

**31**

**STANDING COMMITTEE**

**ON ENERGY**

**(2008-2009)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF POWER**

**IMPLEMENTATION OF RAJIV GANDHI  
GRAMEEN VIDYUTIKARAN YOJANA**

**THIRTY-FIRST REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*February, 2009/Magha, 1930 (Saka)*

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**IMPLEMENTATION OF RAJIV GANDHI GRAMEEN VIDYUTIKARAN  
YOJANA**

*Presented to Lok Sabha on* 18-02-2009

*Laid in Rajya Sabha on* 18-02-2009



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*February, 2009/Magha, 1930 (Saka)*

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## COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2008-09)

### LOK SABHA

1. **Shri Gurudas Kamat** - **Chairman**
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21. Vacant

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22. Shri Shyamal Chakraborty
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28. Shri V. Hanumantha Rao
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31. Shri Veer Pal Singh Yadav

### SECRETARIAT

1. Shri Ashok Sarin - Joint Secretary
2. Shri Shiv Kumar - Deputy Secretary
3. Shri Rajesh Ranjan Kumar - Deputy Secretary – II
4. Shri N. Amarathiagan - Sr. Executive Assistant

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\* Nominated as Member of the Committee w.e.f. 18.12.2008

\*\* Re-nominated as Member of the Committee w.e.f. 9.1.2009

\*\*\* Nominated w.e.f. 15<sup>th</sup> January, 2009

## INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this 31<sup>st</sup> Report (Fourteenth Lok Sabha) on the subject 'Implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)' relating to the Ministry of Power.

2. The Committee took evidence of the representatives of the Ministry of Power on 16<sup>th</sup> June, 2008. The issue of implementation of RGGVY was also discussed again at a sitting of the Committee held on 19<sup>th</sup> September, 2008 to have a briefing from the Ministry of Power on the Status of Implementation of the recommendations contained in the Reports of the Standing Committee on Energy presented during the Fourteenth Lok Sabha. The latest information as obtained in the matter, at that point of time has also been incorporated in the Report.

3. The Committee wish to thank the representatives of the Ministry of Power and concerned Central Public Sector Undertakings associated with the implementation of RGGVY and representatives from the States of Maharashtra and Jharkhand who appeared before the Committee and expressed their considered views on the subject. They also wish to thank the Ministry of Power for furnishing the replies to the points raised by the Committee.

4. The Committee considered and adopted the Report at their sitting held on 12<sup>th</sup> February, 2009.

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;**  
**12<sup>th</sup> February, 2009**  
**23 Magha, 1930 (Saka)**

**GURUDAS KAMAT,**  
**Chairman,**  
**Standing Committee on Energy**

# **REPORT**

## **PART – I**

### **CHAPTER-I**

#### **Introductory**

1.1 Electricity, which is a concurrent subject at Entry number 38 in the List III of the Seventh Schedule of the Constitution of India, is one of the essential infrastructures required for economic growth, employment generation and poverty alleviation. The Ministry of Power is primarily responsible for the development of electrical energy in the country. The Ministry is concerned with perspective planning, policy formulation, processing of projects for investment decisions, monitoring of the implementation of power projects, training and manpower development and the administration and enactment of legislation in regard to thermal, hydro power generation, transmission and distribution.

1.2 Rural electrification has been regarded as a vital programme for the development of rural areas. It has been stated that the basic aim of the Rural Electrification policy of Government of India is to ensure rapid economic development by providing access of electricity to all the villages and households in order to improve the quality of life in the rural areas by supplying electricity for lighting up of rural homes and hearths, shops, community centers, public places etc., in all villages and also to facilitate the development of productive loads.

1.3 In 1947, only 1500 villages were electrified in India and the per capita consumption was only 14 units. For the electrification of rural areas of the Country, the Government of India from time-to-time launched many rural electrification programmes such as Rural Electrification under Minimum Needs Programme (MNP), Pradhan Mantri Gramodaya Yojana (PMGY), Kutir Jyoti Scheme, Accelerated Rural Electrification Programme (AREP) and Accelerated Electrification of One lakh villages and One crore households. As per 2001 census, a total of 7,80,90,874 rural households in the country constituting about 56.48% were un-electrified. The total number of un-electrified villages in the

Country was estimated to be around 1,25,000 as per the new definition of village electrification (effective from 2004-05).

1.4 Recognizing the need, the problems associated with rural electrification in India to accelerate the pace of village electrification programme and its critical role in poverty alleviation, the Government of India, Ministry of Power, in April, 2005, launched the new scheme of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) for attainment of the National Common Minimum Programme (NCMP) goal of providing access of electricity to all households in five years. The Ministry of Power subsequently, merged with the RGGVY scheme all other Rural Electrification Programmes of the Ministry i.e. Rural Electrification under Minimum Needs Programme (MNP), Kutir Jyoti Scheme, and Accelerated Electrification of one lakh villages and one crore households.

1.5 The Rural Electrification Corporation Limited (REC), which was incorporated as a Company under the Companies Act, 1956 in the year 1969 with the main objective of financing rural electrification schemes in the country, and which was subsequently made a Non-Banking Financial Company (NBFC) under Section 45 IA of the RBI Act, 1934, has been made the nodal agency for the Rajiv Gandhi Grameen Vidyutikaran Yojana.

1.6 Development of franchisee system for rural distribution is stated to be one of the salient features of the RGGVY. Under the RGGVY, the management of rural distribution would be through the franchisees who could be Non-Government Organizations (NGOs), Users Associations, Panchayat Institutions, Cooperatives or individual entrepreneurs. Deployment of franchisees by the time villages are electrified under the scheme, is stated to be the desired objective. The utility has to ensure this to make it viable proposition by ensuring supply of powers for reasonable number of hours. Franchisees are required to be given proper support by the local administration in detection and prevention of theft of electricity.

1.7 There exists a three tier Quality Monitoring Mechanism to ensure effective implementation of the projects sanctioned under RGGVY. In the first tier, a third



party will be appointed by the implementing agency, which will ensure that the utilized material and workmanship is in accordance with the specifications and guidelines on a concurrent and ongoing basis. At second tier, Rural Electrification Corporation will get the inspection of the works done through outsourcing to reputed inspection agencies or retired personnel designated as REC Quality Monitors. At third tier, Ministry of Power will engage independent agencies to conduct random inspection for effective implementation of the scheme. They shall inspect the work with particular reference to quality specifications. In case reports reveal unsatisfactory work, the implementing agency shall ensure that the material / work is replaced or rectified (as the case may be) within the time period stipulated.

1.8 Considering the importance of Rural Electrification Programme in the Country, the Committee undertook a detailed examination of the subject 'Implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana' pertaining to the Ministry of Power. Various aspects of the examination the subject undertaken by the Committee have been outlined in the next chapter of the Report.

## CHAPTER-II

### A. Facets of Village Electrification Under RGGVY

2.1.1 Under the Rajiv Gandhi Grameen Vidyutikaran Yojana, (RGGVY) rural electrification projects could be financed with capital subsidy for:

- (i) Creation of Rural Electricity Distribution Backbone (REDB) with one 33/11 kv (or 66/11 kv) substation in every block appropriately linked to the State Transmission System where these do not exist.
- (ii) Creation of Village Electrification Infrastructure (VEI) – for electrification of un-electrified villages, electrification of un-electrified habitations with a population of above 100 and for provision of distribution transformers of appropriate capacity in electrified villages/habitation(s).
- (iii) Decentralized Distributed Generation (DDG) and Supply System from conventional or non-conventional/renewable sources for villages/habitations where grid connectivity is either not feasible or not cost effective and where Ministry of New and Renewable Energy would not be providing electricity through their programme(s).

2.1.2 The Committee have been informed that REDB, VEI and DDG would indirectly facilitate power requirement of agriculture and other activities including irrigation pump sets, small and medium industries, khadi and village industries, cold chains, healthcare, education, IT etc.

2.1.3 The following provisions have been made for rural electrification of Below Poverty Line Households under the scheme:

- “i) BPL households will be provided free electricity connections. The rate of reimbursement for providing free connections to BPL households would be Rs. 2200 per household.
- ii) Households above poverty line would be paying for their connections at prescribed connection charges and no subsidy would be available for this purpose.
- iii) Wherever SC/ST population exists amongst BPL households and subject to being eligible otherwise, they will be provided connection free of cost and a separate record will be kept for such connection.”

2.1.4 As far as the definition of village electrification and the criteria adopted by the Government for village electrification are concerned, the initial focus of the

rural electrification programmes of the Ministry was on 'electrification for irrigation' to enhance agricultural produce which was reflected in the definition of village electrification accepted till as late as October, 1997 – that 'a village is deemed to be electrified if electricity is being used within its revenue area for any purpose whatsoever'.

2.1.5 The definition of village electrification was reviewed in consultation with the State Governments and State Electricity Boards and the new definition adopted in October, 1997, *inter-alia* states that 'a village will be deemed to be electrified if electricity is used in the inhabited locality within the revenue boundary of the village for any purpose whatsoever.'

2.1.6 The point relating to definition of village electrification as notified by the Ministry in October, 1997, was looked into by the then Committee. The Committee had also taken note that as per the definition of village electrification as adopted by the Ministry of Non-Conventional Energy Sources at that point of time, a village would be deemed to be electrified if at least 60% of the households were provided with lighting. The Committee, in their 29<sup>th</sup> Report (Thirteenth Lok Sabha) on Demands for Grants of the Ministry of Power for 2002-03, had recommended that a uniform definition be practiced and adopted by all the arms of the Government, including the Ministry of Power.

2.1.7 The definition of village electrification was made more encompassing as also target specific later on. The new definition was notified on 05 February, 2004. According to this new definition, a village would be declared electrified if:

- i) Basic infrastructure such as distribution transformer and distribution lines are provided-in the inhabited locality as well as the dalit basti/hamlet where it exists. (For electrification through Non-conventional energy Sources a distribution transformer may not be necessary).
- ii) Electricity is provided to public places like schools, panchayat offices, health centres, dispensaries, community centres, etc. and
- iii) The number of households electrified should be at least 10% of the total number of households in the village.

2.1.8 Subsequently, the Committee in their 1<sup>st</sup> Report (14<sup>th</sup> Lok Sabha) recommended that the Ministry should impress upon the States to carry out fresh survey for identifying non-electrified villages as per the new definition on village electrification effective from 2004-05. The Committee again in their 3<sup>rd</sup> Report (14<sup>th</sup> Report) recommended that the Ministry should obtain updated statistics on rural electrification from the States and modify their rural electrification programme in the light of the updated statistics.

2.1.9 The number of un-electrified villages in the country as per the new definition on village electrification effective from 2004-05, was estimated to be 1,25,000. The State-wise details of status of village electrification as on 31 March, 2004, as supplied by the Ministry of Power, are at **Annexure– I**. Further, in a meeting convened on 19<sup>th</sup> September 2008, to discuss the implementation status of recommendations made by the Committee in their various Reports (14<sup>th</sup> Lok Sabha), the Committee were informed that the updated data on rural electrification was yet to be received by the Ministry from all the States.

2.1.10 As for the status of rural household electrification in the country, the Committee were informed that as per 2001 census the total number of rural households in the country was 13,82,71,559. The number of households having electricity was stated to be 6,01,80,685 (43.52%) and the number of un-electrified rural households was estimated to be 7,80,90,874. The State-wise details are given at **Annexure-II**.

2.1.11 With reference to a query regarding the present criteria for a BPL household being followed for providing free electricity connection in the country, the Committee have been informed that the Implementing Agencies get the list of BPL households from the District Authorities of the States and that the criteria for BPL households are decided by the States.

2.1.12 In response to a query about the approximate number of BPL households in the country and how many of them had been electrified under RGGVY, the Committee were informed by the Ministry that the estimated number of un-electrified BPL households in the country was 2.34 crore, of which

connections to 25.97 lakh BPL households had been provided under RGGVY up to 31.05.2008.

2.1.13 When asked about the action plan for electrifying the remaining BPL households in the country, the Ministry have stated that the remaining connections to BPL households covered in 235 projects are likely to be released by March 2010 and that efforts would be made to complete 316 projects sanctioned in XI Plan in 18 months from the date of award.

2.1.14 During oral evidence, the Secretary, Ministry of Power pointed out, among other things, the difficulties arising out of non-availability of BPL lists for providing free electricity connection to BPL families in the villages covered under RGGVY. Further, responding to a query regarding omission of BPL households under RGGVY, the Secretary stated:

“It is not part of a project if those project have not been taken up where this cap is remaining we may not be able to visit them in this programme unless a separate project come. This is a project approach. The project is defined; the beneficiaries are more or less defined. But within a project area, we could select some of the un-electrified villages to accelerate the project faster so that there is greater consolidation of the work instead of totally green filed coverage because total Greenfield coverage would entail higher expenditure.”

## **B. Rural Electrification Plan**

2.2.1 As per the RGGVY launched in April 2005, the States are required to finalize their Rural Electrification Plans in consultation with Ministry of Power and notify the same within six months. The Rural Electrification Plan is a roadmap for generation, transmission, sub-transmission and distribution of electricity in a State, which will ensure achievement of the objectives of the scheme.

2.2.2 The Secretary, Ministry of Power, emphasizing on the importance of drawing up of Rural electrification Plan by States, during evidence on 16<sup>th</sup> June, 2008 stated as under:

“what is most important is that the States must draw up their Rural Electrification Plans. You will appreciate that electricity can only be taken to the last mile provided the linkages are available and the State has arranged the necessary power to supply to the villages”

2.2.3 The Ministry of Power, in a written note, have given following information on Rural Electrification Plan:

“The objective of Rural Electrification Plan is to map and detail the electrification delivery mechanism by each State considering the availability of resources, electricity, transmission, sub-transmission network, funds for subsidy, and management of rural distribution to enable proper supply of power to the rural areas and proper services to the consumers and to maintain revenue sustainability.

Till now, States were implementing their Rural Electrification projects without proper planning in isolated manner. However, for projects to be eligible for capital subsidy under RGGVY, prior commitment of the States that they shall ensure a minimum daily supply of 6 – 8 hours of electricity in the RGGVY network with the assurance of meeting any deficit in this context for supplying electricity at subsidized tariff as required under the Electricity Act, 2003, is obtained.”

2.2.4 The Secretary, Ministry of Power, in a sitting of the Committee held on 19<sup>th</sup> September 2008, convened to discuss the implementation status of recommendations of the Committee pertaining to RGGVY in particular, deposed as under:

“We feel that for really a meaningful Rural Electrification Programme, the Rural Electrification Plans of the States giving how power is to be reaching those people, how the tariff issues will be resolved, whatever the roadmap is, sub-stations etc., down the line, we took an assessment and found that some States had submitted very perfunctory kind of Rural Electrification Plan which was not giving any level of confidence that actually it will happen. So, we circulated some model draft that you please give it on this line.”

2.2.5 On a specific query by the Committee to give details as to whether any time limit was prescribed for the States to get the Rural Electrification Plan approved and notified, the Ministry of Power in a written reply stated that all the States interested in availing assistance under RGGVY had to notify their Rural Electrification Plans by August, 2008.

2.2.6 Regarding status of finalization of Rural Electrification Plans, the Secretary, Ministry of Power, in the sitting of the Committee held on 19<sup>th</sup> September, 2008 informed:

“...five States have notified their RE plans, namely Gujarat, Mizoram, Nagaland, Tamil Nadu and West Bengal. Five States have finalised their plans but have yet to notify them. They are Chhattisgarh, Haryana, Himachal Pradesh, Maharashtra and Punjab. In respect of four States, drafts have been submitted to which we have commented on some shortcomings. These States are Madhya Pradesh, Meghalaya, Orissa and Uttar Pradesh. This is the broad status that we have. Other States are yet to respond to us.”

2.2.7 The Secretary further elaborated:

“One option is not to sanction anything in their States for the time being at all till they draw up those plans. But we have decided to sanction, and hopefully in parallel that they can put these things in operation. Otherwise, you will realise that if we were to stall their sanctions, then a large number of States would be left out. But we have written to the Chief Secretaries that if the Rural Electrification Plans are not submitted by October – I have addressed letter to them – that funds will not be provided to them. It is because we believe that till they have this basic framework in place and the overall planning in place and the other inputs that are going to come in, the rural electrification will not fructify”.

## **C. Implementation of RGGVY**

2.3.1 The Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) is implemented through the designated nodal agency, the Rural Electrification Corporation (REC). The REC is stated to be responsible for complete oversight on the programme from concept to completion.

2.3.2 The Committee have been informed that under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) ninety per cent capital subsidy is provided towards the overall cost of the rural electrification projects excluding the amount of State or local taxes, which will be borne by the concerned State/State Utility. Ten percent of the project cost would be contributed by States through own resources/loan from financial institution

2.3.3 The States have to comply with the under-mentioned conditionality to ensure proper implementation of the programme:

- i) States must make adequate arrangements for supply of electricity and there should be no discrimination in the hours of supply between rural and urban households;
- ii) Deployment of franchisees for the management of rural distribution in projects financed under the scheme;
- iii) Making provision of requisite revenue subsidies to the State Utilities as required under Section 65 of the Electricity Act, 2003; and
- iv) Determination of bulk supply tariff for franchisees in a manner that ensures their commercial viability.

2.3.4 For the rural electrification projects to be eligible for capital subsidy under the scheme, prior commitment of the States would be obtained before sanction of projects under the scheme for:

- i) Guarantee by State Government for a minimum daily supply of 6-8 hours of electricity in the RGGVY network with the assurance of meeting any deficit in this context by supplying electricity at subsidized tariff as required under Electricity Act, 2003.
- ii) Deployment of franchisees for the management of rural distribution in projects financed under the scheme and to undertake steps necessary to operationalize the scheme.



2.3.5 In the event the projects are not implemented satisfactorily in accordance with the conditionality indicated above, the capital subsidy could be converted into interest bearing loans.

2.3.6 The Ministry on being asked to furnish details regarding measure of success achieved by them in obtaining prior commitment in the form of a guarantee by State Government for a minimum daily supply of electricity in the RGGVY network, informed as under:

“This is one of conditionality in sanction letter. Commitment from the States is being obtained in the form of acceptance letter of the sanction of concerned project under RGGVY. The funds are released only after acceptance by the States of conditionality of sanction letter.”

2.3.7 On being asked to elaborate on the methodology followed and the normal time taken for the clearance of rural electrification projects submitted by the States, the Ministry of Power informed:

“The Detailed Project Reports (DPRs) formulated by the concerned project implementing agencies (State power utilities/ CPSUs) and recommended by respective State Government, in accordance with the guidelines for project formulation under the RGGVY issued by REC, are submitted at the concerned project office of REC for the State. The DPRs are then scrutinized by the project office in accordance with the guidelines for project formulation and the office memorandum of Ministry of Power. After field appraisal of the projects by the project office, the DPRs are forwarded to the RGGVY Division, REC, Corporate office with their recommendations for consideration of sanction of projects for the financial assistance by the Corporation. The DPRs are further scrutinized at RGGVY Division of REC, Corporate Office in accordance with guidelines for project formulation and after reviewing the recommendations of the project office, if acceptable; the projects are processed and submitted to the Competent Authority of REC for consideration of approval. The projects approved by the Competent Authority are forwarded to Ministry of Power for sanction by the Monitoring Committee on RGGVY.”

2.3.8 When asked about the functions of the Monitoring Committee constituted by the Ministry of Power under the Chairmanship of Secretary (Power), the Committee have been informed by the Ministry of Power in a written note that the Monitoring Committee sanction RGGVY projects, including revised cost

estimates, monitor and review the implementation of the scheme. In addition, the Monitoring Committee also issues necessary guidelines from time to time for effective implementation of the scheme. The Monitoring Committee of RGGVY, while sanctioning Decentralised Distributed Generation (DDG) projects also coordinate with Ministry of New and Renewable Energy to avoid any overlapping of the identified projects.

2.3.9 To a query regarding how often the RGGVY Monitoring Committee meet to consider/review the project proposals, the Committee were informed :

“Monitoring Committee meetings are held as per requirement. It may be seen that for approval of XI Plan projects, Monitoring Committee had held six sittings in Feb. & March 2008.”

2.3.10 On being asked about the manner in which the funds are released under the scheme, the Committee have been informed that Ministry of Power releases subsidy in instalments to the Rural Electrification Corporation as against claims raised by REC. Rural Electrification Corporation, in turn, releases the subsidy to the implementing agency in four instalments of 30 per cent, 30 per cent, 30 per cent and 10 per cent. The first instalment is released when the implementing agency is ready to award the contract. Subsequent instalments are released after the implementing agency has inter-alia certified incurring expenditure of 80% of the previous release. The State-wise details of capital subsidy released for RGGVY projects as on 10<sup>th</sup> June, 2008, as furnished by the Ministry of Power are given at **Annexure-III**.

2.3.11 The Ministry on being asked to state the reasons for non-release of any funds under RGGVY as on 10.06.2008 to Sikkim despite the fact that two projects each were sanctioned for the State in the 10<sup>th</sup> and the 11<sup>th</sup> Plans, submitted:

“The implementing agencies are eligible to receive 1<sup>st</sup> instalment when they are ready for award of contracts i.e. tender evaluation has been completed. In case of Sikkim, the implementing agency i.e. Govt. of Sikkim is yet to reach this stage. During 10<sup>th</sup> Plan also, no fund could be released to Sikkim for the same reason.”

2.3.12 During evidence, the Secretary, Ministry of Power, responding to a point raised by the Committee relating to progress in the RGGVY projects in Bihar and non-release of funds to the Bihar State Electricity Board to take up the work of RGGVY projects, stated :

“The list we have in respect of Bihar shows that 26 projects in 10<sup>th</sup> Plan were sanctioned and 26 projects were handed over to the implementing agencies on request of and in concurrence with the State Government. These projects were distributed between Power Grid and NHPC, of the Central Government. He is right that works in Bhagalpur were carried out by Power Grid 30459 BPL households were given electricity there. The price thereof was calculated to be Rs 6066 lakhs. The sanctioned amount was revised to Rs 73.23 crore. Even during the presentation you would have seen that there is difficulty in providing BPL list in Bihar. Electric Connection cannot be provided to those houses where BPL list is not available... In this regard, we have requested the states to ensure the availability of BPL lists so that BPL families may be identified. The State Government will provide the lists to us 17 projects have been sanctioned in the 11<sup>th</sup> plan period. Out of them 8 lie with the Bihar Electricity Board. Nothing of them has so far been awarded.”

2.3.13 Asked if the Government ever considered giving more responsibility to the States in implementation of rural electrification programme, the Secretary Ministry of Power, responded during evidence:

“We shall certainly look into it, but we have tried to do something like this in our implementation programme. What we have done is that there will be no parking of funds. Once the implementing agency is identified, the funds will be directly given to the implementing agency. But, as per the criteria that you are suggesting, somebody will have to audit and check if the sums are properly spent or not.”

## **D. Implementation of RGGVY Projects through Decentralized Distributed Generation (DDG) and Supply Projects**

2.4.1 Under the RGGVY, the villages where grid connectivity was either not feasible or not cost effective, were indicated to be electrified through Decentralized Distributed Generation (DDG) and Supply projects using conventional or renewable or non-conventional sources such as biomass, bio-fuel, bio-gas, mini hydro, geo-thermal and solar etc. It was also stated that the funding would be on the pattern of 90% subsidy from Government of India and 10% loan from REC or from own funds of the State/loan from financial institutions. The Monitoring Committee of RGGVY, while sanctioning DDG projects under RGGVY, should coordinate with MNRE to avoid any overlap.

2.4.2 The Ministry of Power, informed on 28<sup>th</sup> April 2008, in a written note on the subject, that RGGVY was approved for the last two years of 10<sup>th</sup> Plan with a capital subsidy Rs.5,000. Approval has also been accorded for capital subsidy of Rs.28,000 crore during the 11<sup>th</sup> Plan period. The capital subsidy of Rs. 28,000 crore in the first two years of the 11<sup>th</sup> Plan would inter-alia cover the subsidy requirement for DDG projects. The provision for subsidy requirement of DDG is Rs. 540 crore.

2.4.3 The Committee taking note of the fact that the Ministry of Power in 2005 indicated non-feasibility of electrification in respect of certain villages of Andhra Pradesh, Gujarat and in some UTs, wanted to know as to how the Government proposed to electrify them. The Ministry in their reply, informed that those villages were very remote and grid-connectivity to those villages was very costly. It was further intimated that DDG projects under RGGVY would take care of such villages.

2.4.4 On being asked to furnish state-wise details of DDG projects that have so far been sanctioned and completed so far, including the expenditure incurred thereon, the Committee have been informed by the Ministry in a written reply as follows:

“Framing of detailed guidelines for formulation of DDG projects for electrification of remote rural areas is under progress. So far, no DDG project has been sanctioned.”

2.4.5 The Ministry of Power vide their Order NO. 44/1/2007-Re dated 12<sup>th</sup> January, 2009 issued guidelines for village electrification through Decentralized Distributed Generation (DDG) and Supply Projects under RGGVY (**Annexure-IV**). As per the guidelines, the list of villages/hamlets to be electrified through DDG is to be finalized by the State Renewable Energy Development Agency/Departments promoting renewable energy in consultation with State utilities and MNRE. The RGGVY Monitoring Committee of Ministry of Power would sanction the projects on merit. The DDG projects would be owned by State Governments which will decide the implementing agency for their respective States. The Implementing agencies will finalize the prioritized list of villages/hamlets to be electrified through DDG and get the DPRs made through the panel of consultants to be identified by the Ministry of Power. Creation of an Implementation Support Group (ISG) by the Ministry of Power to coordinate/supervise the scheme has also been outlined.

## E. Targets and Achievements Under RGGVY

2.5.1 The Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched by the Ministry of Power in April 2005 to achieve the National Common Minimum Programme (NCMP) goal of attainment of access to electricity to all rural households in five years. The overall cost estimates initially worked out in respect of different components of the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) for all villages and households as per Ministry of Power OM NO. 44/19/2004-D(RE) dated 18<sup>th</sup> March, 2005, are as follows:

( Rs. in Crore )

a. Electrification of 125,000 un-electrified villages which includes <i>inter-alia</i> development of backbone network comprising Rural Electricity distribution Backbone (REDB) and Village Electrification Infrastructure (VEI) and last mile service connectivity to 10% Households in the village @ Rs. 6.50 lakh/village	8,125
b. Rural Households Electrification (RHE) of population under BPL i.e. 30% of 7.8 cr, Un-electrified Households/ i.e. 2.34 crore households @ Rs. 1500/H/H as per Kutir Jyoti dispensation.	3,510
c. Augmentation of backbone network in already electrified villages having un-electrified inhabitations @ Rs. 1 lakh/village for 4.62 lakh villages.	4,620
Total (1+2+3)	16,255
Outlay for the scheme	16,000
Subsidy component @ 90% for items 1&3 and 100% for item 2	14,750
Component of subsidy to be set aside for enabling activities including technogy development @ 1% of outlay	160

2.5.2 The Committee were further informed that the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) scheme was approved initially for the last two years of the 10<sup>th</sup> Plan with the capital subsidy of Rs.5000 Crore and it was to be

continued in the 11<sup>th</sup> Plan after evaluation and necessary modifications, if required. 235 projects which were sanctioned during the 10<sup>th</sup> Plan period were stated to be covering 68,763 un-electrified villages, 1.1 lakh electrified villages and 83 lakh of BPL households at the sanctioned cost of Rs.9,696 crore.

2.5.3 Planning Commission undertook evaluation of the scheme for extension of the scheme in the 11<sup>th</sup> Plan. Sanction for release of fund during 11<sup>th</sup> Plan for ongoing projects of 10<sup>th</sup> Plan was accorded on 9<sup>th</sup> October, 2007, after evaluation of the scheme by Planning Commission. Approval for continuation of the scheme in the 11<sup>th</sup> Plan with a capital subsidy provision of Rs. 28,000 Crore was accorded on 3<sup>rd</sup> January 2008. The capital subsidy of Rs. 28,000 crore in the first two years of the 11<sup>th</sup> Plan would inter-alia cover the subsidy requirement for DDG projects.

2.5.4 The Ministry of Power further informed that in the 11<sup>th</sup> Plan, a total of 551 RGGVY projects including 235 projects sanctioned during the 10<sup>th</sup> Plan period, were taken up at the sanctioned cost of Rs.25,276 Crore. Those 551 projects would cover 1.15 un-electrified villages, 3.46 lakh already electrified villages and 2.42 crore BPL households. The State-wise details of 551 projects (235 + 316) furnished to the Committee are at **Annexure- V**. It was also stated that the approved subsidy of Rs.28,000 crore in the first two years of the 11<sup>th</sup> Plan would inter-alia cover the subsidy requirement for DDG projects and charges for implementation and supporting activities.

2.5.5 On being asked to furnish details regarding the amount of Central subsidy that would be required for the implementation of the on going projects sanctioned by the Ministry, the Committee were informed that 551 projects had been sanctioned for total estimated cost of Rs. 25,275 crore. The award cost of these projects was estimated to be Rs. 32,850 crore involving subsidy of Rs. 29,565 crore (@90%).

2.5.6 When asked about the year-wise fund allocation for RGGVY and the capital subsidy released for the RGGVY projects, the following details were furnished by the Ministry:

<b>Year</b>	<b>Allocation</b>	<b>Capital Subsidy Released</b>
2005-06	1,500 Crore	1,500 Crore.
2006-07	3,000 Crore.	3,000 Crore
2007-08	3,944 Crore	3,913.45 Crore
2008-09	5,500 Crore	364.26 Crore*

\* as on 31.08.2008.

2.5.7 Earlier during the course of examination of the Demands for Grants of the Ministry of Power for 2008-09, the Ministry had informed the Committee that they had projected budget requirement of Rs.24,000 crore for RGGVY for 2008-09 with a view to achieve the target of electrification of 67,475 villages and connection to 2.12 crore BPL households. The Committee were further informed that in order to cover the shortfall in targets and achievements in 2007-08, efforts would be made to electrify additional 7000 villages since the financial year 2008-09 over and above the remaining 18,000 villages of 235 projects sanctioned in the 10<sup>th</sup> Plan. For achieving the target of 25,000 un-electrified villages and providing connections to 60 Lakh BPL households which were projected in the outcome budget for 2008-09, the total requirement was placed at Rs.13,000 crore. However, budget allocation to the tune of Rs.5,500 crore only has been made for 2008-09 for RGGVY.

2.5.8 On being asked to furnish status report on the target of electrifying 25,000 un-electrified villages and providing connections to the 60 Lakh BPL households, the Committee have been informed that the target for 2008-09 has been fixed at electrification of 19,000 un-electrified villages and release of connections to 50 Lakh BPL households.

2.5.9 When asked to state about steps that had been taken by the Ministry to get additional allocation of funds over and above the already allotted amount, the Ministry of Power informed the Committee that the matter of enhancement of budget would be taken up at RE stage by the Ministry of Power on the basis of expenditure incurred and expected requirement of funds during FY 2008-09.



2.5.10 In response to a query as to how much money including the central subsidy would be required to achieve 100% rural electrification in the country taking into account state-wise un-electrified villages and BPL households, the Committee have been informed that for comprehensive rural electrification of the country, it is estimated that about Rs. 52,000 crore will be required. This will involve capital subsidy of Rs. 47,000 crore out of which Rs.33,000 crore has been sanctioned by Government of India in X and XI plan.

2.5.11 Regarding targets and achievements made in the implementation of RGGVY, the Committee were informed that in the year 2005-06 & 2006-07, the achievement in RGGVY was electrification of 37,895 (9189+28,706) un-electrified villages respectively against the target of electrification of 50,000 (10,000+40,000) un-electrified villages. The main reasons for the shortfall in achievements, are stated to be delay in finalization of award of contract, non-availability of sufficient equipments, contractors & manpower, delay in issue of road permit, delay in issue of authenticated BPL lists by state authorities and delay in allocation and subsequent acquisition of land for new sub-stations.

2.5.12 In the year 2007-08, 9301 villages were reported to be electrified against a target of 9000 villages. The Committee were informed that the reason for lower targets & achievement was that the sanction for continuation of the RGGVY scheme in the 11<sup>th</sup> Plan was approved on 03<sup>rd</sup> January, 2008 leaving only three months for implementation. During the course of examination of the Demands for Grants of the Ministry of Power for 2008-09, the Committee were informed that attempt would be made to compress the project implementation cycle from 18 months to 12 months in some of the projects and efforts would be made to electrify additional 7000 villages since the financial year 2008-09 over and above the remaining 18,000 villages of 235 projects sanctioned in the 10<sup>th</sup> Plan.

2.5.13 The Committee desired to know from the Ministry about the progress on their efforts to reduce implementation cycle from 18 months to 12 months for

additional electrification of 7000 villages during 2008-09. In this connection the Ministry have responded:

“The matter was discussed in the Monitoring Committee meeting and CPSUs have indicated that it may not be feasible to further reduce implementation cycle from 18 months especially where electrification of large number of un-electrified villages is involved. However, where intensive electrification work is to be done in already electrified villages, efforts shall be made to complete the projects in less than 18 months.”

2.5.14 As regards cumulative achievements made in the implementation of RGGVY as on 31<sup>st</sup> May, 2008, the Committee have been informed about electrification of 48,401 un-electrified villages, intensive electrification of 44,648 electrified villages and household electrification of 31,61,446 households including 25,97,847 BPL households. The State-wise details are given in **Annexure-VI**. The following year-wise targets and achievements have been stated to be made since launching of the scheme in 2005-06.:

Year	Target/ Achievement (Village Electrification)	Achievement (Households)	
		BPL Households	Total Households
2005-06	10,000 / 9819	-	-
2006-07	40,000 / 28706	6,72,588	7,29,774
2007-08	9,000/9301	16,21,182	20,41,836
2008-09	19,000/575*	3,04,077*	3,89,836*

\* as on 31.05.2008.

2.5.15 Asked about the progress made in electrification of villages in the States of Bihar, Jharkhand, Arunachal Pradesh and Meghalaya, the Ministry furnished the following information:

“In Bihar, electrification works in 13533 villages have been completed as on 31.05.2008. Once these villages are energized, the percentage of electrified villages shall be about 85 per cent. In the state of Jharkhand, works in 1292 villages have been completed as on 31.05.2008. Once these villavges are energized the percentage of electrified villages shall be about 30%. In Arunachal Pradesh the contracts have been recently awarded. In Meghalaya, although contracts were awarded in 2007, physical progress has not been reported so far.”

2.5.16 To a specific query that by when 100% village electrification (both villages/habitations and households) was targeted to be realized under RGGVY, what steps had been taken by the Govt. to ensure the same and with what results, it has been stated that the villages covered in 235 projects sanctioned in X Plan are likely to be completed by March 2009. Connections to BPL households covered in these projects are likely to be released by March 2010. Efforts will be made to complete 316 projects sanctioned in XI Plan in 18 months from the date of award. The achievement of above targets is subject to availability of required funds.

2.5.17 The Ministry on being asked to justify the progress since launch of the scheme in April 2005, submitted as under :

“The RGGVY scheme is material intensive scheme. The physical outcome starts only after 9-10 months and the progress is commensurate with the projects sanctioned, coverage of villages and flow of funds. “

2.5.18 During evidence, the Committee wanted to know as to how the Committee hoped to attain targets in 2008-09 with the lesser budgetary allocation. Responding to the query, the Secretary, Ministry of Power stated:

“We would probably as we said, strategise it by covering electrified villages where more intensive electrification can be done. The cost per connection may be lower in that situation. So, we would be covering perhaps BPL households by concentrating on some of the electrified villages where more intensive electrification can be done... But our efforts certainly would be to do the maximum amount that we can, given the funds that we have. We are of course able to focus essentially on the consolidation of the investment that is made on the 10<sup>th</sup> Plan projects. We would subject to availability of funds be concentrating more on intensification of the 10<sup>th</sup> Plan expenditure so that that is out of the way and those projects are completed. The 11<sup>th</sup> Plan projects would of course be finally awarded subject to availability of adequate funds.”

2.5.19 When asked to state reasons for modest progress and slow pace of implementation of RGGVY as compared to the targets, the Secretary, Ministry of Power *inter-alia* stated:

“...The implementation of this programme depends very heavily on the initiatives that the States take, the facilities that they can offer, the availability of contractors locally and some construction materials. In respect of giving BPL connections, there is the requirement of having BPL lists which are not readily available always.....The programme began on a modest note in the Tenth Plan and has got a substantial allocation in the Eleventh Plan, although the allocations that we have received of Rs. 28,000 crore through the Cabinet sanction will fructify through the years in terms of financial allocation. This will not meet the entire needs of the programme. Keeping in view the availability of funds and a certain prioritization that we could do for the implementation of the programme in terms of cost norms, keeping in view the priority for border areas, sensitive areas and special category States, we have drawn up a phased programme for the Eleventh Plan for which we have received sanction in January this year. We hope to implement this programme keeping in view the availability of funds and activation of the State agencies to arrange the necessary contractors, if possible.....We have been in meeting and dialogue with the industry to show that the demand for certain products, certain equipment is going to increase manifold and the manufacturing capacity should be enlarged to meet this increasing demand...”

2.5.20 In response to a specific post-evidence query as to how many of the RGGVY project proposals sanctioned by the Ministry remain totally unimplemented, the Committee have been informed by the Ministry of Power:

“Out of 235 projects sanctioned in X Plan, turnkey contracts for execution of projects in respect of 229 projects have been awarded and works are under progress. Balance 6 projects of the States of Sikkim (2), J & K (1), Mizoram (2) and Tripura (1) the work is yet to be awarded. The delay has been reported to be on part of the respective implementing agencies. The Committee have been further informed that out of 323 projects sanctioned in XI Plan, turnkey contracts in respect of 133 projects have been awarded and for balance projects, the process of tendering is reported to be under progress.”

2.5.21 Some of the aspects of the subject of “Implementation of RGGVY” were again discussed by the Committee on 19<sup>th</sup> September 2008 in a meeting with the representatives of Ministry, convened to discuss the implementation status of recommendations made by the Committee in their reports (14<sup>th</sup> Lok

Sabha). The Committee were informed that seven more RGGVY projects over and above the already sanctioned 316 RGGVY projects ( $316+7=323$ ), had been sanctioned in the 11<sup>th</sup> Plan thus far. The figure of additional 7 projects led the tally to overall 558 projects sanctioned to electrify 1.16 lakh villages, cover 3.5 lakh electrified villages and free connections to 2.43 crore BPL households with a total sanctioned cost of Rs. 25651.44 crore. State-wise list of projects sanctioned and achievement made is shown at **Annexure-VII**. As per the data made available, 50,717 villages, have been electrified against the target of 1.16 lakh villages; 59,337 villages have been covered against 3.5 lakh electrified villages and 32,79,487 BPL households have been covered against 2,43,74,672 BPL households.

## F. Cost Norms for Village Electrification

2.6.1 A cost norm was stated to be evolved in order to maintain cost effectiveness of the RGGVY scheme. The Ministry of Power in their brief note submitted to the Committee on 28<sup>th</sup> April 2008, furnished the following details pertaining to cost norms of RGGVY:

Particulars	Cost Norms	
	Plain Areas	Hills/Desert/Tribal Areas
Un-electrified Village	Rs. 13 lakh	Rs. 18 lakh
Electrified Village	Rs. 4 lakh	Rs. 6 lakh
Cost of BPL connection revised from Rs.1500 to Rs.2200.		

2.6.2 The cost norms for the projects under RGGVY had also been studied in detail by the Committee during examination of Demands for Grants of the Ministry for 2008-09 and the Committee in their 25<sup>th</sup> Report expressed the view that the practice of presuming the cost of village electrification as the same for similar areas/terrain throughout the country without factoring in the State specific conditions, disregarded the ground realities. The Committee, therefore, had recommended that the cost norms for village electrification should be revisited by the Government and suitably modified taking into account the local conditions in the terrain and areas in different States where electrification has to be carried out.

2.6.3 On being asked to comment on the action initiated by the Ministry with regard to the above recommendation of the Committee, the Ministry of Power have in a written reply furnished on 16 June, 2008 informed that the Monitoring Committee, while considering sanction of projects, also considers the local conditions in the projects areas based on the justification provided by the concerned implementing agency/State to arrive at appropriate project cost to be sanctioned.

2.6.4 Again on 17<sup>th</sup> June, 2008, the Ministry of Power, in their action taken reply stated that:

“The existing cost norm for electrification of un-electrified villages in normal terrain (Rs.13 lakh) and in hilly, tribal & desert areas (Rs. 18 lakh) and the cost norm for intensive electrification of already electrified village in normal terrain (Rs. 4 lakh) and in hilly, tribal & desert areas (Rs. 6 lakh) have been approved by the Cabinet and as such modification is not feasible at this stage. Moreover, the existing cost norms seem to be reasonable.”

2.6.5 In response to another post evidence query on the revision of cost norms under RGGVY in respect of villages and especially for the BPL households, the Committee have been informed on 08<sup>th</sup> July, 2008 that the cost norms under RGGVY in respect of villages and BPL households were last revised at the time of approval of continuation of the scheme in the 11<sup>th</sup> Plan i.e. in January, 2008. The statement showing revised and pre-revised cost norms under RGGVY is as given below:

Sr. No.	Particulars	Cost Norms	
		Pre-revised	Revised
<b>1</b>	<b>BPL Household Electrification</b>	Rs. 1500 per connection	Rs. 2200 per connection
<b>2.</b>	<b>Electrification of un-electrified</b>		
a)	In normal terrain	Rs. 6.5 Lakh	Rs. 13 Lakh
b)	In hilly, tribal, desert areas	Rs. 6.5 Lakh	Rs. 18 Lakh
<b>3</b>	<b>Intensive electrification of already electrified villages</b>		
a)	In normal terrain	Rs. 1 Lakh	Rs. 4 Lakh
	In hilly, tribal, desert areas	Rs. 1 Lakh	Rs. 6 Lakh

2.6.6 To a query from the Committee as to what action was being taken in respect of project proposals, cost of which exceed the cost norms, the Ministry of Power informed:

“In case, the estimated project cost exceed the cost norms, the concerned implementing agency is advised to either provide appropriate justifications or to modify the project.”

2.6.7 During oral evidence, points relating to award cost of RGGVY projects and cost norms were also discussed. Regarding award cost of projects, the Secretary, Ministry of Power stated:

“....We did have a problem of the awarded cost being higher than the DPR cost quite substantially in quite a few cases and we had to spend some months trying to rationalize and also trying to compare that with the SRs, that is the schedule of rates which the States have in their PWD Departments and others so that we can find a justification as to why in some cases the awarded costs are almost 50-60 per cent higher than what the DPR costs were.....”

2.6.8 Further, the cost norm followed in respect of free electricity connections to BPL households under RGGVY projects came in for a focussed discussion during oral evidence. The Committee pointed out that as per old cost norm, an amount of Rs.1,500 per connection was given whereas the cost was estimated to be Rs.1,700. The cost per connection has been revised to be Rs.2,200 w.e.f January 2008. The Committee highlighting that free electricity connections to BPL families was not being fully achieved due to the money gap as per old norm, wanted to know from the representatives of Ministry of Power whether more money would be sanctioned for BPL connections in those RGGVY projects which were sanctioned as per the old norm of Rs.1,500 per connection. Responding to the query the Secretary, Ministry of Power stated:

“ about the costs in the Tenth Plan and the Eleventh Plan programmes, you have mentioned about the old norms and new norms. This is a fact that there is a complaint that some people have not been able to do the connectivity in the BPL household for a sum of Rs. 1500/-. But, unfortunately, this was an award or a contract. This norm existed at that time when the project was awarded and we have sincerely advised the States that do pick up your moral responsibility of providing electricity and this difference in cost of Rs. 700/- should be given by the relevant State Government... But contractually there is a problem with the old contracts and the old norms. We will not be able to revisit them. I think the most prudent thing for the States to give this extra Rs. 700/- where the contractor is not doing because after all he did pick up the contract with that norm in view. He may have provided for it elsewhere and perhaps we do not know. But it will be extremely difficult for us to get into revision of these earlier norms.”



2.6.9 Responding to suggestions to sanction Rs.2,200 per connection at least in respect of revised BPL lists when it comes up, the Secretary, Ministry of Power stated:

“Sir, it will not be possible. The audit will not allow this kind of activity. We have gone into great detail and depth in the discussions and I do not think that we should hold them a hope for doing it by that methodology. I think the State Government should come forth and discharge some responsibility there and complete the programme.”

## **G. Monitoring Mechanism under RGGVY**

2.7.1 A Monitoring Committee of the Ministry of Power under the Chairmanship of the Minister of Power, besides sanctioning RGGVY projects, monitor and review the implementation of the scheme and issue necessary guidelines from time to time for effective implementation of the scheme. A three tier (First tier monitoring by implementing agency, Second Tier by REC and Third Tier by the Ministry of Power) quality monitoring mechanism was stated to be under operation to ensure effective implementation.

2.7.2 The Ministry of Power in their brief note on the subject "Implementation of RGGVY" furnished to the Committee informed that lack acquaintance/preparedness of State power utilities, inadequate response from industry, timely supply of materials such as electric poles/cables/conductors/distribution transformers/sub-station equipment etc, delay in acquisition of land for sub-station, non-availability of authentic list of BPL households and cooperation of States as important factors which affect implementation of RGGVY. The Committee have been informed that cooperation of States is desired in the following areas:

- a) Identification & availability of contractors for turnkey implementation of projects.
- b) Timely award of projects
- c) Furnishing list of BPL households,
- d) Arranging timely forest clearance,
- e) Identification & timely handover of the land for sub-stations,
- f) Release of way bills/C forms/PAN/TAN number to implementing agencies/contractors,
- g) Energization of villages once electricity infrastructure has been created
- h) Taking over of the assets from contractors/CPSUs,
- i) Notification of Rural electrification Plan in consultation with the Ministry of Power.

2.7.3 The Committee were also informed that once a village was electrified, certification in this regard by Panchayat was required at the earliest to declare it

electrified. REC had reported that out of 47, 826 villages electrified, only 27,426 Panchayat Certificates were received by REC.

2.7.4 To a query as to what action was being taken to secure certification from the remaining village panchayats in regard to electrification, the Committee were informed that Grama Panchayat Certificates were obtained by the implementing agencies and that the matter was being pursued with the States and implementing agencies vigorously through regular review meetings.

2.7.5 On being asked about the steps taken by the Ministry to overcome issues connected with effective implementation of RGGVY, the following has been stated in a written reply by the Ministry:

“The States have been requested by MoP to constitute a Coordination Committee under the Chairmanship of Chief Secretary and to hold monthly meetings to review progress of RGGVY. The Committee may include representatives from Departments of Home, Revenue/Excise, Forest, Police, the concerned power utility or implementing agency. The Committee has also been asked to review forest & environment clearances, supply of BPL list, land for sub-stations etc.”

2.7.6 The Ministry of Power have further informed:

“States were advised to set up District level Committees under section 166(5) of Electricity Act 2003 to *inter-alia* monitor the village electrification process. The role of the District Committee shall be to coordinate and review the extension of electrification in each district, to review the quality of power supply and consumer satisfaction and to promote energy efficiency and its conservation. Though, all the 27 States participating under RGGVY have reported that notifications have been issued for setting up District level Committees, the meetings need to be more regular.”

2.7.7 When asked to state about the powers of the District level Committees, the Ministry informed the Committee that the role of the District Committee would be to coordinate and review the extension of electrification in each district, to review the quality of power supply and consumer satisfaction and to promote energy efficiency and its conservation.

2.7.8 To a specific query regarding frequency and regularity of the meetings of the District Committees and steps being contemplated by the Ministry to

enhance cooperation of the States in the implementation of RGGVY, Committee were informed as:

“Ministry of Power has requested States to activate the District Electricity Committees and to ensure that the meetings of these Committees are held regularly every month. It is expected that regular meetings of the Committee shall accelerate the implementation of RGGVY. The States ...Coordination Committee under the Chairmanship of Chief Secretary (are) to resolve the bottlenecks in the implementation of RGGVY.”

2.7.9 The Committee also held detailed discussions with the representatives of the Central Public Sector Undertakings responsible for implementing the RGGVY, during evidence. Elaborating on the constraints faced at field level in the effective implementation of RGGVY, the representative of NESCL (NTPC Electric Supply Company Limited), inter-alia stated:

“We are doing the work in 12 districts in Orissa, in eight districts in Jharkhand, in three districts in West Bengal, in two districts in Chhattisgarh and in two districts in Madhya Pradesh.... Basically, the problems are non-availability of BPL lists, issues relating to forest clearances and placement of franchisees who take over when we complete the work. These are the kinds of problems that we are facing”

2.7.10 The representative of NHPC in this context added:

“We have been working in Orissa, one of the problems that we have is the non-availability of suitable number of poles. Presently, the company concerned produces around 14,000 poles per month and they produce around two lakh poles in a year. Once we award the contract for all the 30 districts, our total requirement will come to around 20 lakh poles. If production of poles is not increased in the State, the non-availability of poles itself will be bottleneck. The second problem is about the non-availability of BPL list....There is a gap in terms of production. There is no industry. Secondly, we are not getting approved BPL list. We have awarded the contract for 35,000 BPL connections in Puri district Now, this figure has gone up to 1,65,000...We have a problem of way-bill also. The State Government is taking a very long time for issuing the way-bill and as a result, the contractor has a problem in getting the incoming material. This is what we have discussed with the Minister recently, during our visit last week, in Orissa. We are also not getting the Inspector to inspect the site and give clearance for charging of DT and the line. These are small problems that we are facing. We

requested them to authorise NHPC or the PSUs to inspect and get the charged line so that at the time of taking over by the Discoms, they can further inspect and take over the lines.”

2.7.11 The representative of PGCIL also made the following submission in this regard:

“We have taken up work in about nine Districts in Tenth Plan in Bihar, Uttar Pradesh, West Bengal and two Districts of Gujarat and Rajasthan and others. By and large, we have tried to improve the method and quality of the work being done by the State Governments. For example, in Bihar or Uttar Pradesh steam-curing for the poles was not being done which we have introduced. Among the PSUs we were the first to take up this type of work. We have done major work in Bihar and Uttar Pradesh. Around 20,000 villages have been electrified by us. So, this quality improvement work is done. In the case of Bihar, we have electrified around 12,000 villages. But we have awarded the contract in 2005 and now this is 2008. We have got the BPL lists only after long persuasion from the Central Government. Our Power Secretary had written a number of letters. We have coordinated, we are having regular meetings with the District Collector. But, ultimately this could be finalised only in the month of January or February. Even among them, for three-four Districts we have still not got the lists. We could have completed this work long back....”

2.7.12 During evidence, the Committee made many suggestions as to how to resolve the problems of shortage material like electric poles etc. for RGGVY projects. Replying to the points explaining steps taken to overcome the issue, the representative of NESCL, submitted:

“Orissa, right in the beginning, when we assigned these works, had taken the initiative. I have received a letter from the Secretary (Power) saying that they had talked to their counterpart in the industry department. Wherever the State has developed industrial estates, they had identified sheds and they are saying that these sheds are available for putting up units for pole manufacturing. When we are awarding new jobs to new contractors we are giving them, telling them and encouraging them to start their own pole manufacturing facility. Two districts where we are working, that is, Angul and Nayagarh, the contractor has already opened his factory for manufacture of poles.”

2.7.13 The Secretary, Ministry of Power, further explaining about the action taken to resolve the problems faced in the implementation of rural electrification projects under RGGVY, *inter-alia* stated:

“That is why we have been holding this meeting with State Chief Secretaries, Power Secretaries and making them aware of it. You talked of material requirements. We held a special workshop in march this year with all the States and representatives of the Indian Electrical and Electronic Manufacturers Association (IEEMA) and gave them the total requirement of materials and asked them to plan production accordingly. From our side we are doing whatever we can. But there is a need to pick up the opportunity. It is not only a challenge, it is a huge opportunity for the industry and for the youth to come forth and take this up. In fact, they can get employment and entrepreneurship in the rural areas. It is not a high-tech industry as I mentioned.”

2.7.14 The aspect of contracting of RGGVY work came in for sharp discussion. The Committee pointed out the problems in assigning RGGVY works to contractor, that contractor to sub-contractor and that sub-contractor to another sub-contractor. Responding to the same, the Secretary, Ministry of Power stated:

“...the issue of contractor to sub-contractor is a very genuine problem. We foresee it. That is why we had highlighted that the availability of suitable competent agencies to do this job and the required number is obviously a distinct handicap in the programme. We certainly do not like this concept of handing down further and further below because there is every likelihood that the next sub-contractor will be of a lower quality and qualification than the higher one. We will ask the agencies to address it, but I think the way we want do address it is through a very tight monitoring programme now which will involve the implementing agency, the REC as well as the Central Government. We hope that we should be able to put things in place with that and that faults that do come up are pointed out in the execution phase itself rather than wait for the completion by which time the damages would have been done.”

2.7.15 Measures to be taken for speeding up the pace of the RGGVY, were also taken up for detailed discussion during oral evidence. The Secretary, Ministry of Power, responding to the queries relating to those points, stated *inter-alia* as under:

“we do hold periodic meetings with the States. You have mentioned that the best practices that are being followed or practices that are worthy of being followed are shared by them. We encourage the States to speak themselves and speak of their achievements. When everybody is present there, they do pick on the best practices.....As regards the need to accelerate the programme and how we can accelerate it, we need resources certainly to implement this programme. One is financial resources and the other is technical resources and the third will be equipment, the material that is required to implement the programme. In all these three, the first requirement of course will be of funds. But then it will come down to the contracting agencies and also to materials being available. From our side we have been trying to address; myself and the Chairman, Central Electricity Authority have been going around the Country and speaking to industry groups across the Country letting them know that this is the magnitude of the programme that is being implemented, sharing the material requirements with them with the hope of promoting local industry. As I mentioned some time back, we need some basic things like poles, conductors, transformers etc. These are very basic things. These are things that are required in very large numbers. We have shared this with various groups across the country with the help of CII, FICCI, Indian Merchants Chamber, and Regional Chambers. We have tried to put this across to them.”

2.7.16 The aspect of requirement of financial resources for “Implementation of RGGVY” was again discussed by the Committee in a meeting with the representatives of the Ministry on 19<sup>th</sup> September 2008. The Committee were informed that the Ministry had proposed to the Cabinet a requirement of funds to the tune of Rs. 42,000 crore for comprehensive rural electrification under RGGVY during the 11<sup>th</sup> Plan. During the course of interaction, the Secretary, was asked to clarify inter-alia as to how the target of 100% electrification would be achieved with the Government sanctioned amount of Rs. 28,000 crore against the requested 11<sup>th</sup> Plan allocation of Rs. 42,000 crore, the Secretary submitted:

“....you had asked about the issue of Rs. 28,000 crore. We had drawn up a plan for Rs. 42,000 crore. Keeping in view the resource availability, we were informed by the Planning Commission and the Finance Ministry that they can make available Rs. 28,000 crore in this phase. That is why, we had divided the programme into phase I and II within the Eleventh Plan. Keeping in view the fund availability, we had set aside certain norms for expenditure on rural electrification. We have made some exceptions. We have taken up some more projects from phase II also in phase I within the

overall commitment that the total expenditure will not be beyond what is the present level of sanction. That level of flexibility we are looking at case to case basis. That will entail that the cost is brought down from the existing projects or some States may be willing to take up some component from their own State plans, for their own expenditure so as to be able to get more coverage or more areas through Central assistance. We are very positive on those suggestions. We have examined and recommended such cases in some monitoring committee meetings. Ultimately the issue has to be cleared by the Cabinet because we had placed phase 1 and 2 before the Cabinet; in some situations where we have made the exception, we have moved a case to the Planning commission and the Finance Ministry to approve the flexibility within the overall ceiling of commitment of expenditure. But given the present level of spending in the States, this amount seems adequate for the next 2-3 years. Unfortunately there was a gap for about a year between two sanctions. So, the activity came down. Now this again is picking up. But it is a very massive task and simultaneously if you take up so much activity across the length and breadth of the country, those contractors may not even be available to provide the wherewithal and fix those lines. From our side, we tried to reduce the project execution time from 2 years to about 18 months.”



## **H. Development of Franchisee System under RGGVY**

2.8.1 The Ministry of Power has adopted franchisee system for the management of rural distribution. The franchisees could be Non-Government Organizations (NGOs), Users Associations, Panchayat Institutions, Cooperatives or individual entrepreneurs. A National Programme for Franchisees was launched in May 2006 to facilitate installation of franchisees in States and the franchisee guidelines prepared by the REC were circulated to all States.

2.8.2 The franchisee arrangement could be for system beyond and including feeders from substation or from and including Distribution Transformers(s). The franchisees should be preferably input based to reduce Aggregate Technical & Commercial losses so as to make the system revenue-sustainable. The Ministry have stated that the Bulk Supply Tariff (BST) for the franchisee would be determined based on the consumer mix and the prevailing consumer tariff and likely load, after ensuring commercial viability of the franchisee.

2.8.3 The Committee have been informed that the Panchayati Raj institutions have an important role of overseeing, in advisory capacity, the delivery of service by the franchisees according to their identified responsibilities. The State Government could also encourage the Panchayati Raj Institutions to take on responsibility of franchisee if they are capable of entering into commercial agreements.

2.8.4 The key factors for the success of franchisee system are stated to be reliability, availability and maintainability of power in the rural areas and upfront payment of subsidies to the utilities. The utility has to ensure this to make it viable proposition by ensuring supply of powers for reasonable number of hours. Theft of electricity is stated to be one of the major issues, which constitutes to losses of the utilities. Franchisees are required to be given proper support by the local administration in detection and prevention of theft of electricity.

2.8.5 The franchisee initiative involving public private partnership across the States is stated to have shown encouraging results such as increased revenue

collection and consumer satisfaction as franchisee is involved in repairs, proper billing and employment generation. In States such as Uttaranchal and West Bengal women Self Help Groups are involved as franchisees and this has yielded considerable interest among the rural women. Tata Energy Research Institute (TERI) & IRADE were entrusted the work of evaluation of franchisee installed in Assam, Nagaland, Uttaranchal, West Bengal, Karnataka and UP. In their evaluation reports, they have stated that the Franchisee System has resulted in increase in revenue collection and other secondary benefits.

2.8.6 Elaborating on the aspect of development of franchisee system, the Secretary, Ministry of Power stated during evidence:

“We also need in this programme franchisees to be arranged at the village level to manage the programme. The objective is to have such franchisees who will give technical support as well as collect revenues. As a beginning, we would be happy to get revenue based franchisees who can do the collection of revenues and ultimately with our support and also with the support of State Governments acquire the necessary training. It is hoped that this would provide employment opportunities to the local youth to manage this programme. From our side, we have shown all the initiative that we could to draw up training programmes for these franchisees and for training the personnel at the village level, if required, through the active involvement of the REC and other training institutions in the country.”

2.8.7 On being asked about the status of deployment of franchisees in the country, the Committee have been informed that all the States have agreed to deploy franchisee for distribution management, which is one of the clause in the Quadripartite / Tripartite Agreements, signed by all the States. States can take help from REC / Power CPSUs in the formulation of the Franchisee Agreement pursued by the Ministry of Power. In 14 States franchisees are already in place, covering 63,100 villages. The State-wise details of franchisee development in the country as furnished by the Ministry to the Committee are given at **Annexure – VIII.**

2.8.8 Explaining progress in deployment of franchisees in RGGVY covered areas, the Secretary, Ministry of Power, stated:

“I do distinctly remember that we did share some practices on appointment of franchisees. Particularly in the States like Assam and Bihar, in rural areas, we shared with the entire participation there as to what are the good examples that we can learn, how they have got about it and how they have been able to evince interest from qualified people who are living in the villages to come forth and take up such works. It is because, ultimately these assets have to be guarded and maintained by the people from those areas themselves. That would be the best methodology”

2.8.9 The Committee in their 14<sup>th</sup> report on the Electricity (Amendment) Bill, 2005 had recommended that the Government should have a re-look on the requirement of ‘Franchisee System under Rajiv Gandhi Grameen Vidyutikaran Yojana and ensure that appointment of Franchisees did not lead to cost escalation as apprehended by some States. Regarding present status of implementation of the recommendation the Ministry replied as under :

“The Central Government has already launched RGGVY for sharing the responsibility of rural electrification by giving 90% capital subsidy. The Central Government has continued RGGVY for implementation in the 11<sup>th</sup> Plan. While continuing, the Government has laid emphasis on introduction of franchisee system in RGGVY areas with a view to ensure revenue sustainability, improve customer service and involve local institutions.

The introduction of franchisee system in the country has had a favourable impact on revenues from the area where it has been implemented as per studies conducted by independent organizations like TERI and IRADE.

In developed States, there are no or very few un-electrified villages whereas in developing states, the number of un-electrified villages is very large. Under RGGVY, whereas the primary focus is electrification of un-electrified villages, intensive electrification of already electrified villages is also being undertaken. The parameters for financing electrification of electrified villages and for intensive electrification for already electrified villages are accordingly different.”

## I. Performance Appraisal of RGGVY

2.9.1 The Rural Electrification Corporation (REC) has been made the nodal agency for Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). All funds for the programme are channelised through REC, which apart from releasing the capital subsidy being provided by the Government, gives the remaining funds as loan assistance, on soft terms. Besides financing of the project, REC establishes the framework for implementation involving formulation of technical specifications, procurement and bidding conditions, guidelines for project formulation, field appraisal & concurrent monitoring and evaluation to ensure quality and timely implementation. The REC is stated to be responsible for complete oversight on the programme from concept to completion.

2.9.2 On being enquired by the Committee, about the role of REC in the implementation of the RGGVY, the Ministry of Power informed the Committee inter-alia as under:

- ❖ “Issuing all necessary guidelines to States for preparation of Detailed Project Reports (DPRs);
- ❖ Whenever necessary, assisting States in preparation of DPRs and of Rural Electrification plans by appointing consultants or by identifying a Central Power Sector Unit (CPSU) for the job;
- ❖ Scrutiny of DPRs to ensure compliance with RGGVY guidelines and with directions given by the Monitoring Committee from time to time;
- ❖ Placing DPRs for approval before the Monitoring Committee;
- ❖ Monitoring various stages of implementation right from invitation of tenders to final completion and hand over to the utility;
- ❖ Preparation of model tender documents for the use of utilities;
- ❖ Preparation of specifications for various equipment to be used in the programme in consultation with Central Electricity Authority(CEA) if necessary;
- ❖ Timely release of funds and monitoring of expenditure and utilization by utilities;
- ❖ Appointment of agencies to ensure quality control;
- ❖ Coordination with Ministry of New and Renewable Energy(MNRE) and Energy Development Agencies in States for ensuring that villages not to

be covered through non-conventional means are identified for coverage under the renewable programme;

- ❖ Implementation and monitoring of the franchisees development (capacity building) programme;
- ❖ Ensuring of appointment of franchisees by utilities in all project villages;
- ❖ Concurrent Evaluation of the scheme by independent agencies;
- ❖ Any other function assigned to it by the Monitoring Committee.”

2.9.3 Rural Electrification Corporation Limited (REC), is given one percent of the project cost as the fee for establishing frame-works for implementation, meeting the scheme related expenditure, appraisal and evaluation both at pre-award and post-award stage, monitoring and complete supervision of the programme from concept to completion of the scheme and for quality control of projects at second tier (REC Quality Monitors) of the Quality Control Mechanism.

2.9.4 It has been stated that the REC with a view to augment implementation capacity for the programme have entered into Memorandum of Understanding (MOUs) with NTPC, POWERGRID, NHPC and DVC to make available the project management expertise and capabilities of these organisations to States willing to use their services. This is operationalized through a suitable tripartite/quadripartite agreement.

2.9.5 On being asked whether the States/UTs were free to choose/contract the implementing agency or are to accept the Central Public Sector agencies suggested by the REC, the Ministry of Power replied:

“The services of Central Public Sector Undertaking (CPSUs) have been offered to the States for assisting them in the execution of Rural Eelectrfication Projects as per the willingness and requirement. REC has entered into Memorandum of Understanding (MOUs)with NTPC, POWERGRID, NHPC AND DVC to make available CPSUs’ project management expertise and capabilities to States wishing to use their services.”

2.9.6 When asked as to whether the Ministry of Power had rejected any project proposals of States/UTs forwarded by REC on technical grounds, the Committee were informed that no proposal was rejected by the Ministry on technical grounds.

2.9.7 During evidence, the Secretary, Ministry of Power responding to queries regarding the problems encountered in implementation of RGGVY, stated:

“.....In the review of the Bharat Nirman programme in the Planning Commission last month, I have made this plea that we will be needing more funds if we want to push this harder into implementation. But the other side of it remains which we recently reviewed for all the Eastern States – and we had also called Chhattisgarh in a meeting in Bhubaneswar extending over two days in the previous week – we find that States have a lot of distance to cover for the supply of electricity into those villages. There are areas of concern....”

2.9.8 To a specific query relating to reasons for shortfalls in targets and the achievements in the 10<sup>th</sup> Plan period during which a total of 235 RGGVY projects covering 68,763 un-electrified villages were sanctioned, the Secretary, Ministry of Power, responding to the point, stated as under:

“The idea is that we should complete what we have started because the progress has not been as good as we thought. The problems are also not too difficult to see that kind of mobilisation at a district or village level for this degree of whole electrification programme throughout the country is not easily gettable though in terms of economic activity it offers a very good opportunity and this is what we have been telling the Chambers of Industry and Commerce that you have a programme before you where you can provide relatively low technology products like pole, conductors, clamps, small distribution transformers, switches, meters to the industry. It has got a chance to establish itself and thrive. We hope that this is picked up but there is a paucity of contractors. One possibility is that if we were to launch the whole programme countrywide in one big go then, Sir, the availability of personnel and contractors to do that job is limited. The tenders which we would get may be higher in some situations. We did have a problem of the awarded cost being higher than the DPR cost quite substantially in quite a few cases and we had to spend some months trying to rationalize and also trying to compare that with the SRs, that is the schedule of rates which the States have in their PWD Departments and others so that we can find a justification as to why in some cases the awarded costs are almost 50-60 per cent higher than what the DPR costs were. Some implementing agencies went by a principle that in the past if they have given a similar activity contract in the area they would take that as a benchmark, no matter what the DPR cost has been. The other fact of the matter is that a large number of these areas are being visited for the first time in terms of

actual assessment when these people are going out to implement the works; what is the exact length of the conductor that is required because those villages and those streets have not been traversed for the preparation of the DPR. But, Sir, I assure you that REC is reactivating itself. It is also trying to recruit some extra personnel if necessary to supervise this programme. I have advised the CMD that he should recruit some young technical graduates who can go out into the field, see and supervise this programme may be for even a short contract period, for the duration of this programme. They should see that we have adequate superintendence also over the large number of works which would have been activated.”

2.9.9 However, in response to a post-evidence query as to whether the REC had sufficient manpower to supervise the implementation of rural electrification projects in the country, the Ministry replied:

“Yes; The RGGVY Division at Corporate Office, New Delhi supported by the existing 17 Zonal / Project Offices of REC spread in various states in the country, is overseeing the implementation of RGGVY projects in the country. However, wherever required, REC is also resorting to outsourcing”

2.9.10 In response to another post-evidence query as to how far in the self-assessment of REC, the organisation had succeeded in performing their role as nodal agency, the Committee have been informed that REC has been successful in performing its role as a nodal agency.

2.9.11 Again on being asked to state whether the manpower (in terms of employment generation potential) and material requirement for rural electrification in the country (with State-wise figures) have ever been properly assessed by the REC, the Committee have been informed that seminar on the issue of “Requirement and Availability of Highly Skilled Manpower for the Power Sector” was held under the Chairmanship of Secretary (P) on 3.10.2007 and that a National Workshop on Rajiv Gandhi Grameen Vidyutikaran Yojana was held on 4<sup>th</sup> January, 2008 which inter-alia, covered franchisee development. Further, National Workshop on materials and its supply was conducted by Ministry of Power in association with REC and IEEMA on 10<sup>th</sup> April, 2008, wherein the implementing agencies/state representatives also participated. During the

workshop specifications of material, requirement of materials, delivery schedules were explained to all the manufacturers of major materials.



## **PART-II**

### **OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE**

#### **A. *Facets of Village Electrification Under RGGVY***

**1. The definition of village electrification was made more encompassing in February, 2004. The Committee in their subsequent Reports (1<sup>st</sup> & 3<sup>rd</sup> Reports, 14<sup>th</sup> Lok Sabha) had recommended to the Ministry to update the State-wise rural electrification statistics on the basis of new definition on village electrification. However, the Ministry have not been able to obtain the updated data as per the new definition. The number of un-electrified villages in the country has been estimated to be 1,25,000 as on 31<sup>st</sup> March, 2004 based on data pertaining to 1991 census. Besides, the data available with the Ministry regarding household electrification was based on 2001 census. The Committee also take note that non-availability of authentic lists of BPL households of villages covered under RGGVY causes hindrances in the execution of RGGVY projects. The Committee, therefore, recommend that the Ministry should take immediate steps to obtain State-wise data on un-electrified rural villages as per new definition on village electrification effective from 2004-05 and data on un-electrified rural households including BPL households for proper planning and implementation of the RGGVY under which all the un-electrified villages are envisaged to be electrified covering at least 10 percent of un-electrified rural households in these villages.**

**2. As per 2001 census, the total number of rural households and un-electrified rural households in the country were 13,82,71,559 and**

7,80,90,874 respectively. The number of un-electrified BPL households in the rural areas of the country was estimated to be 2.34 crore i.e. approximately 17 percent of total number of rural households. However, the new definition of village electrification inter-alia provides that a village will be deemed to be electrified if the number of electrified households in the village is at least 10 percent of the total number of households in that village. The Committee feel that the implementing agencies of RGGVY projects shall experience difficulties in implementing the provision of free electricity connection to BPL households in case of villages where the number of un-electrified BPL households is more than 10 per cent. The Committee, therefore, recommend that the Ministry, while sanctioning a rural electrification project, should examine the feasibility of 100 per cent electrification of BPL households to obviate different type of problems relating to electrification of BPL households. The Committee would also like to know about the action taken by the Ministry to electrify the left out BPL households in villages already electrified under RGGVY.

*B. Rural Electrification Plan*

3. Under the RGGVY, the States are required to finalize their Rural Electrification Plans in consultation with the Ministry of Power and notify the same within six months. The prescribed time limit for notification of Rural Electrification Plans by the States was August, 2008. However, as per latest information furnished by the Ministry of Power on 19<sup>th</sup> September, 2008, only five States i.e. Gujarat, Mizoram, Nagaland, Tamil Nadu and West

**Bengal have notified their Rural Electrification Plans and five other States namely Chhattisgarh, Haryana, Himachal Pradesh, Maharashtra and Punjab have finalized their Rural Electrification Plans. The Ministry further informed that the States, which have not finalized their Rural Electrification Plans, have again been requested to finalize the same by October, 2008. The Committee, taking into account the importance of Rural Electrification Plans in the implementation of RGGVY, recommend that the RGGVY Monitoring Committee of the Ministry of Power should look into the matter and all concerned States which have not finalized or notified their Rural Electrification Plans as yet should be extended all possible assistance to finalize and notify their Rural Electrification Plans without any further loss of precious time.**

*C. Implementation of RGGVY*

**4. In order to formulate and execute rural electrification projects, the implementing agencies of the States are required to prepare Detailed Project Reports (DPRs) in accordance with the Guidelines issued by the Rural Electrification Corporation. These DPRs with recommendations of the respective State Governments are submitted at the concerned project office of the REC for their field appraisal of the projects. The DPRs alongwith recommendations of the REC's concerned Project Office, are then considered by the RGGVY Division of REC and on getting the approval of the competent authority, the project-proposals are submitted to the RGGVY Monitoring Committee in the Ministry of Power for sanction. The Committee recommend that the RGGVY Monitoring Committee should**

stipulate fixed time frames for the States and other implementing agencies for the submission of DPRs of RGGVY projects and for the implementation of the same. The REC should also process the DPRs of projects and obtain sanction of RGGVY Monitoring Committee in a fixed time frame.

5. The Committee note that once a rural electrification project is sanctioned by the Ministry of Power the subsidy component is released in instalments to REC against claims raised by it. The REC releases subsidy to the implementing agency(ies) in four instalments of 30 per cent, 30 per cent, 30 per cent and 10 per cent on fulfillment of laid down conditions. The first instalment is released when the implementing agency is ready to award the contract. The Committee observe that capital subsidy for two RGGVY projects sanctioned during the 10<sup>th</sup> Plan and two more projects sanctioned in the 11<sup>th</sup> Plan for the State of Sikkim has not been released so far. Similarly, capital subsidy for eight projects in respect of the State of Bihar has also not been released. The Committee while concurring with the view of the Ministry of Power that there shall be no parking of funds released for RGGVY projects with State Governments, are of the strong opinion that for effective rural electrification in the country, a more decentralized approach is required. In particular, the Committee recommend that the Ministry should look into the causes for the delay and coordinate with the State/State implementing agencies to ensure immediate release of capital subsidy for RGGVY projects.

*D. Implementation of RGGVY Projects through Decentralized Distributed Generation (DDG) and Supply Projects*

**6. According to the Ministry of Power electrification of remote villages in certain States and a few Union Territories, where grid connectivity was costly and not feasible, was to be carried out under RGGVY by way of the Decentralized Distributed Generation (DDG) and Supply Projects. The Committee note that even though an amount of Rs. 540 crore has been specifically earmarked in the 11<sup>th</sup> Plan towards capital subsidy for DDG projects, no such project has so far been formulated, approved and sanctioned. Further, necessary guidelines in respect of DDG projects were not issued by the Ministry of Power even after the lapse of more than three years of launch of the scheme. It was only in January, 2009 that the Ministry chose to issue the necessary guidelines in this regard, after the Committee started examination of the subject. While deprecating the inordinate delay on the part of the Ministry in issuing the necessary guidelines, the Committee hope that these would be followed in letter and spirit and execution of DDG and Supply Projects would be completed in a fixed time frame. The Committee in particular, desire that creation of the proposed implementation Support Group (ISG) and finalisation of list of villages/hamlets for electrification through DDG and Supply Projects as per guidelines issued, should be done at the earliest. The Committee should be apprised of the action taken and progress achieved in this regard.**

*E. Targets and Achievements Under RGGVY*

7. The Committee observe that at the time of launch of the RGGVY in April 2005, the Ministry had set out for themselves a target of electrification of 1,25,000 un-electrified villages, electrification of 2.34 crore BPL households and intensive electrification of the already electrified 4.62 lakh villages in a period of five years involving expenditure of subsidy component of Rs.14,750 crore. As per the information made available by the Ministry as on 31<sup>st</sup> May, 2008, the Government had sanctioned 551 RGGVY Projects at a total cost of Rs. 25275.63 crore. The award cost of these projects is, however, estimated to be Rs.32,850 crore involving subsidy of Rs.29,565 crore (@ 90 per cost). The Committee also note that the villages covered in 235 projects sanctioned in X Plan are targeted to be completed by March, 2009 and connections to BPL households covered in these projects are likely to be released by March 2010. 323 projects sanctioned in the 11<sup>th</sup> Plan are likely to be completed in 18 months from the date of award. Achievement of these targets is subject to availability of required funds. The Committee also note that for a comprehensive rural electrification of the country, the estimated fund requirement is about Rs. 52,000 crore for which the component of capital subsidy required would be to the tune of Rs. 47,000 crore. Further, the number of identified un-electrified villages and households in the country so far are not complete and absolute. At this backdrop, the Committee are deeply concerned to note that the Ministry have lost sight of their target of 100 per cent rural electrification due to unrealistic planning and poor programme

implementation capacity. The Committee, while deploring the poor implementation of the RGGVY, expect the Ministry to review all aspects of implementation of RGGVY, to make realistic planning in future and to speed up the pace of implementation of the programme.

8. The Committee observe that there has been poor utilisation of approved outlay in the implementation of RGGVY. During the 10<sup>th</sup> plan period Rs. 4500 crore was allocated and utilized against the approved outlay of Rs. 5000 crore. In the 11<sup>th</sup> Plan, although an outlay of Rs. 28,000 crore was approved for the first two years, allocation of Rs. 9,444 crore only has been made for RGGVY in the first two years of the 11<sup>th</sup> Plan. The Committee, in particular, have taken serious note of the fact that for the year 2008-09 against the projected requirement of funds to the tune of Rs. 24,000 crore, an allocation of Rs. 5,500 crore has been made even though the requirement was Rs. 13,000 crore to complete the projects sanctioned during the 10<sup>th</sup> Plan period only. The Committee observe that allocation of insufficient funds for RGGVY is one of the main constraints causing slow progress of implementation of the scheme. The Committee, therefore, recommend that the Ministry and REC should reactivate themselves in the implementation of RGGVY and make sincere efforts to prevail upon the Ministry of Finance and Planning Commission to get adequate funds allocation for the programme. The Committee also desire that the Government should take up the case for allocation of balance amount of Rs. 19,056 crore in the year 2009-10 against the outlay of Rs. 33,000 crore

approved for the purpose and make sincere efforts to complete the 558 projects sanctioned so far i.e. by 2009-10. The Committee may be informed of the steps taken by the Ministry in this regard.

9. The Committee are given to understand that a total of 558 projects were sanctioned by the Government as on 31<sup>st</sup> August 2008. The Committee observe that six of the 235 projects sanctioned during the 10<sup>th</sup> Plan and 190 of the 323 projects sanctioned in the 11<sup>th</sup> Plan period have not been awarded for execution. Out of the total 558 sanctioned projects, the number of projects reported to be under implementation are 362 for which the Ministry have released capital subsidy to the tune of Rs. 8777.71 crore. As on 31.08.2008, 50,717 un-electrified villages and 32,79,487 BPL households were reported to be electrified and intensive electrification of 59,337 electrified villages were completed. Against this backdrop, the Committee feel that the Ministry have so far failed to visualize and implement the scheme effectively as even the half-way mark of the set target of 100 per cent rural village electrification and electricity access by 2010 has not been achieved even after three years of implementation of the scheme. While deploring the lackadaisical approach in the implementation of projects under RGGVY, the Committee, recommend that the Ministry should, expedite award of contracts in respect of 196 un-awarded projects including 6 projects sanctioned during the 10<sup>th</sup> Plan. The Committee would like to be informed of the revised targets and time frame for completion of the whole scheme. The Committee would also like to have



the details of the selection of un-electrified villages for electrification, electrified villages for intensive electrification and BPL households for providing free electricity connections along with the progress made, sanctioned cost and cost incurred so far in this regard, district-wise and project-wise in different phases of the implementation of the scheme. The Committee further recommend that in the implementation of RGGVY, electrification of un-electrified villages be accorded higher priority as compared to intensive village electrification of electrified villages to facilitate early achievement of the National Common Minimum (NCMP) goal of providing electricity access to all households by the way of electrifying all the villages.

10. The Committee observe that out of the 235 rural electrification projects sanctioned in the 10<sup>th</sup> Plan period, six projects in respect of the States of Sikkim, J&K, Mizoram and Tripura, which fall in the North East region and Border areas, have not been awarded for execution so far. The Committee further note that in the States of Arunachal Pradesh, Himachal Pradesh, Meghalaya, Mizoram, Nagaland, Orissa, Punjab, Sikkim, Tamil Nadu and Tripura, none of the sanctioned RGGVY project had been completed till 31 May, 2008. The Committee recommend that a new impetus be given for implementation of the RGGVY projects in these States by taking all the necessary corrective steps and the progress be intimated to the Committee.

*F. Cost Norms for Village Electrification*

11. In response to the Committee's earlier recommendation (25<sup>th</sup> Report, 14<sup>th</sup> Lok Sabha) to revisit and to suitably modify the cost norms for village electrification taking into account the local conditions, the Ministry had replied that the cost norms had already been approved by the Cabinet and as such modification was not feasible at that stage. The Committee, having taken note of the fact that the cost norms for electricity connections to BPL households, electrification of un-electrified villages and intensive electrification of already electrified villages RGGVY were revised in January, 2008, do not accept the reply of the Ministry in this regard. The Committee again recommend that the cost norms should be reviewed by the Ministry periodically taking in to account the general rise in price level and the cost of the project be fixed after taking into account the terrain, local conditions and other hindrances/risk factors. The Committee also recommend that the Standard Rates which the States have in their PWD Department should be verified at the time of submission of DPRs so as to avoid subsequent delays in awarding the projects.

12. The Committee note that during the 10<sup>th</sup> Plan period, a capital subsidy of Rs. 1,500/- per connection was granted for providing free electricity connection to BPL households under RGGVY. The Committee have also been informed that although the cost norm for giving free electricity connection to BPL household has been revised to Rs. 2,200/- with effect from January 2008, the old rate of Rs. 1500/- per connection is permissible in respect of projects sanctioned prior to January 2008.

Against this backdrop, the Committee recommend that capital subsidy of Rs. 2,200/- per connection be granted for providing free electricity connection to BPL households irrespective of date of sanction of RGGVY projects excluding the RGGVY projects, which were completed on 31 December, 2007.

*G. Monitoring Mechanism Under RGGVY*

13. In order to ensure effective implementation of RGGVY, there exist three-tier quality monitoring mechanism and District Electricity Committees. However, the Committee find that there are many constraints at the field level in the execution of RGGVY projects and the implementing agencies face difficulties in resolving issues relating to timely award of contracts, availability of contractors, supply of material, availability of BPL lists, forest clearance, way-bills, allotment of land for sub-stations, safety against theft, particularly theft of transformers and electric wires and rendering of village electrification certificates by Village Panchayats, etc. The fact that out of 47,826 villages electrified as on 31 May 2008, the REC have received panchayat certificates in respect of 27,426 villages only is a vivid example of the existing state of affairs. The Committee also observe that the Ministry of Power have requested all the States to ensure regular conduct of meetings of the District Electricity Committees and to constitute a Coordination Committee under the Chairmanship of Chief Secretary to review the progress of RGGVY every month. The Committee expect that all the aforesaid issues which are reported to be the main hindrances in the

implementation of RGGVY would be effectively redressed by the State Coordination Committees. Nevertheless, the Committee recommend that the role and responsibilities of State Coordination Committee/District Committee/State/State Utility may be clearly defined and necessary powers be given to them for effective implementation of RGGVY. The Committee hope that the Ministry will come out with stricter norms in consultation with the concerned States/UTs for providing free electricity connection to BPL households under RGGVY in order to remove constraints in obtaining authentic list of BPL households. The Committee would like to know the outcome of the efforts of the Ministry to speed up implementation of RGGVY through Coordination Committees.

14. The Ministry of Power have informed that they have been making best efforts to get necessary financial, technical and material resources to accelerate pace of implementation of RGGVY. The Committee observe that against the Ministry's proposed total requirement of Rs. 42,000 crore for RGGVY in the 11<sup>th</sup> plan, an outlay of Rs. 28,000 crore was approved for the first two years of the 11<sup>th</sup> Plan. However, the Ministry could envisage utilisation of Rs. 9,444 crore only during the first two years of the 11<sup>th</sup> Plan and the outlay of Rs. 28,000 crore is now reported to be adequate for next 2-3 years. As regards the efforts to marshal the required technical and material resources, the Committee find that despite efforts of Ministry of Power, Central Electricity Authority and the REC by interacting with various industrial associations/groups across the country, the implementing

agencies are reportedly experiencing shortage of supply of material and problems arising out of sub-contracting in the execution of RGGVY projects. Constraints caused by sub-contracting of work for RGGVY projects are envisaged to be resolved through tight monitoring programme of the REC as well as that of the Central Government. Against this backdrop, the Committee, expect the Ministry to draw an action plan concerning all the problem areas and take necessary steps to accelerate implementation of RGGVY. The Committee also recommend that problems arising out of sub-contracting of the works under RGGVY should be effectively dealt with by incorporating appropriate provisions in the terms and conditions of the contracts. The Committee would like to be apprised of the action plan of the Ministry along with implementation status thereof.

*H. Development of Franchisee System under RGGVY*

15. The Committee observe that adoption of franchisee system for distribution management has been made mandatory under the RGGVY. State Government can also encourage the Panchayati Raj Institutions to take on responsibility of franchisee if they are capable of entering into commercial agreements. Moreover, Panchayati Raj Institutions have also an important role of overseeing, in advisory capacity, the delivery of service by the franchisees. The Committee also note that the REC is to arrange training programme to franchisees and to the personnel at village panchayat level. The Committee having taken note of these provisions, recommend that as far as award of franchise for rural distribution is

concerned, preference may be given in the order of Panchayati Raj Institutions, user associations, cooperatives, Non-Government Organisations (NGOs) in comparison to private entrepreneurs. The Committee would like to be apprised of the steps taken by the Government as well as REC in this regard.

16. The Committee note that the objectives of development of franchisees are reduction of Aggregate Technical & Commercial losses, maintenance of the infrastructure and to provide uninterrupted supply of quality power. The Committee have also been informed that input based franchisee is preferable to revenue collecting franchisee as it will be accountable for loss and theft in the system. The Committee, however, on studying the franchisee system already under operation in 14 States, find that a major part of the franchisee system developed by different States/UTs/Utilities are based on Revenue Collection models rather than input based system. Moreover, the Committee in their earlier Report (14<sup>th</sup> Report of 14<sup>th</sup> Lok Sabha) had also recommended for review of development of franchisee system under RGGVY to ensure non-escalation of cost of electricity supplied. Going by the action taken reply of the Ministry on the recommendation of the Committee on this issue, the Committee feel that the issue has not been suitably addressed and have genuine apprehensions that there are grounds for increase in electricity tariff in the franchisee areas in those States/UTs where generation, transmission and distribution of electricity are mostly held by the

**State/State Utilities. The Committee, therefore, recommend that Ministry should review all aspects of development of franchisee system based on feed back obtained from functioning and performance of various models of franchisees and necessary remodeling of the franchisee system should be undertaken in order to make it more effective. The Committee would like to be apprised of the steps taken in this direction along with the outcome thereof.**

*1. Performance Appraisal of RGGVY*

**17. The Committee observe that the Ministry of Power and the REC have failed to properly assess requirement of manpower and material for the implementation of the RGGVY in time and as a result the employment generation potential of the RGGVY programme has not been exploited fully. During evidence, the Committee were also informed that the REC was reactivating itself for the implementation of the RGGVY and if necessary, extra personnel would be recruited by REC for the purpose. In the light of the above, the Committee would like to be apprised about the impact of shortfall of personnel, if any with REC, and measures taken to address the issue.**

**18. The Committee note that the Rural Electrification Corporation (REC) is responsible for complete supervision of the programme from concept to completion. Although the Ministry have praised the performance of the nodal agency for implementation of RGGVY, the agency has always fallen short of the targets set for the programme both in physical and financial**

terms. Non-availability of funds, lack of initiatives by States, non-availability of local contractors and some construction materials and non-availability of BPL lists, etc. are stated to be some of the factors which caused shortfalls in achieving the physical and financial targets set for the implementation of RGGVY. In view of the foregoing, the performance of the nodal agency in the implementation of RGGVY, has not made the Committee to feel satisfied. The Committee strongly recommend that the Ministry and the REC in particular should multiply their efforts and take all the necessary corrective measures to overcome the problems identified in the implementation of the programme.

**NEW DELHI**  
**12<sup>th</sup> February, 2009**  
**Magha 23, 1930 (Saka)**

**GURUDAS KAMAT,**  
**Chairman,**  
**Standing Committee on Energy**



Annexure - I					
STATUS OF VILLAGE ELECTRIFICATION AS ON 31.3.2004					
Sr. No.	State	No. of inhabited Villages as per 1991 census	Total No. of villages electrified	Balance Unelectrified villages	%age of Electrified Villages
1	Andhra Pr.	26586	26565	\$	100
2	Arunachal Pr.	3649	2335	1314	64
3	Assam	24685	19081	5604	77.30
4	Bihar	38475	19251	19224	50
5	Jharkhand	29336	7641	21695	26
6	Goa	360	360	-	100
7	Gujarat	18028	17940	\$	100
8	Haryana	6759	6759	-	100
9	Himachal Pr.	16997	16891	106	99.38
10	J & K	6477	6301	176	97.28
11	Karnataka	27066	26771	295	98.91
12	Kerala	1384	1384	-	100
13	Madhya Pradesh	51806	50474	1332	97.43
14	Chhattisgarh	19720	18532	1188	94
15	Maharashtra	40412	40351	-	100
16	Manipur	2182	2043	139	93.63
17	Meghalaya	5484	3016	2468	55
18	Mizoram	698	691	7	99
19	Nagaland	1216	1216	-	100
20	Orissa	46989	37663	9326	80.15
21	Punjab	12428	12428	-	100
22	Rajasthan	37889	37276	613	98.38
23	Sikkim	447	405	42	90.60
24	Tamilnadu	15822	15822	-	100
25	Tripura	855	818	37	95.67
26	Uttar Pradesh	97122	57042	40080	58.73
27	Uttranchal	15681	13131	2550	83.73
28	West Bengal	37910	31705	6205	83.63
	Total (States)	586463	473892	112401	80.80
	Total UTs	1093	1090	\$	100%
	All India	587556	474982	112401*	80.80%

\$ Balance villages are not feasible for electrification.

\* As per the new definition of village electrification (effective from 2004-05) total number of unelectrified villages is estimated to be around 1,25,000.

## RURAL HOUSEHOLD ELECTRIFICATION – 2001 CENSUS

Sr. No.	State	Total No. of Rural Households	Households having Electricity	%age of Electrified Villages
	All India	138,271,559	60,180,685	43.52
1	Andhra Pr.	12,676,218	7,561,733	59.65
2	Arunachal Pr.	164,501	73,250	44.53
3	Assam	4,220,173	697,842	16.54
4	Bihar	12,660,007	649,503	5.13
5	Jharkhand	3,802,412	379,987	9.99
6	Goa	140,755	130,105	92.43
7	Gujarat	5,885,961	4,244,758	72.12
8	Haryana	2,454,463	1,926,814	78.50
9	Himachal Pr.	1,097,520	1,036,969	94.48
10	J & K	1,161,357	868,341	74.77
11	Karnataka	6,675,173	4,816,913	72.16
12	Kerala	4,942,550	3,238,899	65.53
13	Madhya Pradesh	8,124,795	5,063,424	62.32
14	Chhattisgarh	3,359,078	1,548,926	46.11
15	Maharashtra	10,993,623	7,164,057	65.17
16	Manipur	296,354	155,679	52.53
17	Meghalaya	329,678	99,762	30.26
18	Mizoram	79,362	35,028	44.14
19	Nagaland	265,334	150,929	56.88
20	Orissa	6,782,879	1,312,744	19.35
21	Punjab	2,775,462	2,482,925	89.46
22	Rajasthan	7,156,703	3,150,556	44.02
23	Sikkim	91,723	68,808	75.02
24	Tamilnadu	8,274,790	5,890,371	71.18
25	Tripura	539,680	171,357	31.75
26	Uttar Pradesh	20,590,074	4,084,288	19.84
27	Uttranchal	1,196,157	602,255	50.35
28	West Bengal	11,161,870	2,262,517	20.27
29.	A. & Nicobar Islands	49,653	33,807	68.09
30.	Chandigarh	21,302	20,750	97.41
31.	D. & Nagar Haveli	32,783	27,088	82.63
32.	Delhi	169,528	144,948	85.50
33.	Daman & Diu	22,091	21,529	97.46
34.	Lakshdweep	5,351	5,337	99.74
35.	Pondicherry	72,199	58,486	81.01

## Annexure - III

## Details of Release of funds under RGGVY

SI No. (State)	Name of State	Cumulative Claim released as on date (Rs. Lakh)		
		Loan	Subsidy	Total
1	2	3	4	5
1.	Andhra Pradesh	4554.15	32336.23	36890.38
2	Arunachal Pradesh	1818.14	16390.42	18208.55
3	Assam	1137.28	10029.76	11167.04
4	Bihar	16155.80	145758.22	161914.02
5	Chhattisgarh	537.72	11179.77	11717.50
6	Gujarat	806.80	3953.69	4760.49
7	Haryana	436.34	3336.96	3773.30
8	Himachal Pradesh	74.78	691.02	765.80
9	Jammu & Kashmir	767.54	6131.44	6898.98
10	Jharkhand	10700.05	85496.46	96196.52
11	Karnataka	5869.99	42615.77	48485.75
12	Kerala	51.25	2044.79	2096.04
13	Madhya Pradesh	2903.69	23382.97	26286.66
14	Maharashtra	528.88	2205.82	2734.69
15	Manipur	187.43	1669.79	1857.22
16	Meghalaya	266.19	2132.38	2398.57
17	Mizoram		63.00	63.00
18	Nagaland	91.08	915.57	1006.65
19	Orissa	2490.02	21817.23	24307.25
20	Punjab		300.00	300.00
21	Rajasthan	5110.96	36977.98	42088.95
22	Sikkim			
23	Tamil Nadu	1342.23	8734.84	10077.07
24	Tripura		108.00	108.00
25	Uttar Pradesh	29261.62	262764.35	292025.97
26	Uttranchal	4977.13	42459.35	47436.48
27	West Bengal	4011.31	36116.89	40128.20
	<b>Grand Total</b>	94080.37	799612.71	893693.08

**No.44/1/2007-RE**  
**Government of India**  
**Ministry of Power**

**Shram Shakti Bhawan,**  
**Rafi Marg, New Delhi- 110001**  
**Dated the 12<sup>th</sup> January, 2009**

## **Order**

**Subject : Guidelines for Village Electrification through Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification**

- 1.0 Guidelines for Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification, for attaining the goal of providing access to electricity to all households, electrification of about 1.15 lakh un-electrified villages and electricity connections to 2.34 crore BPL households by 2009. The approval has been accorded for capital subsidy of Rs.540 crore for DDG during XI Plan period which is included in capital subsidy of Rs. 28000 crore available for RGGVY in XI Plan period. This is in continuation of Order No. File 44/37/07-D(RE) dated the 6<sup>th</sup> February, 2008.
- 2.0 Ministry of Power, Government of India launched Rajiv Gandhi Grameen Vidyutikaran Yojana in 2005 vide OM No.44/19/2004–D(RE) dated 18.03.2005. The scheme was continued further in 11<sup>th</sup> Plan vide OM No.44/37/07-D(RE) dated 6.2.2008. As per OM dated 6.2.2008 there is a provision of subsidy of Rs.540 crore for Decentralized Distributed Generation (DDG) under RGGVY.
- 3.0 Decentralized Distributed Generation can be from conventional or renewable sources such as Biomass, Biofuels, Biogas, Mini Hydro,

Solar etc. for villages where grid connectivity is either not feasible or not cost effective.

- 4.0 Rural Electrification Corporation (REC) would be the Nodal Agency for the scheme. The capital subsidy for eligible projects under the scheme would be given through REC. In the event, the projects are not implemented satisfactorily in accordance with the conditionalities of this order, the capital subsidy would be converted into interest bearing loans.
- 5.0 The DDG projects would be owned by State Government. Implementing agencies of the projects shall be either the State Renewable Energy Development Agencies (SREDAs) / departments promoting renewable energy or State Utilities or the identified CPSUs. The State Governments will decide the implementing agency for their respective states.
- 6.0 The projects under the scheme will be subject to Quality Monitoring Mechanism. The details of 3 Tier quality control mechanism is enclosed as **Annexure-1**.
- 7.0 SERVICE CHARGES /FEES
  - i) The state Implementing Agencies and Central Public Sector Undertakings who are paid service charges @ 8% and 9% respectively of the project cost as charges for implementing the scheme and also for meeting additional expenditure on compulsory third party monitoring at the first tier of the quality control mechanism shall concur to pass on the Service Charges (to the extent required) to the Project Developer towards meeting the cost of providing power for a period of 5 years.
  - ii) REC will be given 1% of the project cost as fee for establishing frameworks for implementation, meeting the scheme related expenditure, appraisal and evaluation both

at pre-award and post-award stage, monitoring, and complete supervision of the programme from concept to completion of the scheme and for quality control of projects at second tier (REC Quality Monitors) of the Quality Control Mechanism.

- iii) For supporting activities and quality monitoring at third tier (National Quality Monitors) to be undertaken by Ministry of Power, a provision of 1% of the outlay would be kept. The supporting activities would be in the nature of capacity building, awareness and other administrative and associated expenses, franchisee development and undertaking of pilot studies and projects complementary to the Rural Electrification Scheme.

#### 8.0 MONITORING COMMITTEE

Monitoring Committee constituted by Ministry of Power under the Chairmanship of Secretary (Power), Government of India will sanction the projects, including revised costs estimates, monitor and review the implementation of the scheme in addition to issuing necessary guidelines from time to time for effective implementation of the scheme.

- 9.0 The Services of Central Public Sector Undertakings (CPSUs) have been offered to the States for assisting them in the execution of Rural Electrification Projects as per their willingness and requirement. With a view to augment the implementation capacities for the programmes, REC has entered into Memorandum of Undertaking (MOUs) with NTPC, Power Grid, NHPC and DVC to make available CPSUs programme management expertise and capabilities to States wishing to use the services. This has been operationalised through a suitable Tripartite/Quadripartite Agreement.

#### 10.0 IDENTIFICATION OF VILLAGES / HAMLETS

10.1 While implementing the DDG projects it has to be ensured that (i) the effort and investment that goes into setting up of DDGs are utilized for the benefit of the target groups and do not become sunk investment once the village is being connected to the grid and (ii) there is sufficient engagement and support of the local community for this initiative.

10.2 For the selection of villages, the following approach should be followed:

- i) The list of villages / hamlets to be electrified through DDG is to be finalized by the State Renewable Energy Development Agency / departments promoting renewable energy in consultation with state utilities and MNRE.
- ii) To the extent possible, the selection of the villages / hamlets is to be carried out in a cluster to take advantage of the clustering effect, wherever applicable. Depending on the proximity of the villages / hamlets, the merit of setting up a local distribution grid covering all these villages / hamlets with a central power plant as against setting up of individual village / hamlet level systems would be evaluated.
- iii) Villages / hamlets that comprise of migratory/floating population may not be considered.
- iv) While finalizing the list, the villages / hamlets are to be prioritized and those villages where grid connectivity is not foreseen in next 5 to 7 years must be taken up first for setting up DDG projects.
- v) Villages / hamlets having population of less than 100 shall not be considered under the DDG Scheme and to be taken up by MNRE for implementation. Villages / hamlets that are already being planned to be taken up by MNRE are to be excluded under the DDG scheme.

- vi) Villages / hamlets that have been provided with solar home lighting systems under the Remote Village Electrification program can also be considered under the DDG scheme.
- vii) Infrastructure for these projects is to be established in a manner so that they are grid compatible. This would ensure quick interface when grid power reaches the village and ensure that the investments made today are not sunk when the village is finally connected to the grid.

#### 11.0 SELECTION OF TECHNOLOGY

The DDG projects could be based on either conventional or renewable forms of energy. The choice of technology would depend on the appropriateness of the chosen technology for specific villages / hamlets. Since the DDG projects to be implemented are to be scalable and undertaken within a relatively stiff timeline, options being considered for the proposed guidelines are those that have either reached a stage of commercial maturity or their technical viability is proven under actual field conditions. A list of such options is presented below:

- Diesel Generating sets powered by biofuels (non-edible vegetable oils like Jatropha, Pongamia etc)
- Diesel Generating sets powered by producer gas generated through biomass gasification (100 % producer gas engines)<sup>1</sup>
- Solar Photo Voltaic
- Small Hydro

It may be noted that the above list is based on the technologies that are presently being employed and are the preferred options for decentralized power generation. There could be additional possibilities as listed below, which are not popular now, but may become relevant in future.

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<sup>1</sup> To be considered only where project design includes dedicated energy plantations to ensure sustainable biomass supply.



- Diesel Generating sets powered by biogas (from animal waste)
- Wind hybrid systems
- Other hybrid options, including any new technology

Although diesel is the most convenient form of decentralized power generation option, it would be advisable to treat the diesel option as only for standby or under situations where there is temporary disruption in the supply of local renewable energy sources.

**Annexure-2** provides a technology decision tool that can be taken as a guide while selecting the most appropriate technological choice for any particular village / hamlet. **It is emphasized that this tool is only a suggestive one and the actual choice of technology has to be based on a detailed survey of the village/hamlet.**

**Annexure-3** provides a framework which forms the basis of arriving at the technology decision tool.

The preferred technology options and rating thereof are indicative in nature and at the time of sorting of DPRs for approval, details justification will have to be provided for selecting an option.

## 12.0 FINANCING OF PROJECTS AND ADMINISTERING OF FUNDS

12.1 The financial assistance for implementing the DDG projects would include the following project cost:

- a) Capital cost\*, comprising of:
- All plant equipment & auxiliary systems and accessories required for the power plant operation
  - All associated civil works. Cost for land, however, has to be borne by the state government
  - Distribution Network with necessary control equipment. The subsidy applicable to BPL Households under the RGGVY Programme shall also be applicable for DDG Projects. Access to electricity has to be provided for common facilities such as Street light, Schools, Community buildings Panchyat Bhawan etc.

- Initial capital cost for plantation for sustainable supply of bio energy (in case of biomass gasification/bio fuel projects only).
- Initial capital cost of setting up non-domestic loads as specified by the implementing agency.

\* For clarification on items not specifically mentioned here the criteria as applied in Rule 79 of GFR, 2005 published by Government of India be relied upon.

b) Revenue Cost\*:

Cost of spare parts for 5 years after commissioning. The cost of consumables and labour will not be included in the capitalized project cost.

c) Cost of providing power for a period of 5 years from commissioning as identified in DPR after taking into account recovery from village house holds as per the tariff to be decided by the State Utility/SREDA/Implementing Agency, but the same shall not be less than the existing tariff in the neighborhood area and shall be indicated in the bid document for identified load of each household.

d) Soft Cost comprising of:

- Pre-selection of villages, technologies and preparation of DPRs
- Cost of social engineering to ensure community engagement

e) Pattern of payment

90% of the total project cost (capital cost and soft cost) will be provided to the implementing agency as subsidy. The balance 10% can be arranged by the implementing agency at their own or taken as loan from any financial institution or REC. The following payment terms are recommended for the payment of capital cost to the project developer

- 70% of the capital cost excluding cost of providing power as stated above till commissioning of the project, linked to project completion milestones.
  - Balance 30% of the capital cost excluding cost of providing power as stated above over the 5 year period (@ 6% per annum)
  - Cost of providing power shall be paid on annual basis after taking into account recovery from village house holds.
- e) Administration of funds

The payment to the project developers, as per the terms outlined above, will be routed through the implementing agencies.

### 13.0 PROJECT APPROVAL AND IMPLEMENTATION PROCEDURE

13.1 An Implementation Support Group (ISG) will be created by Ministry of Power to coordinate/supervise the Scheme implementation. The roles and responsibilities of ISG are detailed at **Annexure-4**.

13.2 The MoP will identify a panel of consultants to assist ISG/Implementing Agencies/CPSUs in terms of providing technical support, including pre-selection of technology and preparation of Detailed Project Reports (DPRs).

13.3 The implementing agency will finalize the prioritized list of villages/hamlets to be electrified through DDG and get the DPRs made through the panel of consultants.

13.4 Implementing Agencies shall submit the DPRs to ISG and identified CPSUs shall submit the DPRs to Implementing Agencies who shall forward DPRs to ISG. ISG will review the DPRs and forward the DPRs to the Monitoring Committee for approval. Indicative list of information to be covered in the DPR is enclosed as **Annexure-5**.

13.5 The Monitoring Committee would sanction the projects on merits

13.6 Thereafter, implementing agency shall invite open tender on Build, Operate, Maintain & Transfer (BOMT) basis and place award. Award cost should not be more than 10% of the sanctioned cost. In case award cost is

more than 10% of the sanctioned cost, the same shall require prior approval of Monitoring Committee.

13.7 The flow chart of the approval process is enclosed as **Annexure-6**.

#### 14.0 INSTITUTIONAL FRAMEWORK AND FACILITATION SUPPORT

14.1 Implementing Agencies shall:

- i) Assist in land acquisition and execution of the Scheme
- ii) Help Project Developers in community mobilization and in creating awareness about DDGs and on the efficient and safe use of equipments.

#### 15.0 ELIGIBLE PROJECT DEVELOPERS

Eligible Project developers shall be:

State agencies, technology suppliers, Corporate houses, Equipment Manufacturers and Contractors, Self Help Groups, Users Associations, individuals, Registered Societies, Cooperatives, Panchayats, Local bodies, their Consortiums / SPVs / JVs etc are all eligible to apply.

#### 16.0 PROJECT APPRAISAL COMPONENTS

##### 16.1 Selection of Project developer

- i) The Project Developer shall implement the project on Build, Operate, Maintain & Transfer (BOMT) basis for a period of 5 years. The plant will be handed over to the State Government in working condition after 5 years. All the replaced parts will be handed over to the State Government.
- ii) Consultant while preparing DPR, shall estimate the capacity of the project and shall also estimate the electricity load and energy required to be generated for five years from the date of commissioning. While computing the load, provision of 2 light points (11/18 W each) and one socket (40 W) may be considered for each household.
- iii) Project Developer shall be responsible for collecting the tariff from villagers.
- iv) Selection of the Project developer shall be on the basis of tenders which will be called by the Implementing agencies in two parts, one part covering capital cost (as per 12.1 (a) above) and another covering cost of providing power for five years (as per 12.1 (b) above). The reimbursement

of gap between operation and maintenance cost and revenue recovery to the project developer (after adjusting the collected tariff) will be paid out of service charges of the Implementing Agencies (@ 8% for State Governments & 9% for CPSUs). The second part bid can not exceed the service charges mentioned above. Only those state governments which undertake to provide the service charges to the project developer will be eligible for taking up the DDG Projects. The tenders will be evaluated jointly for both the parts i.e. for the First part and the Second part taken together for 5 years. A tripartite agreement will be signed between SREDA/State Utility/State Energy Deptt. and REC on behalf of the Ministry of Power and the Project Developer for agreeing to the commitments and conditions of RGGVY-DDG sub component. This tripartite agreement will be approved by Ministry of Power. As part of agreement (a) the project developer will be authorized to collect tariff in project area and (b) the state government will agree to reimburse the gap between O&M expenditure and revenue income from out of the service charges of implementing agencies to the project developer.

#### 16.2 Other components

- i) The selected project developer shall give 10% Contract Performance Guarantee in the form of Bank Guarantee of the total project cost as per 12.1 (a) valid for a period of 2 years which is to be renewed till 5 years plus 6 months from date of commissioning..
- ii) The successful developer shall be responsible for supplying the required quantum of power for 6-8 hours of electricity per day at the identified timings as per the contract, at least for 25 days in a month, failing which, the developer shall pay Liquidated Damages (LD) at the rate of the 10% of the charges for the short supplied power. This amount may be deducted from the yearly payments to the project developer.
- iii) The project developer is responsible for providing training / capacity building to villagers for running the power plant.
- iv) After 5 years, Implementing Agencies will have the option to take over the project or handover the project to the same agency or any other agency as approved by the State Government for running the project, either on negotiated rate basis or limited or open tender basis.

- v) If grid power reaches the village before 5 years then the power produced from the DDG project can be exported to the grid and imported from the grid, as and when required.
- vi) The Project Developer's will be permitted to mobilize additional support/funds from other sources for implementing the DDG projects.
- vii) For sustainability of DDG projects, it is important to go beyond lighting and Consultants preparing DPRs shall also include some non-domestic / productive work that would help in the overall development of these villages.
- viii) For DDG projects, a flat rate in terms of money to be paid / light point / month is a more practical way of setting the tariff than the classical sale of electricity/kWh. The concerned Implementing Agency will issue guidelines for electricity charges to the project developers.

#### 17.0 MONITORING AND EVALUATION

- i) It should be ensured that all the benefits intended by the project are rigorously monitored and a monthly report is submitted by the Implementing Agency to REC and MoP indicating the financial and physical progress of the project.
- ii) The Implementing Agency shall also ensure proper utilization of the funds.

#### 18.0 EARNING CARBON CREDITS FROM DDG PROJECTS

There are possibilities of earning carbon credits through the Clean Development Mechanism (CDM) route for renewable energy based DDG projects. These projects are eligible under both the regulatory and the voluntary markets.

Since the volume of Certified Emission Reductions (CERs) on a single village basis is low, It would be advisable to bundle several such projects and Implementing Agencies shall endeavor to obtain such benefits for further community benefit programmes.

- 19.0 Notwithstanding any thing mentioned in the guidelines some projects can be taken up for Implementation by CPSUs as per the recommendation of

Implementing Supporting Group (ISG) & the Monitoring Committee after proper scrutiny.

- 20.0 The expenditure involved on above scheme would be debitable to the following Head under Grant No.72 – Ministry of Power for the year 2007-08 and corresponding head of account for the subsequent years:-

2801 Power (Major Head)
06 – Rural Electrification (Sub-Major Head)
06.800 – Other Expenditure (Minor Head)
03 – Rural Electrification Corporation – for Rajiv Gandhi Grameen Vidyutikaran Yojana
03.00.33 – Subsidies

- 21.0 This has been approved by Monitoring Committee on RGGVY in its meeting held on 23/12/2008.

(Devender Singh)

Joint Secretary to the Government of India

To

1. Chief Secretaries of all States.
2. Secretary (Power/Energy) of all States
3. Chairman of all State Utilities
4. Chairman & Managing Director, REC, SCOPE Complex, New Delhi.

Copy to:

1. Prime Minister's Office, South Block, New Delhi.
2. Cabinet Secretary, Cabinet Secretariat, Rastrapati Bhawan, New Delhi.
3. Ministry of Finance , Department of Expenditure (Plan Finance), New Delhi.
4. Chairman, Central Electricity authority, R.K. Puram, New Delhi.
5. Secretary Planning Commission, New Delhi.
6. Secretary, Ministry of Non-conventional Energy Sources, New Delhi.
7. Secretary, Ministry of Rural Development, Krishi Bhawan, New Delhi.
8. Secretary, Department of Panchayati Raj, New Delhi.
9. Secretary, Ministry of Programme Implementation, New Delhi.
10. Department of Development of North Eastern Region, New Delhi.
11. CMDs of NHPC, NTPC, POWERGRID, DVC.
12. PPS to Secretary (P)/Sr PPS to AS(AK),/PPS to AS(GBP).
13. All JSs/All Directors/DS in the Ministry of Power.

## **A THREE TIER QUALITY CONTROL MECHANISM UNDER RGGVY**

### **A. (a) First Tier**

Project implementing agency (PIA) would be responsible for the first tier of the Quality Control Structure. Further PIA will engage third party inspection agency, whose responsibility will be to ensure that all the materials to be utilized and the workmanship conform to the prescribed specifications. It will be synchronized with phased release of funds under RGGVY and inspection and proof of corrective action will be mandatory requirement for release of funds. This inspection will cover approx. 50% villages on random sample basis for each project.

### **(b) Second Tier**

Rural Electrification Corporation will get the inspection done of the works/materials from its non-field staff and by outsourcing it. REC may outsource it to retired employees of State Electricity Boards/State Utilities/CPSUs. All such reports should be organized and analyzed by REC through the project implementation. These individuals would be designated as REC Quality Monitors (RQM).

The inspection will cover quality checks at pre-shipment stage at the vendors' outlet of major materials and 10% villages on random sample basis.

### **(c) Third Tier**

1. Independent Evaluators (Individuals /Agency) will be engaged by the Ministry of Power for evaluation, at random, of supply and erection under the programme. These persons would be designated as National Quality Monitors (NQM). It will be the responsibility of the state to facilitate the inspection of works by the NQM, who shall be given free access to all administrative, technical and financial records. Evaluation will cover 1% villages. They shall also report on the general functioning of the Quality Control mechanism in the District.
2. The Monitors shall submit their report to the Ministry. The reports of the NQMs will be sent by REC to the RQM for appropriate action within a period to be specified. In case quality check by RQM or NQM reveals 'unsatisfactory' work, the implementing agency shall ensure that the contractor

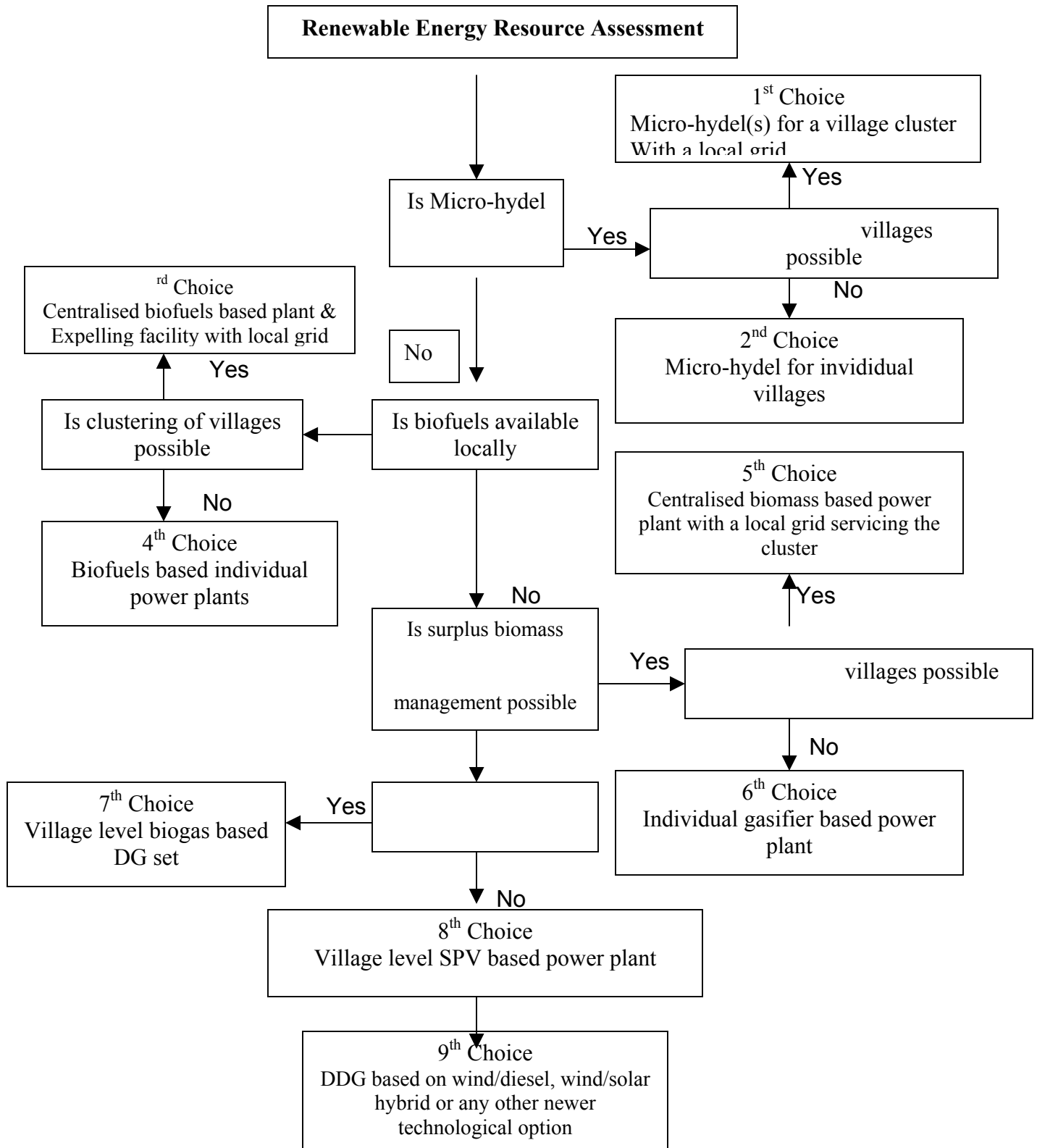


replace the material or rectifies the workmanship (as the case may be) within the time period stipulated. In respect of NQM Reports, the REC Quality Coordinator shall, each month, report on the action taken on each of the pending Reports. All works rated 'unsatisfactory' shall be re-inspected by RQM or NQM after a rectification report has been received from the REC Quality Coordinator. REC will designate an Executive Director as in-charge of the Monitoring system.

3. Recurrent adverse reports about quality of works in a given District / State might entail suspension of the Programme in that area till the underlying causes of defective work have been addressed.
4. The REC Quality Coordinator / Third party inspection unit shall be the authority to receive and inquire into complaints / representations in respect of quality of works and they would be responsible for sending a reply after proper investigation to the complainant within 30 days. The REC for this purpose, shall ensure the following:-
  - (i) The name, address and other details of the REC Quality Coordinator / third party inspection unit will be given adequate publicity in the State (including tender notices, websites, etc.) as the authority empowered to receive complaints.
  - (ii) All complaints shall be acknowledged on receipt (giving registration no.) and likely date of reply shall be indicated. On receipt of the report, the complainant shall be informed of the outcome and the action taken / proposed.
  - (iii) Complaints received through the Ministry of Power, REC will normally be sent to the REC Quality Coordinator for enquiry and necessary action. In case report from an RQM is desired, this shall be furnished within the time specified. In case an adequate response is not received within the stated time schedule, the REC may depute an NQM and further processing will be done only on the basis of NQM report.
  - (iv) The RQC shall make a monthly report to the REC (in a prescribed format) and the status of action on complaints shall be discussed in the District Committees.
  - (v) REC could develop a web site for complaints, inspection and rectification.

**Annexure IV(ii)**

**TECHNOLOGY DECISION TOOL**  
(conventional DG sets will be an option in most cases)



## Annexure IV(iii)

### Framework for ranking various renewable energy based DDG options

Option	Score (in a scale of 1 to 5, please refer to the footnote for the scoring criteria)							Overall score	Ranking
	Capital cost (Rs. / kW) <sup>1</sup>		Generation cost (Rs. / kWh) <sup>2</sup>		Environmental impact <sup>3</sup>	Local <sup>4</sup> manageability & ease of operation	Enhancing <sup>5</sup> Livelihood opportunities		
	Rs/kW	Score	Rs/kWh	Score					
Biomass gasifier / DG sets	~ 78,000	3	2.25	4	2	2	4	15	3
SPV	~ 3,00,000	1	14.5	1	4	2	1	9	5
Biogas DG sets	~ 85,000	3	0.75	5	3	1	3	15	4
Biofuels DG sets	~ 20,000	5	10.75	2	3	3	5	18	2
Micro-hydel	~ 60,000	4	0.25	5	5	3	3	20	1

**Note: Although the overall score for the biomass gasifier and biogas options are same, gasifier based systems are given a higher ranking as they are fairly established as a DDG technology, and at the present point of time, is a preferred option compared to biogas based engines. The above scoring matrix excludes options like wind/solar, wind/diesel hybrids or any other newer options as DDG systems based on such technologies are presently not operational, and there are no basis for comparing the effectiveness of such systems against the options listed above.**

<p><b>1</b> Capital cost is the cost of power generating unit. Scoring as per the following guidelines:</p> <p>&lt; Rs 25,000 – 5            Rs 25,000 – Rs 75,000 – 4            Rs 75,000 – Rs 100,000- 3            Rs 100,000 – Rs 150,000 – 2            &gt; Rs 200,000 – 1</p>	<p><b>2</b> Generation cost is the operation and maintenance cost of unit power generation. For SPV systems, it refers to the cost of replacement of battery bank every 4 years. For biofuels based plants, the cost of generation would be Rs 9.45/kWh if the sale of press cake is also accounted for. Scoring as per the following guidelines:</p> <p>&lt; Rs 1.5 – 5            Rs 1.5 – Rs 5 – 4            Rs 5 – Rs 7.5 – 3            Rs 7.5 – Rs 12.5 – 2            &gt; Rs 12.5 – 1</p>	<p><b>3</b> Environmental impacts include local as well as global air pollution, afforestation / deforestation impacts, solid as well as liquid waste generation etc. Scoring as per the following guidelines:</p> <p>Least polluting – 5            Most polluting – 1</p>	<p><b>4</b> Local manageability refers to the ability of maintaining / managing the equipment / systems in remote places and their serviceability. Scoring as per the following guidelines:</p> <p>Most robust system – 5            Least robust system – 1</p>	<p><b>5</b> Enhancing livelihood opportunity refers to the ability of a particular technology to promote productive work as well as local employment generation. Scoring as per the following guidelines:</p> <p>Maximum livelihood opportunity – 5            Least livelihood opportunity – 1</p>
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**ROLES AND RESPONSIBILITIES OF IMPLEMENTATION SUPPORT GROUP  
(ISG)**

Support to funding agency and single window to project developers for all data / information support.

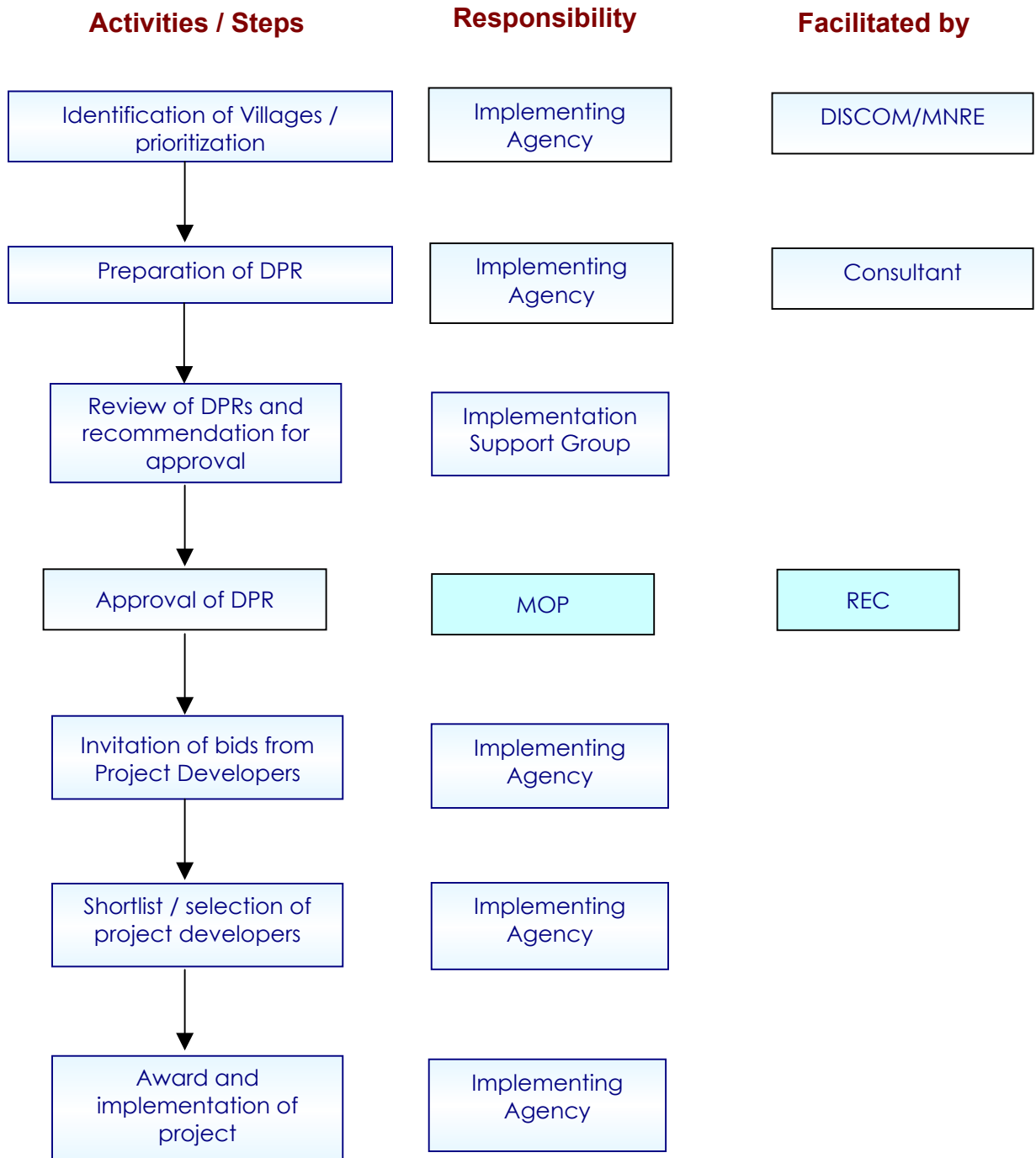
1. Identification of villages/ target project areas
2. Evolve guidelines and checklist for formulation of Feasibility Reports & Detailed Project Reports.
  - Contents of the Reports
  - Compliance to appraisal parameters.
  - Listing of clearances and requirements at each stage.
3. Evolve Guidelines and parameters for Project developers for
  - Project implementation support.
  - Project monitoring
  - Quality assurance
  - Capacity building
  - Project closure
  - Operation stage support
4. Support to REC
  - Techno Commercial appraisal.
  - Project monitoring
  - MIS support on scheme implementation.
  - Evolve guidelines and procedures for all steps in project implementation and operation.
  - Set quality benchmark parameters.
  - Provide monitoring benchmarks and check milestones.
5. Formulate detailed guidelines and check list for
  - Detailed Project Report acceptance (for Project approval)

The steps and interfaces between ISG/ REC and Implementing Agency will be detailed through procedural guidelines.
6. Conduct Grant utilization audit
7. Maintain data repository on all aspects and deliverables of Scheme implementation.
8. Single Window to all Stakeholders
  - Data/ Information support.
  - Capacity building and awareness about new techniques and technologies.
  - Target Project areas identification.
9. Formulate guidelines for funding of application projects based upon New technologies.

**Information to be covered in Detailed Project Report  
(The following is an indicative list)**

- Name of Gram Panchayat, Block & District
- No. of Villages under Gram Panchayat
- Name of Village / hamlet selected for the Project
- Village census code
- Distance from nearest road-head
- Distance from the grid
- Total population of the village / hamlet
- Number of households
- Number of Hamlets / Dalit Bastis in Village
- Number of BPL Households
- Type of social structure
- Community buildings – school, public health centre, panchayat ghar, etc.
- Main occupation, indicating cash crops
- Resource availability – water stream, type of biomass, local fuel wood / oil-seed bearing species, if any
- Availability of fallow land / waste land / uncultivated land etc.
- Indicative Estimate of Energy Demand
  - ↳ Household –lighting, other
  - ↳ Community services, including streetlights
  - ↳ Irrigation/Agriculture Operations
  - ↳ Commercial
- Existing pattern of energy / fuel use and average monthly expenditure per household
- Existing renewable energy devices in the village, if any
- Technology package proposed to be deployed
- Indicative capacity of the energy systems
- Role of local community in planning, implementation and management, including revenue management
- Details of any local NGO already associated with the village / hamlet
- Any other village / hamlet in the vicinity of this village that is un-electrified

**DDG Scheme**  
*– The Approval Process*



## Annexure - V

## Details of projects sanctioned in X Plan and XI Plan under RGGVY

Sr. No	State	Projects Sanctioned in X Plan						Projects Sanctioned in XI Plan						Total Projects Sanctioned					
		No. of Projects	No. of Districts	No. of electrified villages covered	No. of un-electrified villages covered	No. of BPL households covered	Total Project Cost	No. of Projects	No. of Districts	No. of electrified villages covered	No. of un-electrified villages covered	No. of BPL households covered	Total Project Cost	No. of Projects	No. of Districts	No. of electrified villages covered	No. of un-electrified villages covered	No. of BPL households covered	Total Sanctioned Project Cost
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	Andhra Pr.	17	17	0	21623	2114317	648.15	9	5	0	5858	477823	191.94	26	22	0	27481	2592140	840.09
2	Arunachal Pr.	2	2	237	321	4377	43.30	13	13	1845	1336	33325	690.94	15	15	2082	1657	37702	734.24
3	Assam	3	3	903	1746	148971	158.03	20	20	7622	11584	842685	1501.97	23	23	8525	13330	991656	1660.00
4	Bihar	26	25	17125	0	843499	1495.80	17	17	6086	6671	1908956	1468.54	43	42	23211	6671	2752455	2964.34
5	Chhattisgarh	3	3	117	3504	122316	148.94	8	8	112	9848	366778	420.75	11	11	229	13352	489094	569.69
6	Gujarat	3	3	0	2409	188471	60.84	22	22	0	15525	766679	299.59	25	25	0	17934	955150	360.43
7	Haryana	4	4	0	1075	49198	48.48	14	14	0	4910	174875	148.92	18	18	0	5985	224073	197.40
8	Himachal Pr.	1	1	0	1118	647	25.02	9	9	24	9098	11569	166.11	10	10	24	10216	12216	191.13
9	J & K	3	3	103	1444	59731	97.62	10	10	158	4493	75671	521.35	13	13	261	5937	135402	618.97
10	Jharkhand	13	13	8727	4379	942319	1277.17	9	9	11010	3243	749478	1374.94	22	22	19737	7622	1691797	2652.11
11	Karnataka	17	17	49	21152	631828	375.39	7	6	83	6743	220442	186.32	24	23	132	27895	852270	561.71
12	Kerala	1	1	0	38	17834	19.75	0	0	0	0	0	0.00	1	1	0	38	17834	19.75
13	Madhya Pradesh	8	8	115	9653	311295	395.57	21	21	675	22078	1000848	1017.94	29	29	790	31731	1312143	1413.51
14	Maharashtra	4	4	0	4052	262538	78.86	30	30	6	36240	1613853	634.58	34	34	6	40292	1876391	713.44
15	Manipur	2	2	186	270	14447	64.07	2	2	309	457	34741	91.69	4	4	495	727	49188	155.76
16	Meghalaya	2	2	174	797	23676	45.99	5	5	1769	2739	92771	244.42	7	7	1943	3536	116447	290.41
17	Mizoram	2	2	90	209	8618	41.75	6	6	47	361	18799	62.50	8	8	137	570	27417	104.25
18	Nagaland	2	2	12	279	14290	16.25	9	9	93	873	55610	94.92	11	11	105	1152	69900	111.17
19	Orissa	4	4	2602	4637	335080	434.10	27	27	15293	24585	2850783	3141.01	31	31	17895	29222	3185863	3575.11
20	Punjab							17	17	0	11840	148860	154.59	17	17	0	11840	148860	154.59
21	Rajasthan	25	24	1705	15608	699651	453.23	15	9	2115	18003	982455	593.80	40	33	3820	33611	1682106	1047.03
22	Sikkim	2	2	16	158	3724	26.09	2	2	9	260	7734	31.01	4	4	25	418	11458	57.10
23	Tamilnadu							26	26	0	12416	545511	447.41	26	26	0	12416	545511	447.41
24	Tripura	1	1	48	72	13119	19.57	3	3	112	570	181611	111.89	4	4	160	642	194730	131.46
25	Uttar Pradesh	64	65	28677	3287	1120648	2719.51	0	0	0	0	0	0.00	64	65	28677	3287	1120648	2719.51
26	Uttanchal	13	13	1469	14105	281615	643.89	0	0	0	0	0	0.00	13	13	1469	14105	281615	643.89
27	West Bengal	13	13	4283	0	97847	385.03	15	15	290	24775	2640874	1956.10	28	28	4573	24775	2738721	2341.13
27		235	234	66638	111936	8310056	9722.40	316	305	47658	234506	15802731	15553.22	551	539	114296	346442	24112787	25275.63

## Annexure - VI

### State-wise, Implementing agency-wise achievement for villages electrification works under RGGVY (Villages)

Sl No.	Name of State	Implementing Agency	Achievements during 2005-06		Achievements during 2006-07		Cumulative Achievement upto 2006-07			Achievement of Village electrification in 2007-08			Achievement of village electrification in 2008-09			Cumulative Achievement as on date		
			Un-electrified villages	Electrified villages	Un-electrified villages	Electrified villages	Un-electrified	Electrified	Total	Un-electrified (Total)	Electrified	Total	Un-electrified	Electrified	Total	Un-electrified	Electrified	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	Andhra Pradesh	DISCOMs									5614	5614		612	612		6226	6226
2	Arunachal Pradesh	Power Deptt																
3	Assam	ASEB								64	91	155				64	91	155
		POWERGRID								20	84	104				20	84	104
		Total Assam								84	175	259				84	175	259
4	Bihar	POWERGRID	1600		7915		9515		9515	2580		2580	72		72	12167		12167
		NHPC			500		500		500	767		767	99		99	1366		1366
		BSEB																
		Total Bihar	1600		8415		10015		10015	3347		3347	171		171	13533		13533
5	Chhattisgarh	POWERGRID																
		NHPC																
		NTPC									296	296		315	315		611	611
		Total Chattisgarh									296	296		315	315		611	611
6	Gujarat	DISCOMs									361	361					361	361
		POWERGRID				625		625	625		261	261					886	886
		Total Gujarat				625		625	625		622	622					1247	1247
7	Haryana	DISCOMs									15	15		308	308		323	323
8	Himachal Pradesh	HPSEB																
9	Jammu & Kashmir	Power Deptt																
		NHPC									169	169					169	169
		Total J&K									169	169					169	169
10	Jharkhand	JSEB								1085	261	1346				1085	261	1346
		NTPC											33	107	140	33	107	140
		DVC								174	358	532				174	358	532
		Sub-Total CPSUs								174	358	532	33	107	140	207	465	672
		Total Jharkhand								1259	619	1878	33	107	140	1292	726	2018
11	Karnataka	DISCOMs	47	350		8000	47	8350	8397		9113	9113		806	806	47	18269	18316
12	Kerala	KSEB																
13	Madhya Pradesh	DISCOMs								15	50	65	1	338	339	16	388	404
		NTPC											219	219	219	219	219	219



		Total MP							15	50	65	1	557	558	16	607	623
14	Maharashtra	DISCOMs						57989		1080	1080		271	271		1351	1351
15	Manipur	Power Deptt							36	13	49				36	13	49
16	Meghalaya	MeSEB															
17	Mizoram	Power Deptt															
18	Nagaland	Power Deptt															
19	Orissa	POWERGRID															
		NHPC															
		NTPC															
		Total Orissa															
20	Punjab																
21	Rajasthan	DISCOMs	230		675		905	424430	451	6966	7417	34		34	1390	6966	8356
		POWERGRID			90	570	90	570	660	182	883	1065	399	399	272	1852	2124
		Total Rajasthan							633	7849	8482	34	399	433	1662	8818	10480
22	Sikkim	Power Deptt															
23	Tamil Nadu																
24	Tripura	Power Deptt															
		POWERGRID															
		Total Tripura															
25	Uttar Pradesh	DISCOMs	6518		12603		19121	19121	2434		2434	258		258	21813		21813
		POWERGRID	985		4017		5002	5002	428	448	876	26	274	300	5456	722	6178
		Total UP	7503		16620		24123	24123	2862	448	3310	284	274	558	27269	722	27991
26	Uttarakhand	UPCL	87		798	2332	885	2332	3217	341	2898	3239	35	161	196	1261	5391
27	West Bengal	WBSEB	44		306		350		350	62		62	1		1	413	413
		POWERGRID	136		1072		1208		1208	184		184				1392	1392
		NHPC	57		268		325		325	124		124	6		6	455	455
		NTPC	43		125		168		168	54		54				222	222
		DVC	72		337		409		409	300		300	10		10	719	719
		Sub-Total CPSUs	308		1802		2110		2110	662		662	16		16	2788	2788
		Total WB	352		2108		2460		2460	724		724	17		17	3201	3201
	Total State Utilities		6926	350	14382	10332	21308	10682	593468	4488	26462	30950	329	2496	2825	26125	39640
	Total POWERGRID		2721		13094	1195	15815	1195	17010	3394	1676	5070	98	673	771	19307	3544
	Total NHPC		57		768		825		825	891	169	1060	105		105	1821	169
	Total NTPC		43		125		168		168	54	296	350	33	641	674	255	937
	Total DVC		72		337		409		409	474	358	832	10		10	893	358
	Total CPSUs		2893		14324	1195	17217	1195	18412	4813	2499	7312	246	1314	1560	22276	5008
	Grand Total( SPU + CPSUs)		9819	350	28706	11527	38525	11877	50402	9301	28961	38262	575	3810	4385	48401	44648

## Annexure - VI

State-wise, Implementing agency-wise achievement for electrification of households under RGGVY  
(HOUSEHOLDS)

Sl. No.	Name of State	Implementing Agency	Achievements upto 2006-07		Achievement of Household electrification in 2007-08		Achievement of Household electrification in 2008-09		Cumulative Achievement as on date	
			HHs incl. BPL	BPL HHs	HHs incl. BPL	BPL HHs	HHs incl. BPL	BPL HHs	HHs incl. BPL	BPL HHs
1	2	3	4	5	6	7	8	9	10	11
1	Andhra Pradesh	DISCOMs	226654	226654	798087	606750	219200	188585	1243941	1021989
2	Arunachal Pradesh	Power Deptt								
3	Assam	ASEB								
		POWERGRID								
		Total Assam								
4	Bihar	POWERGRID	11055	3211	33934	26625	9651	7938	54640	37774
		NHPC			37984	37984	250	250	38234	38234
		BSEB								
		Total Bihar	11055	3211	71918	64609	9901	8188	92874	76008
5	Chhattisgarh	POWERGRID								
		NHPC								
		NTPC			15302	15302			15302	15302
		Total Chattisgarh			15302	15302			15302	15302
6	Gujarat	DISCOMs			38884	38884	2500	2500	41384	41384
		POWERGRID	10373	10373	29060	29060	23130	23130	62563	62563
		Total Gujarat	10373	10373	67944	67944	25630	25630	103947	103947
7	Haryana	DISCOMs			6907	6907			6907	6907
8	Himachal Pradesh	HPSEB								
9	Jammu & Kashmir	Power Deptt								
		NHPC			4062	4062			4062	4062
		Total J&K			4062	4062			4062	4062
10	Jharkhand	JSEB			2168	2168			2168	2168
		NTPC			218	218	1258	1258	1476	1476
		DVC			440	440			440	440
		Sub-Total CPSUs			658	658	1258	1258	1916	1916
		Total Jharkhand			2826	2826	1258	1258	4084	4084
11	Karnataka	DISCOMs	158851	119315	266160	255421	8030	8030	433041	382766
12	Kerala	KSEB			6596	6596			6596	6596
13	Madhya Pradesh	DISCOMs			1099	1099			1099	1099
		NTPC					1000	1000	1000	1000

		Total MP			1099	1099	1000	1000	2099	2099
14	Maharashtra	DISCOMs			58280	56287	30897	8842	89177	65129
15	Manipur	Power Deptt			1300	1300			1300	1300
16	Meghalaya	MeSEB								
17	Mizoram	Power Deptt								
18	Nagaland	Power Deptt								
19	Orissa	POWERGRID								
		NHPC								
		NTPC			72	72	4842	4842	4914	4914
		Total Orissa			72	72	4842	4842	4914	4914
20	Punjab									
21	Rajasthan	DISCOMs	11019	9236	366310	198667	59916	28491	437245	236394
		POWERGRID			60857	47475			60857	47475
		Total Rajasthan			427167	246142	59916	28491	498102	283869
22	Sikkim	Power Deptt								
23	Tamil Nadu									
24	Tripura	Power Deptt								
		POWERGRID								
		Total Tripura								
25	Uttar Pradesh	DISCOMs	194332	194332	96455	96455	16155	16155	306942	306942
		POWERGRID	61356	61356	95121	95121	4220	4220	160697	160697
		Total UP	255688	255688	191576	191576	20375	20375	467639	467639
26	Uttarakhand	UPCL	21539	21539	61642	61642	7066	7066	90247	90247
27	West Bengal	WBSEB	11045	7957	4417	2555	37	86	15499	10598
		POWERGRID	8626	7743	29216	18669	973	973	38815	27385
		NHPC	6900	6629	5183	4153	678	678	12761	11460
		NTPC	2413	1857	6560	3168			8973	5025
		DVC	5611	2386	15522	4102	33	33	21166	6521
		Sub-Total CPSUs	23550	18615	56481	30092	1684	1684	81715	50391
		Total WB	34595	26572	60898	32647	1721	1770	97214	60989
		Total State Utilities	623440	579033	1708305	1334731	343801	259755	2675546	2173519
		Total POWERGRID	91410	82683	248188	216950	37974	36261	377572	335894
		Total NHPC	6900	6629	47229	46199	928	928	55057	53756
		Total NTPC	2413	1857	22152	18760	7100	7100	31665	27717
		Total DVC	5611	2386	15962	4542	33	33	21606	6961
		Total CPSUs	106334	93555	333531	286451	46035	44322	485900	424328
		Grand Total ( SPU + CPSUs)	729774	672588	2041836	1621182	389836	304077	3161446	2597847

**Annexure - VII****STATE-WISE PROJECTS SANCTIONED**

Sl. No	State	No. of Proj	No. of un-electrified villages covered		No. of electrified villages covered		No. of BPL House holds covered		Total sanctioned Cost (Rs. in Cr.)
			Target	Achiev	Target	Achiev	Target	Achiev	
1	Andhra Pr	26	0		27481	12900	2592140	1272025	840.09
2	Arunachal Pr	16	2129		1756		40810		537.68
3	Assam	23	8536	168	13318	280	991572	915	1660.00
4	Bihar	43	23211	13687	6651		2762455	126280	2996.21
5	Chhatisgarh	13	750		15737	857	669947	44169	870.27
6	Gujrat	25			17934	1782	955150	136830	360.43
7	Haryana	18			5985	587	224073	12119	197.40
8	Himachal Pr.	12	93		10666	45	12448	100	206.16
9	J&K	14	283		6050	266	136730	4771	635.93
10	Jharkhand	22	19737	2896	7622	1433	1693291	48121	2652.12
11	Karnataka	24	132	47	27895	19590	852270	450227	561.71
12	Kerala	1			38		17834	8664	19.75
13	Madhya Pradesh	29	790	17	31731	1146	1312143	17889	1413.51
14	Maharashtra	34	6		40292	3202	1876391	90586	713.44
15	Manipur	4	495	76	727	32	49188	2587	155.76
16	Meghalaya	7	1943		3536		116447		290.41
17	Mizoram	8	137		570		27417		104.24
18	Nagaland	11	105		1152		69900		109.02
19	Orissa	31	17898	224	28984	206	3183276	10662	3575.56
20	Punjab	17	0		11840		148860		154.59
21	Rajasthan	41	4488	1632	34841	10583	1750351	374260	1256.99
22	Sikkim	4	25		418		11458		57.10
23	Tamilnadu	26	0		12416		545511		447.41
24	Tripura	4	160		642		194730		131.46
25	Uttar Pradesh	64	28677	27299	3287	949	1120648	503509	2719.51
26	Uttrakhand	13	1469	1289	14105	5479	281615	100225	643.89
27	West Bengal	28	4573	3382	24775		2738017	75548	2341.14
	<b>Total</b>	<b>558</b>	<b>116011</b>	<b>50717</b>	<b>350449</b>	<b>59337</b>	<b>24374672</b>	<b>3279487</b>	<b>25651.44</b>

**STATUS OF OPERATIONAL FRANCHISEE UNDER RGGVY**

As on 15.06.2008

SI No.	State	Name of Discom	Type of Franchisees	Cumulative Achievement			
				No. of Franchisee	Villages		
					RGGVY	Others	Total
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	APCPDCL	Revenue Collection	1	0	4	4
		APEPDCL	Revenue Collection	2	227	105	332
		APSPDCL	Revenue Collection	2438	0	2438	2438
		APNPDCL	Revenue Collection	1430	0	1430	1430
	Sub Total AP			3871	227	3977	4204
2.	Gujarat	MGVCL	Revenue Collection	32	0	1340	1340
		DGVCL	Outsourcing of various activities	9	579	397	976
	Sub Total Guj			41	579	1737	2316
3.	Karnataka	BESCOM	Revenue Collection	831	10542	0	10542
		GESCOM	Revenue Collection	759	2588	0	2588
		HESCOM	Revenue Collection	747	2419	0	2419
		CESC	Revenue Collection	459	5353	0	5353
	Sub Total Karn			2796	20902	0	20902
4.	Orissa	WESCO	Revenue Collection	8	0	1032	1032
		SOUTHCO	Outsourcing of various activities	4	0	6558	6558
		NESCO	Revenue Collection	2	0	816	816
		CESU		0	0	0	0
	Sub Total Orissa			14	0	8406	8406
5.	Rajasthan	Jaipur Discom	Revenue Collection	1	34	110	144
		Jodhpur Discom	Revenue Collection	1	2	10	12
		Ajmer Discom	Revenue Collection	11	0	14	14
	Sub Total Raj			13	36	134	170
6.	Uttar Pradesh	PsVVNL, Meerut	Revenue Collection	90	342	2460	2802
		DVVNL, Agra	Revenue Collection	80	656	3230	3886
		PuVVNL, Varanasi	Revenue Collection	99	712	3385	4097
		MVVNL, Lucknow	Revenue Collection	62	853	2946	3799
	Sub Total UP			331	2563	12021	14584
7.	Assam	ASEB	Revenue Collection	561	0	1787	1787
8.	Bihar	BSEB	Revenue Collection	256	0	5250	5250
9.	Chhattisgarh	CSEB	Revenue Collection	40	0	655	655
10.	Haryana	UHBVNL/DHBVNL	Revenue Collection	22	6078	58	6136
11.	Madhya Pradesh	MP(West & East)	Revenue Collection	13	2	14	16
12.	Nagaland	Power Deptt.	Input based	602	0	602	602
13.	Uttranchal	UPCL	Revenue Collection	31	0	9862	9862
14.	West Bengal	WBSEDCL	Revenue Collection	439	2987	7002	9989
	G.Total			9030	33374	51505	84879

**MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2007-08)**

The Committee sat on Monday, the 16<sup>th</sup> June, 2008 from 1500 hrs to 1745 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

**Shri Gurudas Kamat - Chairman**

**LOK SABHA**

2. Shri Kailash Baitha
3. Shri Gaurishanker Chaturbhuj Bisen
4. Smt. Susmita Bauri
5. Shri Mohan Jena
6. Sardar Sukhdev Singh Libra
7. Shri Sanat Kumar Mandal
8. Shri Dharmendra Pradhan
9. Dr. Rabindar Kumar Rana
10. Shri Vijayendra Pal Singh
11. Shri M.K. Subba
12. Shri G. Venkatswamy
13. Shri Chandra Pal Singh Yadav

**RAJYA SABHA**

14. Shri Shyamal Chakraborty
15. Dr. Bimal Jalan
16. Dr. K. Kasturirangan
17. Shri Jesudasu Seelam
18. Shri Shivpratap Singh
19. Shri Veer Pal Singh Yadav

**SECRETARIAT**

1. Shri R.C.Ahuja - Joint Secretary
2. Shri Shiv Kumar - Deputy Secretary
3. Shri Arvind Sharma - Under Secretary

## **WITNESSES**

### **MINISTRY OF POWER**

<b>Sl No.</b>	<b>Name</b>	<b>Designation</b>
1.	Shri Anil Razdan	Secretary
2.	Shri G.B. Pradhan	Addl. Secretary
3.	Shri Devender Singh	Jt. Secretary
4.	Shri V.P. Joy	Jt. Secretary
5.	Shri C.P Keshari	Jt. Secretary
6.	Shri Rajesh Verma	Jt. Secretary & FA
7.	Shri Kapil Mohan	Director

### **REPRESENTATIVES OF PUBLIC SECTOR UNDERTAKINGS**

8.	Shri P. Uma Shankar	CMD, REC
9.	Shri K. Vidyasagar	ED, REC
10.	Shri Rama Raman	ED, REC
11.	Shri Bal Mukand	Director (Tech.), REC
12.	Shri P.J. Thakkar	GM, REC
13.	Shri Atul Trivedi	AGM (RGGVY Cell)
14.	Shri S. Majumdar	CMD, PGCIL
15.	Shri Ganesh Singh	ED, PGCIL
16.	Shri S.K. Dodeja	Dir. (Projects), NHPC
17.	Shri V.K. Jain	ED, NHPC
18.	Shri R.S. Sharma	CMD, NTPC
19.	Shri S.P. Singh	CEO, NESCL
20.	Shri Mohan Prasad	Chief Engineer, DVC
21.	Shri Rakesh Nath	Chairperson, CEA

### **REPRESENTATIVES OF STATE GOVERNMENTS**

22.	Shri C.D.Kumar	Engineer-in-Chief, Jharkhand State Electricity Board.
23.	Shri Aditya Swarup	Secretary (Energy), Govt. of Jharkhand
24.	Shri A.B. Pandey	MD, MSEDCL

Before taking up the scheduled agenda for the sitting of the Committee, Hon'ble Chairman, Standing Committee on Energy apprised the members of a recent decision to enforce the provisions of Rule 259 of the Rules of Procedure and Conduct of Business in Lok Sabha regarding quorum at the sittings of the Parliamentary Committees and requested them to kindly make it convenient to attend the sittings of the Committee to ensure quorum. In this regard, hon'ble members expressed their concern at the strict enforcement of the provisions of Rule 259 regarding quorum at the sittings of the Committee in view of certain practical difficulties associated with it. After discussion over the matter, the Committee directed the Secretariat to take up the matter at appropriate level and desired that the convention established in November, 1957 and which was being followed by the Committees over the years whereby quorum was not insisted upon at sittings of the Committee where official witnesses were examined, may be allowed to be observed.

2. Thereafter, the Chairman welcomed the members and the representatives of the Ministry of Power to the sitting of the Committee. Hon'ble Chairman also welcomed the new members S/Shri Shyamal Chakraborty and Shivpratap Singh, who were attending the sitting of the Committee for the first time on their being nominated to the Committee recently. The Committee took up the examination of the subject "Rajiv Gandhi Grameen Vidyutikaran Yojana".

3. The representatives of Ministry of Power made a presentation before the Committee on various aspects of implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). The Committee then *inter-alia* discussed the following important points in connection with the examination of the subject:

- i) Definition of village electrification and the extent of coverage of BPL households in villages under RGGVY.
- ii) Status and progress achieved in implementation of RGGVY.
- iii) Cost norms for sanction of projects under RGGVY.
- iv) Funding pattern of RGGVY so far and requirement of funds, manpower and associated infrastructure required to achieve the goal of 100% electrification of villages in the country.



- v) Factors causing delay in the award of projects already sanctioned under RGGVY by the Ministry of Power.
  - vi) Procedure, issues and challenges faced by agencies implementing projects under RGGVY and the initiatives taken by the Ministry to address them.
  - vii) Implementation of RGGVY in the States of Bihar, Orissa, J&K and North-eastern States.
  - viii) Measures required for effective implementation of RGGVY including more effective and meaningful participation by the district level Committees.
4. Members also raised certain queries related to the subject which were replied to by the representatives of the Ministry.
5. A copy of the verbatim proceedings of the sitting of the Committee has been kept on record.

*The Committee then adjourned.*

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2008-09) HELD ON 19<sup>TH</sup> SEPTEMBER, 2008 IN COMMITTEE ROOM 'D', PHA, NEW DELHI**

The Committee met from 1100 hrs to 1350 hrs.

**PRESENT**

Shri Gurudas Kamat - Chairman

**MEMBERS**

**LOK SABHA**

2. Shri Kailash Baitha
3. Shri Mohan Jena
4. Sardar Sukhdev Singh Libra
5. Shri Sanat Kumar Mandal
6. Dr. Ravindra Kumar Rana
7. Shri Kiren Rijiju
8. Smt. Susmita Bauri
9. Shri Chandra Pal Singh Yadav

**RAJYA SABHA**

10. Dr. K. Kasturirangan
11. Shri Sayed Azeez Pasha
12. Shri Prakash Javadekar
13. Shri Shivpratap Singh
14. Shri Shyamal Chakraborty

**SECRETARIAT**

1. Shri Ashok Sarin, Joint Secretary
2. Shri Shiv Kumar, Deputy Secretary
3. Shri Arvind Sharma, Under Secretary

**WITNESSES**

**Ministry of Power**

1. Shri Anil Razdan, Secretary (Power)
2. Shri Anil Kumar, Additional Secretary
3. Shri G.B. Pradhan, Additional Secretary
4. Shri Jayant Kawale, Joint Secretary
5. Shri V.P. Joy, Joint Secretary
6. Shri Devender Singh, Joint Secretary
7. Shri Rajesh Verma, Joint Secretary & Financial Adviser

**Central Electricity Authority**

1. Shri Rakesh Nath, Chairperson
2. Shri S.M. Dhiman, Member (GO&D)
3. Shri Rohtas Dahiya, Member (Th.)
4. Shri Gurdial Singh, Member (H)

**Statutory Bodies**

1. Shri A.K. Barman, Chairman, DVC

### **Public Sector Undertakings**

1. Shri P. Uma Shankar, CMD, REC
2. Shri R.S. Sharma, CMD, NTPC
3. Shri Satnam Singh, CMD, PFC
4. Shri S.K. Chaturvedi, CMD, Powergrid
5. Shri S.K. Garg, CMD, NHPC

At the outset, the Chairman welcomed the Members of the Committee and the representatives of Ministry of Power to the sitting of the Committee convened in connection with the implementation status of the Recommendations of the Committee contained in the Reports of the Standing committee on Energy (14<sup>th</sup> Lok Sabha) pertaining to Ultra Mega Power Projects (UMPPs), Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), Development of the National Grid and Transmission and Distribution of Power. The Chairman then invited attention of the representatives of Ministry of Power to the provisions contained in Direction 55 of the Directions by the Speaker, Lok Sabha.

2. Therefore, the Secretary, Ministry of Power briefed the Committee about the present status of the implementation of the Recommendations of the Committee on the above referred subjects alongside a power point presentation thereon. The following important points *inter-alia* came up for discussion at the sitting of the Committee:

- (i) Role of State agencies for ensuring land identification, land acquisition, water allocations etc. for the development of UMPPs.
  - (ii) Role of empowered Group of Ministers in monitoring the implementation of UMPPs.
  - (iii) Notification of Rural Electrification Plans as envisaged for the implementation of RGGVY.
  - (iv) Implementation of Rajiv Gandhi Grameen Vidyutikaran yojana (RGGVY) in various States by PSUs.
  - (v) The revised APDRP scheme, reduction in AT&C losses and improvements in Billing and collection by the distribution companies.
3. Members also raised some queries, which were answered to by the representatives of the Ministry of Power.
4. A copy of the verbatim proceedings of the sitting of the Committee have been kept on record.

*The Committee then adjourned.*

**MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2008-09) HELD ON 12<sup>TH</sup> FEBRUARY, 2009 IN COMMITTEE ROOM 'D' PARLIAMENT HOUSE ANNEXE, NEW DELHI**

The Committee met from 1500 hrs. to 1545 hrs.

**PRESENT**

**Shri Gurudas Kamat - Chairman**

**LOK SABHA**

2. Smt. Susmita Bauri
3. Prof. Chander Kumar
4. Sardar Sukhdev Singh Libra
5. Shri Sanat Kumar Mandal
6. Dr. Rabindar Kumar Rana
7. Shri Vijayendra Pal Singh
8. Shri Tarit Baran Topdar

**RAJYA SABHA**

9. Shri Prakash Javdekar
10. Dr. K. Kasturirangan
11. Shri Sayed Azeez Pasha
12. Shri Shivpratap Singh

**SECRETARIAT**

1. Shri Raj Kumar - Director
2. Shri Shiv Kumar - Deputy Secretary
3. Shri Rajesh Ranjan Kumar - Deputy Secretary – II

2. At the outset, the Chairman Standing Committee on Energy welcomed the Members to the sitting of the Committee.
3. The Committee then took up for consideration the draft 31<sup>st</sup> Report on 'Implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)' pertaining to the Ministry of Power.
4. The Committee adopted the draft Report with certain additions/amendments as suggested by the Members of the Committee.
5. The Committee also authorised the Chairman to finalise the Report after incorporating the changes suggested by the Members of the Committee and to present the same to both the Houses of Parliament.

The Committee then adjourned.