

22

STANDING COMMITTEE ON ENERGY

(2021-22)

SEVENTEENTH LOK SABHA

MINISTRY OF NEW AND RENEWABLE ENERGY

**[Action-taken by the Government on observations/recommendations
contained in Sixth Report (17th Lok Sabha) on Demands for Grants
(2021-22) of the Ministry of New and Renewable Energy]**

TWENTY-SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2022/ Phalguna, 1943 (Saka)

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(2021-22)**

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**[Action-taken by the Government on observations/recommendations
contained in Sixth Report (17th Lok Sabha) on Demands for Grants
(2021-22) of the Ministry of New and Renewable Energy]**

Presented to Lok Sabha on 22nd March, 2022

Laid in Rajya Sabha on 22nd March, 2022



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2022/ Phalguna, 1943 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2021-22)

Shri Rajiv Ranjan Singh *alias* Lalan Singh – Chairperson

LOK SABHA

- 2 Shri Gurjeet Singh Aujla
- 3 Shri Devendra Singh Bhole
- 4 Shri Harish Dwivedi
- 5 Shri Sanjay Haribhau Jadhav
- 6 Shri Kishan Kapoor
- 7 Dr. A. Chella Kumar
- 8 Shri Sunil Kumar Mondal ^
- 9 Shri Uttam Kumar Reddy Nalamada
- 10 Shri Ashok Mahadeorao Nete
- 11 Shri Praveen Kumar Nishad
- 12 Shri Velusamy P.
- 13 Shri Parbatbhai Savabhai Patel
- 14 Shri Gyaneshwar Patil @
- 15 Shri Jai Prakash
- 16 Shri Dipsinh Shankarsinh Rathod
- 17 Shri Gnanathiraviam S.
- 18 Shri Bellana Chandra Sekhar
- 19 Shri Shivkumar C. Udasi
- 20 Shri Akhilesh Yadav
- 21 Vacant #

RAJYA SABHA

- 22 Shri Ajit Kumar Bhuyan
- 23 Shri T. K. S. Elangovan
- 24 Shri Rajendra Gehlot*
- 25 Shri Muzibulla Khan
- 26 Shri Maharaja Sanajaoba Leishemba
- 27 Shri S. Selvaganabathy*
- 28 Shri Sanjay Seth
- 29 Dr. Sudhanshu Trivedi
- 30 Shri K.T.S. Tulsi
- 31 Vacant \$

SECRETARIAT

1. Dr. Ram Raj Rai Joint Secretary
2. Shri R.K. Suryanarayanan Director
3. Shri Kulmohan Singh Arora Additional Director
4. Ms. Deepika Committee Officer

^ Nominated as Member of the Committee *w.e.f* 01.12.2021 *vice* Smt. Sajda Ahmed.

@ Nominated as Member of the Committee *w.e.f* 07.02.2022 *vice* Shri Ramesh Chander Kaushik.

Vacant since constitution of the Committee

* Nominated as Member of the Committee *w.e.f* 11.11.2021

\$ Shri Jugalsinh Lokhandwala resigned from the membership of the Committee *w.e.f* 02.12.2021.

INTRODUCTION

I, the Chairperson, Standing Committee on Energy, having been authorized by the Committee to present the Report on their behalf, present this Twenty-Second Report on action-taken by the Government on observations/recommendations contained in the Sixth Report (17th Lok Sabha) on Demands for Grants (2021-22) of the Ministry of New and Renewable Energy.

2. The Sixth Report was presented to the Lok Sabha on 8th March, 2021 and was laid on table of the Rajya Sabha on the same day. Replies of the Government to the observations/recommendations contained in this Report were received on 24th December, 2021.

3. The Report was considered and adopted by the Committee at their sitting held on 15th March, 2022.

4. An Analysis of action-taken by the Government on the observations/recommendations contained in the Sixth 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
March 15, 2022
Phalguna 24, 1943 (Saka)**

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

CHAPTER - I

This Report of the Standing Committee on Energy deals with action-taken by the Ministry of New and Renewable Energy on observations/recommendations contained in the Sixth Report (Seventeenth Lok Sabha) of the Committee (2020-21) on Demands for Grants (2021-22) of the Ministry of New and Renewable Energy.

2. The Sixth Report was presented to the Lok Sabha on 8th March, 2021 and was laid on table of the Rajya Sabha on the same day. The Report contained 12 Recommendations/Observations.

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

- | | |
|--|---------------------------|
| (i) Observations/Recommendations which have been accepted by the Government:
Serial Nos. 1, 3, 4, 5, 6, 7, 8, 9 and 12 | Total - 09
Chapter-II |
| (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies:
Nil | Total - 00
Chapter-III |
| (iii) Observations/Recommendations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration:
Serial Nos. 2, 10, and 11 | Total- 03
Chapter-IV |
| (iv) Observation/Recommendation in respect of which the final replies of the Government are still awaited:
Nil | Total - 00
Chapter-V |

4. The Committee observe that the Sixth Report (17th Lok Sabha) on Demands for Grants (2021-22) of the Ministry of New and Renewable Energy was presented to the Lok Sabha on 8th March, 2021 and was laid on table of the Rajya Sabha on the same day. The Ministry was required to submit the action-taken replies on the recommendations/ observations contained in the Report within a period of three months i.e. by 7th June, 2021. However, the Ministry submitted the action-taken replies on 24th December, 2021 after a delay of more than six months. The Committee deplore the delay on the part of the Ministry in submission of action-taken replies. The Committee while expressing their displeasure caution the Ministry to ensure timely submission of replies to the Committee. It is also reiterated that the replies of the Government to the recommendations/observations of the Committee should be comprehensive and not inconclusive, vague or couched in general terms like 'noted', 'accepted', etc.

5. The Committee further desire that Action-taken Statement on the Recommendations/Observations contained in Chapter-I of this Report may be furnished to the Committee within three months of the presentation of this Report.

6. The Committee will now deal with action-taken by the Government on some of their Recommendations that require reiteration or merit comments.

Recommendation No. 2

7. The Committee had recommended as under:

“The Committee note that Gross Budgetary Support to the Ministry was substantially decreased at the time of revised estimates. The allocation was reduced by about 26 % during the year 2019-20 and about 38 % for 2020-21. The Committee observe that the Ministry has not been able to fully utilize even the decreased allocations during the previous years. It could utilize 86.97%, 91.53 % and 69.78% of revised budgetary allocations during the years 2018-19, 2019-20 and 2020-21 (upto January, 2021) respectively. The Committee find it very strange that funds are un-spent in such an important and dynamic sector with a huge target of 175 GW to be achieved by the year 2022.

Non-utilization of budgeted funds are unacceptable in a Country where budgetary resources are limited and so many dream projects are to be completed with prudent financial planning and therefore it is of utmost importance that the budgetary allocations are fully and properly utilized. The Budgetary allocations approved by the Parliament for a particular financial year cannot be left to remain only on paper as these are scarce lapsable funds which are meant to be properly spent and fully utilized within the prescribed budgetary time-frame well before the close of the particular financial year. The Committee are of the opinion that variation in budgetary allocations at the stage of revised estimates and low utilization of even the decreased allocated amounts under various Heads are symptomatic of poor financial planning by the Ministry. The Committee, therefore, recommend that the Ministry should streamline its budget formulation process and increase its fund absorption capacity, as continuous shortfall in utilization of the allocated funds will have adverse impact on the demand of budgetary allocations of the Ministry for subsequent financial years.”

8. In its action-taken reply, the Ministry of New and Renewable Energy has stated as under:

“The suggestion of the committed has been noted for compliance. During the year 2020-21, against a BE of Rs.5753 crore and RE of Rs. 3591 crore actual expenditure was Rs. 3096.73 crore which was 86.24 % of RE. The Shortfall was mainly due to COVID outbreak and also because the Department of Economic Affairs issued guidelines to restrict the monthly expenditure to 5% of the Budget Outlay during each month upto December, 2020.

Further, most of the grid connected renewable energy projects in the country are being implemented by private sector developers selected through transparent competitive bidding process. Because of fall in Renewable Energy (RE) tariff, no additional financial support is required for grid connected RE power. Hence, budgetary spending in a financial year does not have a high correlation with the RE capacity installed in that financial year.”

9. **The Committee in their recommendation had noted that Gross Budgetary Support to the Ministry was substantially decreased at the Revised Estimates stage. The allocation was reduced by about 26 % for the year 2019-20 and about 38 % for 2020-21. The Committee observed**

that the Ministry could not fully utilize even the decreased allocations during the previous years and found it strange that funds were un-spent in such an important and dynamic sector with a huge target to achieve. The Ministry in its reply has stated that the shortfall was mainly due to COVID outbreak and the consequent guidelines issued by the Department of Economic Affairs to restrict the monthly expenditure to 5% of the Budget Outlay during each month upto December, 2020. It has also been furnished that most of the grid connected renewable energy projects in the country are being implemented by private sector developers without any additional financial support.

The Committee observe that the Ministry projected the budgetary requirements of Rs. 9523.04 crores and Rs. 9254.77 crores for the financial years 2020-21 and 2021-22 respectively and BE of Rs. 5753.00 crores each were actually allocated in both the financial years which were reduced again at the time of Revised Estimates. Such a mismatch in the demand, allocation and actual utilization of funds clearly points towards the poor financial planning by the Ministry. The Committee feel that the excuse of covid pandemic is not tenable because the problem of non-utilization of the allocated funds by the Ministry precedes Covid-19 outbreak, as the Ministry has not been able to fully utilize its budgetary allocations since at least 2016-17. Further, the assertion by the Ministry that most of the renewable energy capacity is being added by the private sector without central financial assistance implies that the Ministry projected an inflated budgetary requirement for the financial years 2020-21 and 2021-22, even as private sector seemed to have become self sustainable in implementation of renewable energy projects and did not require any financial support from the Government. The Committee, therefore reiterate their recommendation that the Ministry should streamline its budget formulation process and increase its fund absorption capacity so that desired budgetary allocations are made in each financial year.

Recommendation No. 10

10. The Committee had recommended as under:

“The Committee observe that 221 waste-to-energy plants based on Municipal Solid Waste (MSW), Urban, Industrial and agricultural waste/residues for generation of power and biogas to meet thermal and electrical energy needs of industries and for production of Bio-CNG for transportation have been installed in the Country. The Committee note that the Ministry has more or less, been able to achieve the physical targets under waste to energy programme but the fund utilization has been poor as it could not utilize the full allocated amount. It can thus be inferred that there is scope to increase the physical target under this programme extending its reach further. The Committee also believe that use of agricultural waste/residue to produce energy may also help in reducing stubble burning and thereby addressing the problem of air pollution. The Committee, therefore recommend that the Ministry should encourage setting up of waste to energy plants in consultation with local bodies for better waste-management in urban as well as rural areas.”

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

“The recommendation offered by the Standing Committee is noted by the Division. In this connection it is to inform that this Ministry has been encouraging setting up of waste to energy plants for better waste-management in urban as well as rural areas under “Programme on Energy from Urban, Industrial and Agricultural Wastes/Residues”. Central Financial support (CFA) to project developers was provided under this programme. During validity of this programme, sanctions to 29 nos of Waste to Energy projects including 5 nos. of MSW to Power projects were granted financial support by this Ministry. The programme expired on 31.03.2021.

For continuation of the programme beyond 31.03.2021 an EFC proposal under Umbrella scheme of the National Bioenergy Programme was submitted to Department of Expenditure, Ministry of Finance. The proposal includes setting up of 50 nos. of MSW based power plants in urban areas initiated by local bodies. However during the EFC meeting held on 22.09.2021 it was recommended that the programme may be continued only to meet the already created liabilities and no new projects may be sanctioned under sub schemes of this programme.”

12. The Committee in their recommendation had noted that the Ministry, more or less was able to achieve the physical targets under ‘waste to energy’ programme but the fund utilization was poor as it could not utilize the full allocated amount. Therefore, it could be inferred that there was a scope to increase the physical target under this programme to further extend its reach. However, the Ministry in its reply has stated that ‘Programme on Energy from Urban, Industrial and Agricultural Wastes/Residues’ has expired on 31.03.2021.

The Committee observe that the Expenditure Finance Committee (EFC) first recommended the continuation of the programme and a proposal to set up 50 nos. of MSW based power plants in urban areas initiated by local bodies was submitted to Department of Expenditure, Ministry of Finance. However, later in its meeting held on 22.09.2021, EFC recommended that the programme may be continued only to meet the already created liabilities and no new projects may be sanctioned under sub schemes of this programme. In view of the Committee, the programme should be continued as the use of agricultural waste/residue to produce energy has an added benefit of reducing stubble burning and thereby addressing the problem of air pollution. The Committee therefore, reiterate their recommendation that the Ministry should encourage setting up of ‘waste to energy’ plants in consultation with local bodies for better waste-management in urban as well as rural areas. The Committee desire that the Ministry should also furnish the reasons for change in recommendation of the EFC with respect to continuation of the programme.

Recommendation No. 11

13. The Committee had recommended as under:

“The Committee note that the Ministry has not been able to fulfill its obligation regarding utilization of 10% of its annual budget for development of renewable energy in the North-Eastern Region. It is submitted by the Ministry 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, thus making solar & wind power produced in these areas non-remunerative. But we are aware that the north-eastern region has substantial potential for small hydro power; however its capacity addition since 2017-18 has been zero except for minimal addition in 2018-19. Keeping in view the fact that the north-eastern states are more interested in off-grid and decentralized schemes of the Ministry, the Committee recommend that the Ministry should give priority to North-Eastern States in implementation of off-grid and decentralized application programme of the Ministry and specificities of this region should be kept in mind while formulating the schemes.”

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

“The details of funds allocated to North Eastern Region (NER) during the year 2020-21 are as follows:

(Rs in crore)

Year	BE	RE	Actual expenditure
2020-21	565.00	335.00	107.00

The off-grid solar PV programme phase-II was exclusively extended for North Eastern Region from 1-4-2020 to 31-3-2021 for installation of solar street lights, distribution of solar study lamps to school going children and solar power packs for public institutions with subsidy of 90%.

During the year 2021-22, against a B.E. of Rs 565.00 crore, an expenditure of Rs 23.18 crore has been incurred upto November 2021.”

15. **The Committee in their recommendation had noted that the Ministry has not been able to fulfill its obligation regarding utilization of 10% of its annual budget for development of renewable energy in the North-Eastern Region. During the financial years 2020-21 and 2021-22, against the budgetary estimates of Rs. 565 crore each for North-East Region, only an expenditure of Rs 107 crore and Rs 23.18 crore (upto November 2021) have been incurred. It was submitted by the Ministry that substantial shortfall in fund utilization was due to non-receipt of adequate proposals from the North-East States. The Committee observe that the north-eastern region has substantial potential for small hydro power; however, the small-hydro programme of the Ministry has been under consideration since April, 2017. Further, the north-eastern states**

are interested in off-grid and decentralized schemes of the Ministry, but, the schemes like Atal Jyoti Yojana (AJAY), off-grid and decentralized solar PV application programme, etc have been closed/discontinued by the Ministry. It is perplexing to note that on the one hand, the Ministry has been complaining about lack of proposals from North-Eastern States and on the other hand, the relevant schemes have either been under consideration for about five years or discontinued or closed down. In view of the above, the Committee reiterate their recommendation that Ministry should give priority to North-Eastern States in implementation of off-grid and decentralized application programme of the Ministry and specificities of this region should be kept in mind while formulating the schemes. The Committee also desire that the off-grid solar PV programme should be further extended.

CHAPTER – II

Observations/Recommendations which have been accepted by the Government

Recommendation No. 1

The Committee note that the Ministry of New and Renewable Energy (MNRE) is the nodal Ministry of the Government of India for all matters relating to renewable energy sources. The Ministry had projected the budgetary requirements of Rs. 9254.77 crores for the financial year 2021-22 but only Rs. 5753.00 crores have actually been allocated which is equivalent to the BE allocation of the Ministry for the financial year of 2020-21. Notwithstanding the reduction of about 38% against the BE proposed by the Ministry, it has been given a huge responsibility of installing 175 GW of renewable energy by the year 2022 which includes 100 GW of solar power, 60 GW of wind power, 10 GW of bio-power and 5 GW of small hydro power in accordance with our commitment to a healthy planet and Nationally Determined Contributions as per the Paris Accord on climate change.

The Committee observe that as on 31st January, 2021, cumulative 92.54 GW of renewable energy capacity has been installed which is a little more than 50 % of the target. It means the remaining 82.46 GW capacity have to be installed in just one and a half year with gainful utilization of funds. However, the past trends reflect that the Ministry has not been able to fully utilize its budgetary allocations during the previous years. In such a situation, the Committee are apprehensive that any laxity on the part of the Ministry in achieving the assigned target may amount to renegeing on our commitment. The Committee, therefore recommend that the Ministry should not only scientifically plan the expenditure of their allocated budget but also take up the work on mission mode so that the target of 175 GW is successfully achieved by the year 2022.

Reply of the Government

So far 104.03 GW of Grid Interactive Renewable Power Capacity (excluding large hydro) has been installed (as on 30.11.2021) in the Country. Around 52.00 GW renewable energy capacity is under installation, and an additional 31.82 GW capacity has been tendered. The Ministry has made all possible efforts to achieve the target of 175 GW of installed renewable energy capacity by December 2022. However, an extension of 7.5 months was granted to projects on account of the two waves of COVID. This delay might cause the achievement of the 175 GW target to take some more months beyond

December 2022. It may also be noted that most of the renewable energy capacity is being added by the private sector without central financial assistance and budgetary spending in a financial year does not have a high correlation with the RE capacity added in the country in that financial year.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Recommendation No. 3

The Committee are concerned to note that the Ministry has continuously failed to achieve its yearly physical targets. For the years 2018-19 and 2019-20, against the Grid connected Renewable Energy target of 15,355 MW and 11,852 MW, the Ministry could achieve only 8,519.52 MW and 8,761.26 MW respectively. There was shortfall of about 45 % and 26 % during these years. Similarly, during the year 2020-21 (upto January, 2021), 5473.08 MW could be installed against the target of 12,380 MW. The Committee feel that with continuous non-achievement of the assigned yearly physical targets, the Ministry may find it extremely difficult to achieve 175 GW by 2022. Against such gross under-achievement, the Committee expect the Ministry to significantly improve its target fulfillment in the financial year 2021-22 and recommend that the Ministry should ensure continuous real-time monitoring of the working of the implementing agencies, support them vigorously in sorting out the glitches and take corrective action, wherever required without any delay so that the physical targets set for the financial year 2021-22 under various Heads of the Grant are successfully achieved.

Reply of the Government

During the year 2020-21, a total of 7356.13 MW cumulative renewable energy capacity was achieved. The low achievement was due to impact of COVID-19 pandemic during the year 2020-21. So far 104.03 GW of Grid Interactive Renewable Power Capacity has been installed (as on 30.11.2021) in the Country. Around 52 GW renewable energy capacity is under installation, and an additional 31.82 GW capacity has been tendered. Ministry has been making all efforts to achieve the 175 GW target by December 2022. However, an extension of 7.5 months was granted to projects on account of the two waves of COVID. This delay might cause the achievement of the 175 GW target to take some more months beyond December 2022.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Recommendation No. 4

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 disbursement 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 7365 ckm transmission lines and commissioning of 9976 MVA capacity substations during the last 5 years' period (as on 31.12.2020) have been far from satisfactory and much below the target fixed which was 9700 ckm transmission lines and 22600 MVA substations. 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. The Committee observe that to meet the given target, 2335 ckm of transmission lines have to be installed and substations of aggregate capacity of 12624 MVA have to be charged by May 2021 so as to meet even the extended deadline, which seems highly unlikely seeing the track of past performance. The Committee observe that for the year 2021-22, Rs. 300 crores have been allocated at BE stage. Keeping in view the importance of the project for evacuation of power from renewable energy rich States and its integration with the Grid, the Committee would like to know the action plan now prepared by the Ministry and recommend the Ministry to work on mission mode to earnestly pursue the matter with the States concerned and get the Green Energy Corridor ready within the given time frame in order to avoid grid congestion and to facilitate evacuation of large scale renewable power capacity.

Reply of the Government

The Inter – State Transmission System (ISTS) component of GEC with 3200 ckm transmission lines and 17,000 MVA sub-stations has been completed by March 2020. Under the Intra-State Transmission System (InSTS) component of GEC, approx. 8434 ckm of transmission lines have been constructed out of target of 9700 ckm, and 15268 MVA substations have been charged out of target of 22600 MVA, as on 30.11.2021. The InSTS component of GEC is being implemented by the State Transmission Utilities of the respective States. The commissioning schedule of InSTS GEC project was first extended till 31.12.2020 upon the requests from the State Governments and then further extended up to 31.05.2021 due to disruption of works because of COVID. Upon the requests received from the States the timeline for commissioning of projects under GEC has been further extended upto June-2022. The InSTS component has been delayed in all the States due to various reasons such as:

- a) Some projects were retendered due to low bid turnout, hence delay in award of work (Maharashtra, Himachal Pradesh and Madhya Pradesh).
- b) Some projects had to be cancelled as the planned renewable energy generation projects did not come up (Rajasthan). Accordingly, alternate projects were planned and sanctioned. These projects are under implementation.
- c) Some projects were cancelled due to no bid turnout (Maharashtra and Himachal Pradesh).
- d) Some projects were cancelled by the State for their own reasons (Andhra Pradesh).
- e) A few sanctioned projects have been delayed due to forest clearance and RoW issues.
- f) Delay due to disruption of works because of COVID.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Recommendation No. 5

The Committee note that against the target of 60 GW of installed Wind Power to be achieved by the year 2022, a total capacity of 38.68 GW has been installed as on January 31, 2021. The Committee observe that the Ministry could not achieve its physical targets during the previous three years as shortfall of 53%, 63% and 30% were noticed respectively in the years 2017-18, 2018-19, 2019-20. For the year 2020-21, against the target of 3000 MW, the Ministry has been able to achieve only 939.90 MW till January 31, 2021. Despite under-achievement of the physical targets, the Committee find it

paradoxical that the funds allocated for the previous years have reportedly been fully utilized. In this regard, the Committee are informed that there is no linkage between capacity commissioned and budgetary allocations which is rather strange and unacceptable. A budget of Rs 1100 crores has been allocated for the financial year 2021-22 for only clearing the past liabilities under GBI scheme which was operational till March, 2017 and now the Government has not been providing any direct central financial assistance at all for installing new wind power project. The Committee are astonished to note that the Government is no longer supporting the installation of wind power projects in the Country when more than 35% of the overall target of 60 GW of wind energy is yet to be achieved. For promotion of renewable power in the Country, the Committee recommend that the Ministry should continue to financially support wind power projects and also facilitate private players in order to ensure achievement of targets of 60 GW Wind Energy by the year 2022 which will give a much needed boost to the renewable energy sector.

Reply of the Government

Government is supporting renewable energy sector, including wind energy, in the country through various incentives and initiatives. These include:

- permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route,
- waiver of Inter State Transmission System (ISTS) charges for inter-state sale of solar and wind power for projects to be commissioned by 30th June 2025,
- declaration of trajectory for Renewable Purchase Obligation (RPO) up to the year 2022,
- setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to RE developers on a plug and play basis,
- laying of new transmission lines and creating new sub-station capacity for evacuation of renewable power,
- setting up of Project Development Cell for attracting and facilitating investments,
- Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar PV and Wind Projects.
- Government has issued orders that power shall be dispatched against Letter of Credit (LC) or advance payment to ensure timely payment by distribution licensees to RE generators.

- Conducting skill development programmes to create a pool of skilled manpower for implementation, operation and maintenance of RE projects.

In addition to the above, the following steps have been taken specifically for promoting wind energy:

- Concessional custom duty exemption on certain components required for manufacturing of wind electric generators.
- Generation Based Incentive (GBI) is being provided to the wind projects commissioned on or before 31 March 2017.
- Technical support including wind resource assessment and identification of potential sites through the National Institute of Wind Energy, Chennai.

Presently, the wind power projects in the country are installed on the basis of commercial viability through tariff based competitive bidding process, which has reduced the tariff of wind power considerably, i.e. from Rs 3.51 - 5.92 per units during FiT to around Rs 2.80 per unit in bidding regime. The lowest tariff discovered in latest bid is Rs 2.69 per unit.

The overall status of wind power projects are as under:

- (1) Cumulative commissioned capacity till 30/11/2021: 40.03 GW
 - (2) Capacity under implementation: 9.67 GW
 - (3) Bids issued: 1.50 GW
- Total (1+2+3): 51.20 GW

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

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Recommendation No. 6

The Committee note that more than 60% Budget of the Ministry is allocated for development of Solar Power including PM-KUSUM Scheme. However, even here, the Ministry has not been able to achieve its yearly solar energy targets. It missed its target for the years 2018-19 and 2019-20 with a shortfall of about 40 % and 25% respectively. During the year 2020-21, the Ministry could achieve as low as 46% of its target till January, 2021.

The Committee are also concerned with the weak performance of the Ministry in solar roof-top programme since against the target of 40 GW of installed roof-top solar power by 2022, only an aggregate capacity of 3.73 GW

has been installed as on December 31, 2020, that is, target achievement of less than even 10%. It is observed that the roof-top systems are not proving to be attractive for the consumers due to time consuming and complicated procedures for setting it up and delays in disbursement of subsidy, etc. The Committee believe 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 with the present pace of progress. In the Committee's view, one major reason for such a tardy progress is lack of awareness about this scheme amongst the masses. The Committee thus recommend that:

- i) The Ministry should widely advertise the benefits of having roof-top solar power system and also about the incentives being provided by the Government for the same in all vernacular print and electronic media so as to spread awareness among the masses.
- ii) Single Window Clearance System should be put in place, in the first phase, in all District headquarters in the country to provide all assistance/services/information to the customers and facilitate them in getting roof top solar system installed in hassle free manner.
- iii) The process of subsidy disbursement should be made transparent, simpler and faster through the aforesaid Single Window Clearance System and preferably a digital platform be developed for this purpose to reduce the human interface in the process.

Reply of the Government

Under the ongoing phase II of the Rooftop Solar (RTS) programme , aggregate capacity of 3.34 GW has been sanctioned for residential sector under phase II of RTS programme of which over 1 GW capacity has been reported installed as on 30-11-2021 and rest is in various stages of implementation/tendering. Overall aggregate capacity of more than 6.0 GW RTS installations has been achieved till 30-11-2021 (with or without CFA) in various sectors e.g. residential, social, commercial, industrial, Government, institutional etc. Due to the emergence of situations due to Covid pandemic the growth in the sector was affected. On request of stakeholders, the Ministry has also provided blanket extension for the sanctioned projects for 9 months in addition to project specific extension.

The prices of systems have also gone up. The issue of extension of timeline for achievement of 40 GW RTS capacity by December 2022 is being examined. In addition, while implementing the phase II of the programme, various issues such as delay in tendering and very low L1 rates, less number of bidders, changes in net-metering regulations, lack of awareness of prospective beneficiaries, increase in GST rates etc. were observed.

Following initiatives have been taken to address such issues:

(i) w.r.t. the suggestions on awareness programme through print and electronic media the Ministry has prepared advertisement materials which have been shared with States for wider publicity. In addition, Ministry under the ongoing technical assistance programme of the multilateral/bilateral agencies is supporting States for awareness and capacity building activities. Further, upto 25 % of the service charges of the projects can be used for publicity and awareness activities for which communication material has been shared with States. Publicity and awareness activities are also organized by States as a part of Azadi Ka Amrit Mahotshav. The best practices being adopted by States is being shared with other States .Around 4400 Discom engineers/officers have been trained under the various technical assistance programmes of multilateral and bilateral agencies. Further, an online learning portal “Solar Pathshala” has also been developed which is open to all interested persons.

(ii) 30 nos of States/UTs have developed online portal for implementation of the RTS projects. These States has developed their procedure of receipt for RTS applications and its processing. The links of the portal are available in the online portal of MNRE (solarrooftop.gov.in). As per last reported data by various States/UTs about 3.45 lakh applications corresponding to 1.39 GW have been received of which about 3.02 lakh applications corresponding to 1.20 GW have been approved and over 1 GW capacity has been installed in residential sector under phase II of RTS Programme with central financial assistance. The programme is being implemented by the Electricity Distribution Companies of the States through their selected vendors. The interested customer can submit their proposal online and get the system installed through any of these empanelled vendors of the Discoms after necessary approval by DISCOMs. The Consumer has to pay the cost of the system minus CFA amount.

(iii) Regarding the promotion of RTS in district headquarters, States/UTs have been requested to select at least one city in their States/UTs to be developed as solar cities. 24 States has identified their cities in this regard out of which some cities are also District Headquarter (list of cities is given below):

S. No.	State/UT	Cities identified by States/UT to be developed as Solar Cities
1	Assam	Majuli District
2	Bihar	Bodh Gaya, Rajgir, Vaishali
3	Chhattisgarh	New Raipur
4	Delhi	NDMC

5	Gujarat	Dwarka
6	Haryana	Panchkula
7	Himachal Pradesh	Shimla
8	Jharkhand	Giridih
9	Karnataka	Hosapete city in Bellary and Bidar City
10	Kerala	Thiruvananthapuram
11	Madhya Pradesh	Sanchi
12	Meghalaya	TURA Town of West Garo Hills
13	Odisha	Bhubaneswar
14	Rajasthan	Pushkar and Jaisalmer
15	Uttar Pradesh	Ayodhya and Prayag Raj
16	Uttarakhand	Dehradun
17	West Bengal	Prantik in Birbhum, Shantiniketan
18	Andaman and Nikobar	Shaheed Dweep
19	Punjab	Amritsar
20	Sikkim	Jorethang
21	Tripura	Udaipur Town
22	Mizoram	Saitual
23	Daman and Diu and Dadra and Nagar Haveli	Diu city , Diu and Damanwada Panchayat, Daman
24	Goa	Panjim

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Recommendation No. 7

The Committee note that PM-KUSUM is one of the major central sector schemes of the Ministry. An allocation of Rs. 1000 crores was made under this scheme for 2020-21 which has been reduced to Rs. 210 crores at the stage of Revised Estimates i.e. a massive reduction of about 80%. Against the target of 10,000 MW under Component A, the Ministry has sanctioned only 1000 MW and the achievement is zero as on 31st December, 2020. Under component B, against the target of 20 lakh stand alone solar water pumps, the Ministry has sanctioned only 1,71,270 and the achievement is 16,546. Under component C, against the target of 15 lakh Grid-connected Solar Powered Agriculture Pumps, the Ministry has sanctioned only 82,308 and the achievement is a miserable 24. The Committee are extremely disappointed with the performance of the Ministry under such a cutting-edge scheme touching the lives of rural masses. The Committee, therefore recommend that

the Ministry should coordinate and hold consultations with the State Governments and actively encourage them to participate in the Scheme.

Reply of the Government

The implementation guidelines of PM-KUSUM Scheme were issued on 22.07.2019 and States/UTs were requested for sending demand for allocation of capacities under the three components of PM-KUSUM Scheme. The capacity allocation under the three components of the Scheme considering the demand and availability of targets under the Scheme were issued from August 2019 onwards for the year 2019-20. The centralized tendering for Component-B of PM-KUSUM Scheme was finalized in December 2019 and States were requested for issuance of LOAs to the successful bidders. While some of the States issued LOAs to vendors by March 2020, soon after the lockdown was imposed due to Covid-19 pandemic and the implementation work was held up. Though after the first wave of Covid-19 pandemic situation was improved and implementation of PM-KUSUM started in August 2020, however, many States curtailed the State share to be provided for the Scheme resulting in lower capacity achievements than allocated.

In case of Component-A of PM-KUSUM Scheme against the initial allocated capacity of 1000 MW in 2019-20, LoAs for a total of 750 MW capacity were issued by September 2020 but the implementation on the ground could not be initiated due to non-availability of concessional and collateral free financing from banks which has resulted in delay in implementation of the capacity on the ground. Similarly, under the Component-C of the Scheme there has been reluctance for the desired State share of 30% and farmers share of 40% of total project cost, which has resulted in very low achievements under this component.

Ministry had undertaken third party evaluation of the Component-A and C of the Scheme and based on the evaluation report a new variant in Component-C was introduced considering the non-availability of State and farmers share for individual grid connected pump solarisation. In the new variant, called feeder level solarisation, the need for mandatory State/ farmer share was removed and instead of installing solar panel for the individual agriculture pumps, a single solar power plant of few MW size is proposed to be installed catering to the power supply requirements of an agriculture feeder.

The States have shown interest in this variant and against the target capacity of solarisation of 2 lakh existing grid connected pumps through feeder level solarisation, Ministry has received demand for around 43 lakh

such pumps in 2020-21. Considering the demand variation between the components, Ministry proposed fungibility of CFA between Component-B and C which was agreed by Ministry of Finance, keeping in view that the total CFA amount was unchanged. So far, over 72000 stand-alone solar pumps have been installed under the Component-B, 18 MW capacity solar power plants installed under Component-A and over 1000 pumps reported solarised under individual pump solarisation variant of Component-C. Ministry is regularly reviewing the progress of the three components on weekly basis with the State Implementing Agencies and timely resolving the issues in implementing the Scheme.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Recommendation No. 8

The Committee note that domestic manufacturing capacity in solar sector is limited and only 2.5 GW of solar cells and 9 to 10 GW of solar modules are manufactured in the Country against the annual demand of 30 GW in general and 100 GW in the context of achieving the target of 175 GW Solar Energy by the year 2022. A Productivity Linked Incentive (PLI) Scheme has been announced in the Budget in order to encourage manufacturing of 'High Efficiency Solar PV Modules' with an outlay of Rs 4500 crores over 5 years. The Committee feel that though it took more than 5 years to formulate a dedicated scheme for encouraging domestic manufacturing in solar sector but nonetheless it is a welcome initiative taken by the Government. This assumes more significance in the wake of the "Atmanirbhar Bharat" mission. The Committee hope that the Ministry will implement this scheme in all sincerity so that it yields the desired results which in turn will substantially reduce our dependence on import and thereby our precious foreign exchange will be preserved.

The Committee observe that during examination of the subject, the Ministry had submitted that the cost difference between domestic and imported solar cells/modules is about 21-22% whereas the safeguard duty currently available is less than 15% and as stated by the Ministry, it is not helpful for domestic manufactures and they are not willing to put new plants. As informed to the Committee, it has been proposed to the Government to impose basic Custom Duty with a future date i.e. April, 2022 so that all existing projects can be commissioned before that. The Committee would expect that while considering the proposal for imposition of basic custom duty on imports related to solar sector, the Government must deeply analyze various ramifications taking into account the facts like availability of solar

cells/modules in the domestic market, likelihood of rise in prices of imported products resulting in discouragement to potential customers, impact on achieving 100 GW solar energy target by the year 2022 etc. The Committee desire that structured efforts need to be taken by the Government for incentivizing the domestic manufacturing of all solar energy related products to achieve the “Atmanirbhar Bharat” mission in real sense.

Reply of the Government

In order to enhance the domestic manufacturing capacity, MNRE has been consistently bringing out policies to support domestic solar PV manufacturing. Some of the recent initiatives are:

- MNRE has created a market of more than 36 GW over the next 2 to 3 years for domestic cells and modules by making deployment of domestic cells and modules mandatory in schemes like PM-KUSUM, Solar Rooftops, CPSU Scheme.
- Also, through implementation of ‘Public Procurement (Preference to Make in India) Order’, procurement and use of domestically manufactured solar PV modules and solar inverters has been mandated for Govt/ Govt. entities.
- The Government has issued Production Linked Incentive Scheme “National Programme on High Efficiency Solar PV Modules” to promote manufacturing of high efficiency solar PV modules, including the upstage vertical components like cells, wafers, ingots, polysilicon, in India and thus reduce the import dependence in solar PV sector. Under this Scheme, Letters of Award have been issued for setting up around 10.5 GW of fully integrated solar PV manufacturing.
- Government has announced its decision to impose Basic Customs Duty (BCD) on import of solar PV cells and modules with effect from 01.04.2022.
- Government has discontinued issuance of Customs Duty Concession Certificates for import of material /equipment for initial setting up of solar PV power projects.
- In order to ensure the reliability of solar PV modules being deployed in India, MNRE has brought in a mechanism of enlistment, after thorough inspection, of manufacturing facilities of solar PV cells and modules. The ALMM (Approved list of Models and Manufacturers) Order was issued on 02.01.2019. The first list under this Order, List-I for models and manufacturers of solar PV modules, has been published on 10.03.2021 and is being updated periodically. This shall also provide an edge to domestic manufacturers by way of a lead time in enlistment.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Recommendation No. 9

The Committee note that the budgetary allocations for New National Bio-Gas and Organic Manure Programme (NNBOMP) since the year 2017-18 has been considerably reduced and the Ministry has consistently failed to utilize even the reduced financial allocation. The physical targets under this scheme also remain unachieved. The Committee are informed that the non-achievement of targets is due to increase in cost of construction, low priority given to this scheme at the State level, impact of Ujjwala Scheme etc. The Committee observe that apart from electricity generation, Bio-Gas Plants not only meet the cooking fuel requirements of rural folks but also provide them organic bio-manure. The Committee, therefore, recommend that the Ministry should widely publicise the benefits of this scheme and work towards providing affordable lending facilities for meeting the upfront cost for installation of Bio-Gas Plants.

Reply of the Government

Besides providing CFA for biogas plant installation under NNBOMP, the ministry has been providing the financial support for following biogas promotional activities:

- Support training for farmers & biogas users, biogas turnkey workers/ installers and publicity awareness of the Biogas Programme in the country through the State / UT's Programme Implementing Agencies (PIAs), Khadi & Village Industries Commission (KVIC); and National Dairy Development Board, (NDDB) Anand; and
- Eight Biogas Development and Training Centres are working in different regions of the country for providing technical trainings for installation of biogas plants, skill development by imparting trainings to biogas turnkey workers and information & public awareness assistance, for implementing the national biogas programme in the country including rural areas.

The NNBOMP which was valid till 31.03.2021, has been recommended for continuation by EFC for the period FY 2021-22 to 2025-26 only for meeting the already created liabilities. Thus no new projects after 31.03.2021 are to be sanctioned.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Recommendation No. 12

The Committee note that Indian Renewable Energy Development Agency Limited (IREDA) is a Mini Ratna (Category-I) Government of India Enterprise under the administrative control of Ministry of New and Renewable Energy. It is the only non-banking financial institution exclusively engaged in promoting, developing and extending financial assistance for setting up projects relating to renewable sources of energy. The Committee observe that IREDA has outstanding foreign currency loan of Rs. 8,857.20 crores guaranteed by the Government of India, for which it has also paid the guarantee fee of more than Rs. 96 crores in 2019-20 and Rs. 118 crores in 2020-21. The Committee feel that the guarantee fee should not be levied on atleast those enterprises which are 100% owned by the Government of India. Further, it has also been submitted that IREDA has Non-performing Assets of Rs. 69.2237 crore in Biomass Sector and Rs. 628.4256 crores in Small Hydro Sector. The Committee specifically recommend the following:

- i) The Ministry should explore the possibility of exempting IREDA from payment of Guarantee fee which have been levied by the Government in lieu of extending sovereign guarantee which will help bolster its balance sheet;
- ii) IREDA should gear up its machinery towards reducing its NPAs in accordance with norms of the RBI; and
- iii) The details of the loans write-off made in the last three years may be furnished to the Committee.

Reply of the Government

The NPA figures for Small Hydro Sector may be read as Rs.728.43 as on 31st March 2020.

- i) IREDA has approached Ministry of Finance through MNRE, requesting for waiver/exemption/reduction of GoI guarantee fee for the sovereign guaranteed international lines of credit. Waiver of the GoI guarantee fee shall lower the overall cost of the foreign currency loans for lending to the renewable energy (RE) sector. This will enable the company to provide further benefit in the interest rates for RE project developer. DEA has reduced Sovereign Guarantee Fee (SGF) in some cases. DEA vide DO letter dated 11-03-2021 was requested that SGF may be kept at 0.1% per annum for USD 469 million line of credit of the ADB to IREDA to which it was reduced to 0.5% per annum from 1.2% per annum. MNRE is taking up the matter of waiving/reducing SGF with DEA on case to case basis. Presently the GoI guarantee fee is in the range of 0.5% - 1.2% p.a.

ii) IREDA is following various benchmarks of financial prudence as announced by Reserve Bank of India (RBI) from time to time including, formation of its policies in line with RBI circulars on Prudential Framework for Resolution of Stressed Assets & Other relevant Policies for timely identification of stress & its early resolution. IREDA has also taken various steps for improvement in system and processes such as:

- Financial concurrence has been introduced for all the projects, at the time of appraisal of projects, disbursement etc.
- Setting up of Dedicated Risk and Monitoring Cell.
- Periodic review and monitoring of entire loan portfolio including NPA accounts for identification of early warning signals & timely initiation of recovery actions, wherever required.
- A separate Board Level Committee has been constituted for routine periodic monitoring of all the stressed assets including NPA.
- IREDA is also doing regular monitoring and appointing Lender's Independent Engineer (LIE) for knowing the early signals for issues related to projects delay, timely implementation of projects and also issues related to the projects during operations, so as to contain growth of NPAs.

Further, IREDA has been taking timely steps such as:

- Re-schedulement/Restructuring of loans/Change of Management, in deserving cases.
- Resolution through National Company Law Tribunal, NCLT.
- Recovery through Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, SARFAESI Act.
- Filing Recovery suits in Debt Recovery Tribunal, DRT.
- Initiation of insolvency proceedings/winding-up petition against guarantors.

It may be observed that recent initiatives have resulted in further reduction of NPAs during first half of FY 2021-22, the gross NPA has been reduced from 8.77% as on 31.03.2021 to 8.05% as on 30.09.2021 and Net NPA has been reduced from 5.61% as on 31.03.2021 to 4.87% as on 30.09.2021.

iii) IREDA management has not written off any loan account in the previous 3 FYs, however, in case of one project, IREDA had to sacrifice Rs. 24.90 Cr, since it was a One Time Settlement (OTS) proposal lead by State Bank of India in the capacity of the Lead lender.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

CHAPTER – III

Observations/ Recommendations which the Committee do not desire to pursue in view of the Government's Replies

Nil

CHAPTER – IV

Observations/Recommendations in respect of which the Replies of the Government have not been accepted by the Committee and which require Reiteration

Recommendation No. 2

The Committee note that Gross Budgetary Support to the Ministry was substantially decreased at the time of revised estimates. The allocation was reduced by about 26 % during the year 2019-20 and about 38 % for 2020-21. The Committee observe that the Ministry has not been able to fully utilize even the decreased allocations during the previous years. It could utilize 86.97%, 91.53 % and 69.78% of revised budgetary allocations during the years 2018-19, 2019-20 and 2020-21 (upto January, 2021) respectively. The Committee find it very strange that funds are un-spent in such an important and dynamic sector with a huge target of 175 GW to be achieved by the year 2022. Non-utilization of budgeted funds are unacceptable in a Country where budgetary resources are limited and so many dream projects are to be completed with prudent financial planning and therefore it is of utmost importance that the budgetary allocations are fully and properly utilized. The Budgetary allocations approved by the Parliament for a particular financial year cannot be left to remain only on paper as these are scarce lapsable funds which are meant to be properly spent and fully utilized within the prescribed budgetary time-frame well before the close of the particular financial year. The Committee are of the opinion that variation in budgetary allocations at the stage of revised estimates and low utilization of even the decreased allocated amounts under various Heads are symptomatic of poor financial planning by the Ministry. The Committee, therefore, recommend that the Ministry should streamline its budget formulation process and increase its fund absorption capacity, as continuous shortfall in utilization of the allocated funds will have adverse impact on the demand of budgetary allocations of the Ministry for subsequent financial years.

Reply of the Government

The suggestion of the committed has been noted for compliance. During the year 2020-21, against a BE of Rs.5753 crore and RE of Rs. 3591 crore actual expenditure was Rs. 3096.73 crore which was 86.24 % of RE. The Shortfall was mainly due to COVID outbreak and also because the Department of Economic Affairs issued guidelines to restrict the monthly expenditure to 5% of the Budget Outlay during each month upto December, 2020.

Further, most of the grid connected renewable energy projects in the country are being implemented by private sector developers selected through transparent competitive bidding process. Because of fall in Renewable Energy (RE) tariff, no additional financial support is required for grid connected RE power. Hence, budgetary spending in a financial year does not have a high correlation with the RE capacity installed in that financial year.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Comments of the Committee

(Please see Para No. 9 of Chapter – I of the Report)

Recommendation No. 10

The Committee observe that 221 waste-to-energy plants based on Municipal Solid Waste (MSW), Urban, Industrial and agricultural waste/residues for generation of power and biogas to meet thermal and electrical energy needs of industries and for production of Bio-CNG for transportation have been installed in the Country. The Committee note that the Ministry has more or less, been able to achieve the physical targets under waste to energy programme but the fund utilization has been poor as it could not utilize the full allocated amount. It can thus be inferred that there is scope to increase the physical target under this programme extending its reach further. The Committee also believe that use of agricultural waste/residue to produce energy may also help in reducing stubble burning and thereby addressing the problem of air pollution. The Committee, therefore recommend that the Ministry should encourage setting up of waste to energy plants in consultation with local bodies for better waste-management in urban as well as rural areas.

Reply of the Government

The recommendation offered by the Standing Committee is noted by the Division. In this connection it is to inform that this Ministry has been encouraging setting up of waste to energy plants for better waste-management in urban as well as rural areas under “Programme on Energy from Urban, Industrial and Agricultural Wastes/Residues”. Central Financial support (CFA) to project developers was provided under this programme. During validity of this programme, sanctions to 29 nos of Waste to Energy projects including 5 nos. of MSW to Power projects were granted financial support by this Ministry. The programme expired on 31.03.2021.

For continuation of the programme beyond 31.03.2021 an EFC proposal under Umbrella scheme of the National Bioenergy Programme was submitted to Department of Expenditure, Ministry of Finance. The proposal includes setting up of 50 nos. of MSW based power plants in urban areas initiated by local bodies. However during the EFC meeting held on 22.09.2021 it was recommended that the programme may be continued only to meet the already created liabilities and no new projects may be sanctioned under sub schemes of this programme.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Comments of the Committee

(Please see Para No. 12 of Chapter – I of the Report)

Recommendation No. 11

The Committee note that the Ministry has not been able to fulfill its obligation regarding utilization of 10% of its annual budget for development of renewable energy in the North-Eastern Region. It is submitted by the Ministry 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, thus making solar & wind power produced in these areas non-remunerative. But we are aware that the north-eastern region has substantial potential for small hydro power; however its capacity addition since 2017-18 has been zero except for minimal addition in 2018-19. Keeping in view the fact that the north-eastern states are more interested in off-grid and decentralized schemes of the Ministry, the Committee recommend that the Ministry should give priority to North-Eastern States in implementation of off-grid and decentralized application programme of the Ministry and specificities of this region should be kept in mind while formulating the schemes.

Reply of the Government

The details of funds allocated to North Eastern Region (NER) during the year 2020-21 are as follows:

(Rs in crore)

Year	BE	RE	Actual expenditure
2020-21	565.00	335.00	107.00

The off-grid solar PV programme phase-II was exclusively extended for North Eastern Region from 1-4-2020 to 31-3-2021 for installation of solar street lights, distribution of solar study lamps to school going children and solar power packs for public institutions with subsidy of 90%. During the year 2021-22, against a B.E. of Rs 565.00 crore, an expenditure of Rs 23.18 crore has been incurred upto November 2021.

[Ministry of New and Renewable Energy
O.M. No. 372-12/8/2017-PU, Dated: 22/12/2021]

Comments of the Committee

(Please see Para No. 15 of Chapter – I of the Report)

CHAPTER – V

**Observations/Recommendations in respect of which the final Replies of
the Government are still awaited**

Nil

**New Delhi;
March 15, 2022
Phalguna 24, 1943 (Saka)**

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

APPENDIX-I

STANDING COMMITTEE ON ENERGY

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2021-22) HELD ON 15th MARCH, 2022 IN COMMITTEE ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1030 hours to 1100 hours

LOK SABHA

Shri Rajiv Ranjan Singh alias Lalan Singh - Chairperson

2. Shri Sunil Kumar Mondal
3. Shri Velusamy P.
4. Shri Parbatbhai Savabhai Patel
5. Shri Dipsinh Shankarsinh Rathod
6. Shri Gnanathiraviam S.
7. Shri Bellana Chandra Sekhar
8. Shri Shivkumar C. Udasi

RAJYA SABHA

9. Shri Ajit Kumar Bhuyan
10. Shri T.K.S. Elangovan
11. Shri Muzibulla Khan
12. Shri S. Selvaganabathy
13. Shri Sanjay Seth
14. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Dr. Ram Raj Rai Joint Secretary
2. Shri R.K. Suryanarayanan Director
3. Shri Kulmohan Singh Arora Additional Director

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

- (i) Report on 'Action-taken by the Government on recommendations contained in the 6th Report (17th Lok Sabha) of the Committee on Demands for Grants (2021-22) of the Ministry of New and Renewable Energy'.
- (ii) Report on 'Action-taken by the Government on recommendations contained in the 7th Report (17th Lok Sabha) of the Committee on Demands for Grants (2021-22) of the Ministry of Power'.
- (iii) Report on 'Demands for Grants (2022-23) of the Ministry of New and Renewable Energy'.
- (iv) Report on 'Demands for Grants (2022-23) of the Ministry of Power'.

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 Houses of the Parliament.

The Committee then adjourned.

APPENDIX II

(Vide Introduction of the Report)

Analysis of action-taken by the Government on Observations/ Recommendations contained in the Sixth Report (17th Lok Sabha) of the Standing Committee on Energy

(i)	Total number of Recommendations	12
(ii)	Observations/Recommendations which have been accepted by the Government: Sl. Nos. 1, 3, 4, 5, 6, 7, 8, 9 and 12	
	Total:	09
	Percentage:	75 %
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies: Sl. No. Nil	
	Total:	Nil
	Percentage:	00
(iv)	Observations/Recommendations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration: Sl. Nos. 2, 10 and 11	
	Total:	03
	Percentage:	25 %
(v)	Observations/Recommendations in respect of which final replies of the Government are still awaited: Sl. No. Nil	
	Total:	Nil
	Percentage:	00