

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2579
ANSWERED ON:18.03.2005
POWER PROJECTS IN RURAL AREAS
Rao Shri Sambasiva Rayapati

Will the Minister of POWER be pleased to state:

- (a) whether the Government is considering a boost of fiscal incentives to encourage setting up of power projects in rural areas;
- (b) if so, whether the Government's common minimum programme which stress on rural electrification and aims at complete household electrification in five years;
- (c) if so, the target set for electrification during 2005-06;
- (d) whether the Government propose to complete these power projects within the stipulated period of five years; and
- (e) if so, the steps taken by the Government in this regard?

Answer

THE MINISTER OF POWER(SHRI P.M. SAYEED)

(a) to (e) : Yes, Sir. A new scheme of Rural Electricity Infrastructure and household Electrification has been approved for the attainment of the National Common Minimum Programme of completing Rural Household Electrification in five years.

Under this scheme 90% Capital Subsidy would be provided for:

- (i) Creation of Rural Electricity Distribution Backbone (REDB) with one 33/11 kV (or 66/11 kV) substation in every block appropriately linked to the State Transmission System.
- (ii) Creation of Village Electricity Infrastructure (VEI) for electrification of all un-electrified villages/habitations with distribution transformer(s) in every village/habitation.
- (iii) Decentralized Distributed Generation (DDG) and Supply System for Villages/Habitations where grid supply is not cost effective and where Ministry of Non-Conventional Energy Sources would not be providing electricity through their programme(s).
- (iv) Electrification of all un-electrified Below Poverty Line (BPL) households in the country free of charge.

A subsidy of Rs.5,000 crores has been approved for Phase-I of the scheme for the remaining period of the 10th Plan.