

11

STANDING COMMITTEE  
ON ENERGY  
(1996-97)

ELEVENTH LOK SABHA

on energy

1996-97

MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES

DEMANDS FOR GRANTS (1996-97)

*[Action Taken by the Government on the Recommendations contained  
in the Third Report of the Standing Committee on Energy  
(Eleventh Lok Sabha)]*

ELEVENTH REPORT



१३१

LOK SABHA SECRETARIAT  
NEW DELHI

3657R  
11:4

April, 1997 / Chaitra, 1919 (Saka)

## ELEVENTH REPORT

### STANDING COMMITTEE ON ENERGY (1996-97)

(ELEVENTH LOK SABHA)

### MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES

### DEMANDS FOR GRANTS (1996-97)

*[Action Taken by the Government on the Recommendations  
contained in the Third Report of the Standing Committee  
on Energy (Eleventh Lok Sabha)]*

Presented to Lok Sabha on..... 22 APR 1997  
Laid in Rajya Sabha on.....



LOK SABHA SECRETARIAT  
NEW DELHI

April, 1997/Chaitra, 1919 (Saka)

C.E. No. 069

Price : Rs. 10.00

LC  
328.36574  
N6.11; U

100/- 99A 88

PARLIAMENT LIBRARY  
Central Govt. Publications  
Acc. No. RC 9-1225 (5)  
Date ..... 15/10/95

© 1997 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eighth Edition) and Printed by Jainco Art India, 13/10, W.E.A., Saraswati Marg, Karol Bagh, New Delhi-110005.

## CONTENTS

## APPENDICES

- |   |    |
|---|----|
| I. Extracts of Minutes of the Tenth Sitting of the Standing Committee on Energy (1996-97) held on 17th March, 1997 .....  | 16 |
| II. Analysis of Action Taken by the Government on the recommendations contained in the Eleventh Report of the Standing Committee on Energy (Eleventh Lok Sabha) ..... | 18 |

COMPOSITION OF THE STANDING COMMITTEE ON ENERGY  
(1996-97)

Shri Jagmohan — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Karia Munda
3. Shri Lalit Oraon
4. Prof. (Smt.) Rita Verma
5. Shri Gyan Singh
6. Prof. Om Pal Singh 'Nidar'
7. Shri Ravindra Kumar Pandey
8. Shri Muni Lall
9. Shri Manoj Kumar Sinha
10. Shri Sriram Chauhan
11. Shri Sriballav Panigrahi
12. Shri G. Venkatswamy
13. Shri Tariq Anwar
14. Shri Parasram Bhardwaj
15. Shri A.K. Panja
16. Shri Prithviraj D. Chavan
17. Shri Iswar Prasanna Hazarika
18. Shri Sandipan Thorat
19. Shri P. Kodanda Ramiah
20. Shri Ram Kripal Yadav
21. Shri Anil Basu
22. Shri Haradhan Roy
23. Shri P.R.S. Venkatesan

24. Shri V. Ganesan
25. Shri N. Ramakrishna Reddy
26. Shri Gawali Pundlikrao Ramji
27. Shri Anand Mohan
28. Shri Prem Singh Chandumajra
29. Shri Chitta Basu
30. Shri Ramendra Kumar

*Rajya Sabha*

31. Shri Madhavsinh Solanki
32. Shri M. Rajasekara Murthy
33. Shri S.M. Krishna
34. Shri Ramji Lal
35. Shri Ved Prakash Goyal
36. Shri Lakhiram Agarwal
37. Shri Prem Chand Gupta
38. Shri Dipankar Mukherjee
39. Shri Vizol
40. Shri Gaya Singh
41. Smt. Basanti Sarma
42. Shri Rajendra Prasad Mody
43. Shri V.P. Duraisamy
44. Shri Rajnath Singh 'Surya'

**SECRETARIAT**

- |                         |                               |
|-------------------------|-------------------------------|
| 1. Shri S.N. Mishra     | — <i>Additional Secretary</i> |
| 2. Smt. Roli Srivastava | — <i>Joint Secretary</i>      |
| 3. Shri G.R. Juneja     | — <i>Deputy Secretary</i>     |
| 4. Shri A.S. Chera      | — <i>Under Secretary</i>      |
| 5. Shri Arun Kumar      | — <i>Reporting Officer</i>    |

## INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorised by the Committee to present the Report on their behalf, present this Eleventh Report (Eleventh Lok Sabha) on the Action Taken by the Government on the recommendations contained in the Third Report of the Standing Committee on Energy (Eleventh Lok Sabha) on "Demands for Grants 1996-97 of the Ministry of Non-Conventional Energy Sources".

2. The Third Report (Eleventh Lok Sabha) of the Standing Committee on Energy was presented to Lok Sabha on 3rd September, 1996. Replies of the Government to the recommendations contained in the Report were received on 5th December, 1996. The Standing Committee on Energy considered and adopted this Report at their sitting held on 17th March, 1997.

3. An analysis of the action taken by the Government on the recommendations contained in the Third Report of the Committee is given in Appendix II.

NEW DELHI;  
April 4, 1997  
Chaitra 14, 1919 (Saka)

JAGMOHAN,  
*Chairman,*  
*Standing Committee on Energy.*

## CHAPTER I

### REPORT

The Report of the Committee deals with Action Taken by the Government on the recommendations contained in the Third Report (Eleventh Lok Sabha) of the Standing Committee on Energy on "Ministry of Non-Conventional Energy Sources-Demands for Grants (1996-97)" which was presented to Lok Sabha on 3rd September, 1996.

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

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

Sl. Nos. 1, 3, 5 (Para No. 1.36), 7 (Para Nos 1.48 and 1.49)

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

Sl. Nos. 4 and 6.

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

Sl. No. 5 (Para No. 1.34)

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

Sl. Nos. 2 and 5 (Para No. 1.35)

3. **The Committee require that final replies in respect of recommendations for which only interim replies have been given by the Government ought to be furnished to the Committee with three months.**

4. The Committee will now deal with the Action Taken by the Government on some of their recommendations:—

*A. Biomass Briquetting*

**Recommendation (Sl. No. 2, Para No. 1.15)**

5. The Committee noted that IREDA could not meet the targets envisaged for financing biomass briquetting projects during the Eighth plan period. It was also observed that presently only 28 of the 42 briquetting units in the country were operating. It had been admitted that the briquetting units were facing serious operational problems of a technical nature. The Committee stressed that issues relating to these problems must be analysed thoroughly and corrective measures should be taken accordingly, so as to make the briquetting units and programmes in this respect viable. The Committee also desired to know the present status of production capacity/targets in respect of the 28 operating briquetting units.

6. The Ministry have stated in their reply that the installed capacity of briquetting units, which were funded by IREDA during 1987-88 to 1995-96 and are reported to be operational at present totals to about 21 metric tonnes per hour. These units are reportedly working on an average at about 60% of the installed capacity.

**7. The reply of the Government is silent on the Committee's suggestion to initiate corrective measures to make the biomass briquetting units viable. The present performance of the operating briquetting units, as reported, is far from satisfactory. The Committee, therefore, reiterate that operational problems facing the briquetting units need to be addressed to and the units made economically viable. The Committee expect the Government to take positive steps in this direction and apprise the Committee about the progress made in this regard.**

*B. Biomass Cogeneration*

**Recommendation (Sl. No. 3, Para No. 1.25)**

8. The Committee found that biomass based cogeneration had been identified as an area holding considerable promise for grid interactive power generation. The Committee, however, were of the opinion that several institutional or operational impediments came in the way of quick exploitation of the potential. Noting that only few States had responded positively to the uniform policy guidelines issued by the Ministry in this regard, the Committee desired that the Ministry should

approach the States to adhere to the uniform policy formulated by them. The Committee also suggested that steps should be taken to ensure that the agreements with SEB were reached within a proper time schedule so that private entrepreneurs were attracted to this field. Furthermore, the Committee expected that all the proposals in this regard were cleared expeditiously.

9. The Government have *inter-alia* stated in their reply that the Ministry have been maintaining a continuous dialogue with the State Governments/State Electricity Boards in this regard and that the efforts of the Ministry have been directed towards enactment of a uniform policy in all the concerned States as per the guidelines issued by the Ministry. It has been stated that the efforts of the Ministry, to ensure that an attractive policy framework is brought in place by all the concerned State Electricity Boards, will be continued.

10. It has been further stated that the Ministry has been trying to persuade the State Electricity Boards to announce Model Power Purchase Agreements which could save time and effort of promoters. Also, apart from expressing the view that announcement of general power purchase policies and model PPAs will eliminate delays in finalisation of projects, the Government have informed that the Ministry make conscious attempts to take up for expeditious consideration applications which are received for subsidy under the Ministry's National Programme on Bagasse based Co-generation. It has also been stated that attempts are made to play a pro-active role in expediting finalisation of various proposals.

11. **The Committee note the efforts being made to overcome the operational impediments in the exploitation of the potential of biomass co-generation. The Committee, however, would like to be apprised of the developments and achievements reached in this regard.**

#### *C. Small Hydro Power*

##### **Recommendation (Sl. No. 5, Para No. 1.34)**

12. The Committee were of the view that progress with regard to small hydro power was unsatisfactory. Though, the Eighth Five Year Plan goal for Small Hydro Power Programme was to produce 200 MW of power, including private sector efforts, a capacity of only about 90 MW was likely to be completed during the Plan period. The

Committee were also not certain whether the target of 50 MW set for the year 1996-97 would be achieved. The Committee expected that vigorous efforts would be made to accelerate the implementation of this programme.

13. In their reply, the Ministry have stated that regular in-depth project-wise reviews are being held with each State in order to accelerate implementation and commissioning of small hydro power projects supported by the Ministry and that the States have been requested to mobilise the requisite resources, consisting of the State share, for completing these projects. However, as regards the position of projects as on date, it has been informed that projects totalling to 12.7 MW capacity have been commissioned during 1992-93 to 1995-96 and that another 18.9 MW capacity is to be added during 1996-97, which amounts to a total of 31.6 MW for the entire plan period.

14. The Committee feel distressed to note that the total capacity addition from small hydel projects during the Eighth Plan period would be to the order of about 31.6 MW as against the plan target of 200 MW. A shortfall of such a huge magnitude in achieving the targets cannot be condoned. The Committee are of the firm view that the potential of this area should neither be neglected nor under-exploited. The Committee, once again emphasise that all necessary measures need to be taken to achieve progress in this field. The Committee would like to be apprised of the progress made in this regard.

#### **Recommendation (Sl. No. 5, Para No. 1.35)**

15. The Committee were informed that the private sector had shown considerable interest in establishing small hydro projects (SHP). However, most of the States were yet to announce a clear promotional policy to attract private developers and entrepreneurs. The Committee, had therefore, recommended that the Ministry may take up the matter with State Governments to announce a clear promotional policy for developing Small Hydel Projects.

16. The Ministry have stated in their reply that the issue of announcing promotional policy has again been taken up by the Ministry with all States. It has been stated that the States where policies have been announced which have deviations from the MNES guidelines, have also been requested to re-examine and announce policies as per the guidelines.

**17. Considering the potential of Small Hydel Projects and the keenness evinced by the private sector for participation in this field, the Committee once again emphasise that necessary measures need to be taken for the promotion of Small Hydel Projects. The Committee await further information on steps initiated and the progress made in this direction.**

**Recommendation (Sl. No. 5, Para No. 1.36)**

**18. The Committee observed that there were problems of land acquisition and forestry clearance for the promotion of Small Hydro Projects. The Committee desired that the Ministry of Environment and Forests should be approached to take an early decision on the question of ensuring speedy environmental clearances for small hydro projects upto 5MW. The Committee also expressed the need for minimising the levels of examination for clearing small hydro projects and evolving quick and speedy procedures for clearing relatively larger projects. The Committee felt that this would enable speedy exploitation of the potential of small hydro projects which was abundant in the country.**

**19. In their reply, the Ministry have stated that all renewable energy projects have been exempted from environmental clearance. It has also been stated that this includes small hydro power projects costing upto Rs. 50 crore, under which small hydro projects upto 5 MW capacity would also be covered. On the question of forestry clearance for small hydro power projects, It has been informed that the matter is being further pursued with Ministry of Environment and Forests. The Ministry has informed that the States are being requested to expedite allotment and clearance of commercial small hydro projects in those States where bids have been invited.**

**20. Considering that issues relating to acquisition of land and forestry clearance are major impediments to the promotion of small hydro power projects, the Committee emphasise the need to impress upon States the necessity of formulating quick and speedy procedures for granting these clearances. The Committee expect the Government to take up the matter with the States on priority basis.**

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation Serial No. 1

The Committee find that the shortfall of Rs. 45 crores in the plan expenditure of the Ministry for the year 1994-95 has been attributed to the reduction in the projected fund requirements for IREDA to meet its loan disbursal activities. The Committee fail to understand why IREDA's fund requirements were not properly assessed while formulating the R.E. for the year 1994-95. The Ministry has not been able to give any other reason for the shortfall of Rs. 45 crores in the plan expenditure apart from the sum of Rs. 23 crores being the fund requirement for IREDA. The Committee also observe that the steep increase of Rs. 88 crores in the B.E. of 1996-97 in comparison to the estimates of the previous year has once again been attributed to meet the funding requirements of IREDA. The Committee regrets that the fund requirement of IREDA was not assessed while formulating the estimates in the early years. The Ministry ought to have analysed the fund requirements of IREDA in detail while formulating the Budget Estimates for 1996-97 so that the huge variation between the budget estimates and the actuals could have been avoided. The Committee recommend that such analysis should be made.

#### Reply of the Government

The Ministry has been periodically reviewing the requirement of funds for disbursements under the World Bank Line of Credit by IREDA. Assessment of requirement of funds for the year 1994-95 was made on the basis of projections made by IREDA based on the projects available with IREDA during the year. However, since the project promoters could not complete the formalities required for disbursement of loan, it was not considered appropriate to seek supplementary grant to release funds to IREDA for the World Bank Project during the year 1994-95.

The Ministry made a thorough analysis of IREDA's requirements under the World Bank Project for the years 1995-96 and 1996-97 and accordingly, provisions were made in the plan budget. The provision

of Rs. 51.49 crores during the year 1995-96 has been utilised. Out of the allocation of Rs. 87 crores for the World Bank Project during the year 1996-97, Rs. 72 crores have been already been spent by 31st October, 1996.

[Ministry of Non-Conventional Energy Sources O.M. No. 5/17/96-P & C, Dated the 22nd November, 1996]

### **Recommendation Serial No. 3**

The Committee find that biomass based co-generation has been identified as an area holding considerable promise for grid interactive power generation. The Committee, however, are of the opinion that several institutional or operational impediments come in the way of quick exploitation of the potential. For instance, managerial problems relating to obtaining loans from financial institutions, signing of agreements with State Electricity Boards in a timely and proper manner can discourage people interested in this field. Presently, though seven States have been stated to have announced their policy for wheeling, banking, third party sale, minimum buyback rate per unit, the Ministry have informed that only few States have responded positively to the uniform policy guidelines issued by them. The Committee desire that the Ministry should approach the States to adhere to the uniform policy formulated by the Ministry. The Committee also suggest that steps should be taken to ensure that the agreements with SEBs are reached in proper time schedule so that private entrepreneurs are attracted to this field. Furthermore, the Committee expects that all the proposals in this regard are cleared expeditiously.

### **Reply of the Government**

The Ministry has been maintaining a continuous dialogue with the State Governments/State Electricity Boards with a view to persuading them to announce general policies for purchase/wheeling/banking and third party sale of additional power produced by bagasse based co-generation projects. The efforts of the Ministry have been directed towards enactment of a uniform policy in all the concerned States as per the guidelines issued by the Ministry. The matter has been raised at the level of Minister, Secretary of the Ministry and senior officers. It has also been discussed in meetings specially held with the State Government officials in different States and in MNES. It is encouraging to note that the State continue to be receptive to various ideas in this regard. A recent example of this is modification in the policy for

Bagasse co-generation projects announced by the Andhra Pradesh State Electricity Board to bring it closer to the MNES guideline. The efforts of the Ministry to ensure that an attractive policy framework is brought in place by all the concerned State Electricity Boards, will be continue.

The Ministry recognises that a fair, legally enforceable Power Purchase Agreement between the co-generator and the State Electricity Board is a pre-requisite for mobilising finances for the projects. Hence, the Ministry has been trying to persuade the State Electricity Boards to announce Model Power Purchase Agreements which could save time and effort for promoters. The U.P. State Electricity Board, the Maharashtra State Electricity Board and the Tamil Nadu State Electricity Board have already taken steps in this direction. Efforts will be continued to ensure that the agreements are attractive and are reached in proper time.

Approval of Bagasse based co-generation projects is primarily carried out by the State Electricity Boards. As per the liberalise approval procedures announced by the Central Electricity Authority, it is expected that the State Electricity Boards will be able to take decisions regarding co-generation projects of a most all capacities. Announcement of general power purchase policies and model PPAs will also eliminate delays in finalisation of projects. The Ministry of Non-Conventional Energy Sources also makes conscious attempts to take up for expeditious consideration applications which are received for subsidy under the Ministries National Programme on Bagasse Based co-generation. The Ministry also makes attempts to play a pro-active role in expediting finalisation of various proposals. For example, coordination meetings with Financial Institutions, equipment manufacturers and State Electricity Boards have been held in the Ministry to help project promoters by removing bottlenecks, wherever possible.

[Ministry of Non-Conventional Energy Sources O.M. No. 5/17/96-P & C Dated the 22nd November, 1996.]

#### **Comments of the Committee**

(Please see paragraph 11 of Chapter I of the Report)

#### **Recommendation Serial No. 5 (Paragraph No. 1.36)**

The Committee observe that there are problems of land acquisition and forestry clearance for the promotion of Small Hydro Projects. The Committee desire that the Ministry of Environment and Forests should be approached to take an early decision on the question of ensuring

speedy environmental clearances for small hydro projects upto 5 MW. The Committee express the need for minimising the levels of examination for clearing small hydro projects. Quick and speedy procedures need to be evolved for clearing relatively larger projects. This will enable speedy exploitation of small hydro potential which is abundant in the country.

#### **Reply of the Government**

All renewable energy projects have been exempted from environmental clearance. This includes small hydro power projects costing upto Rs. 50 crore. This will also cover small hydro projects upto 5 MW capacity, mentioned by the Committee. The question of forestry clearance of small hydro power projects is being further pursued with Ministry of Environment & Forests. In meetings convened by the Ministry, the States are being requested to expedite allotment and clearance of commercial small hydro projects in those States where bids have been invited.

[Ministry of Non-Conventional Energy Sources O.M. No. 5/17/96-P & C Dated the 22nd November, 1996]

#### **Comments of the Committee**

(Please see Paragraph 20 of Chapter I of the Report).

#### **Recommendation Serial No. 7 (Paragraph No. 1.48)**

The Committee note that the high initial cost is the main barrier of solar photovoltaic area. The Committee have been informed that a new R & D policy was adopted during 1994-95 which emphasised funding of industry driven and goal-oriented projects. The policy also suggested that indigenous R & D effort should concentrate on development of new and emergent technologies. The Committee will await the outcome of new R & D policy and the action taken on its findings/observations. The Committee recommend that efforts should be made to persuade major public undertakings to fund the R & D programmes, particularly in the thrust areas such as photovoltaic technologies.

#### **Reply of the Government**

The MNES is preparing plans to support R & D and technology development activities by the PV industry involving both public sector

and private sector companies. The industry will be encouraged to develop suitable linkage with the research organisations also.

Under the new plans the focus of R&D in Photovoltaics will be on further improvements in crystalline silicon solar cell/module technology, improvement in efficiencies, materials, development of thin-film technology, development of new systems and improvements in the Balance of system designs.

[Ministry of Non-Conventional Energy Sources O.M. No. 5/17/96-P&C Dated the 22nd November, 1996.]

**Recommendation Serial No. 7 (Paragraph No. 1.49)**

The Committee note that the wind turbine rotor blade development projects funded by the Ministry have not made any significant contribution. The Ministry's reply stating that private sector production facilities have been established whereas the funded R&D projects have progressed slowly implies that serious deficiencies exist in the R&D. The Committee desire that the programmes relating to wind turbine rotor blade should be thoroughly reviewed with a view to identifying the deficiencies and taking appropriate corrective measures.

**Reply of the Government**

The Ministry sanctioned two R&D projects at COMPROC, Hyderabad and HAL, Bangalore respectively for the design, development and field testing of rotor blades for 200 KW wind electric generators in Sept., 1992 on cost sharing basis.

There have been significant commercial developments in the wind power sector during the 8th Plan period. A number of Indian companies are undertaking local assembly and production of wind electric generators through joint ventures or under license. The rotor blades used are specific to the wind electric generators being supplied. Three blade production units have already been established as per the design requirements of the different wind electric generators.

The progress of the two R&D projects on wind turbine rotor blade was reviewed by the Ministry. The prototype blades developed under one project are ready for field testing. Further development and commercialisation will depend on the test results.

[Ministry of Non-Conventional Energy Sources O.M. No. 5/17/96-P&C Dated the 22nd November, 1996.]

### CHAPTER III

## RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

### Recommendation Serial No. 4

The Committee observe that the budgetary provision under solar thermal energy programme has been increased from 2.65 crores to Rs. 5.91 crores, with the introduction of interest subsidy scheme for purchasing of solar hot water systems. The Committee would like to know whether the commercial as well as the technological viability of solar hot water systems has been assessed while initiating the scheme. The Committee would like to be apprised of the progress of the subsidy scheme.

### Reply of the Government

Solar water heating in a well established technology in many parts of the world. In some countries, there are even mandatory provisions for using solar water heaters in residential buildings. In India also, the technology is reasonably well established. The economic viability of domestic solar water heaters which usually replace use of electricity is well recognised. With increasing power tariff, the economics of the system would be more attractive to users. From the national point of view, the significant reduction in peak load demands of electricity with wider use of solar water heaters, results in substantial savings in investments required for additional generating capacity. Environmental benefits are added advantages.

So far the interest subsidy scheme for providing soft loans to users for installing solar water heating systems is being operated by the Indian Renewable Energy Development Agency (IREDA) and Canara Bank. The IREDA scheme is applicable for solar water heating systems of any capacity and other low grade solar thermal technologies such as drying, desalination, swimming pool heating etc. IREDA also operates

through its financial intermediaries. The Canara Bank scheme is restricted to solar water heaters upto a capacity of 500 litres. Contracts have been made with a few more banks for their extending the soft loan facility to consumers under the scheme.

[Ministry of Non-Conventional Energy Sources  
O.M. No. 5/17/96-P&C Dated the 22nd November, 1996]

#### **Recommendation Serial No. 6**

The Committee note that on the reasons for reduced budgetary outlay for wind power programmes over the years, the Ministry have stated that this is owing to increase private sector participation in this area. The Committee would like to know whether private sector participation in this area has achieved the expected level as envisaged by the Ministry.

#### **Reply of the Government**

The Ministry had set up a target for 100 MW wind power capacity addition for the 8th Five Year Plan, which included commercial projects also. In June, 1993, a revised goal of 500 MW was set by the Ministry, mainly to be achieved through commercial projects. Commercial Projects aggregating to 760 MW have been set up, as on 30th November, 1996. Thus, private sector participation has far surpassed the level expected at the commencement of the 8th Plan.

[Ministry of Non-Conventional Energy Sources  
O.M. No. 5/17/96-P&C Dated the 22nd November, 1996]

## CHAPTER IV

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

#### **Recommendation Serial No. 5 (Paragraph No. 1.34)**

The Committee are of the view that progress with regard to small hydro power is unsatisfactory. The Eighth Five Year Plan goal for Small Hydro Power Programme is to produce 200 MW of power including private sector efforts. A capacity of only about 90 MW is likely to be completed during the Eighth Plan period. This year the target is 50 MW. Already five months have elapsed and the Ministry are left with only seven months. The Committee are not certain that even the target of 50 MW set for the year 1996-97 would be achieved. The Committee expects that vigorous efforts will be made to accelerate the implementation of this programme.

#### **Reply of the Government**

The Ministry is holding regular in-depth project-wise reviews with each State in order to accelerate implementation and commissioning of small hydro power projects supported by the Ministry. The States have been requested to mobilise the requisite resources, consisting the State share, for completing these projects. Other aspects relating to land allotment, forestry clearance, equipment supply, etc. are also being actively followed up.

However, the position of projects as on today stands as follows:

Commissioned during 92-93 to 95-96	To be Commissioned during 96-97	Total
(in MW)		
SEBs	0.7	7.8
Private	12.0	23.8
Total	12.7	31.6

[Ministry of Non-Conventional Energy Sources O.M. No. 5/17/96-  
P&C Dated the 22nd November, 1996]

#### **Comments of the Committee**

(Please see paragraph 14 of Chapter I of the Report)

## CHAPTER V

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

#### **Recommendation Serial No. 2**

The Committee find that the disbursement of funds of Rs. 1.27 crores for Biomass Briquetting by IREDA during the Eighth Plan period has been stated to be to the extent of 55 per cent of the sanctioned loan of Rs. 2.28 crores as against a target of Rs. 6 crores. The Committee note that IREDA could not meet the target envisaged for the plan period. It is also observed that presently only 28 of the 42 briquetting units are operating. It has been admitted that the briquetting units are facing serious operational problems of a technical nature. The Committee stress that issues relating to these problems must be analysed thoroughly and corrective measures should be taken accordingly, so as to make the briquetting units and programmes in this respect viable. The Committee would like to know the present status of production capacity/targets in respect of the 28 operating briquetting units. The same may be communicated at the earliest.

#### **Reply of the Government**

The installed capacity of briquetting units, which were funded by IREDA during 1987-88 to 1995-96 and are reported to be operational at present totals to about 21 metric tonnes per hour. These units are working on an average at about 60% of the installed capacity.

[Ministry of Non-Conventional Energy Sources O.M. No. 5/17/96-  
P&C Dated the 22nd November, 1996]

#### **Comments of the Committee**

(Please *see* paragraph 7 of Chapter I of the Report)

#### **Recommendation Serial No. 5 (Paragraph No. 1.35)**

The Committee have been informed that private sector has shown considerable interest in establishing small hydro projects. However,

most of States are yet to announce a clear promotional policy to attract private developers and entrepreneurs. Eight states have announced policy for wheeling, banking, third party sale and buy back rate per unit by State Electricity Boards. The Committee recommend that the Ministry may take up the matter with other State Governments also to announce the policy in this regard for promotion of SHP Programme expeditiously.

#### **Reply of the Government**

The issue of announcing promotional policy has again been taken up by the Ministry will all States. Secretary, MNES has written letters to all Chief Secretaries in this regard. The States where policies have been announced which have deviations from the MNES guidelines, have also been requested to re-examine and announce policies as per the guidelines.

[Ministry of Non-Conventional Energy Sources  
O.M. No. 5/17/96-P&C Dated the 22nd November, 1996]

#### **Comments of the Committee**

(Please see paragraph 17 of Chapter I of the Report).

NEW DELHI;  
April 4, 1997  
Chaitra 14, 1919 (Saka)

JAGMOHAN,  
Chairman,  
*Standing Committee on Energy.*

## APPENDIX I

EXTRACTS OF MINUTES OF THE TENTH SITTING OF STANDING COMMITTEE ON ENERGY (1996-97) HELD ON MONDAY, THE 17TH MARCH, 1997 IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1630 to 1700 hours.

### PRESENT

Shri Jagmohan — *Chairman*

### *Members*

2. Prof. (Smt.) Rita Verma
3. Prof. Om Pal Singh Nidar
4. Shri Muni Lal
5. Shri Sriram Chauhan
6. Shri Sriballav Panigrahi
7. Shri Ishwar Prasanna Hazarika
8. Shri P. Kodanda Ramiah
9. Shri Anil Basu
10. Shri Haradhan Roy
11. Shri V. Ganesan
12. Shri N. Ramakrishna Reddy
13. Shri Ramendra Kumar
14. Shri Ramji Lal
15. Shri Ved Prakash Goyal
16. Shri Lakhiram Agarwal
17. Shri Dipankar Mukherjee
18. Shri Gaya Singh

## SECRETARIAT

1. Smt. Roli Srivastava — *Joint Secretary*  
 2. Shri G.R. Juneja — *Deputy Secretary*  
 3. Shri A.S. Chera — *Under Secretary*
2. The Committee considered and adopted the following Draft Action Taken Reports:—
- |       |  |    |    |    |    |
|-------|--|----|----|----|----|
| (i)   | **   | ** | ** | ** | ** |
| (ii)  | **   | ** | ** | ** | ** |
| (iii) | Action Taken by the Government on the recommendations contained in the Third Report of the Standing Committee on Energy on Demands for Grants (1996-97) relating to the Ministry of Non-Conventional Energy Sources. |    |    |    |    |
| (iv)  | **   | ** | ** | ** | ** |
3. The Committee also authorised the Chairman to finalise the above mentioned Reports and present the same to Parliament.

*The Committee then adjourned.*

---

\*\* Paras 2(i), (ii) and (iv) of the Minutes relating to consideration and adoption of 3 other Draft Action Taken Reports have not been included.

## APPENDIX II

(*Vide* Para 3 of Introduction)

*Analysis of Action Taken by the Government on the recommendations contained in the Eleventh Report of the Standing Committee on Energy (Eleventh Lok Sabha).*

I. Total No. of Recommendations made .....	10
II. Recommendations that have been accepted by the Government ( <i>Vide</i> recommendations at Sl. Nos. 1, 3, 5 (Para No. 1.36), 7 (Para No. 1.48 and 1.49) .....	5
Percentage to total .....	50%
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies .....	2
( <i>Vide</i> recommendations at Sl. Nos. 4 & 6) Percentage to total .....	20%
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee ( <i>Vide</i> recommendations at Sl. No. 5) Percentage to Total.....	10%
V. Recommendations in respect of which final replies of the Government are still awaited .....	2
( <i>Vide</i> recommendations at Sl. No. 2 & 5 (Para No. 1.35) Percentage to total .....	20%