

**15**

**STANDING COMMITTEE ON ENERGY**

**(2020-21)**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF NEW AND RENEWABLE ENERGY**

**[Action Taken by the Government on the recommendations  
contained in the Third Report (17<sup>th</sup> Lok Sabha) on Demands for  
Grants of the Ministry of New and Renewable Energy for the year  
2020-21]**

**FIFTEENTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

***March, 2021/ Phalguna, 1942 (Saka)***

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**STANDING COMMITTEE ON ENERGY (2020-21)**  
**(SEVENTEENTH LOK SABHA)**

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**[Action Taken by the Government on the recommendations  
contained in the Third Report (17<sup>th</sup> Lok Sabha) on Demands for  
Grants of the Ministry of New and Renewable Energy for the year  
2020-21]**

*Presented to Lok Sabha on 19.03.2021*

*Laid in Rajya Sabha on 19.03.2021*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 2021/Phalguna, 1942 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2020-21)**

**Shri Rajiv Ranjan Singh *alias* Lalan Singh - Chairperson**

**Members**

**Lok Sabha**

- 2 Smt. Sajda Ahmed
- 3 Shri Gurjeet Singh Aujla
- 4 Shri Chandra Sekhar Bellana
- 5 Dr. A. Chellakumar
- 6 Shri Harish Dwivedi
- 7 Shri S. Gnanathiraviam
- 8 Shri Sanjay Haribhau Jadhav
- 9 Shri Kishan Kapoor
- 10 Km. Shobha Karandlaje
- 11 Shri Ramesh Chander Kaushik
- 12 Shri Ashok Mahadeorao Nete
- 13 Shri Praveen Kumar Nishad
- 14 Smt. Anupriya Patel
- 15 Shri Parbatbhai Savabhai Patel
- 16 Shri Jai Prakash
- 17 ^Shri Dipsinh Shankarsinh Rathod
- 18 Shri N. Uttam Kumar Reddy
- 19 Shri Shivkumar Chanabasappa Udasi
- 20 Shri P. Velusamy
- 21 Shri Akhilesh Yadav

**Rajya Sabha**

- 22 Shri Ajit Kumar Bhuyan
- 23 Shri T. K. S. Elangovan
- 24 Shri Muzibulla Khan
- 25 Shri Maharaja Sanajaoba Leishemba
- 26 Shri Jugalsinh Mathurji Lokhandwala
- 27 Shri Surendra Singh Nagar
- 28 Dr. Sudhanshu Trivedi
- 29 Shri K.T.S. Tulsi
- 30 \*Vacant
- 31 #Vacant

## **SECRETARIAT**

1	Shri R.C. Tiwari	Joint Secretary
2	Shri R.K. Suryanarayanan	Director
2.	Smt. L.Nemjalhing Haokip	Deputy Secretary

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*^ Nominated as Member of the Committee w.e.f. 28.12.2020*

*\* Vacant vice Shri Javed Ali Khan, retired from Rajya Sabha on 25.11.2020.*

*# Vacant since constitution of the Committee w.e.f. 13.09.2020*

## INTRODUCTION

I, the Chairperson, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this Fifteenth Report on the action taken by the Government on the recommendations contained in Third Report of the Standing Committee on Energy on Demands for Grant (2020-21) of the Ministry of New and Renewable Energy.

2. The Third Report was presented to the Lok Sabha on 12<sup>th</sup> March, 2020 and was laid in Rajya Sabha on the same day. Replies of the Government to all the recommendations contained in the Report were received on 14<sup>th</sup> October, 2020.

3. The Report was considered and adopted by the Committee at their sitting held on 18<sup>th</sup> March, 2021.

4. An Analysis on the Action Taken by the Government on the recommendations contained in the Third Report 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**  
**18<sup>th</sup> March, 2021**  
**Phalguna 27, 1942 (Saka)**

**Rajiv Ranjan Singh *alias* Lalan Singh,**  
**Chairperson,**  
**Standing Committee on Energy**

## CHAPTER –I

This Report of the Standing Committee on Energy deals with the action taken by the Government on the Recommendations/Observations contained in the Third Report (Seventeenth Lok Sabha) of the Committee on Demands for Grants of the Ministry of New and Renewable Energy for the year 2020-21.

2. The Third Report (17<sup>th</sup> Lok Sabha) of the Committee was presented to Lok Sabha on 12.03.2020 and was laid on the Table of Rajya Sabha on the same day. The Report contained 16 Recommendations/Observations. Action-taken notes in respect of all the Recommendations/Observations contained in the Report have been received from the Government on 14.10.2020. These have been categorized as follows:

- |       |   |                           |
|-------|---|---------------------------|
| (i)   | Recommendations/Observations which have been accepted by the Government:<br>Serial Nos.1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16                         | Total - 15<br>Chapter-II  |
| (ii)  | Recommendation/Observation which the Committee do not desire to pursue in view of the Government's replies:<br>Nil  | Total - 00<br>Chapter-III |
| (iii) | Recommendations/Observations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration:<br>Sl. No.4 | Total- 01<br>Chapter-IV   |
| (iv)  | Recommendation/Observation in respect of which the final replies of the Government are still awaited:<br>Nil  | Total - 00<br>Chapter-V   |

3. The Committee observe that the replies furnished by the Government on the observations and recommendations of the Committee given in their 3<sup>rd</sup> Report (17<sup>th</sup> Lok Sabha) are broadly acceptable. However, the Committee will deal with action taken by the Government on some of their Recommendations that require further comments at this stage.



**4. The Committee desire that Action-taken statement on the Observations/ Comments contained in Chapter-I of this Report may be furnished to the Committee within three months of the presentation of the Report.**

**(Recommendation No. 1)**

5. The Committee in their original report had recommended as under :

“An allocation of Rs. 9523.04 crore was sought by the Ministry for the year 2020-21, but Rs. 5753.00 crore have actually been sanctioned i.e. Rs. 3770.04 crores less than the required amount. In view of the gigantic targets assigned to the Ministry, allocation of 40% less funds as compared to the amount sought seems unjustifiable. The Ministry has suffered cuts in all the major heads against its projected expenditure for the year 2020-21. However, there is an increase of Rs 498.17 crore in BE (2020-21) as compared to the BE (2019-20) i.e. an increase of less than 10% and an increase of Rs. 1861.26 crore in BE (2020-21) as compared to RE (2019-20) i.e. an increase of about 48%. But at the same time, if the allocation of Rs.1000 crore for expansion of KUSUM Scheme and increased corresponding physical targets are taken into account, the Ministry has not got any real increment. Further, in BE (2019-20), the Ministry was given a target of 8500 MW of Grid Interactive Solar Power with an allocation of Rs. 2479.90 crore. However, in BE (2020-21), a target of 9000 MW of Grid connected Solar Power has been given with an allocation of Rs 2149.65 crore. There seems to be a mismatch between the financial allocation and the given physical target as the allocation has been decreased while the physical target has been increased for the year 2020-21 as compared to the previous year. Keeping in view the allocation of less than required amount and the increased targets assigned to the Ministry, the Committee recommend that additional funds should be provided to the Ministry at RE stage.”

6 The Ministry of New and Renewable Energy, in its Action-taken reply, has stated as under:

“The suggestion of the Committee has been noted. The Ministry will seek additional funds at the R.E. stage so that the implementation of projects/ programs does not suffer during 2020-21.”

**7. The Committee in their original report had recommended that keeping in view the allocation of less than required amount and the increased targets assigned to the Ministry, additional funds should be provided to the Ministry at RE stage. In their action taken note, the Ministry have informed that the suggestion of the Committee has been noted and they would be seeking additional funds at the revised estimate stage so that implementation of projects/ programs does not suffer during 2020-21. The Committee appreciate the Ministry**

**for taking the recommendation of the Committee in right perspective. The Committee however would like the Ministry to apprise them of the actual additional allocation in the revised estimate and also the progress of implementation of projects/ programs of the Ministry during 2020-21.**

**(Recommendation No.4)**

8 The Committee in their original report had recommended as under :

“Under Green Energy Corridor Project, creation of Intra-State Transmission System has been approved with a target of establishment of Grid sub-stations with aggregate transmission capacity of approx. 22600 MVA (Mega Volt Ampere) and installation of 9700 ckt-kms (Circuit kilometres) of transmission lines in the states of Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu. The project was supposed to be completed by March 2020, but commissioning schedule has been extended till December, 2020. The Committee also note that as on January 15, 2020, 6258 ckt-kms of transmission lines have been constructed and 6812 MVA capacity substations have been commissioned. The Committee observe that to meet the given target, 3442 ckt-kms of transmission lines have to be installed and grid substations of aggregate capacity of 15788 MVA have to be established upto December 2020 so as to meet the extended deadline, which seems highly unlikely seeing the past performance of the Ministry. The Committee note that the yearly allocation and the physical targets with respect to the Green Energy Corridor do not correspond with each other. Successively increasing physical targets and reducing financial allocations reflect poorly on the planning and execution of the project as well as the seriousness of the Ministry. The Ministry should eschew playing ducks and drakes with an important project like Green Energy Corridor. The Committee are aware that for 2018-19, the Ministry was provided Rs. 600 crore (BE) for Green Energy Corridor with a physical target of 3000 ckt-kms (cumulative) and for 2019-20, an allocation of Rs. 500 crore (BE) has been made with a physical target of 6000 ckt-kms (cumulative). For 2020-21, Rs. 300 crores have been allocated with a physical target of 8000 ckt-kms (cumulative). The cumulative target of 8000 ckt- kms for 2020-21 is beyond logic when the Ministry has the target to install 9700 ckt-kms (cumulative) by December, 2020. It shows the unrealistic assessment of physical targets set by the Ministry. The Committee, therefore, recommend that the Ministry should work on mission mode to get the Green Energy Corridor ready within the reasonable time frame in order to avoid grid congestion and to facilitate integration and evacuation of large scale renewable power capacity.”

9. The Ministry of New and Renewable Energy, in its Action-taken reply, has stated as under:

"The intra-state GEC is being implemented by the State Transmission Utilities (STUs) of the respective States. The targets of 19000 MVA of substations and

9400 ckm transmission lines by March 2020 were set in FY 2015-16, when the CCEA approval was granted to the States as per their respective proposals. The tender processes were done by the STUs and it got delayed due to their internal procedures and approvals in most of the cases, resulting in delay in implementation of the projects. The cumulative target for FY 2019-20 was set as 6000 ckm, however due to regular monitoring by MNRE, the scheme has picked up pace and cumulative 6500 ckm transmission lines have been constructed and 6812 MVA capacity substations have been commissioned as on date. Further, on the request received from the States, the scheme timeline has been extended upto December 2020. However, due to disruption of works because of COVID-19, the timeline for completion is likely to be extended further. As per progress reports received in July 2020, the project is likely to be completed by December 2021. Apart from intra-state, GEC for inter-state transmission infrastructure development was also taken up. Under this 3,200 ckm of transmission lines and 17,000 MVA capacity sub stations have been done. The inter-state component of GEC is complete.”

With respect to the budget allocation, it is submitted that as per the scheme guidelines, the Government of India share is given to the States in two instalments: a) 70% Advance on the award of contract, b) Balance 30% after commissioning. The fund disbursement in any year does not depend ‘proportionately’ upon the completion of transmission lines in terms of ckm in that year.”

**10. The Committee had pointed out in their original report that the yearly allocation and the physical targets with respect to the Green Energy Corridor did not match with each other and also that the successively increasing physical targets and reducing financial allocations reflected poorly on the planning and execution of the project as well as on the seriousness of the Ministry. The Committee had, therefore, recommended that the Ministry should work on mission mode to get the Green Energy Corridor ready within the reasonable time frame in order to avoid grid congestion and to facilitate integration and evacuation of large scale renewable power capacity. The Committee observe that the Ministry, in their Action taken reply, have *inter alia* submitted that the intra-state GEC is being implemented by the State Transmission Utilities (STUs) of the respective States and the tender processes were done by the STUs and it got delayed due to their internal procedures and approvals in most of the cases resulting in delay in implementation of the projects. With respect to the budget allocation, the Ministry have submitted that as per the scheme guidelines, the Government of India share is given to the States in two instalments: a) 70% Advance on the award of contract, b) Balance 30% after commissioning and that**

the fund disbursal in any year does not depend 'proportionately' upon the completion of transmission lines in terms of ckm in that year. The Ministry are also informed that, on the request received from the States, the scheme timeline had been extended upto December 2020. However, due to disruption of works because of COVID-19, and as per progress reports received in July 2020, the project is likely to be completed by December 2021.

The Committee observe that the Green Energy Corridor Project aims at synchronizing electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid. For evacuation of large-scale renewable energy, Intra State Transmission System project was sanctioned by the Ministry in the year 2015-16. The project is being implemented by eight renewable-rich states of Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan and Himachal Pradesh through their respective State Transmission Utilities (STUs). Its regular monitoring is done by the Ministry and it is understood that a Project Appraisal Committee in the Ministry also monitors the project and recommends on the disbursal of the central grant to the STUs. The Committee are however, pained to observe that despite having well placed mechanism, the project has not marched at the desired pace and the construction of cumulative 6500 ckm transmission lines and commissioning of 6812 MVA capacity substations during 5 years' period have been far from satisfactory and much below the target fixed. In the Committee's opinion, among the various factors stated to be responsible for the slow pace in the progress of Green energy Corridor Project, the inadequate monitoring by the Ministry and lack of the priority which the project deserved to be given, have also contributed a lot in missing the target. The Committee are concerned about the already delayed implementation of the intra state Green Energy Project. As per the Ministry's estimation, the project is likely to be completed by December 2021. The Committee would therefore like to know the action plan now prepared/to be prepared by the Ministry and reiterate their recommendation that the Ministry should work on mission mode to get the Green Energy Corridor ready within the reasonable time frame in order to avoid grid congestion and to facilitate integration and evacuation of large scale renewable power capacity.

**(Recommendation No.13)**

11. The Committee in their original report had recommended as under :

“A separate budgetary allocation of 10% is earmarked under various renewable energy programs for deployment of grid & off-grid solar energy systems, wind energy systems, small hydro projects, bio-gas plants, etc. in the entire North Eastern Region. However, no separate physical targets are set for various programmes/schemes being implemented in the region. But, the Committee have been informed time and again that adequate proposals have not been received from North-East States, due to which there is substantial shortfall in fund utilization. It is also submitted that the potential for solar & wind energy in North-Eastern Region is much less in comparison to other states and due to low solar insolation and wind power density, the output of such projects is less and cost is relatively high thus making solar & wind power produced in these areas non-remunerative. The Committee find it difficult to agree that potential of Solar and Wind Energy North-Eastern Region is much less as compared to other States. Solar insolation may not be of comparable intensity but Wind Energy at high mast can definitely be harnessed in the Region. Further, the Committee have been informed that the Ministry is taking up with Ministry of DoNER and Ministry of Finance to exempt it from utilization of 10% NE Funds and allocate the same to those which have potential to utilize. The Committee do not concur with the views of the Ministry with respect to taking exemption from utilization of 10 % funds in the North-Eastern States and recommend that the Ministry should come up with dedicated scheme for the North-Eastern States in consultation with the concerned State Governments so as utilize the available Renewable Energy Potential in that region.

12. In its Action-taken replies, the Ministry of New and Renewable Energy has stated as under :

“The suggestion of the committee has been noted. The Ministry will take corrective steps so that the funds earmarked for North Eastern states can be fully utilized. During 2020-21, 10% of budget estimate i.e. Rs. 565.00 crore has been kept for implementation of various renewable energy programmes in the North East areas. As on 31.08.2020 an expenditure of Rs. 14.96 crore has been incurred. Ministry has taken up with Ministry of DoNER and Ministry of Finance to exempt it from utilization of 10% of allocated funds in North East region, however, the request was not acceded to.”

**13. The Committee note that against the 10% of budget estimate i.e. Rs. 565 crore earmarked for North Eastern States for the year 2020-21, an expenditure of only Rs.14.96 crore has been incurred as on 31.08.2020 which is merely 2.7 % of the allocation. The Ministry has stated that they will be taking corrective steps in**

**this regard so that the funds earmarked for North-Eastern States can be fully utilized for implementation of various renewable energy programmes in the North- Eastern region. Given the pace of utilization of funds upto August 2020, it is most unlikely that the budget earmarked for North-Eastern States for 2020-21 would be fully utilized by the Ministry before the closure of the financial year. With a view to gainfully and optimally utilize the funds allocated for North Eastern States, the Committee would like to re-emphasize their recommendation that the Ministry should come up with dedicated scheme for implementation in the North-Eastern States in consultation with the concerned State Governments so that the available renewable energy potential in that region is fully harnessed.**

**(Recommendation No 16)**

14 The Committee in their original report had recommended as under :

“National Institute of Solar Energy could not fully utilize the allocated amount, especially during 2016-17 and 2017-18. However, it overspent in 2018-19. The Committee also note that for 2019-20, an amount of Rs. 19.63 Crores was allocated to NISE, out of which Rs 13.55 crores have been utilized upto January, 2020. The Committee observe that the financial allocation has been drastically reduced for the year 2020-21, as only Rs 5 crores have been given to NISE for the upcoming year. It is submitted that the allocated funds will not be sufficient. Similarly, a meagre amount of Rs. 1.5 crore each has been allocated to National Institute of Wind Energy and National Institute of Bio Energy. It has been submitted that there is acute shortage of manpower at NIBE. The Committee are concerned about such pathetic condition of these National Institutes and feel that, let alone National Institutions, no institute can be effectively run through allocation of a token amount and acute shortage of manpower. The Committee, therefore, recommend that: i) More funds should be provided to NISE, NIWE and NIBE so that their proposed activities/projects may be carried out as planned. ii) The Ministry should take steps to solve the problem of acute shortage of technical and scientific manpower at NIBE through recruitment/deputation as soon as possible.

15. The Ministry of New and Renewable Energy in its reply has stated as under :

“The suggestions of the Committee have been noted. The proposal for enhanced budgetary support for all three institutes under the Ministry has already been sent as a part of the first batch of supplementary proposals for the year 2020-21. Further the Ministry is making all efforts to overcome the acute shortage of technical and scientific manpower at NIBE.”

16. The Committee observe that the Ministry has sent proposal for enhanced budgetary support for all three institutes under them, viz. National Institute of Solar Energy (NISE), National Institute of Wind Energy (NIWE) and National Institute of Bio Energy (NIBE) as a part of the first batch of supplementary proposals for the year 2020-21. From the Action taken reply, the Committee observe that the Ministry is making all efforts to overcome the acute shortage of technical and scientific manpower at National Institute of Bio Energy (NIBE). The Committee hope that the Ministry will implement their recommendation with all seriousness and the Committee would also like to be apprised of the outcome of the efforts made by the Ministry in this regard.

\*\*\*\*\*

## CHAPTER II

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

(Recommendation Sl. No.1)

#### DEMANDS FOR GRANTS OF THE MINISTRY FOR 2020-21

The Committee note that an allocation of Rs. 9523.04 crores was sought by the Ministry for the year 2020-21, but Rs. 5753.00 crores have actually been sanctioned i.e. Rs. 3770.04 crores less than the required amount. In view of the gigantic targets assigned to the Ministry, allocation of 40% less funds as compared to the amount sought seems unjustifiable. The Ministry has suffered cuts in all the major heads against its projected expenditure for the year 2020-21. However, there is an increase of Rs 498.17 crores in BE (2020-21) as compared to the BE (2019-20) i.e. an increase of less than 10% and an increase of Rs 1861.26 crores in BE (2020-21) as compared to RE (2019-20) i.e. an increase of about 48%. But at the same time, if the allocation of Rs 1000 crores for expansion of KUSUM Scheme and increased corresponding physical targets are taken into account, the Ministry has not got any real increment. Further, in BE (2019-20), the Ministry was given a target of 8500 MW of Grid Interactive Solar Power with an allocation of Rs. 2479.90 crores. However, in BE (2020-21), a target of 9000 MW of Grid connected Solar Power has been given with an allocation of Rs 2149.65 crores. There seems to be a mismatch between the financial allocation and the given physical target as the allocation has been decreased while the physical target has been increased for the year 2020-21 as compared to the previous year.

Keeping in view the allocation of less than required amount and the increased targets assigned to the Ministry, the Committee recommend that additional funds should be provided to the Ministry at RE stage.

#### **REPLY OF THE GOVERNMENT**

The suggestion of the Committee has been noted. The Ministry will seek additional funds at the R.E. stage so that the implementation of projects/ programs does not suffer during 2020-21.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

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

**(Please see Para No. 7 of Chapter – I of the Report**



**(Recommendation SI. No.2)**

**BUDGET ALLOCATION AND UTILIZATION**

The Committee note that Gross Budgetary Support to the Ministry was substantially decreased at the RE stage for the year 2017-18 and 2019-20, while it remained the same during the year 2018-19. For both the years, the allocation was reduced by more than 25%. However, the Committee appreciate the Ministry for its efforts in mobilizing extra funds through IEBR which forms a major part of expenditure in the Renewable Energy Sector. The Committee observe that the Ministry has not been able to fully utilize even the decreased allocations during the previous years. It could utilize 92.37%, 86.97% and 81.02% of revised budgetary allocations during the years 2017-18, 2018-19 and 2019-20 (upto January, 2020) respectively. Reasons cited for non-utilization of allocated funds involve lack of adequate proposals from North-Eastern States, shortfall in expenditure on Research and Development Projects, etc. The Committee feel that the Ministry should find the way out for the reasons cited as soon as possible as it can not afford to simply ignore the development of Renewable Energy in North-Eastern States.

The Committee are of the opinion that decrease in budgetary allocation at RE stage and low utilization of even the decreased allocated amount are symptomatic of the poor financial planning by the Ministry. The Committee, therefore, recommend that the Ministry should focus on proper and exhaustive utilization of allocated funds and take remedial measures against factors responsible for low utilization as continuous shortfall in utilization of the allocated funds has a negative impact on budgetary allocation for the subsequent years.

**REPLY OF THE GOVERNMENT**

The suggestion of the committee has been noted. During 2020-21 the Ministry will focus on proper and exhaustive utilization of allocated funds and take remedial measures against factors responsible for low utilization of funds.

Against a B.E. of Rs. 5753 crore for the year 2020-21 an amount of Rs. 1710.25 crore has already been utilized upto 30.09.2020 which is about 29.73% utilization of funds.

Due to COVID outbreak the Department of Economic Affairs have issued guidelines that the expenditure may not exceed 15% of the B.E. during each of the first and second quarter of 2020-21. Hence the expenditure has to be restricted at 30% of B.E. at the end of September 2020.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation SI. No.3)**

**PHYSICAL TARGETS AND ACHIEVEMENTS**

The Committee are concerned to note that the Ministry has continuously failed to achieve its yearly physical targets. For the years 2017-18 and 2018-19, against the Grid connected Renewable Energy target of 14,445 MW and 15,355 MW, the Ministry could achieve 11,876.82 MW and 8519.52 MW respectively. There was shortfall of about 18 % and 45 % during these years. Similarly, during the year 2019-20 (upto January, 2020), 8,004.64 MW could be installed against the target of 11,852 MW. Physical achievement with respect to Family type Biogas Plants is also poor as the Ministry could not achieve the target in any of the year from 2016-17 onwards. Given the time bound target of 175 GW by 2022, such performances are disappointing.

The Committee feel that with continuous non-achievement of the assigned yearly physical targets, the Ministry may find it difficult to achieve 175 GW by 2022. The Committee are highly dissatisfied with the performance of the Ministry and expect the Ministry to improve its target achievement in the coming year. The Committee, therefore, recommend that:

- a) The Ministry should identify the weak areas on the basis of its performance during the previous years and take corrective actions without any further delay.
- b) It should also ensure continuous monitoring of the implementing agencies.

**REPLY OF THE GOVERNMENT**

The suggestions of the Committee have been noted for compliance. Regular review meetings are held with State Governments, implementing agencies and all other stakeholders to resolve all pending issues in the RE sector., viz., land acquisition, signing of PSA/PPAs, Open Access for RE power and timely payment to RE generators by State Discoms etc., are taken up with State Governments/Discoms. Many new Schemes have been launched to promote RE power generation in the country,.e.g., KUSUM, CPSU Scheme, Rooftop Solar Scheme. During 2019-20, in Grid Interactive Renewable Power, the Ministry achieved 73.5% of the target. With these measure, the ministry is confident to achieve the targets that have been set for the Ministry.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation SI. No.5)**

**WIND ENERGY**

The Committee note that against the target of 60 GW of installed Wind Power by the year 2022, a total capacity of 37.61 GW has been installed as on January 31, 2020. The Committee are informed that besides the commissioned capacity of 37.60 GW, a capacity of 9.25 GW is under implementation and bids are undergoing for another 2.20 GW.

The Committee observe that the Ministry remained miserably short of its targets during the years 2017-18 and 2018-19, where against the target of 4000 MW each, the Ministry could achieve only 1865 MW and 1481 MW with shortfall of 53% and 63% respectively. For the year 2019-20, against the reduced target of 3000 MW, the Ministry has been able to achieve 1981.71 MW till January 31, 2020. The budget allocated for each of the three years i.e. 2017-18, 2018-19 and 2019-20 have reportedly been fully utilized. The Committee feel that the Ministry was clearly not able to keep up the momentum it acquired in the initial years as its performance during last few years is highly frustrating.

The Committee observe that capacity additions till 2017 were through Feed-in-Tariff mechanism and subsequently, the tariff regime has been shifted from Feed-in-Tariff to bidding route which has disrupted the installation of projects. The Committee feel that the Ministry should avoid those unnecessary changes that have the potential to send a well functioning Sector into a downward spiral.

The Committee are informed that for the year 2020-21, a physical target of 3000 MW has been set with a budgetary allocation of Rs. 1299.35 crores which includes disbursement under Generation Based Incentive Scheme. The Committee hope that the Ministry will achieve its target for the coming year unlike the previous years as the budgetary allocation for the Wind Energy Sector for 2020-21 has been increased. The Committee, therefore, recommend that:

- i) The Ministry should look into the reasons responsible for non-achievement of the physical targets in 2017-18 and 2018-19 and take corrective measures for the same. The Committee may be apprised of the reasons and corrective measures taken in this regard.
- ii) The Ministry should avoid bringing in any sudden and disruptive shift like change in tariff regime without proper consultations with the stakeholders.

## REPLY OF THE GOVERNMENT

The Government had set a target of 175 GW of installed capacity of renewable energy sources by 2022, which includes 60 GW from Wind Power. The capacity additions till 2017 (i.e. 32.27 GW) were through Feed in Tariff (FiT) mechanism. Subsequently, the tariff regime shifted from Feed-in-Tariff (FiT) to bidding route, which resulted in initial slowdown in capacity addition. However, competitive bidding resulted in lower tariff and was, therefore, beneficial to the consumers. Presently, the wind power projects in the country are installed on the basis of commercial viability through tariff based competitive bidding process. The Minimum Tariffs discovered from tenders auctioned for Wind Power are as under:

Sl. No.	Bid	Date of e-RA	Capacity Awarded (MW)	Type	Min. Tariff (Rs./kwh)
1.	SECI-I	23.2.2017	1049.9	Central	3.46
2.	SECI-II	04.10.2017	1000	Central	2.64
3.	SECI-III	13.2.2018	2000	Central	2.44
4.	SECI-IV	05.4.2018	2000	Central	2.51
5.	Tamil Nadu	28.8.2017	450	State	3.42
6.	Gujarat (GUVNL)	December 2017	500	State	2.43
7.	Maharashtra (MSEDCL)	March 2018	500	State	2.85
8.	SECI-V	25.9.2018	1190	Central	2.76
9.	NTPC	21.8.2018	850	Central	2.77
10.	SECI-VI	15.2.2019	1200	Central	2.82
11.	SECI-VII	14.5.2019	480	Central	2.79
12.	SECI-VIII	30.8.2019	440	Central	2.83
13.	Gujarat (GUVNL)	01.3.2019	202.6	State	2.80
	Sub Total		11862.5		

To compensate for slow down, the Ministry encouraged bids of total 17600 MW till September 2020. As a result of which, capacity additions have started increasing now. During 2019-20, installation of wind power capacity has started picking up and projects

of 2117 MW capacity was installed, which is 43% higher than the capacity installed in previous year. The overall status of wind power projects are as under:

1. Cumulative commissioned capacity till 30.09.2020: 38.12 GW
2. Capacity under implementation: 9.10 GW

Total (1+2): 47.22 GW

In order to ensure the timely execution of projects, MNRE is regularly monitoring the implementation of awarded wind power projects. Further, all the amendments and changes in policy/ guidelines are being carried out after proper consultation with stakeholders.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation SI.No.6)**

## SOLAR ENERGY

The Committee note that a target of 100 GW of Solar Capacity has been set to be achieved by 2022. As on January 31, 2020, a capacity of 34,035.63 MW has already been installed. The Committee feel that the Ministry have a huge task to commission remaining 65,964.37 MW of Solar Energy Capacity in just about two and a half years so as to meet the stipulated target of 1,00,000 MW Solar Energy Capacity by 2022, with an average of more than 26,000 MW per year. Although the Ministry has given assurance to the Committee about time bound achievement of target but the Committee are skeptical about this assurance.

The Committee observe that for the year 2017-18 and 2018-19, against the targets of 10000 MW and 11000 MW of Grid-connected Solar Power, the Ministry had been able to achieve 9362.67 MW and 6529.20 GW with utilization of Rs. 1889.93 crores and Rs 2524.65 crores respectively. It means the target achievement was 94% and 60% in the respective years. The Committee find that there is no co-relation between the achievement of financial and physical targets, as there is higher physical achievement with lesser financial utilization and lesser physical achievement with higher financial utilization. For the year 2019-20, against the target of 8500 MW, the Ministry has achieved 5855.01 MW as on January 31, 2020 with utilization of Rs 1751.07 crores.

The Committee are concerned about the performance of the Ministry in Solar Energy Sector as the Ministry has continuously been missing on its yearly Solar Energy capacity addition targets. The Committee, therefore, recommend that:

- i) The Ministry should work hard so as to achieve the target of 9000 MW set for the year 2020-21.
- ii) The Ministry should make sustained efforts to find solutions for the constraints being faced in the commissioning of Solar Projects in consultation with other agencies concerned in a time bound manner.

## REPLY OF THE GOVERNMENT

The Ministry is making concerted efforts to achieve the target of 100 GW by the year 2022. Most of the investment in solar energy comes from Private Sector and CPSUs.

As on 30.09.2020, a grid connected solar power capacity of 36.05 GW has been commissioned in 2020-21 taking the cumulative capacity to 35.74 GW in the Country. Ministry is confident of achieving the target by 2022. More than 100 GW of capacity is proposed to be added by 2022. Details are as follows:

Solar projects commissioned (as on 30.09.2020):	36.05 GW
LOIs issued but not commissioned:	35.61 GW
Tender issued but LOI not issued:	19.44 GW
Tenders to be issued in 2020-21 and 2021-22:	20.00 GW
Total:	<hr/> 111.1 GW

- i. Progress in current year has slowed down due to COVID-19.
- ii. No year-wise targets have been set for solar energy. However, the Ministry will make concerted efforts to achieve the target of 9000 MW as per recommendations of the Standing Committee for the year 2020-21.
- iii. The Ministry will make concerted efforts to find solutions to the constraints being faced on commissioning of the solar projects in consultation with different stakeholders.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

### **(Recommendation SI. No.7)**

The Committee note that NISE has estimated a Roof-top SPV potential of 42.80 GW. Accordingly, a target of 40 GW of installed Roof-top Solar Power by 2022 has been set by the Government. Against the target of 3000 MW of RTS in 2019-20, only 580.15 MW have been installed as on January 31, 2020. The Committee are highly distressed with the dismal performance of the Ministry in this Sector.

The Committee feel that Roof-top Systems are not attractive for the consumers due to high maintenance cost and complicated procedures of disbursement of subsidy. The Committee are of the opinion that given the performance of the Ministry in this Sector till date, the Roof-top Solar target of 40 GW by 2022 is highly unlikely to be achieved. The Committee are of the considered view that the Ministry should focus on this programme on a Mission Mode so as to give it a fillip. The Committee, therefore, recommend that:

- i) The process of subsidy disbursement should be made simpler and faster and the Ministry should widely advertise the benefits of having a Roof-top Solar Projects and the incentives provided by the Government for the same so as to spread awareness among the masses.
- ii) Proper implementation of Net-Metering should be ensured.

- iii) The Ministry should have regular review meetings with the implementing agencies.

### **REPLY OF THE GOVERNMENT**

Phase-II of Grid Connected Rooftop Solar Programme has started after issuance of Scheme guidelines on 20<sup>th</sup> August 2019. It envisages a cumulative capacity of 40 GW by the year 2022 and will be implemented through Power Distributing Companies (DISCOMs). Out of this 4 GW will be in residential sector with Central Financial Assistance (CFA) of 20-40% and the balance will be without CFA. However, for sector other than residential the implementing Agencies i.e. DISCOMs will get incentive for achieving in any financial year above the baseline capacity as on 31<sup>st</sup> March of the previous year. 5% incentives shall be provided for addition beyond 10% and up to 15% above the capacity added in preceding year; and 10% incentives for addition beyond 15%. Addition of capacity in commercial and Industrial sector will also be counted for the incentive purpose and incentive will be provided for the addition of first 18 GW only. As on 31<sup>st</sup> August 2020 total installation of 2144 MW has been reported on the SPIN portal of MNRE. However, market reports suggest that at present more than 5 GW of Rooftop solar has been installed in the country. There was no incentive for the implementing agencies for reporting the non-subsidised installation on the SPIN Portal. However, with the provision of incentive for the DISCOMs, it is now expected that actual installation will be reported by the implementing agencies and we will be able to achieve the target of 40 GW by the year 2022.

- ii. MNRE has requested all the State/UT Governments to give wide publicity to the Rooftop Solar Programme including the incentive available for installation of Rooftop Solar. MNRE has also provided the content for the Information, Education and Communication (IEC) material to the States/UTs, which can be used for publicity of the Rooftop solar. MNRE has also planned public awareness campaign through print and electronic media at central level.
- iii. As recommended by the Standing Committee, the review meetings with the implementing agencies are held regularly at Secretary and Joint Secretary level.
- iv. In Phase-I of Rooftop Solar (RTS) Programme, there was a provision of 30% advance of the project cost calculated at benchmark cost or the tendered cost whichever is lower. Balance 70% of the payment was to be released after completion of the project and submission of all the documents. As, implementing agencies were taking longer time in submission of documents, therefore, release of balance 70% of the subsidy amount was taking time. In Phase-II of RTS Programme, a provision of additional 30% advance after the implementing agency exhausted the initial 30% advance has been made. Further, it has been made mandatory for the implementing agencies to submit the documents within 30 days after the project completion timelines. Further, the residential consumers will have to pay only the net of the subsidy amount to the empanelled vendor. For example, if the total cost of the system is Rs.100/- with subsidy amount of Rs. 40/-. The consumer will have to pay only Rs.60/- to the empanelled vendor and subsidy amount of Rs.40/- will be claimed by the vendor from the DISCOM (which has been made the implementing agency). Therefore, the consumer will not have to wait for the subsidy amount. With these provisions it is expected that process of subsidy disbursement will be faster.

- v. Technical Assistance is being provided to the DISCOMs, the implementing agencies for creation of Single Window Clearance Portal. As on 13<sup>th</sup> August 2020, single Window clearance portals of 10 States are live and integrated with SPIN Portal of MNRE. It is expected that by 31<sup>st</sup> December 2020 all the implementing agencies will have this facility for their consumers.
- vi. Ministry has written to all the State/UT Government to make the installation of Rooftop Solar mandatory in all the new buildings above a particular size. States of Uttar Pradesh, Haryana and UTs of Chandigarh and Delhi have notified regulations for mandatory installation of rooftop solar in new buildings above a particular size.
- vii. Innovative ideas in installation, maintenance and business models by implementing agencies are shared with the other agencies from time to time.
- viii. Most of the states have issued regulations for Rooftop Solar having provision for net-metering. Some States have also made gross-metering norms for certain category of consumers.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation SI. No.8)**

The Committee note that for installation of an additional 66 GW, financing of about Rs. 2,64,000 Crores (@ Rs. 4 Cr/MW) will be required and to fulfil the commitment to increase the Renewable Energy Capacity addition target to 450 GW as a part of a stronger climate action plan, there is a need to make available huge amount of capital. During the year 2018-19, US \$ 1446.16 Million was attracted as FDI. However, the Committee observe that the Renewable Energy Sector is finding it difficult to get loans from the banks as for the Banking System, both Conventional Power Sector and Renewable Energy Sector are clubbed within the same Power Sector Exposure Norms and Conventional Power Sector has NPAs with most of the banks. The Committee are not able to understand that if the Ministry is finding it difficult to raise funds for achievement of 175 GW, how it will achieve the enhanced target of 450 GW. The Committee find that while Small Hydro and Biomass Sector have NPAs, Wind and Solar Sector do not have any NPA till date. But, the Committee are informed that if the States/DISCOMs do not pay back their outstanding dues, many of the solar and wind projects may also turn into NPAs. The Committee feel that the Renewable Energy Sector also has its own share of problems which hamper the investment in this Sector like imposition of safeguard and custom duties, impact of GST, change of tariff regime in Wind Energy Sector, renegotiation/ cancellation of PPAs etc. which cause inconsistency and uncertainty. The Committee, therefore, recommend that:

- i) The exposure limit for Renewable Energy Sector may be set separate so that the NPAs of Power Sector do not impact the Renewable Energy Sector adversely.
- ii) The Ministry should hold discussions with the State Governments and come up with guidelines/directives so as to ensure timely payment from DISCOMs.



- iii) Inconsistency and uncertainty with respect to the applicable policies should be avoided as far as possible.

### **REPLY OF THE GOVERNMENT**

The suggestions of the committee have been noted. Further:

- i. Ministry had written a letter to RBI with a request to segregate loan limit for renewable power from conventional power sector. In response RBI had replied that sector limits are decided by boards of Respective banks. The Ministry had also written to Secretary, Department of Financial Services and CMD's of all public sector banks in this regards.
- ii. Ministry of Power has issued order no. 23/22/2019-R&R dated 28th June, 2019 for Opening and maintaining of adequate letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees.
- iii. An amount of Rs. 500 Crores has been sanctioned to SECI towards Payment Security Mechanism (PSM) Fund. It is being utilized for the VGF schemes of Gol i.e. 750 MW Phase II, Batch I, 2000 MW Phase II, Batch III and 5000 MW Phase II, Batch IV for payment. For projects other than VGF Scheme, after amendment on dated 30.07.2019 for ISTS Solar Tranche V and ISTS Wind Tranche VIII and subsequent tenders of SECI (except manufacturing linked scheme), the developers have to deposit Rs. 5 Lakh per MW towards creation of PSM fund and same will be utilized for payment to developers upon non-receipt from the concerned DISCOMs.
- iv. The Ministry had been consistently pursuing with states for timely payment of dues to RE generators. It has also been facilitating loans from IREDA to state utilities to clear RE dues. Further, MoP has come out with a Rs. 90,000 crore loan package for all utilities to clear pending dues.
- v. Bank Loan limit to borrowers for renewable energy projects have been increased from Rs. 15 crore to Rs. 30 crore (doubled) in RBI's revised priority sector lending guidelines issued on 04th September 2020.
- vi. Regular interaction is being held with all the State Governments to understand their issues and request them to make timely payments to RE Generators.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation Sl. No.9)**

### **BIOMASS POWER AND BAGASSE CO-GENERATION PROGRAMME**

The Committee note that the estimated potential for power generation from Biomass/Bagasse Co-generation in the country is about 26 GW. Against this, a cumulative capacity of 9861.31 MW has reportedly been installed in the country (as on January 31, 2020). The Committee observe that for the year 2017-18 and 2018-19, against the targets of 340 MW and 250 MW, capacity addition of 519 MW and 402 MW respectively have been achieved. However, the amount allocated for these two years

could not be fully utilized. During the year 2019-20, against the physical target of 250 MW, the achievement is only 83 MW as on January 31, 2020.

The Committee also note that Biomass Power/Bagasse Cogeneration Sector has been facing problems such as non-signing of PPAs by DISCOMs, lack of working capital and non-availability of biomass and this Sector also has Non-Performing Assets. Out of the total loan of Rs 153.35 crores given to this Sector by IREDA, 94.53 % has turned out to be NPAs. The Committee, therefore, recommend that:

- i) The Ministry should take steps to alleviate its problems such as non-signing of PPAs by DISCOMs, lack of working capital and non-availability of biomass and help this Sector to come out of financial stress.
- ii) The Ministry should work toward use of agricultural/crop residues for decentralized power generation so as to help farmers and alleviate the problem of air pollution in the country.

### **REPLY OF THE GOVERNMENT**

The Ministry has been taking proactive steps to alleviate the problems being faced by Biomass Power Sector.

1. Non-signing of PPAs by DISCOMs: - The suggestion has been noted. The Ministry will request the DISCOMs to speed up signing of pending PPA's, if any, with Grid Connected Biomass Power and Cogeneration Plants for sale of surplus power.
2. Lack of working capital: - The Ministry is implementing a Scheme to Support Promotion of Biomass Based Co generation in Sugar Mills and other Industries in the Country. Under the Scheme a Central Financial Assistance (CFA) is being provided to biomass-based co-generation projects after successful commissioning and performance inspection of the plants as per the pattern given below:

Project Type	Central Financial Assistance (CFA)
Bagasse based Co-generation by Sugar Mills	Rs. 25 Lakhs / MW of Surplus Exportable Power
Biomass (Non-Bagasse) based co-generation in other Industries	Rs. 50 Lakhs / MW of Installed Capacity

Biomass based co-generation projects which intend to add capacity to the existing plants are also considered for grant of CFA for the enhanced capacity.

The funds are released to the loan account and are deemed as pre-payment of loans. This provides the power plants with some extra liquidity at their disposal which may be utilized as working capital.

3. In order to promote better utilization of use of agricultural/crop residues for decentralized power generation so as to help farmers and alleviate the problem of air pollution in the country, the Ministry is preparing a proposal for implementing a Loan scheme for Biomass Supply Chain Management. Under the scheme, loan at concessional rates will be provided to entrepreneurs through IREDA for collection, transportation, processing and storage of excess biomass from the fields and creation of the biomass depots which will lead to assured supply to the Biomass based power plants, provide source of income to farmers, reduce stubble burning and its adverse effects on environment.

However as per the Directives of DOE vide its OM no. 42(02)/PFC-I/2014 dated 04.06.2020 all new Schemes under approval have been kept on hold.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation SI.No.10)**

## SMALL HYDRO POWER

The Committee note that the identified potential for power generation from Small Hydro Projects (upto 25 MW capacity) is around 21,133.62 MW from 7133 identified sites all over the country. Against this estimated potential, a cumulative capacity of 4676.56 MW has been installed (as on January 31, 2020). The Committee observe that during 2016-17, 2017-18 and 2018-19, against the target of 150 MW, 100 MW and 100 MW, a capacity addition of 105.90 MW, 105.96 MW, and 107.35 MW respectively have been installed and the expenditure during this period have been more than the allocated amount except in 2018-19. However, it may be said that instead of striving to achieve the yearly target of 250 MW that was there before 2016-17, the Ministry has lowered its target from 250 MW in 2014-15 and 2015-16 to 100 MW 2017-18 onwards. The Committee observe that for the year 2019-20, the budgetary allocation was Rs. 190.90 crore with a physical target of 100 MW, however the Ministry has not furnished the physical/financial achievement data for this year.

The Committee are apprised that in North Eastern States, new projects could not be sanctioned as the scheme related to continuation of Small Hydro Programme from 1<sup>st</sup>April 2017 to 31<sup>st</sup> March 2020 is still under consideration. The Committee feel that such inordinate delay in finalizing a Scheme speaks volume about the casual approach of the Government towards North-Eastern States as well as the Small Hydro Sector. The Committee find that Small Hydro is one of Sectors which has NPAs. The Committee, therefore, recommend that:

- i) The Ministry should formulate new scheme for implementation of Small Hydro Projects as soon as possible so as to revamp the small hydro sector in the country especially in North Eastern Region.
- ii) The Ministry should make efforts to ensure that the interstate charges/cess are not levied on Small Hydro Sector.

### **REPLY OF THE GOVERNMENT**

- i. The Ministry has already formulated a scheme for SHP which could not be sent to Ministry of Finance because of ban on proposing new scheme on account of COVID.
- ii. While preparing new scheme, the Ministry had got the previous scheme evaluated and issues pointed out are addressed in the revised scheme.
- iii. The suggestion of the Hon'ble Committee regarding ISTS waiver for small hydro projects has been noted for further action.

*[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]*

**(Recommendation Sl.No.11)**

### RENEWABLE PURCHASE OBLIGATION (RPO)

The Committee note that a long term RPO Trajectory has been issued to promote the Renewable Energy sector. For the year 2018-19, only 4 States could achieve 100 % RPO target, another 7 States could achieve more than 60 % of the target and the target achievement of all other States was less than 60 %. The Committee feel that most of the States do not follow the mandated trajectory and SERCs have defined their own respective RPO Regulations which have a off-putting effect on RPO compliance. The Committee observe that some of the States have been falling behind in RPO compliance possibly due to pre-existing long term PPAs with conventional power producers and insufficient increase in electricity demand. However, the Committee are of the opinion that carry forward or waiver of RPO should not be permitted. The Committee, therefore, recommend that the Ministry should ensure RPO compliance and may enforce penal provisions against the defaulting Obligated Entities.

### **REPLY OF THE GOVERNMENT**

The Ministry has been consistently following with States/UTs for RPO compliance. In order to create a robust RPO compliance regime, under Section 142 of the Draft Electricity (Amendment) Bill 2020, the penalty for non-compliance with the directions of the Appropriate Commission is proposed to be increased upto Rs 1 crore (from Rs 1 lakh), with an additional per day penalty in case of continuing non-compliance of Rs 1 lakh ( from Rs 6000). Special penalty for failure to comply with purchase of renewable and hydro power as specified by the central Government has been proposed. The Amendment Bill proposes a penalty of Rs 0.50/kWh for the shortfall in purchase in the first year of default, and if such default continues for the second successive year, then the penalty is proposed to be increased to Rs 1/kWh and thereafter Rs 2/kWh. In

addition, under Section 146, penalty for non-compliance of orders or directions under the Electricity Act has been increased to upto Rs 1 crore (from Rs 1 lakh), with an additional per day penalty in case of continuing non-compliance of Rs 1 lakh ( from Rs 5000).

Reasons attributed for RPO non-compliance include perception of some of the Discoms that renewable energy costs more than other energy sources, resulting in cost - driven decisions and policies that avoid renewable energy. Some Discoms have a perception that the additional cost associated with integration may be very high. The Ministry has been progressively advancing products capable of providing steady and dispatchable power from renewable energy sources to meet the Discom's requirements.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation Sl. No.12)**

## RENEWABLE ENERGY FOR RURAL APPLICATIONS

The Committee note that Renewable Energy for Rural Applications includes the New National Bio-Gas and Organic Manure Programme (NNBOMP) and Bio-Gas based Power Generation (Off-Grid) & Thermal Energy Application Programme. NNBOMP aims at setting up small biogas plants for meeting cooking and lighting needs of mainly rural and semi-urban households of the country, while Bio-gas based Power Generation Programme provides clean energy solution to reduce consumption of diesel and kerosene by installation of medium size biogas plants.

The Committee observe that from the year 2016-17 to 2019-20, allocation for this Sector has been considerably reduced and the Ministry has consistently failed to achieve the physical targets and utilize even the reduced financial allocation. During the year 2017-18 and 2018-19, against the Financial Allocation (RE) of Rs. 94 crores and Rs. 78 crores, only Rs. 67.69 crores (72 %) and Rs. 42.72 crores (56 %) could be utilized respectively. Against the physical target of 65180 and 1 lakh Bio-Gas Plants during the year 2017-18 and 2018-19, the Ministry has been able to set up only 43887 (67 %) and 26980 (~27 %) such plants respectively. During the year 2019-20, the Ministry has been able to set up only 16185 Bio-Gas Plants against the target of 76000 as on September 30, 2019. Regarding Biogas Power Generation (Off-grid) and Thermal application Programme, the performance of the Ministry is equally disappointing where against the target of setting up of 50 Projects during 2019-20, the Ministry has sanctioned only 19 projects till January 31, 2020. The Committee feel that the performance of the Ministry in this sector is not up to the mark. The Committee are informed that the non-achievement of Bio-Gas targets is due to low priority given to this scheme at the State level, impact of Ujjwala Scheme and almost no lending facility.

The Committee are of the view that apart from electricity generation, Bio-Gas Plants help rural people by meeting their cooking and other energy requirements. The Committee, therefore, recommend that:

- i) The Ministry should work towards providing lending facilities for meeting the upfront cost for installation of Bio-Gas Plants.
- ii) The Ministry should encourage the State authorities to give due priority to this scheme.

### **REPLY OF THE GOVERNMENT**

The Ministry has made the following provisions in the scheme Guidelines dated 30.05.2018 under the New National Biogas and Organic Manure Programme (NNBOMP). The scheme will be continued up to 31.03.2021. As per the scheme guidelines all the Public Sector Banks, NABARD/ IREDA and regional Rural Banks of Scheduled Banks are involved in implementation of NNBOMP by financing / lending to (i) Individual beneficiary (ii) A group of Beneficiaries; (iii) Biogas Turnkey works / Biogas Rural Energy Entrepreneurs/ Biogas Developers / Biogas Mitras.

Ministry has been proactively engaging itself with the State Programme Implementing Agencies

- a. Yearly annual targets for each of the Implementing Agencies in consultation with the states are set in the beginning of the respective F Y.
- b. 50% of the eligible CFA based on the set of target is released to the State agencies in advance with the beginning of the Financial year;
- c. Further States Implementing Agencies are also eligible for administration charges ranging from 1.00 lakh to 24.50 lakh as per achievement range of biogas plants in a particular financial year.
- d. The NNBOMP scheme also supports publicity of the scheme with an financial assistance, ranging from Rs 2.0 to 6.0 lakh to States as per the actual achievements of biogas plants.

A total of 29714 number of small biogas plants have been installed during the financial year 2019-20 under NNBOMP scheme.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation SI. No.13)**

### RENEWABLE ENERGY FOR NORTH EASTERN REGION

The Committee note that a separate budgetary allocation of 10% is earmarked under various renewable energy programs for deployment of grid & off-grid solar energy systems, wind energy systems, small hydro projects, bio-gas plants, etc. in the entire North Eastern Region. However, no separate physical targets are set for various programmes/schemes being implemented in the region. But, the Committee have been informed time and again that adequate proposals have not been received from North-East States, due to which there is substantial shortfall in fund utilization. It is also submitted that the potential for solar & wind energy in North-Eastern Region is much

less in comparison to other states and due to low solar insolation and wind power density, the output of such projects is less and cost is relatively high thus making solar & wind power produced in these areas non-remunerative. The Committee find it difficult to agree that potential of Solar and Wind Energy North-Eastern Region is much less as compared to other States. Solar insolation may not be of comparable intensity but Wind Energy at high mast can definitely be harnessed in the Region.

Further, the Committee have been informed that the Ministry is taking up with Ministry of DoNER and Ministry of Finance to exempt it from utilization of 10% NE Funds and allocate the same to those which have potential to utilize. The Committee do not concur with the views of the Ministry with respect to taking exemption from utilization of 10 % funds in the North-Eastern States and recommend that the Ministry should come up with dedicated scheme for the North-Eastern States in consultation with the concerned State Governments so as utilize the available Renewable Energy Potential in that region.

### **REPLY OF THE GOVERNMENT**

The suggestion of the committee has been noted. The Ministry will take corrective steps so that the funds earmarked for North Eastern states can be fully utilized. During 2020-21, 10% of budget estimate i.e. Rs. 565.00 crore has been kept for implementation of various renewable energy programmes in the North East areas. As on 31.08.2020 an expenditure of Rs. 14.96 crore has been incurred. Ministry has taken up with Ministry of DoNER and Ministry of Finance to exempt it from utilization of 10% of allocated funds in North East region, however, the request was not acceded to.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

### **Comments of the Committee**

**(Please see Para No. 13 of Chapter – I of the Report**

**(Recommendation Sl. No.14)**

### **RESEARCH, DESIGN, DEMONSTRATION AND DEVELOPMENT IN RENEWABLE ENERGY SECTOR**

The Committee note that Budgetary Allocation under RDD&D for the years 2017-18, 2018-19 and 2019-20 were drastically reduced at RE stage i.e. in 2017-18, BE of Rs. 144 crores was reduced to Rs. 81 crores, in 2018-19, BE of Rs 94 crores was reduced to 43 crores and in 2019-20, BE of Rs 60 crores was reduced to 15 crores at RE stage. The Committee find that even the reduced amount could not be fully utilized. Keeping in view the fact that there are three institutions dedicated to research in Renewable Energy Sector namely NISE, NIWE and NIBE, the Committee are not able to understand this inability of the Ministry to utilize the allocated amount, especially when the Budgetary allocation for these institutions is meagre.

The Committee note that an amount of Rs. 20.00 crores has been allocated under RDD&D for the year 2020-21 with thrust on improving efficiency, reliability and cost effectiveness of indigenous manufacture, development of solar thermal technology, developing new material solar cells, storage solutions, development of efficient and cost effective designs of biogas plants, off-shore technology and wind solar hybrid systems, pumped storage systems, etc. The Committee feel that despite having such diverse thrust areas for research, the inability of the Ministry to utilize the allocated amount is noteworthy. The Committee, therefore recommend that:

- i) The Ministry should focus on maximum utilization of allocated funds so that Research, Design, Demonstration and Development in Renewable Energy Sector do not suffer.
- ii) The Ministry should allocate funds for research in Small Wind Sector.

### **REPLY OF THE GOVERNMENT**

The R&D policy was launched in Feb, 2019 and proposals were invited from R&D institutes/ Universities/IITs/NITs/ Industry in line with the R&D thrust area of the Ministry in the field of solar thermal & solar photovoltaic, biogas, waste to energy, wind energy, hybrid systems, storage, hydrogen and fuels cells and geothermal, etc. with the ultimate aim of increasing share of renewables in the energy mix in the country. The R&D efforts are expected to contribute toward making industry competitive and renewable energy generation self-sustainable/ profitable.

The standing committee recommendations will be followed and implemented to achieve the maximum utilization of allocated funds. The Ministry will also ensure a coordinated approach for successful collaboration among scientific & technical Institutes like IITs, NISE, NIWE, NIBE, & other R&D institutions and industry to achieve the goal of renewable energy technology development and also to ensure Research in the Small Wind Sector.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation Sl. No.15)**

### PSUs/INSTITUTIONS UNDER THE MINISTRY

The Committee note that IREDA's total income has been increasing for the last three years but its profit after tax is declining. It has also paid dividend of Rs. 125.50 crores, Rs. 126.84 crores and Rs. 128.19 crores for the years 2016-17, 2017-18 and 2019-20. The Committee also note that it had NPA of 3.74 % during 2018-19 which is a cause for concern. Keeping in view the not so conducive market conditions, liquidity problem and reluctance of commercial banks to provide loans to Renewable Energy Sector, IREDA being the only non-banking financial institution exclusively engaged in promoting, developing and extending financial support for setting up projects relating to renewable energy and energy efficiency/conservation, should shoulder the extra responsibility. The Committee, therefore recommend that:



i) The capital base of IREDA should be increased through fresh equity/equity infusion by other CPSUs so that it continues on the expected growth trajectory, both in terms of lending operation and raising resources.

ii) IREDA should work towards reducing its NPA in accordance with Norms of the RBI.

iii) Keeping in view the emphasis of the Government on Renewable Energy Sector and IREDA being the major lending agency, it should be ensured that Renewable Energy Sector does not face the financial/lending problems as is happening with the Conventional Power Sector. To achieve this, all possible steps including intervention by the RBI to expand and broad-base the equity framework of the IREDA should be taken in the right earnest.

### **REPLY OF THE GOVERNMENT**

The suggestions of the Committee have been noted and it will be assured that renewable energy sector does not face financial/lending problem. Further:

- i. MNRE is envisaging capital augmentation in IREDA in the form of Capital Infusion of Rs.1,500 crores by Government of India through subscription of new equity shares of IREDA (at book value as on 31.3.2019) on immediate basis under the Government Budgetary Support. Alternatively, it is envisaged to infuse Rs. 3,000 Cr by Government of India (GoI) in IREDA, which in turn will be invested back by IREDA in the special GoI securities, which would have no budgetary implication on GoI. Concept Note in this regard has already been sent to Department of Expenditure on 17.08.2020 for seeking in-Principle approval of Department of Expenditure, Ministry of Finance. In addition, MNRE has requested PSUs, viz., Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC), through Ministry of Finance to consider infusion of tier I capital into IREDA by subscribing/investing in the Perpetual Debt Instrument of IREDA which shall have a call option in accordance with the Reserve Bank of India (RBI) norms. Further, IREDA has been exempted by Department of Investment and Public Asset Management (DIPAM) from paying dividend for FY 2019-20, which will help IREDA enhance its net-worth.
- ii. IREDA is in continuous follow up with borrowers to make efficient recovery of dues from them and to improve the NPA level. A separate Recovery cell has been established at IREDA to take various steps towards reducing its NPA in accordance with various norms and circulars of the RBI issued from time to time. Some of the steps taken are:
  - Regular monitoring of accounts and classification of assets under SMA category to prevent them falling under NPA category
  - Initiating appropriate action under Negotiable Instruments Act, SARFAESI Act, DRT or IBC for recovery of dues
  - Monitoring of TRA accounts

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**(Recommendation Sl. No.16)**

The Committee note that National Institute of Solar Energy could not fully utilize the allocated amount, especially during 2016-17 and 2017-18. However, it overspent in 2018-19. The Committee also note that for 2019-20, an amount of Rs. 19.63 Crores was allocated to NISE, out of which Rs 13.55 crores have been utilized upto January, 2020. The Committee observe that the financial allocation has been drastically reduced for the year 2020-21, as only Rs 5 crores have been given to NISE for the upcoming year. It is submitted that the allocated funds will not be sufficient.

Similarly, a meagre amount of Rs. 1.5 crore each has been allocated to National Institute of Wind Energy and National Institute of Bio Energy.

It has been submitted that there is acute shortage of manpower at NIBE. The Committee are concerned about such pathetic condition of these National Institutes and feel that, let alone National Institutions, no institute can be effectively run through allocation of a token amount and acute shortage of manpower. The Committee, therefore, recommend that:

- i) More funds should be provided to NISE, NIWE and NIBE so that their proposed activities/projects may be carried out as planned.
- ii) The Ministry should take steps to solve the problem of acute shortage of technical and scientific manpower at NIBE through recruitment/deputation as soon as possible.

**REPLY OF THE GOVERNMENT**

The suggestions of the Committee have been noted. The proposal for enhanced budgetary support for all three institutes under the Ministry has already been sent as a part of the first batch of supplementary proposals for the year 2020-21. Further the ministry is making all efforts to overcome the acute shortage of technical and scientific manpower at NIBE.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

**Comments of the Committee**

**(Please see Para No. 16 of Chapter – I of the Report**

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### **CHAPTER III**

**OBSERVATION/ RECOMMENDATION 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

(Recommendation No.4)

#### GREEN ENERGY CORRIDOR

The Committee note that under Green Energy Corridor Project, creation of Intra-State Transmission System has been approved with a target of establishment of Grid sub-stations with aggregate transmission capacity of approx. 22600 MVA (Mega Volt Ampere) and installation of 9700 ckt-kms (Circuit kilometres) of transmission lines in the states of Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu. The project was supposed to be completed by March 2020, but commissioning schedule has been extended till December, 2020. The Committee also note that as on January 15, 2020, 6258 ckt-kms of transmission lines have been constructed and 6812 MVA capacity substations have been commissioned. The Committee observe that to meet the given target, 3442 ckt-kms of transmission lines have to be installed and grid substations of aggregate capacity of 15788 MVA have to be established upto December 2020 so as to meet the extended deadline, which seems highly unlikely seeing the past performance of the Ministry. The Committee note that the yearly allocation and the physical targets with respect to the Green Energy Corridor do not correspond with each other. Successively increasing physical targets and reducing financial allocations reflect poorly on the planning and execution of the project as well as the seriousness of the Ministry. The Ministry should eschew playing ducks and drakes with an important project like Green Energy Corridor.

The Committee are aware that for 2018-19, the Ministry was provided Rs. 600 crore (BE) for Green Energy Corridor with a physical target of 3000 ckt-kms (cumulative) and for 2019-20, an allocation of Rs. 500 crore (BE) has been made with a physical target of 6000 ckt-kms (cumulative). For 2020-21, Rs. 300 crores have been allocated with a physical target of 8000 ckt-kms (cumulative). The cumulative target of 8000 ckt- kms for 2020-21 is beyond logic when the Ministry has the target to install 9700 ckt-kms (cumulative) by December, 2020. It shows the unrealistic assessment of physical targets set by the Ministry.

The Committee, therefore, recommend that the Ministry should work on mission mode to get the Green Energy Corridor ready within the reasonable time frame in order to avoid grid congestion and to facilitate integration and evacuation of large scale renewable power capacity.

## **REPLY OF THE GOVERNMENT**

The intra-state GEC is being implemented by the State Transmission Utilities (STUs) of the respective States. The targets of 19000 MVA of substations and 9400 ckm transmission lines by March 2020 were set in FY 2015-16, when the CCEA approval was granted to the States as per their respective proposals. The tender processes were done by the STUs and it got delayed due to their internal procedures and approvals in most of the cases, resulting in delay in implementation of the projects. The cumulative target for FY 2019-20 was set as 6000 ckm, however due to regular monitoring by MNRE, the scheme has picked up pace and cumulative 6500 ckm transmission lines have been constructed and 6812 MVA capacity substations have been commissioned as on date. Further, on the request received from the States, the scheme timeline has been extended upto December 2020. However, due to disruption of works because of COVID-19, the timeline for completion is likely to be extended further. As per progress reports received in July 2020, the project is likely to be completed by December 2021. Apart from intra-state, GEC for inter-state transmission infrastructure development was also taken up. Under this 3,200 ckm of transmission lines and 17,000 MVA capacity sub stations have been done. The inter-state component of GEC is complete.

With respect to the budget allocation, it is submitted that as per the scheme guidelines, the Government of India share is given to the States in two instalments: a) 70% Advance on the award of contract, b) Balance 30% after commissioning. The fund disbursement in any year does not depend 'proportionately' upon the completion of transmission lines in terms of ckm in that year.

***[Ministry of New & Renewable Energy  
OM.No.372-12/8/2017-PU Dated: 14/10/2020]***

### **Comments of the Committee**

**(Please see Para No. 10 of Chapter – I of the Report**

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**CHAPTER V**

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

**Nil**

**NEW DELHI**  
**18<sup>th</sup> March, 2021**  
**Phalguna 27, 1942 (Saka)**

**Rajiv Ranjan Singh *alias* Lalan Singh,**  
**Chairperson,**  
**Standing Committee on Energy**

## **APPENDIX –I**

### **MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2020-21) HELD ON 18<sup>th</sup> MARCH, 2021 IN COMMITTEE ROOM ‘2’, PARLIAMENT HOUSE ANNEXE EXTENSION, NEW DELHI**

The Committee met from 1500 hrs. to 1535 hrs.

Shri Rajiv Ranjan Singh alias Lalan Singh - Chairperson

#### **LOK SABHA**

2. Kumari Shobha Karandlaje
3. Shri Ramesh Chander Kaushik
4. Shri Ashok Mahadeorao Nete
5. Shri Parbatbhai Savabhai Patel
6. Shri Dipsinh Shankarsinh Rathod
7. Shri N. Uttam Kumar Reddy
8. Shri Shivkumar Chanabasappa Udasi

#### **RAJYA SABHA**

9. Shri T.K.S. Elangovan
10. Shri Maharaja Sanajaoba Leishemba
11. Shri Jugalsinh Mathurji Lokhandwala
12. Dr. Sudhanshu Trivedi
13. Shri K.T.S. Tulsi

#### **SECRETARIAT**

1. Shri R.C. Tiwari - Joint Secretary
2. Shri R.K. Suryanarayanan - Director
3. Shri Kulmohan Singh Arora - Additional Director
4. Smt. L.N. Haokip - Deputy Secretary

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

- a) Report on Action-taken by the Government on the recommendations contained in the 28<sup>th</sup> Report (16<sup>th</sup> Lok Sabha) on ‘National Solar Mission-An Appraisal’;

- b) Report on Action-taken by the Government on the recommendations contained in 37<sup>th</sup> Report (16<sup>th</sup> Lok Sabha) on Stressed/Non-performing Assets in Power Sector’;
- c) Report on Action-taken by the Government on recommendations contained in 40<sup>th</sup> Report (16<sup>th</sup> Lok Sabha) on ‘Impact of RBI’s Revised Framework for Resolution of Stressed Assets on NPAs in the Electricity Sector’;
- d) Report on Action-taken by the Government on recommendations contained in 42<sup>nd</sup> Report (16<sup>th</sup> Lok Sabha) on ‘Stressed/Non-Performing Assets in Gas based Power Plants’;
- e) Report on Action-taken by the Government on the recommendations contained in the 43<sup>rd</sup> Report (16<sup>th</sup> Lok Sabha) on ‘Hydro Power’; and
- f) Report on Action-taken by the Government on the recommendations contained in the 1<sup>st</sup> Report (17<sup>th</sup> Lok Sabha) on Demands for Grants (2019-20) of the Ministry of New and Renewable Energy;
- g) Report on Action-taken by the Government on the recommendations contained in the 2<sup>nd</sup> Report (17<sup>th</sup> Lok Sabha) on Demands for Grants (2019-20) of the Ministry of Power;
- h) Report on Action-taken by the Government on the recommendations contained in the 3<sup>rd</sup> Report (17<sup>th</sup> Lok Sabha) on Demands for Grants (2020-21) of the Ministry of New and Renewable Energy’.
- i) Report on Action-taken by the Government on the recommendations contained in the 4<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) on Demands for Grants (2020-21) of the Ministry of Power.
- j) Report on the subject ‘Action Plan for achievement of 175 Gigawatt (GW) Renewable Energy Target’.

3. After discussing the contents of the Reports, the Committee adopted the aforementioned draft Reports without any amendment/modification. The Committee also authorized the Chairperson to finalize the above-mentioned Reports and present the same to both the Houses of Parliament in the current Budget Session.

*The Committee then adjourned.*

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## APPENDIX II

(Vide Introduction of Report)

### ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THE THIRD REPORT (17<sup>TH</sup> LOK SABHA) OF THE STANDING COMMITTEE ON ENERGY

(i)	Total number of Recommendations	16
(ii)	Observations/Recommendations which have been accepted by the Government:	
	Sl.Nos. 1,2,3,5,6,7,8,9,10,11,12,13,14,15 and 16	
	Total:	15
	Percentage	93.75%
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies:	
	Nil	
	Total:	00
	Percentage	0%
(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. 4	
	Total:	01
	Percentage	6.25 %
(v)	Observations/Recommendations in respect of which final replies of the Government are still awaited:	
	Nil	
	Total:	00
	Percentage	6.25%