considering the likely reduction in the NBS.

Reply of the Government

It is true that the net Budgetary Support included in the 8th Five Year Plan outlay for the Ministry of Power is only Rs. 2500 crores. The Working Group of the Planning Commission, set up to recommend the provisions for the Power Sector had, however, envisaged an allocation of Rs. 6879.56 crores as Net Budgetary Support during the 8th Plan. The actual allocation, however, was restricted Rs. 2500 crores, as mentioned above.

It is also true that after providing for the actual expenditure of Rs. 276 crores in 1992-93 and Rs. 643 crores in BE 1993-94 and the provision of Rs. 640 crores in BE 1994-95, the balance available against the allocation of Rs. 2500 as Net Budgetary Support in the 8th Plan would be only Rs. 941 crores. Ministry of Power had, however, taken up with the Planning Commission the need for enhancement of the Net Budgetary support, as a part of the exercise conducted for prioritising of the projects in the 8th Plan and Planning Commission has accordingly agreed in Oct. 1993 to provide an additional amount of Rs. 817 crores during 8th Plan as Net Budgetary Support. Of this, an amount of Rs. 195 crores was to be provided in RE 1993-94 which however, could not be made available by the Ministry of Finance due to overall shortage of funds.

The break up of the amount agreed to be the Planning Commission is as given below:—

(Rs. in Crores)

	8th Plan allocation	1993-94 revised
1. NTPC	(+) 120	—
2. NHPC	(-) 315	—
3. DVC	(+) 120	(+) 80
4. THDC	(+) 383	(+) 50
5. NJPC	(+) 509	(+) 40
6. PFC	(-) 120	—
7. NEEPCO	(+) 120	(+) 25
Total	(+) 817	(+) 195

Due to resource constraints, the Planning Commission could provide only Rs. 640 crores in BE 1994-95. The Planning Commission has been supporting the need to give additional Net Budgetary Support to the hydel power projects of the Ministry of Power and it is expected that the Net

Budgetary Support during the last 2 years of the Five Year Plan would be increased correspondingly.

The Ministry of Power proposes to take up the need for additional Net Budgetary Support, during the mid-term review of the 8th Five Year Plan, especially considering that the original allocation by Planning Commission was at the 1992-93 base-level and would need updating. The Ministry of Power is grateful to the Committee for the concern expressed in this behalf and would keenly look forward to its recommendation. The other options available to the Ministry are:—

- (i) Raise maximum possible amount from IEBR sources.
- (ii) Encourage private investment in the power sector which will reduce the gap in demand and supply of electricity.

The Joint Sector Corporation executing hydel projects such as NJPC, THDC etc. are not in a position to raise internal resources or extra budgetary sources. They have essentially to depend on Gross Budgetary Support. These projects have long gestation period and raising bonds even by NHPC is causing a problem of heavy repayment. The Ministry, therefore, is of the view that PSUs in the infrastructural sector especially Power should continue to be funded by Net Budgetary Support. Thus, there is a case for increasing the NBS to the Ministry of Power.

[Ministry of Power D.O. No. 20020/2/93-Bud dated the 6th April, 1994]

Recommendation (Para No. 2.6)

The Committee are concerned to note that the mobilisation of resources through IEBR in 1992-93 was Rs. 1901 crores which accounts for just 57% of the Budget estimate of Rs. 3342 crores. During the year 1993-94 also the budget allocation of Rs. 4061 crores under IEBR has been revised downwards to Rs. 3318 crores. The Committee wonder whether it would be really possible to mobilise as much as Rs. 4276 crores through IEBR budgetted during 1994-95.

Reply of the Government

The internal and extra budgetary resources comprise of the following elements:—

- (i) Internal Resources generated by PSU's.
- (ii) Resources raised by way of PSU bonds.
- (iii) Direct Foreign Assistance.
- (iv) Other loans and Commercial Borrowings.

An analysis of each of the above components given below would indicate that the Ministry of Power has made its assessment on a realistic basis and if the present trend of the market continues, it would be possible to raise the IEBR requirement of Rs.4276.16 crores in 1994-95.

(i) *Internal Resources generated by PSUs*

Out of Rs. 4276.16 crores which is the total IEBR figure for Ministry of Power in 1994-95, Rs. 632.50 crores has been targetted for being met out of internal resources generated by profit making PSUs. These targets are assessed quite realistically in consultation with the Ministry of Finance and after taking into account the trend of receivable by PSUs from SEBs, the repayment obligations to meet debt servicing etc. The provisional figures for the financial year 1993-94 would indicate that the provision of Rs. 562 crores will be met fully. Thus, even in 1994-95 we should not have any problem in meeting our targets.

(ii) *Resources raised by way of PSUs Bonds*

Rs. 2110 crores is expected to be raised by way of Bonds for the year 1994-95. As pointed out by the Committee in its draft report, it is true that mobilisation through IEBR for 1992-93 was only Rs. 1901 crores, representing about 57% of the budget estimates of Rs. 3342 crores. The year 92-93 was, however, especially bad for resource mobilisation from internal capital market, in view of the various developments and strains which prevailed at that time. Moreover, the interest rates being quoted by Financial Institutions, Commercial Banks etc. were excessively high, and it was not possible for the PSUs to raise money at reasonable cost. As a matter of fact, even at the high rates of interest, the Commercial Banks etc. were not willing to subscribe to the PSU Bonds and the matter was also brought to the notice of the Planning Commission. There was also hardly any prospect of raising money by public issues. As a result, the PSUs under the Ministry of Power could, in all, raise only Rs. 89 crores during 1992-93 as against Rs. 1647 crores allocated by the Ministry of Finance/Planning Commission.

The Capital Market started responding towards the last quarter of 1993-94 especially after the lowering of the RBI rate and as a sequel to Commercial Banks being permitted to purchase PSU Bonds for upto 5 per cent of their incremental deposit mobilisation. Most of the PSUs have been able to raise a major part of the allocated amounts of Bonds in 1993-94 at a rate of 14-15% P A. and the total amounts raised under Bonds so far in 1993-94 comes to Rs. 1303.50 crores. If the trend continues, the Ministry of Power expects that it would be possible to raise Rs. 2101 crores through Bonds in 1994-95.

(iii) *Direct Foreign Assistance*

Rs. 12093.10 crores is expected to be raised through suppliers credits and other foreign commercial borrowings. Since this also includes direct loans to be received from World Bank, it is expected that the utilisation for 1994-95 under this head will be quite comfortable. Moreover, in view of the overall recession in the World-market, equipment suppliers have been forthcoming to arrange buyers credit upto 80 per cent of the values.

(iv) *Other sources*

Rs. 449.56 crores is expected to be raised through loans and other commercial borrowings such as loans from UTI and other Financial Institutions. Keeping in view the fact that for the year 1993-94 we have been able to raise about Rs. 557 crores under this head, the Ministry is confident of meeting the target.

The IEBR figures for the year 1992-93, 1993-94 and 1994-95 compare as under:—

(Rs in crores)

	B.E.	Actual%	Actual to B.E.
1992-93	3342.00	1900.56	56.86%
1993-94	4061.00	2925.67 (Provisional)	72.04%
1994-95	4276.16	—	—

The above table would clearly indicate the improved position of IEBR in the year 1993-94 over 1992-93. Keeping this trend in mind the Ministry is hopeful of being able to raise resources allocated to it under IEBR for 1994-95.

[Ministry of Power, D.O. No. 20020/2/93-Bud. dated the 6th April, 1994]

Recommendation (Para No. 2.7)

Viewing from the above background, the Committee are disappointed to note that the Ministry has surrendered from Budgetary Support an amount of Rs. 124 crores with reference to Budget estimate of 1992-93. The Committee wish to be apprised of the reasons for non-utilisation of this amount during 1992-93.

Reply of the Government

Details of surrender of funds during 1992-93

(Rs. in crores)

	Savings(-)	Excess(+)
1. Central Electricity Authority	2.64	—
2. Central Power Research Institute	—	7.20
3. Power Engineers Training Society	5.32	—
4. Energy Conservation Scheme	3.76	—
5. Kutir Jyoti	—	5.00

	Savings(-)	Excess(+)
6. Badar Thermal Power Project	—	1.64
7. Nathpa Jhakri Power Corp.	70.00	—
8. Power Finance Corp.	115.00	—
9. North East Electric Power Corp.	—	58.00
10. Power Grid Corp.	—	4.00
11. Inter-State Transmission Lines	1.40	—
12. Miscellaneous items	2.70	1.55
	(-) 200.82	(+) 77.39

Net Savings—Rs. 123.43 crores

From the above, it would be seen that the main reason for savings was the surrender of Rs. 115 crores provided for PFC.

During pre-budget discussion, the Ministry of Finance was of the view that PFC not be given any budgetary support in that year, in view of their liquidity position. It was also tentatively agreed that NHPC will be given an additional Rs. 50 crores out of the above, which however, was not agreed to in the final statement of Budget Estimates. Hence, against the allocation of Rs. 125 crores provided as Net Budgetary Support towards investment in PFC an amount of Rs. 115 crores had to be surrendered. The other items surrendered included Rs. 70 crores provided as World Bank assistance to NJPC, which was due to delayed award of civil contracts. Wherever possible, additional amounts were given to organisation like CPRI, NEEPCO and Power Grid, which had off-set the savings. Thus, every care is being taken to utilise maximum possible amounts.

It may, thus, be seen that the surrender of Rs. 115 crores was on account of the decision of the Finance Ministry.

[Ministry of Power, D.O. No. 20020/2/93-Bud. dated the 6th April, 1994]

Recommendations (Para Nos. 2.11 & 2.12)

The Committee regret that the overall achievement in regard to capacity addition was only a little over 75% of target in 1992-93. The performance of Central Sector in the hydro capacity addition was dismal and the achievement was just around 20% i.e. 115 MW as against the target of 540 MW. During April-Sept. 1993, on hydro capacity was installed in the Central Sector though 295 MW of hydro capacity was targeted to be installed by the Centre.

The Committee would like to be informed of the reasons for this failure in achieving the capacity addition targets particularly in the hydro sector. The performance Budget of the Ministry has not disclosed the capacity addition target for the year 1994-95. The Committee would like to be informed in this regard as well.

Reply of the Government

As observed by the Committee, the overall achievement in regard to capacity addition 1992-93 was only around 79% of the target. While Thermal Generation could achieve 88% of the programmed capacity addition, the Hydel Sector performance was only to the tune of 42% of the target.

The reasons for this shortfall in the hydro sector have already been summarised above in Para 2.10. The target of 540 MW set for the Central Sector in 1992-93 was fixed with the expectation that Chamera-I (3 × 180 MW) in Himachal Pradesh would be commissioned. However, to partially compensate for this slippage of Chamera-I, one unit of 115 MW of the Salal Stage-II was commissioned ahead of schedule.

While the target of the first half of 1993-94 was not achieved; in the full year of 1993-94 total Hydel capacity of 797.15 MW has been added. In the Central Sector capacity of 655 MW has been added against the target of 770 MW. Only one unit of Salal Stage-II (115 MW) has not been added in 1993-94 because of delay in civil works and due to siltation problems in Salal river. This third unit of Salal Stage-II will be commissioned in 1994-95.

The capacity addition programme for 1994-95 has been tentatively fixed as 4159.95 MW. This programme is being firmed up after the details of the full capacity addition for the year 1993-94 is known.

[Ministry of Power, D.O. No. 20020/2/93-Bud. dated the 6th April, 1994]

Recommendation (Para No. 2.13)

The Committee observe in this connection that the budgetary support to National Hydro Electric Power Corporation has been reduced from Rs. 325 crores in 1993-94 to Rs. 230.25 crores in 1994-95. The Committee fail to understand the rationale of this reduction considering the fact that there is a need to increase the hydro capacity in the wake of the past record of shortfall in capacity addition.

Reply of the Government

Although budgetary support to NHPC has been reduced from Rs. 325 crores in 1993-94 to Rs. 230.25 crores in 1994-95 the budgetary support in the central sector for increasing the hydel capacity has in fact been increased from Rs. 686.89 crores in 1993-94 to Rs. 909.59 crores in 1994-95 which amounts to about 33% increase. The increase has been provided largely to the Nathpa Jhakri Power Corporation due to the fact that award of all major civil works has been completed, pre-construction activities are in full swing and the civil works have gathered momentum. The outlay of Tehri Hydro Development Corporation has also been increased besides increase in the outlays of Kopili Extension Project and Sardar Sarovar Project. This is due to the fact that these projects are ongoing and

adequate budgetary support would enable deriving early benefits from them. The intention is to ensure that all ongoing projects are speeded up rather than taking up new projects and spreading the resources thinly.

2. NHPC is at present implementing Salal HE Project whose 1st Unit has already been commissioned, Uri & Dulhasti HE Projects with external assistance in J & K and Rangit Project in Sikkim. The allocation of funds have been made to these projects keeping in view the overall availability of funds, *inter-se* priority and requirement of funds for these projects. Koel Karo and Dhauliganga HE Projects have not made a start due to inadequacy of funds. The State Government of Bihar has been requested to explore the possibility of private sector implementation of Koel Karo Project since the current resource position does not enable start of work immediately on this large project. Another main reason for low allocation of budgetary support to NHPC is the fact that NHPC as compared to the other project implementing agencies is in a position to generate internal resources from commissioned projects like Baira Siul, Loktak, Salal and Chamera HE Projects and also raise market borrowings.

During 1993-94, the provision for the net budgetary support for the hydel projects in the Central Sector was Rs. 375 crores and Rs. 375 crores was actually released. In addition, another Rs. 30 crores was provided to Sardar Sarovar, making a total of Rs. 405 crores. The external assistance through budget for the central hydel corporations was 281.89 crores, which has been fully utilised. Thus the total budgetary support to hydel corporations released during 1993-94 is Rs. 687 crores. As against this, the gross budgetary support to hydel corporations during 1994-95 is Rs. 909.59 crores. In the case of net budgetary support the increase in allocation for hydel projects is from Rs. 405 crores to Rs. 430 crores.

[Ministry of Power, D.O. No. 20020/2/93-Bud. dated the 6th April, 1994]

Recommendation (Para No. 2.14)

The actual energy generation in 1992-93 was 301066 MUs consisting of 224485 MUs thermal, 6748 MUs nuclear and 69833 MUs hydro as against the target of 302700 MUs. The Committee observe that the shortfall in generation against the target was 1634 MUs during 1992-93. The generation programme for 1993-94 has been fixed at 316700 MUs. The Committee would like to know the extent of peak shortage and energy shortage in the year 1992-93 and 1993-94 and the anticipated peak and energy shortages during 1994-95.

Reply of the Government

Information in regard to peak and energy shortages, is as follows:

	1992-93 Peak Power (MW)	Energy (MU)
Requirement	52805	385266
Availability	41984	279824
Shortage (Percentage)	10821 (20.5)	25442 (8.3)

	1993-94 (Tentative) Peak Power (MW)	Energy (MU)
Requirement	54132	322776
Availability	44641	299000
Shortage (Percentage)	9491 (17.5)	23776 (7.4)

	1994-95 (anticipated) Peak Power (MW)	Energy (MU)
Requirement	58000	345640
Availability	48177	316526
Shortage (Percentage)	9823 (16.9)	29114 (8.4)

2. In order to mitigate the affect of shortages, integrated operation of the contiguous States in each of the five regions is being promoted to derive the benefit of peack diversities, seasonal surpluses, etc. and inter-regional exchanges are being maximised to the extent practically feasible within the existing constituents.

[Ministry of Power, D.O. No. 20020/2/93-Bud. dated the 6th April, 1994]

Recommendation (Para No. 2.16)

The Committee observe that in practice energy conservation measures have not been given the importance they deserve. The most cost effective option available for bridging the gap between the demand and supply of energy in the short-term is effective energy conservation. The Committee would like to be apprised of the progress made in formulating the action plan and the extent of saving realised in the first two years of the 8th plan considering the targeted saving of 5000 MW of installed capacity aimed at.

Reply of the Government

1. Ministry of Power has already drawn up the Action Plan for implementation of National Energy Efficiency Programme (NEEP) and forwarded it to all concerned. The programme envisages saving of 2250 MW through better supply side management and 2750 MW through demand side management. The components on the demand side are as follows:

Industry	1300 MW
Lighting	450 MW
Domestic	200 MW
Commercial	150 MW
Agriculture	350 MW
Better Grid Management	300 MW

On the supply side, in the thermal power stations, through improving capacity utilisation, improving head rate and reducing auxiliary power consumption, 1350 MW saving is anticipated and through reduction in T&D losses 900 MW are proposed to be saved.

2. Action to implement various schemes has to be taken by a very large number of organisations and not by the Ministry of Power alone. For instance, on the supply side the action is required to be taken by all the power stations, all utilities responsible for distribution—be these in the public sector or in the private sector. Certain action is beyond the power units since improving capacity utilisation is also dependent upon timely supply and quality of fuel. Similarly on the demand side, action has to be taken not only by the utilities but more so by the consumers—be these in the industry, commerce or domestic sector. In agriculture sector, action is not only required to be taken by the farmer but also by the utilities and financial institutions financing the purchase of pumpsets and by institutions like Bureau of Industrial Standard (BIS) which set standards etc. Energy Conservation thus becomes the responsibility of all other Ministries of Government of India—be these Ministries of Agriculture, Industry, Steel, Surface Transport, Railway, Civil Aviation, Petroleum & Natural Gas etc.

and the job of the Ministry of Power is to coordinate action leaving it to each Ministry to devise suitable ways and means.

3. It would thus be seen that action for Energy Conservation is required to be taken by a very large number of players. Ministry of Power has to mainly play the role of a Coordinator for which a policy framework has been set by the Ministry to encourage the energy conservation. This *inter-alia* includes requesting State Governments to rationalise their power tariff, undertaking programmes of Renovation & Modernisations, reduction in T&D losses etc. Towards this end, the Ministry also closely associates itself with the working of Bureau of Industrial Standard (BIS) on whose Governing Council the Ministry is represented. The Ministry of Power is also represented on the Governing Council of National Productivity Council whose overall job to ensure higher productivity or lower costs per unit of output. More specifically to fill up the gap where other Ministries are not taking action, Ministry of Power initiate action through the Energy Management Centre which is directly under its control.

4. The Ministry of Power has also allocated large amounts of funds to Renovation and Modernisation for which a scheme costing Rs. 1848 crores has been prepared for Eighth Plan, with Power Finance Corporation partly funding it. Considerable action is being taken to improve capacity utilisation though PLF which has already started showing results and this year the PLF is the highest ever—60.7% as against 57.1% in the previous year.

5. Ministry is of also fully involved in reduction of T&D losses. An Action Plan for reduction of T&D losses by 1% per year, among other things, has been adopted in the last Power Minister's Conference, which is being monitored. PFC and REC are assigning high priority for funding System Improvement Schemes, including capacitor installation programme etc.

6. A number of States have set up Energy Development Agencies which are being supported by us directly as well as through EMC for which they are acting as lead agencies. It is not only EDAs but also a number of other agencies like CII, local productivity council, local research institution etc. which are also acting as lead agencies for EMC under its various programmes. Ministry is encouraging use of such non-official bodies so that they can act as extended arms of the Government and also bring about greater cooperation of consumers plus build up awareness for energy conservation.

7. A large number of training programmes, workshops, seminars are encouraged/participated by the Ministry of Power/EMC on energy conservation at various levels and many of these are also being financially supported. Energy Conservation Day is also celebrated on the 14th December every year, as part of the "Awareness Campaign" on energy conservation.

8. It would be seen from what has been enumerated above that large scale efforts and funds go into the totality of what constitutes energy conservation. The amounts available to Ministry of Power are essentially for demonstration and pilot projects in various sectors. Utilisation of funds depends on the ongoing schemes and status of fresh proposals received in the current year. After assessing the proposals received from the various organisations and approved project, the budget provision was revised to Rs. 5.5 crores. However, during the current year projects worth Rs. 15.00 crores have been/are being sanctioned. Part of the amounts will be earmarked to form a Corpus Fund of EMC to make the Centre fully autonomous, as per the recommendation of high level committee.

[Ministry of Power, D.O.No. 20020/2/93-Bud, dated the 6th April, 1994]

Recommendation (Para No. 2.18)

The Performance Budget has not shown the target and achievement in 1992-93 in regard to training of personnel by CEA and has given only the half yearly achievement for 1993-94 against the whole year target. The Committee would like to point out that no meaningful conclusion can be drawn in the absence of comparable figures. The Committee hope that the Ministry will keep this point in view and incorporate the relevant information in the performance Budget in future. As regard to training of manpower, the Committee hardly need emphasise its significance.

Reply of the Government

It is true that the Performance Budget for 1994-95 has not shown the targets and achievements of 1992-93 in regard to training of personnel by CEA. This target was, however, given in the Performance Budget of the previous year *i.e.* 1993-94. The Committee's observations regarding incorporation of the targets of the previous year too in the Performance Budget is noted for future.

Information relating to 1992-93 is as under:

	Training in India	Training Abroad	International Seminar/ Workshop
Target	105	35	12
Actual	119	34	12

(ii) The training in the relevant fields for all the Engineers of CEA at induction level as well as in-service/refresher courses is organised by availing training opportunities available with the established Institutes like National Power Training Institute, Power System Training Institute etc. in the country. CEA Engineers are also deputed to participate in various national workshops/seminars in fields related to Power Sector CEA

makes full use of the slots allotted for the training programmes sponsored by Department of Personnel and Training. These programmes are mainly related to energy, environment, projects appraisal, financial management, computer etc. To upgrade the managerial skill/administrative skill and decision making of middle level/senior level, CEA officers are deputed for training in the specialise organisations like Management Development Institute (MDI), Indian Institute of Public Administration (IIPA), Administrative College of India (ACI) etc. To upgrade the knowledge in the area of computer technology the officers are sent for training in CMC, NIC etc.

(iii) CEA Engineers are also deputed to Power System Training Institute and Hotline Training Centre at Bangalore which impart training in the field of power system planning, operation, protection, load despatch, hotline maintenance technique etc. These Institutes are directly under the control of CEA.

(iv) Apart from in country training, CEA Engineers are also deputed abroad for their upgradation of knowledge and skills etc. against the slots made available from donor countries under fully aided/semi-aided programmes like Colombo Plan, US-Aid, UNDP, SIDA, JICA etc. Specialised training programmes abroad mainly relate to O & M, design of Thermal and Hydro stations, system improvement, reduction in T & D losses, management of power station etc. Officers are also deputed under transfer of technology programme for specific projects. Generally the middle level officers upto 45 years of age are deputed as for the guidelines laid down by Ministry of Finance (DEA) and donor countries.

(v) Apart from the above, officers are also deputed for attending international conferences/symposia/finalisation of contracts/factory acceptance tests etc.

(vi) A scheme of Technology Transfer and Training Project for CEA/CWC/GSI Officers with World Bank Assistance of US\$ 5 million has also been sanctioned in October, 1993. The scheme provides for technology transfer and training programmes. The scheme envisages to further upgrade the technical know-how of hydro power engineers by (i) establishing overall training strategy evolved by the development of detailed training programme, (ii) equipping CEA/CWC with upto date design manuals and skills, preparation of DPR and designs of manuals and skills, preparation of DPR and designs of Hydro Electric projects and with specialised office equipment, computer facilities and software in order to improve working systems.

(vii) The target/achievement for the year 1993-94 and target for the year 1994-95 pertaining to studies and training, CEA is furnished as under:

Training in India			Training/Seminar abroad			International Seminar/ Workshop		
Targ. 93-94	Actual 93-94	Tar. 94-95	Targ. 93-94	Actual 93-94	Tar. 94-95	Targ. 93-94	Actual 93-94	Tar. 94-95
108	130	150	20	15	20	9	7	15

[Ministry of Power D.O.No. 20020/2/93-Bud. dated the 6th April, 1994]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH MAY NOT BE PURSUED IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Para No. 3)

The Committee find that the utilisation of funds by CPRI in 1992-93 was just 40% of the budgetary provision. The Committee wish to be informed of the reasons for steep shortfall in utilisation of funds by CPRI in 1992-93 and also whether the under utilisation had any adverse impact on its programmes and activities. The Committee also note that against the 8th Plan outlay of Rs. 203 crores the budgetary allocation in the first three years adds upto only around Rs. 85 crores. The Committee will await an explanation for the slow progress in utilising the 8th Plan outlay for CPRI.

Reply of the Government

It may be seen from the printed book of "Demands for Grants for the Ministry of Power 1993-94 (Page-13)" that B.E. 1992-93 of CPRI was Rs. 30.80 crores (and not Rs. 80.80 crores). This was increased to Rs. 38.00 crores at the R.E. stage to accommodate the equipment from M/s CEGLEC, France for the High Power Laboratory at Bangalore. The amount of Rs. 38 crores was entirely used by CPRI in 1992-93.

The 8th Plan outlay of Rs. 203 crores for CPRI has been reduced to Rs. 176.17 crores consequent to prioritisation of CPRI's projects. This has been necessitated due to the fact that the External Assistance Component may not materialise to the level of the 8th Plan allocation.

After taking into account the expenditure and budgetary provisions in the first 3 years of the plan, which comes to around Rs. 88 crores, CPRI will be required to utilise around Rs. 88 crores in the final 2 years of the 8th Plan, CPRI has already planned the schemes that it will be taking up for these years. The details are as under:—

(Rs. in Crores)

Item	1995-96	1996-97	Total
1. Buyers Credit for HPL (High Power Laboratory)	1.66	1.68	3.34
2. 2nd Short-circuit Generator	32.88	—	32.88

Item	1995-96	1996-97	Total
3. R & D Schemes	0.76	0.76	1.52
4. New Projects	43.88	9.31	53.19
			90.93

As regards the New Projects, there are 5 new schemes relating to Augmentation and Modernisation of existing laboratories for a total of Rs. 60 crores and are under consideration of the Ministry.

[Ministry of Power D.O. No. 20020/2/93—Bud. dated the 6th April, 1994]

CHAPTER IV

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED
BY THE COMMITTEE**

—NIL—

CHAPTER V

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

—NIL—

NEW DELHI;
15 April, 1995

28 Chaitra, 1917 (Saka)

JASWANT SINGH,
Chairman,
Standing Committee on Energy.

APPENDIX-I

MINUTES OF THE FIRST SITTING OF THE STANDING COMMITTEE ON ENERGY (1995-96) HELD ON MONDAY, THE 17TH APRIL, 1995

The Committee sat from 11.00 hrs. to 13.30 hrs.

PRESENT

1. Shri Shiv Charan Mathur—*In the Chair*
2. Smt. Lovcly Anand
3. Shri Anil Basu
4. Smt. Dil Kumari Bhandari
5. Shri Dalbir Singh
6. Shri Keshari Lal
7. Shri Rajesh Kumar
8. Shri Venkateswara D. Rao
9. Shri K.P. Reddaiah Yadav
10. Shri Haradhan Roy
11. Shri Khelsai Singh
12. Shri Laxminarain Tripathi
13. Shri Shankersinh Vaghela
14. Prof. Rita Verma
15. Shri Virender Singh
16. Shri Vijay Kumar Yadav
17. Shri Parmeshwar Kumar Aggarwalla
18. Shri M.M. Hashim
19. Shri Bhubneswar Kalita
20. Shri Dipankar Mukherjee
21. Smt. Ila Panda
22. Shri J.S. Raju
23. Shri T. Venkatram Reddy
24. Shri Viren J. Shch

SECRETARIAT

1. Shri G.R. Juncja — *Deputy Secretary*
2. Shri A. Lousia Martin — *Under Secretary*

2. In the absence of Chairman, the Committee chose Shri Shiv Charan Mathur to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and conduct of Business in Lok Sabha.

5. Then the Committee considered and adopted the following draft action taken reports:—

- (i) Action Taken by the Government on the recommendations contained in the 6th Report of Standing Committee on Energy on "Ministry of Power—Demands for Grants (1994-95)."

The Committee also authorised the Chairman to finalise above mentioned reports and present the same to Parliament.

The Committee then adjourned.

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**Paras 3, 4 and 5 (ii) of the minutes relating to general procedure and Consideration of draft report relating to Ministry of Coal are not included.

**Paras 5(iii), (iv) and 6 of the minutes relating to consideration of Reports relating to DAE HNES and M/O Coal are not included.

APPENDIX-II
(*Vide* Para 3 of introduction)

Analysis of Action Taken by Government on the Sixth Report of Standing Committee on Energy (10th Lok Sabha).

I. Total number of recommendations made.	11
II. Recommendations that have been accepted by the Government (<i>vide</i> recommendations at para Sl. No. 2.3, 2.5, 2.7, 2.11, 2.12, 2.13, 2.14 and 2.16.)	10
Percentage to total	90.9%
III. Recommendations which the Committee do not desire to persue in view of the Government's replies (<i>vide</i> recommendation at para Sl. No. 2.20).	1
Percentage to total	9.1%
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee.	NIL
V. Recommendations in respect of which final replies of the Government are still awaited.	NIL