



GUIDELINES

REVAMPED DISTRIBUTION SECTOR SCHEME

REFORMS-BASED AND RESULTS-LINKED

(Version-5 July 2022)



Nodal Agency



Nodal Agency

Details of Versions of the Guidelines

S.No	Version No	Issued on	Remarks
1	Version 1	29 th July 2021	Based on Approval accorded in 1 st meeting of Monitoring Committee of RDSS held on 23.7.2021
2	Version 2	18 th November 2021	Based on Approval accorded in 2 nd meeting of Monitoring Committee of RDSS held on 13.10.2021
3	Version 3	03.01.2022	Based on Approval accorded in 3 rd meeting of Monitoring Committee of RDSS held on 18.11.2021 and approval accorded vide MOP letter No. 10/03/2021-UR&SI-II-(E-258311) dated 29.11.2021
4	Version 4	31.03.2022	Based on Minutes of meeting of 5 th Monitoring Committee of RDSS issued on 07.03.2022
5	Version 5	05.07.2022	MoP letter dated 30.06.2022

The Versions are available in the REC website under the Tab- Government Schemes – RDSS with changes highlighted

Abbreviations

ABC	Aerial Bunched Cable
ACS	Average Cost of Supply
AI	Artificial Intelligence
AMI	Advanced Metering Infrastructure
AMR	Automated Meter Reading
AT&C	Aggregate Technical and Commercial
ARR	Average Revenue Realised
DBFOOT	Design Build Finance Own Operate & Transfer
DBT	Direct Benefit Transfer
DMS	Distribution Management System
DRC	Distribution Reforms Committee
DPR	Detailed Project Report
DT	Distribution Transformer
EMD	Earned Money Deposit
ERP	Enterprise Resource Planning
FI	Financial Institution
FMS	Feeder Monitoring System
GBS	Government Budgetary Support
HVDS	High Voltage Distribution System
ICT	Information and Communication Technology
IT	Information Technology
LD	Liquidated Damages
MBC	Metering, Billing and Collection
MDB	Multilateral Development Bank
ML	Machine Learning
MSME	Micro, Small and Medium Enterprises
MYT	Multi Year Tariff
NBFC	Non-Banking Financial Company
NFMS	National Feeder Monitoring System
OT	Operational Technology
PMA	Project Management Agency
PPP	Public Private Partnership
RPO	Renewable Purchase Obligation
T&D	Transmission & Distribution
ToD	Time of Day
TOTEX	Total Expenditure
TPA	Tripartite Agreement
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SBD	Standard Bidding Documents
STQC	Standardization Testing and Quality Certification
UG	Under-ground
UT	Union Territories

Chapter 1. Introduction

- 1.1** A well-functioning electricity infrastructure is essential for the success of a modern economy. 24x7 availability of reliable, quality and affordable power is key to economic development of the country. Power Sector has witnessed tremendous growth over the past five years in generation, transmission and universal access to electricity. India is surplus in power generation today. The continued progress in inter-state and intra-state transmission network has removed transmission bottlenecks and created sufficient transmission capacity to transmit electricity generated from one region to another.
- 1.2** In the Distribution Sector, Government of India has been assisting the States / Distribution Companies (DISCOMs) through various schemes since 2014, namely Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY); Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA); and Integrated Power Development Scheme (IPDS). The Distribution system has been strengthened under DDUGJY and IPDS in rural and urban areas respectively. As a result of the implementation of these schemes, India has achieved universal electricity access by connecting ~28 million households in 18 months under Saubhagya. This was the largest expansion of access anywhere in the world in such a time frame.
- 1.3** Implementation of these schemes has also resulted in improved access to electricity. An independent survey shows that an average Indian household gets almost 20.6 hours of power supply every day, with urban areas getting 22-24 hours and rural areas getting 20 hours. Steps have also been taken for automation and use of Information Technology (IT) in Distribution Sector under IPDS and R-APDRP which includes the establishment of Data Centres, GIS mapping of consumers, Asset Mapping, Online energy auditing & accounting, Consumer care centres, AMI meters on feeders & Distribution Transformers, provision of Smart Metering to reduce losses etc. in urban areas.
- 1.4** Despite the above measures, consumers do not get reliable 24x7 electricity in many parts of the country. Aggregate Technical and Commercial (AT&C) losses and the Average Cost of Supply-Average Revenue Realized (ACS-ARR) gap continue to be high. This sub optimal performance of the Distribution Sector is due to structural and management deficiencies and some remaining weaknesses in the infrastructure. The DISCOMs need to focus on improving their operational efficiencies & financial sustainability; and improve consumer services to be able to meet the desired consumer service standards.
- 1.5** The above requires large scale reforms in Distribution Sector and schemes that would enable the DISCOMs to reduce losses to make them financially sustainable and operationally efficient.
- 1.6** It is with this aim and the Government of India's commitment for providing 24x7 uninterrupted, quality, reliable and affordable power supply, that the Revamped Reforms Based and Results Linked Distribution Sector Scheme has been formulated by Ministry of Power for supporting DISCOMs to undertake reforms and improve performance in a time bound manner.
- 1.7** The Revamped Reforms-based and Results-linked, Distribution Sector

Scheme seeks to improve the operational efficiencies and financial sustainability, by providing financial assistance to DISCOMs for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.

1.8 The Revamped Distribution Sector Scheme has the following parts:

1.8.1 Part A – Metering & Distribution Infrastructure Works:

- Facilitating in installing prepaid smart meters for all consumers along with associated AMI, communicable meters for DTs & Feeders, ICT including Artificial Intelligence (AI), Machine Learning (ML), etc. based solutions for power Sector and a unified billing and collection system¹;
- Distribution infrastructure works as required for strengthening and modernizing the system as well as measures for loss reduction. The infrastructure strengthening works will include separation of Agriculture feeders to enable implementation of the KUSUM scheme, Aerial Bunch cables and HVDS for loss reduction, replacement of HT/LT lines as required, construction of new/ upgradation of substations, SCADA and DMS system etc. Each DISCOM/ State will draw up the scheme according to its requirement with the end objective of reducing losses and ensuring 24 x 7 supply.

1.8.2 Part B - Training & Capacity Building and other Enabling & Supporting Activities: Supporting and enabling components, such as Nodal Agency fee, enabling components of MoP (communication plan, publicity, consumer awareness, consumer survey and other associated measures such as third-party evaluation etc.), up-gradation of Smart Grid Knowledge Centre, training and capacity building, awards and recognitions etc.

1.9 Ongoing approved projects: Schemes of IPDS, DDUGJY along with PMDP-2015 for the erstwhile State of Jammu & Kashmir are being subsumed in this scheme to be implemented as per their extant guidelines and under their existing terms & conditions. No new projects will be sanctioned under these schemes but projects already sanctioned under IPDS & DDUGJY will be eligible to receive funds up to 31st March 2022 under this scheme. However, projects sanctioned for Ayodhya, Uttar Pradesh under IPDS and also projects sanctioned under PMDP 2015 will get funds till 31st March 2023.

1.10 The Revamped Reforms based and Results Linked Distribution Sector Scheme will have an outlay of Rs.3,03,758 crore with an estimated GBS from Central Government of Rs.97,631 crore. It is envisaged that about Rs. 200 crores will be spent by the State Governments towards reforms support in the form of consultancy.

1.11 Office Memorandum issued by the Ministry of Power in respect of Reforms

¹ Nodal Agency / MoP may develop a unified billing and other software, which may be utilized by the Government DISCOMs / Power Departments of the country (as may be decided by Monitoring Committee), keeping in view issues such as interoperability, data security, and consumer privacy, which shall be optional for DISCOMs to use.

based and Results Linked Distribution Sector Scheme is enclosed as **Appendix-I.**

- 1.12** These guidelines shall be applicable for the clause 1.8 of the scheme. The existing operational Guidelines/ Standard documents/ procedures shall continue to prevail for implementation of projects sanctioned under DDUGJY, IPDS & PMDP.

Chapter 2. Objectives, Eligible Works and Eligible Entities

2.1 Objectives

2.1.1 The objectives of the scheme are to:

- Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.
- Reduce the AT&C losses² to pan-India levels of 12-15% by 2024-25.
- Reduce ACS-ARR³ gap to zero by 2024-25.

The state-wise targets for each year will depend on their current levels of AT&C losses and ACS-ARR gap.

2.2 Parts of the Scheme

2.2.1 The Scheme has the following parts -

- **Part A**
 - Component I: Metering
 - Component II: Distribution Infrastructure Works
 - Component III: Project Management
- **Part B:** Training, Capacity Building and other Enabling & Supporting Activities.

2.3 Eligible Works and Activities under Part A - Metering

2.3.1 Under this part, Prepaid Smart metering for consumers, and System metering at Feeder and Distribution Transformer level with communicating feature along with associated Advanced Metering Infrastructure (AMI) will be done in TOTEX mode through PPP, to facilitate reduction of Distribution losses and enable automatic measurement of energy flows and energy accounting as well as auditing.

2.3.2 Funding under this Part will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode. Under this mode, a single agency will be contracted for supplying, maintaining and operating the metering infrastructure for the purpose of meter related data and services to the DISCOM. It will make both capital and operational expenditure under DBFOOT (Design Build Fund Own Operate & Transfer) or similar modes and will be paid for a portion of its capital expenditure initially and the remaining payment over the O&M period.

² AT&C losses will be calculated by Power Finance Corporation as per the latest approved formula.

³ ACS-ARR gap for the purpose will be calculated by Power Finance Corporation on subsidy received basis duly adjusted for UDAY grants, and regulatory income, if any.

2.3.3 Pre-paid smart metering works carried out after 1st January, 2020 will be eligible for funding, if they were carried out in TOTEX mode, after obtaining approval from Monitoring Committee in this regard.

2.4 Eligible Works and Activities under Part A- Distribution Infrastructure Works

2.4.1 Under this component, DISCOM can take up works related to loss reduction and system strengthening. 66 kV level and below will be eligible under this component. In areas, where 33 kV system does not exist, 110 kV shall be permitted subject to suitable justification to be provided by the concerned DISCOM(s) in the DPR, for inclusion of such works clearly indicating its benefits including improvement in quality and reliability of power supply to the consumers. Further, sanction of such works shall be subject to satisfaction of the nodal agencies and the monitoring committee with respect to justification provided by the DISCOM(s). A list of indicative works is given below:

- i. Construction of new substations, augmentation of substations
- ii. Provision of Armoured / Aerial bunched Cables (ABC) or High Voltage Distribution System in high loss areas.
- iii. Segregation / Bifurcation of feeders and other allied works
- iv. Replacement of conductors, which are old/frayed
- v. Additional HT lines to improve quality of supply
- vi. IT/OT works
- vii. Supervisory Control and Data Acquisition (SCADA) and Distribution Management System (DMS) in urban areas
 - SCADA/DMS in 100 towns (approx.) with eligibility of towns having population ≥ 1 Lacs in special category states and towns having population ≥ 2.75 Lacs in other states as per Census 2011 data, as well as all Capital/DISCOM HQ towns, if not covered earlier.
 - Basic SCADA in 3875 towns based on district-wise or Circle-wise common control centres in all other statutory towns
- viii. Works like new feeders, capacitors, etc for loss reduction
- ix. Under-ground cabling works
- x. Any other works required for system strengthening and loss reduction

2.4.2 Segregation of feeders dedicated only for supply of power for agricultural purpose, which are proposed to be solarized under Kisan Urja Suraksha Evam Utthan Mahabhiyan (KUSUM) scheme will be sanctioned on priority under the scheme. Further, agricultural feeders once segregated will not be used for serving other non-agricultural consumers.

2.4.3 **Public Charging Infrastructure for Electric Vehicles (EVs):** Works relating to providing connectivity to the Public Charging Infrastructure for EVs are to be normally carried out by either the consumer (Here the Public Charging

Infrastructure owner) or the respective DISCOM as per the provisions of the Supply Code of the respective SERC/JERC. For the works against the DISCOM's responsibility, the DISCOM can leverage funding from the Revamped Distribution Sector Scheme under 'Part A – Distribution Infrastructure'. Further, DISCOMs can also leverage funding under the scheme for the general upstream network augmentation necessitated due to the upcoming charging infrastructure in various areas.

Since Electric Charging infrastructure is important from the point of view of energy transition, all States/DISCOMs/SERCs are encouraged to incentivize proliferation of such public charging infrastructure. Any changes made in the Supply codes of respective SERCs/JERCs progressively to increase DISCOMs responsibilities towards the creation of such infrastructure would also be covered under the scheme.

Accordingly, augmentation of upstream infrastructure required to be carried out by the DISCOM as per the Supply Code of the respective SERC/JERC for installation of Public Charging Stations for EVs would be eligible to be covered for funding under 'Part-A Distribution Infrastructure' of the Revamped Distribution Sector Scheme. Such works may be included only against the projected load estimated by DISCOMs for providing electricity connections to Public Charging Stations for EVs. Such works may be included by the DISCOMs **as separate component in the DPR to be considered for sanction along with the DPR for loss reduction.**

- 2.4.4 **Disaster Resilient Infrastructure Works:** Works specified in the Disaster Management Plan for Power Sector issued by Central Electricity Authority in January 2021 and its future amendments, if any and the Disaster Resilient Works specified by National Disaster Management Authority (NDMA) will be allowed for financial assistance under the scheme. Such works may be included by the DISCOMs as separate component in the DPR to be considered for sanction along with the DPR for loss reduction or with DPR for Modernization and System Augmentation.”.

2.5 Scope of Work under Part A- Project Management

- 2.5.1 One or more Project Management Agency (PMA) shall be appointed by each DISCOM for project formulation and project management, based on their requirement to cover different phases of the project. The scope of PMA may include preparation of plan, DPR, tender documents, awarding, monitoring, quality assurance, material inspection, results evaluation or any other related works. (excluding signing of Joint Measurement Certificate).

2.6 Eligible entities for Part A

- 2.6.1 All State-owned Distribution companies and State /UT Power Departments (referred to as DISCOMs collectively) excluding private Sector power companies will be eligible for financial assistance under the revamped scheme. The State transmission utilities which own and operate network at 66 kV (110 kV levels also allowed only in areas where 33 kV system does not exist) shall also be eligible. For this purpose. all eligibility, and other relevant parameters of respective DISCOMs shall be evaluated. Further, funds release

and any coordination shall be through DISCOM only, for such works to be executed in the specific manner by the transmission utility.

2.6.2 The scheme would be optional to DISCOMs and will be implemented in urban and rural areas of all States/UTs except private DISCOMs.

2.7 Eligible Works and Activities under Part B - Training, Capacity Building and other Enabling & Supporting Activities

2.7.1 Part B focuses on the softer parts – up-gradation of human skills; process improvements; Nodal Agency fee, enabling components of MoP (communication plan, publicity, consumer survey, consumer awareness and other associated measures such as third-party evaluation etc), augmentation of Smart Grid Knowledge Centre including AI, training and capacity building for personnel involved in execution of the Scheme at field level, awards and recognitions etc.

2.8 Same works sanctioned under any other scheme of the Government of India will not be eligible for funding under this scheme.

Chapter 3. Project Formulation and Approval

3.1 Formulation of Action Plan

- 3.1.1 Applicant DISCOM will prepare an Action plan for strengthening its Distribution system and improving its performance by way of various reform measures, which would result in improvement in their operational efficiency and financial viability as well as improve the quality and reliability of power supply to the consumers. Each DISCOM will prepare an Action plan, with several subcomponents for strengthening its Distribution system, and to improve their performance. Works that are required for AT&C loss reduction would be given priority.
- 3.1.2 The first part of the action plan will analyze the reasons/ root cause for losses, and list out the steps which will be taken for the reduction of losses and ACS-ARR gaps, and the time frame for taking these steps. The first part would also include the reform measures for financial viability and operational efficiency of DISCOMs as well as annual Results, Outcomes and Evaluation framework for the scheme period.
- 3.1.3 The second part of the action plan will list out the need assessment and the work plan for loss reduction. The Work plan arising out of the analysis shall be detailed under metering and infrastructure works.
- 3.1.4 The Action plan will be formulated by the DISCOM in consultation with the Nodal Agency/Ministry of Power. The action plan will be submitted by the DISCOM to the Nodal Agency on the recommendation of the Distribution Reforms Committee (DRC)⁴ and with the approval of the State Cabinet.
- 3.1.5 **Action Plan - I : Analysis of losses, Reform measures for financial viability, timelines, and Results Evaluation Framework**
- 3.1.5.1 This part will contain the analysis of the reasons for losses and describe the measures that will be taken for the reduction of AT&C losses and ACS-ARR gap, along-with the time frame for taking up these measures. DISCOM will specify activities and reforms they/ State Government will undertake to improve their performance in this part of the action plan.
- 3.1.5.2 These activities and reform measures will be finalized on basis of its operational and financial data and will be worked out to address DISCOM-specific problems. For example, if AT&C losses in a DISCOM are high, then root cause analysis, solutions proposed to be undertaken to address each of such causes and AT&C losses reduction trajectory should be indicated in the Action Plan.
- 3.1.5.3 Similarly, if the ACS-ARR gap is high, the reasons and activities to reduce the gap along with the trajectory for gap reduction need to be a part of the Action

⁴All States have already set up Distribution Reforms Committee (DRCs), which have been according approvals to the projects proposed by DISCOMs under scheme like IPDS to the Nodal Agency for approval. The same has been detailed in Chapter 7.

Plan. Likewise, all other problems impacting viability should be addressed in Action Plan - I.

3.1.5.4 An indicative list of reforms / activities is given below:

- i. Putting in place a mechanism to ensure that the Government Departments pay for the for electricity consumed, promptly.
- ii. Putting in place a mechanism for ensuring that the consumption by the subsidized categories is accounted properly and released to the DISCOM in advance as mandated by Section 65 of the Electricity Act 2003, which will be credited to the consumer account maintained by the DISCOM. Subsidy delivery must be targeted via Direct Benefit Transfer (DBT) for improvement in accountability regarding which the DISCOM shall maintain proper accounts to ensure right targeting of subsidy and its delivery to the respective beneficiaries.
- iii. Tariff reforms, including annual tariff fixation, rationalization of consumer categories, and no Regulatory Assets to be created.
- iv. Progression towards cost reflective tariffs, including timely filing of tariff petitions, MYT and timely issuance of tariff orders.
- v. Preparation of and adherence to a roadmap for funding accumulated and current financial losses and clearance of part or whole of regulatory assets through tariff or state funding.
- vi. Corporate Governance reforms, Operation of part or whole area of supply of DISCOM through private participation or through CPSUs/JVs of CPSUs.
- vii. Distribution Franchisee arrangements in some areas of DISCOM.
- viii. Setting up electricity police stations in line with the provisions of the Electricity Act, 2003 by the State Government out of its own resources.
- ix. Training and Capacity Building of existing manpower, Creation of IT wing within DISCOM for management of IT/OT services or engaging knowledge partners / consultants for the same.
- x. Energy Accounting with 100% feeder and transformer metering on TOTEX mode.
- xi. Compliance of RPO trajectories.
- xii. Publication of quarterly audited/unaudited accounts along with reports in a standardized format circulated by PFC. Quarterly and Annual Accounts of DISCOMs need to explicitly include details of subsidy and Govt. Dept. dues. The annual accounts of the previous year would be published by DISCOMs latest by September 30th of the current year (or as per timelines permitted in pre-qualification criteria).
- xiii. Initiation of performance linked transfer policy for DISCOM staff.
- xiv. Provision of Armoured / Aerial bunched Cables (ABC) or High Voltage

Distribution System in high loss areas

- xv. Collection efficiency trajectory should be worked out to achieve the national target of at least 98%.
- xvi. Billing efficiency trajectory should be worked out to achieve the national target of at least 85% - 90%.
- xvii. Any other activity which serves to achieve the objective of the scheme.

3.1.5.5 The part should inter-alia lay down the road map for bringing down AT&C losses and reducing ACS-ARR gap to zero by 2024-25 and project the requirement of financial support required from the State Government towards payment of Government dues and subsidies each year for the entire scheme duration. Recognizing the fact that every DISCOM has its own set of problems, the plan should be tailor-made to each DISCOM's requirements with a mapping of the problems and solutions clearly demarcated.

3.1.5.6 Outcome and output parameters along with their year-wise targets with respect to the baseline data, weightage and marks shall be spelt out in this part in the form of a Results Evaluation Matrix. The details of results evaluation framework are given in Chapter 4. The baseline data related to AT&C losses, ACS-ARR gap and other parameters shall pertain to the base year i.e. FY 2019-20 or FY 2020-21, for which audited accounts are available at the time of submission of Action plan. It is acknowledged that parameters of FY 2020-21 may not reflect the correct picture because of the pandemic. For parameters, where the FY 2020-21 figures do not reflect the correct picture in view of the unprecedented circumstances, targets for outcomes for the succeeding years may be set accordingly considering the figures for FY 2019-20 and FY 2020-21 for reasons to be recorded in writing. Wherever, data is available in the audited annual accounts, the same shall be used for evaluation purpose.

3.1.6 Action Plan - II – Metering and Distribution Infrastructure Works

3.1.6.1 Based on the analysis in Action Plan – I, DISCOM will spell out major works for components of Part A of the scheme, namely metering including energy accounting and Distribution infrastructure works along-with their estimated cost.

3.1.6.2 Installation of Prepaid Smart Meters and System Meters shall be taken up in phases as per priority given in Para 3.2.2.2.

3.1.6.3 Distribution infrastructure works that are required for AT&C loss reduction shall be given priority. Works for improving the quality and reliability of the power supply shall also be taken up. The indicative list of works that can be taken up has been detailed in Chapter 2.

3.2 DPR Formulation

3.2.1 DPRs will be prepared by the applicant DISCOM with details of the works to be undertaken along with the estimated cost as per Action Plan - II. DPR, with

approval of DRC and in accordance with Action Plan approved by State Cabinet, shall be submitted by the DISCOMs to the Nodal Agency.

3.2.2 Metering

3.2.2.1 The DPR under Action plan - II for prepaid Smart metering will be submitted DISCOM wise to cover consumer and system metering at Feeder and DT level including operation and maintenance for a period as mentioned in the SBD. Different components may be packaged in two or more DPRs.

Consumer metering

3.2.2.2 With the objective of balancing the cost & benefits of prepaid smart meters and to reap the benefits of economies of scale, it has been decided that implementation of such meters shall be taken up in mission mode in identified contiguous areas.

The following areas will be taken up on priority for prepaid smart metering of all directly connected meters and AMI in case of other meters (other than agricultural consumers) in the first phase to be completed by December, 2023:

- All Union Territories
- All Electricity Divisions of 500 AMRUT cities, with AT&C Losses > 15% in the base year;
- Industrial and Commercial consumers;
- All Government offices at Block level and above;
- Other areas with high losses, which shall mandatorily include Electricity Divisions having more than 50% consumers in urban areas and with AT&C losses more than 15% and other Electricity Divisions with AT&C losses more than 25%, in the base year.

3.2.2.3 DISCOMs can cover any other areas as well as agricultural consumers, at their option, in the first phase.

3.2.2.4 Consumers in Electricity Divisions with more than 50% consumers in urban areas and with AT&C losses of 15% or less; and other Electricity Divisions with AT&C losses of 25% or less in the base year will be provided prepaid Smart Meters by March 2025.

3.2.2.5 In areas which do not have communication network, installation of prepayment meters, may be taken up.

System metering

3.2.2.6 A feeder and DT level automated online energy accounting system shall be put in place.

3.2.2.7 All feeders are to be metered with communicable & AMI/AMR meters by 31st December, 2022 so as to enable energy accounting and calculation of SAIFI and SAIDI. Existing non-communicable feeder meters shall also be replaced

with communicable meters and integrated with AMI.

3.2.2.8 All feeders shall be integrated with the National Feeder Monitoring System (NFMS) proposed to be put in place shortly.

3.2.2.9 All Distribution Transformers (DTs), other than DTs feeding only agricultural consumers and HVDS transformers having capacity up to 25 kVA and other DTs less than 25 kVA capacity shall be metered with communicable and AMI/AMR meters.

3.2.2.10 Installation of DT meters in areas where consumer smart metering is being carried out in first phase (as mentioned in clause 3.2.2.2) shall be completed by December 2023.

3.2.2.11 All other DTs shall be metered by March 2025.

3.2.2.12 Existing non-communicable DT meters shall also be replaced with communicable meters and integrated with AMI.

3.2.3 Distribution Infrastructure Works

3.2.3.1 For Distribution Infrastructure works, DPRs for the whole DISCOM or separate DPRs for each administration unit will be submitted. DPRs shall be prepared based on need assessment as per Action Plan Part 1.

3.2.3.2 Two DPRs including works leading to Loss Reduction and Modernisation & System Augmentation shall be prepared as below:

- DPR for Loss Reduction works : Armoured Cabling, HVDS, AB Cables, Reconductoring, Feeder Bifurcation, Feeder Segregation, IT/OT related works including ERP and Billing software, etc..
- DPR for Modernisation & System augmentation works: Works leading to System augmentation and modernisation such as Augmentation, Renovation & Modernisation of Substations & lines, UG cabling, HVDS, new substations and lines, etc..

3.2.3.3 The first DPR should contain Loss Reduction works and it shall be called DPR for Loss Reduction. In case the Distribution losses (T&D) are low (less than 12% in the base year), then the DISCOM may include Modernisation & System augmentation works with suitable justification and details in this DPR. The second DPR may include works for Loss Reduction or Modernization & System Augmentation and it shall be called DPR for Modernization and System Augmentation.

3.2.4 Project Management

3.2.4.1 One or more independent Project Management Agency(ies) (PMA) may be appointed by the DISCOM for project management.

3.3 Approval of Action Plan and DPRs

3.3.1 The Action Plan and DPRs shall be submitted to the Nodal Agency by 31st

December, 2021.

- 3.3.2 If a DISCOM does not submit the Action Plan and DPRs by 31st December 2021, then its total eligible sanction amount for Distribution Infrastructure works may be restricted suitably keeping in view the already sanctioned DPRs of other States.
- 3.3.3 The Action Plan and DPRs for loss reduction and metering shall be scrutinized by the Nodal Agency and approved by the Monitoring Committee with such modifications, as are necessary to achieve the objectives of the Scheme. Monitoring Committee will issue sanctions of loss reduction works contingent to sanctions of metering works being already in place; or, Smart metering works being already implemented by the DISCOMs in line with the SBD for Smart prepaid metering in TOTEX mode; or together, as the case may be.
- 3.3.4 For avoidance of doubt, it is clarified that pre-qualification conditions and Evaluation Matrix will not be applicable for approval of the Action Plan or sanction of DPRs for Loss reduction and metering. However, the release of funds for sanctioned loss reduction works from FY 2022-23 onwards shall be conditional to meeting the pre-qualification conditions and obtaining laid down minimum marks in Evaluation Matrix.
- 3.3.5 DPR for Modernisation & System Augmentation shall be sanctioned, subject to DISCOM becoming eligible in the evaluation for FY 2021-22 to be carried out in FY 2022-23.
- 3.3.6 PMA charges, restricted to 2.5% of the GBS of component I - metering and 1.5% of project cost of component II - Distribution infrastructure works, shall be sanctioned as a separate component of the scheme by the Monitoring Committee. PMA charges, over and above the permitted amount shall be borne by the respective DISCOM / State government. Also, services of PMA shall be retained up to physical completion of the project, without any financial implications beyond that already provided.

Chapter 4. Project Implementation

4.1 Eligible Cost for determining grant

The project cost approved by the Monitoring Committee or actual cost incurred for all the three components of the scheme, whichever is less, shall be the eligible cost for determining the grant under the scheme. Any cost overrun after approval of the project (by Monitoring Committee) due to any reason whatsoever shall not be eligible for any grant and shall be borne by the DISCOM/respective State Government. The eligible project cost shall include Central taxes and all fees like forest clearance, highway and railway crossing fee etc. The project cost shall however not include the cost of land, cost of buildings other than sub stations and anti theft police stations, service lines to new consumers, compensation towards ROW (except forest clearance, highway and railway crossing fee), office equipment & fixtures, spares (other than mandatory spares prescribed by manufacturer), T&P, road cutting charges, vehicles and salaries and establishment expenditure. Further, the project cost shall be reduced to the extent of any Liquidated Damages actually levied, but the encashment of performance security or bid security (EMD) shall not reduce the project cost.

4.2 Scheme Implementation Agreement

A Scheme Implementation Agreement will be signed between the State Government, DISCOM and Central Government (or Nodal agency on behalf of Central Government) for undertaking and agreeing to their stipulated roles and responsibilities as per provisions of the scheme guidelines. Amongst other clauses, the agreement will also include a clause that the performance of the DISCOMs in the Reforms Based Results Linked Revamped Distribution scheme would also form integral part of the financing norms of PFC, REC, Banks/FI's and MDBs for any project in the Distribution Sector even beyond those related to funding under this scheme.

4.3 Tripartite Agreement

In case loan component of the project cost is funded by the NBFCs under MoP, then in order to secure the loan, the existing TPA (Tri-partite Agreement) arrangement among Government of India, the State Government and the RBI shall be suitably amended to provide that the loan servicing payments in case of default can be recovered through RBI.

4.4 Mode of Implementation

4.4.1 **Metering:** These projects shall be implemented in TOTEX mode (Total expenditure includes both capital and operational expenditure) with the following options:

- (i) Installation and commissioning of meters and cost recoveries in equated monthly instalments by PPP or implementation partner (or service provider) with no upfront payment by DISCOM
- (ii) Some initial payment shall be made to the service provider upon installation and commissioning of the meters, with the rest of the

payments made on equated monthly / quarterly instalments over the operational period.

4.4.2 **Distribution infrastructure works:** The projects shall be implemented normally on turnkey basis. However, certain works may be taken up on partial turnkey basis or departmentally with the approval of DRC and consent of Nodal Agency, subject to, overall guidance of the Monitoring Committee. The reasons for the change shall be recorded.

4.4.3 **Project Management:** For project management, one or more PMA shall be appointed. Existing PMA of DDUGJY or Saubhagya or IPDS or PMDP or any other Central/State Govt scheme of power sector may be used for preparation of DPR and Action Plan, and the expenses incurred will be eligible under the scheme. For all other works including bid process, monitoring of implementation, project completion, result evaluation and related works, a new PMA will have to be appointed as per the SBD as circulated by the Nodal agency. DISCOMs desirous of appointing **NPTI**; CPSUs; or CPSU JVs and subsidiaries as PMA on nomination shall be required to obtain a specific approval from the Ministry of Power through concerned Nodal Agency. Any such proposal would be sent by the DISCOM along with the imperative need along with a detailed justification. Nodal Agency will submit an appraisal and recommendation to the Ministry on the DISCOM's request.

4.5 **Standard Bidding Document**

4.5.1 The NSGM/REC shall issue Standard Bidding Document (SBD) for selection of AMI service provider to bring uniformity of approach for implementation of smart metering solution across the country, which shall be followed by the DISCOMs. For Distribution infrastructure works and PMA, one of the nodal agencies shall circulate Standard Bidding Documents (SBD).

4.5.2 The DISCOMs may make minor changes in the SBD, while retaining its basic structure and essence, provided that the approval of the Nodal Agency is taken for the changes, subject to, overall guidance the Monitoring Committee.

4.5.3 Projects taken up by DISCOMs through MOU route with CPSUs or their JVs and Subsidiaries shall also be permitted subject to their being implemented in TOTEX mode as per the scope of work and methodology given in the SBD.

4.5.4 For metering, Standardization Testing and Quality Certification (STQC) & Cyber security aspects have to be mandatorily included in the contract, while following Government of India's stipulations related to source of procurement.

4.6 **Make in India**

4.6.1 Keeping in view the aims and objectives of Atma Nirbhar Bharat Abhiyan, Ministry of Power has issued Public Procurement (Preference to Make in India) for Purchase Preference (linked with local content) Order in respect of Power Sector on 28.7.2020. This order is in line with the DPIIT Notification No.P-45021/2/2017-PP(BE-II) dated 4th June,2020. This order along-with amendments, if any, from time to time, shall be followed by the DISCOMs in the implementation of the scheme.

4.6.2 However, in case a DISCOM is availing funds through multi-lateral financial institutions, applicable DEA directives may be followed.

4.7 Implementation Period

4.7.1 The base year for fixing of targets will be the latest year for which the audited annual accounts are available at the time of the submission of the action plan FY i.e. 2019-20 or FY 2020-21. Accordingly, DISCOMs are expected to approach Ministry of Power / Nodal agency with their Action Plan based on the audited Annual Accounts and DPRs, with targeted outcomes for FY 2021-22, FY 2022-23, 2023-24 and 2024-25. There shall be no sanctions after 31.03.2023.

4.7.2 The sunset date for the scheme will be 31.03.2026, the works executed beyond which will not be eligible for release of Central Government grant.

4.7.3 As the sunset date of the scheme is already defined and disbursement of grant is based on progress and corresponding achievement of targets, it is in the interest of the DISCOMs to complete the projects expeditiously to avail the benefits under the Scheme.

4.8 MIS

4.8.1 A web portal shall be developed by the Nodal Agencies for submission of Action Plan & DPRs, capturing baseline data, physical & financial progress, quality reports, outcomes and achievements for evaluation under Result Evaluation Framework, closure, etc. The portal will enable seamless flow of data and ensure availability of information to all concerned. The web portal shall be DGQI 5.0 compliant.

4.8.2 MIS Reports on the basis of the same shall be made available to all for monitoring and evaluation.

4.9 Completion of the project

4.9.1 Nodal agency shall approve the project closure. A Project completion certificate, recommended and forwarded by State Energy Department shall be submitted after completion of scheme, which shall consist of:

- (i) Details of major assets created along with actual cost incurred for the project;
- (ii) Utilization certificate for grant disbursed;
- (iii) Certificate of receipts and expenditure of the project certified by a Chartered Accountant;
- (iv) Confirmation of remittance of unutilized grant to the Gol account;
- (v) Confirmation that Interest earned on grant disbursed has been remitted to Gol account.

4.10 Results Evaluation Framework

- 4.10.1 As part of the action plan of the State, a Results Evaluation Framework would be formulated incorporating result parameters and trajectories. The Results Evaluation Framework would have two components (i) pre-qualifying criteria; and (ii) Evaluation Matrix.
- 4.10.2 The sanction of DPR for Modernisation & System Augmentation and release of grant for both loss reduction works (other than the advance for DPR for Loss Reduction) and for the Modernisation & System Augmentation works will be based on the DISCOM meeting the pre-qualifying criteria and achieving the specified marks in the Evaluation Matrix.
- 4.10.3 It is clarified that pre-qualification conditions and Evaluation Matrix will not be considered for approval of the Action Plan or sanction of DPR for Loss Reduction in first year i.e. FY 2021-22 and the DPR for metering.

4.11 Pre-Qualification Criteria

- 4.11.1 The following pre-qualifying criteria must be mandatorily met by the DISCOM before it is evaluated on the basis of the Evaluation Matrix:

- (i) DISCOMs would publish quarterly un-audited accounts within 60 days of the end of each quarter during first two years of operation of the scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited quarterly accounts within 45 days from 3rd year onwards.

[FY 2021-22 and FY 2022-23: Un-audited accounts for 1st Quarter ending June to be published by 31st August, for 2nd Quarter ending September by 30th November and so on.

FY 2023-24 and FY 2024-25: Un-audited accounts for 1st Quarter ending June to be published by 15th August, for 2nd Quarter ending September by 15th November and so on.

First evaluation would take place in FY 2022-23 for the performance in FY 2021-22. Accordingly, the un-audited quarterly accounts for FY 2021-22 for all four quarters should have been published as per above mentioned timelines. Further, un-audited accounts for quarter ending June and September of FY 2022-23 should also have been published as per above mentioned timelines.]

- (ii) Further, DISCOMs would publish audited annual accounts by end of December of the following year during first two years of operation of the scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited annual accounts by end of September of the following year from 3rd year onwards.

[FY 2021-22 and FY 2022-23: Audited annual accounts to be published by 31st December 2022 and 31st December 2023 respectively.

FY 2023-24 and FY 2024-25: Audited annual accounts to be published by 30th September 2024 and 30th September, 2025 respectively.

First evaluation would take place in FY 2022-23 for the performance in FY 2021-22. Accordingly, it would be ensured that the audited annual accounts for FY 2021-22 are published by December 2022.]

- (iii) DISCOMs will have ensured that no new Regulatory Assets have been created in latest tariff determination cycle.

[First evaluation would take place in FY 2022-23 and accordingly while evaluating results in this year, tariff order effective from 1st April 2022 will be considered and compared with previous tariff order for creation of any new regulatory assets. Similarly, while evaluating results in FY 2023-24, tariff order effective from 1st April 2023 will be considered and compared with 2022 order.]

- (iv) State Government to ensure 100% payment of subsidy for the previous year and advance payment of subsidy up to current period in line with section 65 of EA2003 and wipe out the remaining subsidy amount by the end of the project period.

[First evaluation would take place in FY 2022-23 and accordingly while evaluating results in this year, 100% payment of subsidy for FY 2021-22 will have to be ensured along with advance payment of subsidy for FY 2022-23 up to date of submission of results to the nodal agency. Further, it would also be ensured (by way of trajectory which would form part of REF, that the remaining subsidy of the previous years, if any, would be wiped out by the end of project period i.e. 2025-26.)

- (v) All Government Departments/ Attached Offices/ Local Bodies/ Autonomous Bodies/ Boards/Corporations have made 100% payment of current electricity dues for the year under evaluation.

[First evaluation would take place in FY 2022-23 for the performance in FY 2021-22 and accordingly while evaluating results of FY 2021-22, 100% payment of current electricity dues for the FY 2021-22 will have to be ensured]

- (vi) Progress commensurate to commitment in putting Govt. Offices on prepaid meters.

[Targets for putting Govt. Offices on prepaid meters would be fixed in Result Evaluation Matrix and accordingly the achievement of putting prepaid meters at Govt. offices would be seen w.r.t. agreed targets. The achievement w.r.t. targets should not be less than 100% to qualify for this condition.]

- (vii) No. of days Payables to Creditors including Gencos for the year under evaluation is equal to or less than the projected trajectory as per results evaluation framework.

[Year-wise trajectory would be fixed in Result Evaluation Matrix. First evaluation would take place in FY 2022-23 for the performance in FY 2021-22 and accordingly while evaluating results of FY 2021-22, achievement w.r.t. agreed trajectory for FY 2021-22 would be considered. The achievement should be equal to or less than the agreed trajectory for FY 2021-22 to qualify for this condition.]

- (viii) Tariff order for the current year in which evaluation is being done and true up of penultimate year has been issued and implemented w.e.f. 1st April of current FY.

[First evaluation would take place in FY 2022-23 and accordingly while evaluating results in this year, tariff order should have been implemented with effect from 1st April 2022 and true up should have been done for FY 2020-21.]

4.12 Evaluation Matrix

- 4.12.1 DISCOMs meeting the prequalification criteria shall be assessed on an Evaluation Matrix, agreed as part of Action Plan, comprising of four basic categories as below:

Sr. No.	Category	Weightage
1.	Financial Sustainability	60
2.	Operational	20
3.	Infrastructure Works	10
4.	Policy & Structural Reforms, Capacity Building and IT/OT Enablement	10
	Total	100

- 4.12.2 Recognizing that the year-wise emphasis on desired outcomes could be different, the maximum marks to individual result parameters may vary for every year of evaluation. The Evaluation Matrix will be different for each DISCOM and will be fixed for each year based on the cumulative as well as annual performance subject to the condition that the weightage of the parameters related to financial sustainability shall remain at least 60%.
- 4.12.3 While the weightage of parameters related to Financial Sustainability shall remain at least 60%, variations specific to the needs of the States/DISCOMs for other categories may be made with the approval of the Monitoring Committee.
- 4.12.4 Within each of the above four categories, individual parameters will be decided as per the requirements of the DISCOM. Maximum marks and agreed targets may be assigned to each parameter in the matrix, based on agreed priority/significance towards achieving the objectives of the scheme.
- 4.12.5 Evaluation of parameters relating to financial accounts shall be based on audited quarterly/annual accounts.
- 4.12.6 For qualifying in the Evaluation Matrix, a DISCOM needs to score a minimum of 60 marks.
- 4.12.7 An illustrative Evaluation Matrix is given below. Evaluation Matrix may be modified, if required, to include a smaller number of parameters and to exclude those included in the pre-qualifying criteria to avoid duplication or considering the specific requirement of the DISCOM and/or to make the Evaluation Matrix simple.

S N o	Result Parameters	Weigh tage	Unit of Measu rement	Base Year	Evaluation of Cumulative Improvement from Base Year up to Year under evaluation			
				(Valu es)	Max. Marks	Tar get	Achieve ment	Scor e
A.	Financial Sustainability	60						
1	ACS-ARR gap		Rs./kW h		25			
2	AT&C Loss - Increase in Billing and Collection Efficiency - Reduction in theft / line losses		%		25			
3	Outstanding/ Overdue Subsidy Payment by State Government		Rs. Crore		15			

S N o	Result Parameters	Weigh tage	Unit of Measu rement	Base Year	Evaluation of Cumulative Improvement from Base Year up to Year under evaluation			
				(Valu es)	Max. Marks	Tar get	Achieve ment	Scor e
4	Outstanding/ Overdue Government Dues		No. of Days Receivable		10			
5	Progress in putting Govt. Offices on prepaid meters		%		10			
6	No. of Creditor Days (including payment to Gencos for supply of power)		No. of days payable		5			
7	No. of Debtor Days		No. of days receivables		5			
8	Unliquidated Regulatory Assets		Rs. Crore		5			
Sub Total (A)					Σ Max. Marks			Σ Score
Weighted Score (A) = (Weightage x ΣScore) / ΣMaximum Marks								
B	Operational- Outcomes of Infrastructure works	20						
1	Hours of supply (Rural)		Avg. Hours/ Day		20			
2	Hours of supply (Urban)		Avg. Hours/ Day		20			
3	Accurate Energy Accounts		%		20			
4	Reliability of power supply - SAIFI (System Average Interruption Frequency Index)		Nos. / year		20			
5	Data availability in the National Feeder Monitoring System / NPP		%		20			
Sub Total (B)					Σ Max. Marks			Σ Score
Weighted Score (B) = (Weightage x ΣScore) / ΣMaximum Marks								
C.	Infrastructure Works	10						
1	Metering							
i	Consumer Metering		Nos.		10			
ii	DT Metering		Nos.		20			
iii	Feeder Metering		Nos.		20			
2	Feeder Separation - % of total Agriculture feeders separated (Feeders with Agricultural load of >= 30% of total load of feeder)	%		10				

S N o	Result Parameters	Weigh tage	Unit of Measu rement	Base Year	Evaluation of Cumulative Improvement from Base Year up to Year under evaluation			
					(Valu es)	Max. Marks	Tar get	Achieve ment
3	Replacement of existing LT overhead bare conductor lines with AB/UG cable		Ckm		10			
4	% of Consumers with Prepaid Smart Meters (other than Govt. Deptt.)		%		15			
5	Availability of Feeders in NFMS		%		15			
Sub Total (C)					Σ Max. Marks			Σ Scor e
Weighted Score (C) = (Weightage x ΣScore) / ΣMaximum Marks								
D	Policy & Structural Reforms, Capacity building and IT/OT enablement	10						
1	SCADA		No. of Towns		15			
2	ERP Implementation		Yes/No		10			
3	Training of DISCOM Officials		Man-days		5			
4	Corporate Governance (Recommendations complied)		%		10			
5	Tariff Reforms (MYT / ToD / Cross Subsidy)				15			
6	Subsidy Delivery Mechanism/ DBT				15			
7	Consumer rights and grievance redressal				15			
8	Adoption of PPP mode				15			
Sub Total (D)					Σ Max. Marks			Σ Scor e
Weighted Score (D) = (Weightage x ΣScore) / Σ Maximum Marks								
Sum of Weighted Score (A+B+C+D)								

Note: In order to qualify for receipt of grant under the scheme, the total weighted score should be 60 or more.

4.12.8 The milestones against the parameters may be assigned based on the works planned as per the action plan. If the agreed milestone of respective parameters is met or exceeded, full marks corresponding to that parameter shall be given. If however, there is an underachievement with respect to any parameter, then the marks shall be proportionately reduced. If the parameter remains the same or deteriorates then no mark shall be given.

Chapter 5. Scheme Outlay, Funding pattern & Grant release

5.1 Scheme Outlay and Funding Pattern

5.1.1 The estimated outlay for the scheme is Rs 3,03,758 crore with an estimated grant from Central Government of Rs 97,631 crore. The funding pattern is as below:

S.No	Item Description	GBS % (Max)
A-1	Prepaid Smart metering solution including at consumer, DT, and feeder level including integration of existing infrastructure	15% / 22.5% as the case may be (limited up to Rs.900 or Rs.1350 respectively per meter for Consumer metering)#
A-2	Other costs including encumbrance free standardized billing modules for all states, data management, data analytics, and support to implementation etc.	100%
A-3 to A-6	Distribution Infrastructure works including SCADA, DMS, AB cables, feeder segregation etc.	60% or 90% as the case may be
B1-B4	Part-B	100%

A provision for additional incentive over and above this has been made, for Prepaid Smart Meters installed within targeted timelines of first phase mission i.e. December 2023 (as detailed in Para 5.1.3).

5.1.2 For the purpose of the grant under the Scheme, the states have been divided into two groups:

- (i) All North Eastern States including Sikkim and States/Union Territories of Jammu & Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Andaman & Nicobar Islands, and Lakshadweep are categorized as Special Category States and will be eligible for grant of 90% the approved cost of Distribution infrastructure works and approved cost of PMA and 22.5% of the approved cost of metering including the operational cost, provided that it is not more than Rs. 1350 per meter for consumer metering only.
- (ii) All other States will be eligible for grant of 60% of the approved cost of Distribution infrastructure works and approved cost of PMA and 15% of the approved cost of the metering works including the operational cost, provided that it is not more than Rs. 900 per meter for consumer metering only.

5.1.3 States/UTs would be incentivised for deployment of prepaid Smart meters by December, 2023. An incentive @ 7.5% of the cost per consumer meter worked out for the whole project or Rs. 450 per consumer meter, whichever is lower, would be provided for "Other than Special Category States" for prepaid Smart meters installed within the targeted timeline of first phase mission i.e. by December, 2023. The incentive for Special Category States would be @ 11.25% of the cost per consumer meter worked out for the whole project or Rs. 675 per consumer meter, whichever is lower. The funds for prepaid Smart Metering will be made available to the DISCOMs only after installation, commissioning and demonstration of at least one prepaid recharge in the area specified by the DISCOM in the DPR approved by the Monitoring Committee.

- 5.1.4 The operation and maintenance cost of the meter over the life of the meter as per the SBD shall be included in the cost of metering works for computation of grant.
- 5.1.5 For consumer metering, feeder and DT metering to be carried out in TOTEX mode, it is expected that the DISCOM will be able to finance balance cost other than grant, due to enhanced revenue as a result of improvement in billing and collection due to prepaid metering. This component is self-financing. State Government/DISCOM may also provide Budgetary support in TOTEX mode. Since the implementation of the metering scheme is proposed through PPP on TOTEX mode, the DISCOM will not have to pay upfront for all the capital expenditure.

Loan

- 5.1.6 For works other than metering works under Part A, counterpart funding will be provided by the DISCOM/ State Government. DISCOM can raise funds from REC, PFC, Banks & other FIs. Further, counterpart funding from bilateral/multilateral funding agencies can also be leveraged for which the Government of India would extend benefits of reduced Government Guarantee fee. The loan may be drawn at any stage of the project, whenever grant funds are not available to meet the obligations of the project. After grant is disbursed, the DISCOM may prepay the loan component to the extent of the grant disbursed, for which no prepayment shall be levied by REC and PFC, in case loan is taken from them.

5.2 Release of grant for Metering and Distribution Infrastructure Works

5.2.1 Metering

- 5.2.1.1 Grant for metering works, will be due when a meter is successfully installed and commissioned, and essential services and data related to it are provided for a period of one month to the DISCOM. It will be essential that a consumer meter is recharged at least once, for the release of grant pertaining to it to become due. The Nodal Agencies may decide as to what constitute essential services and data for system meters.

- 5.2.1.2 The DISCOM may submit claim for release of grant in a phased manner when grant becomes due against 5% of the total meters planned to be installed, or such number of meters or such period that the Nodal Agencies deem practical and convenient. After the first release, subsequent releases shall be subject to submission of utilization certificate of the previous releases.

- 5.2.1.3 It is clarified that grant shall not been given in advance for this component. Further it is also clarified that pre-qualification conditions and results evaluation matrix will not be applicable for release of grant for metering works.

5.2.2 Distribution Infrastructure Works

- 5.2.2.1 **Phase I:** After approval of the DPR for Loss Reduction, DISCOM will become eligible for release of 10% of the grant for Loss Reduction part of the project

as advance - 5% on sanction and further 5% on award of works.

5.2.2.2 Phase II: The DISCOM shall be evaluated in FY 2022-23 as per the Results Evaluation Framework of the Action Plan for FY 2021-22 and if it qualifies, then,

- It will become eligible for total release of 30% (including the advance 10%) of the grant component of the project cost of Loss Reduction part and
- It will become eligible for release of 30% of the grant component of the project cost of DPR for Modernization & System Augmentation – 10 % on sanction and 20% on award of works.
- However, the release of Phase-II funds for Loss Reduction and Modernisation will be subject to award of prepaid Smart Metering works to be covered in the first phase to be completed by December 2023, as per Clause 3.2.2.2.

5.2.2.3 Phase III: The DISCOM shall be evaluated in FY 2023-24 as per the Results Evaluation Framework of the Action Plan for the FY 2022-23, and if it qualifies, then it will become eligible for cumulative release of 60% (including the earlier release) of grant component of the project cost of DPRs.

5.2.2.4 Phase IV: The DISCOM shall be evaluated in FY 2024-25 as per the Results Evaluation Framework of the Action Plan for the FY 2023-24 and if it qualifies, then it will become eligible for cumulative release of 100% of the grant component of the project cost of DPRs. Out of the eligible 40%, 35% will be released on meeting the conditions prescribed in 5.3. and balance 5% will be released on submission of project completion report as per clause 4.8.1.

5.2.3 It is clarified that if a DISCOM achieves the targets as per Action Plan of any previous FY in a subsequent year, then it shall be eligible for release of grant pertaining to that FY. For example, DISCOM will be evaluated in FY 2022-23 as per the Results Evaluation Framework of the Action Plan for the FY 2021-22 and if DISCOM does not achieve the targets of FY 2021-22 then it will not be eligible for release pertaining to FY 2021-22. Subsequently, DISCOM will be evaluated in FY 2023-24 as per the Results Evaluation Framework of the Action Plan for the FY 2021-22 and FY 2022-23 and if it achieves the targets specified for FY 2021-22 then it becomes eligible for release pertaining to FY 2021-22 and if it has also achieved the targets for FY 2022-23 then it will be eligible for cumulative release/sanction pertaining to FY 2021-22 and FY 2022-23.

5.2.4 If by the end of year 2025-26, a DISCOM is not eligible for release of any grant, the initial advance of 10% of the grant component of the cost of DPR for Loss Reduction will have to be refunded by the DISCOM.

5.2.5 The Monitoring Committee is empowered to recall the grant released to the DISCOMs at any stage of the scheme, in case the sanctioned works are left incomplete, or the assets could not be put to use, or funds are utilized for

purposes other than those prescribed in the scheme/ as approved by the Monitoring Committee in accordance with the prescribed guidelines.

5.3 General Conditions for Release of Grant for Distribution Infrastructure Works

5.3.1 The grant (other than advance for project for Loss Reduction) shall be released to DISCOMs, which have been found eligible as above, subject to the following conditions:

- (i) Submission of a certificate regarding utilization of grant already released;
- (ii) Submission of a certificate regarding receipts and expenditure on the project certified by a Chartered Accountant;
- (iii) Submission of physical and financial (grant and counterpart funding) progress report;
- (iv) Sanction letter for counter-part funding / DISCOM's own resources / State Government funding for Distribution Infrastructure Works.

5.3.2 It is clarified that for release of advance pertaining to DPR of Loss Reduction and the first instalment of DPR for Modernisation & System Augmentation, signing of the tripartite/bipartite agreement will be a necessary precondition.

5.4 Release of grant for PMA

5.4.1 Grant for PMA component shall be released, subject to the following conditions:

- (i) Grant shall be released on the basis of the sanctioned cost or award cost, whichever is lower;
- (ii) Grant will be released in the month of March, every year;
- (iii) 10% shall be released as advance in the year of sanction;
- (iv) 30% shall be released each year subsequent to the sanction year;
- (v) Subsequent releases shall be subject to submission of utilization certificate of the previous releases and achievement against deliverables as specified in the SBD referred to in Clause 4.3.3 .

5.5 Fund Management by Nodal Agencies

5.5.1 Nodal Agencies shall adopt Corporate Internet Banking (CINB) and all payments shall be made directly to the DISCOM's dedicated bank account.

5.6 Fund Management by DISCOM

5.6.1 DISCOM shall also adopt CINB. All project related payments to the contractors (and others) by DISCOM shall be done directly from the dedicated bank account through e-banking only. DISCOM shall not open any other bank account(s) under the scheme. Nodal Agency shall have the right to view the DISCOM account. The nature of the account shall be savings bank account without CLTD (Corporate Liquid Term Deposit) facility or as per Gol's

directions from time to time in this regard.

- 5.6.2 Any interest earned on grant shall be remitted to Ministry of Power's bank account on regular basis and at least once in a quarter.
- 5.6.3 Since grant under the scheme is Central Government money and DISCOMs are only the custodian of this money, income tax is not payable on interest earned on this money. DISCOMs shall take necessary steps to seek exemption from Income Tax Department regarding deduction of Tax at Source by the bank on interest accrued on un-utilized fund under the scheme. However, in case of deduction of TDS by bank, the Utilities shall claim refund of the deducted amount from Income Tax Department directly while filing annual tax return and remit it to Ministry of Power's account.
- 5.6.4 The DISCOM shall ensure that funds released under the scheme are utilized for the purpose for which they are meant and are not diverted for any other purpose whatsoever. In case of any breach or deviation, further release of funds shall be stopped.

5.7 Public Financial Management System (PFMS)

- 5.7.1.1 The scheme being a Government of India program, the release from Nodal Agencies to the DISCOMs shall be done through PFMS and the DISCOMs shall use PFMS for fund flows under the scheme.
- 5.7.1.2 The DISCOMs shall mandatorily enter details like receipts, expenditures, etc. in PFMS portal. In case of non-entering desired details in PFMS portal, banks may not consider release of funds to contractors.
- 5.7.1.3 DISCOMs receiving funds under the scheme are to be registered / mapped in PFMS. Nodal Agencies / Programme Division of Ministry of Power will ensure that all DISCOMs to whom funds are to be released are properly registered/mapped in PFMS.
- 5.7.1.4 Nodal Agencies /DISCOMs shall submit status of unspent grant lying with them to Ministry of Power on a quarterly basis.
- 5.7.1.5 DISCOMs shall maintain books of accounts both for receipt of funds from Nodal Agency and release to contractors for each of the project.
- 5.7.1.6 The DISCOM shall ensure that fund shall not be invested in any other bank/branch, whether for short term or medium term, including fixed deposits.

5.8 Utilization Certificate

- 5.8.1 DISCOM shall submit utilization certificates (UC) for the funds released during the financial year in prescribed format latest by 30th April of succeeding year.

5.9 Audit

- 5.9.1 The DISCOM will ensure audit of the scheme accounts relating to receipts of funds from Gol / Nodal agency and expenditure incurred by the DISCOM

against such receipts during the financial year by an independent Chartered Accountant and furnish a report to the Nodal agency latest by 30th June of the succeeding year. Nodal agency shall consider release of further funds on the receipt of audited report and certificate from Charter Accountant.

- 5.9.2 In addition to the above, the works and finances would be open to audit by the office of the Comptroller & Auditor General of India (C&AG) as well as Internal Audit Wing, Office of Controller of Accounts, MoP.

Chapter 6. Monitoring & Evaluation

6.1 Third Party Evaluation under Result Evaluation Framework

- 6.1.1 Appropriate third party/parties will be appointed by MOP / Nodal Agencies to assess / verify the achievements of DISCOMs with respect to the action plan finalized on periodical basis using the Result Evaluation Framework.
- 6.1.2 NITI Aayog will be involved in the process of selection of independent third parties to be appointed by MOP/Nodal Agencies for assessment and verification of results with respect to the agreed Action Plan and Result Evaluation Framework. Separate guidelines will be issued in this regard.

6.2 Performance Evaluation of the scheme

- 6.2.1 This will be carried out by a separate third-party agency(ies) by the Nodal Agencies. This will consist of following parts:
- (i) **A Mid-term evaluation** of the scheme will be taken up by Ministry of Power on the basis of progress made by the scheme beneficiaries viz the DISCOMs, as demonstrated by results obtained for FY 2021-22 & FY 2022-23.
 - (ii) **A Post completion evaluation** of the scheme will be done.
- 6.2.2 Guidelines for Mid-Term and Post completion evaluation shall be issued separately.
- 6.3 The expenses for evaluations mentioned above (except annual evaluations under Results Evaluation Framework) shall be met from Part B component (enabling charges of MoP) of the scheme. The cost towards evaluation under Result Evaluation Framework shall be borne by the nodal agencies out of their eligible fee.
- 6.4 This scheme would be reviewed by the committee, to be notified by the State Government in compliance to the notification of Government of India dated 16th Sept, 2021 (Appendix-IV).

6.5 Quality Assurance

- 6.5.1 The DISCOM shall be responsible & accountable for assuring quality in the scheme works. Accordingly, DISCOM shall formulate a comprehensive Quality Assurance (QA) and Inspection Plan with an objective to build quality infrastructure under the project. The QA and Inspection Plan shall be an integral Part of the contract agreement with turnkey contractor or equipment supplier/vendor and erection agency as the case may be in case of partial turnkey and departmental execution of works. Documentation with regard to Quality Assurance & Inspection Plan shall be maintained by DISCOM and kept in proper order for scrutiny during the course of project execution and for future reference. The DISCOM has to ensure that the quality of material/equipment supplied at site and field execution of works under the project is in accordance with Quality Assurance & Inspection Plan. DISCOM may use the MQP (Manufacturing Quality Plan) and FQP (Field Quality Plan) used in DDUGJY

and IPDS schemes by suitably modifying as per requirement of this scheme.

6.5.2 Concurrent Quality Monitoring by Nodal agencies:

In addition to the in-house quality checks and processes followed by the DISCOM, the nodal agency (REC/PFC) shall carry out concurrent inspection of works through Third Party Quality Monitoring Agency (TPQMA). To enable the same, the DISCOMs shall share the physical and financial progress of the works through portal of the scheme or otherwise. Agencies such as NPTI may be considered as third party in difficult areas where other agencies are not willing to come. In addition to the above, the nodal agencies may also carry out concurrent quality monitoring on random sample basis as per the need through its own manpower.

6.5.2.1 Materials Quality Inspection: Pre-dispatch inspection at manufacturer premises shall be done for Power transformer, Distribution Transformer, Conductor, circuit breakers and any other high value equipment. At least one of the lots of these materials shall be inspected. The inspection of materials shall be carried out as per approved Technical Specifications/Datasheet/GTP as per contract between DISCOM and Supplier.

6.5.2.2 Field Works Quality Inspection:

The field works inspections are to be carried out as per approved Field Quality Plans (FQP) / Construction Drawings /Technical Specifications/ Datasheet/ survey report as per the contract between the DISCOM and the contractor. The indicative sample size for field inspection works, which may be modified for site-specific reasons to be recorded in writing by the Nodal Agency, shall be as follows:

- 100% New Power Substations or at least one in each district/circle.
- 5% Augmented Substations or at least five in each district/circle.
- 15 to 20 spans of 5% of HT feeders
- 2% of DTR Substations (11/0.4kV), including few spans of associated LT Lines
- 1% of Smart meters or 1,000 Meters in a project, whichever is less
- IT/OT/SCADA/DMS infrastructure – primarily at system level for high-level functional checks.

6.5.3 DISCOMS are required to rectify the defects, if any, within a month from the date of receipt of inspection report from the nodal agency.

Chapter 7. Stakeholders - Roles and Responsibilities

7.1 Monitoring Committee: The Office memorandum issued in this regard is enclosed as **Appendix-II**. The Committee will be empowered to:

- (i) Approve operational guidelines including scope of work and to take necessary decisions for operationalization of various components of scheme and amendments thereof within the framework approved by CCEA;
- (ii) Approve Action Plans including the results evaluation framework and sanction DPRs/Projects;
- (iii) Monitor and review the implementation of the scheme;
- (iv) Exercise powers vested with the Monitoring Committee constituted in terms of OM No. 20/9/2019-IPDS dated 20.7.2021 in respect of issues pertaining to the implementation of the scheme.

7.2 Nodal Agencies

7.2.1 REC and PFC have been designated as Nodal Agencies for the scheme. The states have been allocated between both organisations as stated in **Appendix-III**. However, they may, with mutual consent, change the states/works, based on their strength and competence in a state/work.

7.2.2 All works relating to these states right from sanction to closure shall be the responsibility of the concerned organisations under the overall guidance of the Monitoring Committee. The role of the Nodal Agencies includes the following:

- (i) Notify all the guidelines and formats required for implementation of the project from time to time;
- (ii) Appraise the Action Plan and DPRs before putting up to the Monitoring Committee;
- (iii) Conduct all works relating to holding of the Monitoring Committee meetings for approvals;
- (iv) Evaluation as per Results Framework and determine the eligible releases to be made every year;
- (v) Administer the Grant Component;
- (vi) Develop a dedicated web portal for submission of DPRs and for maintaining the MIS of the projects;
- (vii) Monitor physical and financial progress of the projects.
- (viii) PMU/ consultancy assistance for the Ministry
- (ix) Concurrent Quality Monitoring of the Projects

The expenditure on the aforementioned works other than Concurrent Quality Monitoring shall be met out of the Nodal Agency fee. The expenditure incurred by nodal agency on Concurrent Quality Monitoring shall be borne out of MoP component of enabling charges.

7.3 State Government shall have the following responsibilities:

- (i) To approve at the level of the State Cabinet the action plan under the Scheme;
- (ii) To make upfront payment of revenue subsidy to the DISCOM;
- (iii) To ensure dues of Govt departments and agencies, to the DISCOMs are paid on time;
- (iv) To facilitate/enable approval of tariff for the DISCOM in time every year as per regulations and finance regulatory assets and financial losses;
- (v) To provide support on policy issues on Distribution of power in the state;
- (vi) To provide required land for sub stations and facilitate in obtaining other statutory clearances (ROW, forest etc.);
- (vii) To arrange for DISCOM contribution in case DISCOM fails to arrange the same;
- (viii) To furnish guarantee for the loan component under the scheme in case the DISCOM is not able to provide any other mode of security.

7.4 Distribution Reforms Committee (DRC)

7.4.1 A DRC shall be constituted which shall be chaired by the Chief Secretary, Secretary in charge of the Energy/Power Department of the State as the convener. The Committee shall comprise of Secretary (Finance), Secretary (Land Revenue) and Secretary (Forest and Environment) as its members. States will have option to include CMD/MD of the DISCOM as a Special Invitee for any meeting of the DRC wherein the Action Plan, DPR, progress of the RDSS scheme, or any other matter related to implementation of RDSS scheme of the DISCOM is being taken up as agenda.

7.4.2 The DRC shall review the progress of the scheme at the State level. Without prejudice to the generality of the above, it shall:

- (i) Recommend the Action Plan for approval of State Cabinet;
- (ii) Recommend the DPRs for approval of Monitoring Committee;
- (iii) Approve change in the mode of execution with the consent of the Nodal agency;
- (iv) Monitor the implementation of the Action Plan;
- (v) Monitor physical and financial progress including quality of the projects.

7.5 DISCOMs shall be responsible for implementing the scheme as per the Guidelines, under the overall guidance of the DRC, Nodal Agencies and the Monitoring Committee. Without prejudice to the generality of the above, it shall have the following functions:

- (i) Preparation of action plans and DPRs and online submission of the same to the Nodal Agency;

- (ii) Implementation of the scheme within the scheduled completion period as per guidelines;
- (iii) Appointment of Project Management Agency (PMA);
- (iv) Establishment of a dedicated project implementation cell at district level and a centralized cell at Head office level;
- (v) Submission of updated monthly physical and financial progress of the project to the Nodal Agency including its update on the web portal;
- (vi) Ensuring that there is no duplication / overlapping of works with any other Government of India and State scheme;
- (vii) Providing information to the Nodal Agency, as and when required.

Chapter 8. Part B of the scheme and other components fully funded by grant

8.1 Part B focusses on the softer part – up-gradation of human skills; process improvements; Nodal Agency fee and enabling provisions; awards; incentives, evaluation, PMA charges other than that covered in Part-A, scheme governance; and support for reforms through consultancy. This will include capacity building in frontier technologies such as smart grids and also on institutional capacity building.

8.1.1 Training

Training in good corporate governance practices, technical matters, advance technology intervention areas, new business processes, etc. for the personnel involved in execution of scheme at the field level are envisaged under this head. The details of the training programs will be finalized by the Nodal agency with the approval of the Monitoring Committee. The cost of these activities will be borne out of the MoP component of enabling charges.

8.1.2 Awards and Incentives

Ministry of Power will institute various awards and incentives for DISCOM personnel and management for showing exemplary performance in areas both within and beyond the realm of the scheme. The awards and incentives will be instituted from time to time by the Nodal agency with the approval of Monitoring Committee. The cost of these activities will be borne out of the MoP component of enabling charges.

8.1.3 Communication Plan & Consumer Engagement

The nodal agencies shall prepare a multi-modal communication plan in consultation with MoP for the scheme. Consumer engagement and consumer awareness on prepaid smart metering shall be designed and campaigning will be carried out in consultation with Nodal Agency . The cost of these activities will be borne out of the MoP component of enabling charges.

8.1.4 Nodal Agency Fee

Nodal agency shall be eligible for 0.5% of the sum total of the GBS component of the various projects of different eligible entities approved by Monitoring Committee as its fee for the works mentioned in para 7.2.2.

8.1.4.1 Release of Nodal Agency Fee

25% of the eligible Nodal Agency fee for the projects sanctioned in a year shall be released in the month of March of that year and the remaining in the month of March of subsequent years in three equal instalments

8.2 Unified Software

There is a provision in the smart metering component of Part- A of the scheme for development of software for the Digital Systems with approval of Monitoring Committee which can be utilised by willing DISCOMs at their option

so that each DISCOM does not have to spend money separately on the software. The software will be developed keeping in view issues such as interoperability, data security, and consumer privacy. This will be funded 100% as grant under Part A of the scheme.

8.3 Advanced ICT including AI and ML based solutions

Artificial Intelligence would be leveraged to analyse data generated through IT/OT devices including System Meters, prepaid Smart meters to prepare actionable MIS from system generated energy accounting reports every month so as to enable the DISCOMs take informed decisions on loss reduction, demand forecasting, asset management, Time of Day (ToD) tariff, Renewable Energy (RE) Integration, network management, consumer analytics and for other predictive analysis. This would contribute a great deal towards enhancing operational efficiency and financial sustainability of the DISCOMs.

A framework will be developed for promoting use of AI/Blockchain/Big Data/ML and such other new technology in power Distribution which shall be approved by the Monitoring Committee. On the basis of this framework, financial support will be provided to start ups, incubators and DISCOMs to promote such new technology. This will be funded 100% as grant under Part A of the scheme.

8.4 National Feeder Monitoring System (NFMS)

All feeders shall be integrated with the National Feeder Monitoring System (NFMS) which will be put in place. Full funding support will be provided for this purpose from Part-A of the scheme.

F. No. 20/9/2019-IPDS
Government of India
Ministry of Power
Shram Shakti Bhavan, Rafi Marg, New Delhi-110001

Appendix-I

Dated, 20th July, 2021

To

1. Chief Secretary of all States and UTs
2. Additional Chief Secretary Principal Secretary/Secretary (Energy/Power) of all States and UTs
3. CMDs/MDs of State Power Distribution Utilities
4. CMD, REC Ltd.
5. CMD, Power Finance Corporation Ltd.

Subject: Revamped Distribution Sector Scheme: A Reforms-Based and Results-Linked Scheme.

Sir,

I am directed to forward herewith Office Memorandum of the Revamped Distribution Sector Scheme - A Reforms-Based and Results-Linked Scheme.

Encl: As above

Yours faithfully,



(M. Srikanth Reddy)
Deputy Director (UR&SI-II)
[Tel:011-23319108](tel:011-23319108)
Email: srikanthreddy@nic.in

Copy to:

1. The CEO, NITI Aayog, Sansad Marg, New Delhi.
2. Secretary, Ministry of Finance, Department of Expenditure, North Block, New Delhi.
3. Secretary, Ministry of Home Affairs, North Block, New Delhi.
4. Secretary, Ministry of Electronics and IT, CGO Complex, New Delhi.
5. Secretary, Ministry of New & Renewable Energy, CGO Complex, New Delhi.
6. Prime Minister's Office (Shri Rohit Yadav, Joint Secretary), South Block, New Delhi.
7. Cabinet Secretariat (Shri Ashutosh Jindal, Joint Secretary), Rashtrapati Bhawan, New Delhi.
8. Cabinet Secretariat (Shri S.G.P. Verghese, Director), Rashtrapati Bhawan, New Delhi **with reference to their OM No. CCEA/11/2021(i) dated 02nd July, 2021.**
9. Chairperson, CEA, New Delhi
10. CMD, PGCIL
11. DG, Bureau of Energy Efficiency
12. Director, NPMU, NSGM

----2/-

13. Budget Section/Finance Division, Ministry of Power
14. Controller of Accounts, SevaBhavan, R.K. Puram, New Delhi.
15. Principal Director of Audit, Infrastructure, New Delhi

Copy also to, for information:

- (i) PS to Hon'ble Minister of Power
- (ii) PS to Hon'ble Minister of State for Power
- (iii) Sr. PPS to Secretary (Power).
- (iv) PPS to AS(Distribution)/PPS to AS&FA, Ministry of Power
- (v) PPS to JS(Distribution/Hydro)/JS(R&R and OM)/JS(Trans./IT), Ministry of Power
- (vi) PPS to Director(UR&SI)/ PS to Director(DS), Ministry of Power

**F. No. 20/9/2019-IPDS
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi-110001**

Dated, 20th July, 2021

OFFICE MEMORANDUM

Subject: Revamped Distribution Sector Scheme: A Reforms based and Results linked Scheme.

Sanction of the President is conveyed for the implementation of “**Revamped Distribution Sector Scheme - A Reforms based and Results linked Scheme**” with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution Sector. The Scheme aims to reduce the AT&C losses to pan-India levels of 12-15% and ACS-ARR gap to zero by 2024-25.

2. The Scheme has an outlay of Rs.3,03,758 crore with an estimated gross budgetary support of Rs.97,631 crore from the Government of India.

3. The ongoing approved projects under the Schemes of IPDS, DDUGJY along with PMDP-2015 for the erstwhile State of Jammu & Kashmir would be subsumed in this Scheme and the savings of the associated GBS (Gross Budgetary Support) of approx. Rs. 17000 crore would be part of the total outlay of the Revamped Distribution Sector Scheme under the existing terms and conditions till their sunset on 31st March, 2022. The funds under these Schemes would be available for the approved ongoing projects under Prime Ministers Development Program (PMDP) for the erstwhile state of J&K launched in 2015 (under IPDS and DDUGJY) and of Ayodhya, Uttar Pradesh (under IPDS) till 31 March, 2023.

4. Scope of Scheme :

4.1 The Scheme has two parts: **Part ‘A’** – Financial support for upgradation of the Distribution Infrastructure and Prepaid Smart Metering & System Metering and **Part ‘B’** – Training & Capacity Building and other Enabling & Supporting Activities. The details are enclosed at **Annexure – I (Page: 9-10)**.

PART 'A'

4.2 To avail funding under this part, an eligible DISCOM is required to prepare an Action plan for strengthening their distribution system and improving its performance by way of various reform measures, which would result in improvement in their operational efficiency and financial viability as well as improve the quality and reliability of power supply to the consumers. DISCOMs will have the flexibility to draw up their Action plans keeping in view their own context. However, a DISCOM which is making losses will not be able to access funds under this Scheme unless it draws up a plan to reduce the losses, lists out the steps it will take to reduce such losses and the calendar thereof, get their State Government's approval to it, and file it with the Central Government. There will be a prequalification criteria in terms of compliance with best management practices; such as publication of audited accounts on time, not creating Regulatory Assets, accounting and payment of payable subsidy in accordance with Section 65 of the Electricity Act etc. The funding for the works (other than prepaid Smart Metering, Distribution Transformer Metering and Feeder Metering including integration of existing Metering infrastructure) would be contingent upon DISCOMs clearing the pre-qualifying criteria and taking steps in accordance with the loss reduction plan.

4.3 Each DISCOM will prepare an Action Plan, with subcomponents for strengthening its Distribution system, and to improve their performance. The Action Plan will have two parts. The first part will include an analysis of the reasons/root cause for losses, and list out the steps which are required and proposed for reduction of losses and ACS-ARR gap and the time taken for taking these steps. DISCOM will specify the activities and reforms proposed to improve their performance. These activities and reform measures will be finalized on basis of its operational and financial data and will be worked out to address DISCOM-specific problems. An indicative list of reforms/activities is enclosed at **Annexure – II (Page: 11)**.

4.4 There shall be a Results Evaluation Framework which shall be finalized by the Monitoring Committee in respect of each DISCOM after incorporating result parameters and trajectories. It would have two components (i) Pre-qualifying criteria; and (ii) Result Evaluation Matrix. The pre-qualifying criteria need to be mandatorily met with by the DISCOMs before they can be evaluated on the basis of the Result

Evaluation Matrix. Thereafter, performance on the basis of Result Evaluation Matrix shall form the basis for release of funds under the Scheme. Details are enclosed at **Annexure-III (Page : 12-16)**.

4.5 The second part of the Action plan will list out the Work plan for loss reduction and further strengthening the Distribution System as per needs assessment. States/DISCOMs will be able to access funds from this Scheme for addressing infrastructure constraints in Distribution System and for its further augmentation/strengthening. Works which are required for AT&C loss reduction will be given priority. Indicative list of works to be covered under the Scheme is enclosed at **Annexure – IV (Page : 17)**. There is a provision of Rs. 20,000 crores in the Scheme for agriculture feeders where these have not been segregated as yet. Thereafter, these feeders will be solarized under KUSUM – leading to cheap/ nominally priced day time power for agriculture irrigation as may be determined by the State Government .

4.6 Prepaid Smart Meters including System metering with communication features are important interventions in reducing Distribution losses in the Utilities and in facilitating automatic measurement of energy flows and energy accounting as well as auditing without any human intervention. This intervention will also facilitate switch over to digital pre-paid system, with recharging facility through mobile phones, and enabling of Time-of-Day tariff.

4.7 In order to attain the key objective of loss reduction in electricity distribution, the Scheme envisages providing funding through Gross Budgetary Support for the installation of prepaid Smart Meters under TOTEX (CAPEX plus OPEX) pattern and in a mission mode in the first phase in (i) all Electricity Divisions of 500 AMRUT cities, with AT&C Losses > 15% (ii) all Union Territories (iii) MSMEs and all other Industrial and Commercial consumers (iv) all Government offices at Block level and above (v) other areas with high losses. Prepaid Smart metering for remaining consumers would be taken up by the respective DISCOMs in a phased manner subsequently. Looking at the scattered nature of agriculture connections and their remoteness from the habitations; as well as their proposed solarization under Kusum; the smart meters need not be installed in Agriculture connections.

4.8 Along with installation of prepaid Smart metering and the associated Advanced Metering Infrastructure (AMI), installation of communicable System meters at Feeder and Distribution Transformer level with communication features will also be through Gross Budgetary Support under TOTEX mode to enable proper energy accounting every month for identification of theft prone pockets and high loss areas.

4.9 Advanced ICT like Artificial Intelligence, Machine Learning and Blockchain Technology would be leveraged to analyse data generated through IT/OT devices including System Meters, prepaid Smart meters to prepare actionable MIS from system generated energy accounting reports every month so as to enable the DISCOMs to take informed decisions on loss reduction, demand forecasting, asset management, Time of Day (ToD) tariff, Renewable Energy (RE) Integration and for other predictive analysis. This would contribute a great deal towards enhancing operational efficiency and financial sustainability of the DISCOMs. Gross Budgetary Support (GBS) under the Scheme would be used for development of applications related to the use of advanced ICT like Artificial Intelligence, Machine Learning and Blockchain Technology in the Distribution Sector and also for promoting development of Start-Ups in the Electricity Distribution Sector across the country.

4.10 GBS under the Scheme would also be available to MoP/Nodal Agency to develop a Software for the Digital systems which can be utilized by the DISCOMs / Power Departments of the country, so that each DISCOM does not have to spend money separately on the Software. This Software will be developed in consultation with the DISCOMs, keeping in view data security and consumer privacy. However, this Software will be optional for the DISCOMs.

PART 'B'

4.11 Part-B contains supporting and enabling components such as up-gradation of Smart Grid Knowledge Centre including AI, Training / Capacity building, awards and incentives, reform support in form of consultancy, Nodal Agency fee, MoP enabling activities (communication plan, consumer awareness and other associated measures such as third party evaluation etc), and PMA charges etc. Details are enclosed at **Annexure – V (Page : 18)**.

5. DISCOMs Eligible :

All State-owned Distribution companies and State /UT Power Departments (referred to as DISCOMs collectively) excluding private Sector power companies will be eligible for financial assistance under the Revamped Scheme.

6. Funding Pattern :

6.1 For rolling out prepaid Smart metering in a mission mode under Part A – in “Other than Special Category States”, a fixed amount of 15% (22.5% in case of Special Category States) of the cost per meter worked out over the whole project period, subject to a maximum of Rs. 900/- (Rs. 1350/- in case of special category States) per meter in case of consumer meters, will be funded.

6.2 States/UTs would be incentivised for deployment of prepaid Smart meters by December, 2023. An incentive @ 7.5% of the cost per consumer meter worked out for the whole project or Rs. 450 per consumer meter, whichever is lower, would be provided for “Other than Special Category States” for prepaid Smart meters installed within the targeted timeline of first phase mission i.e. by December, 2023. The incentive for Special Category States would be @ 11.25% of the cost per consumer meter worked out for the whole project or Rs. 675 per consumer meter, whichever is lower. The funds for prepaid Smart Metering will be made available to the DISCOMs only after installation, commissioning and demonstration of at least one prepaid billing period in the area specified by the DISCOM in the DPR approved by the Monitoring Committee.

6.3 Development of applications related to the use of advanced ICT like Artificial Intelligence, machine Learning and Blockchain Technology in the Distribution Sector and the unified billing and collection system will be funded 100% through the GBS.

6.4 For Distribution System upgradation works, maximum financial assistance given to DISCOMs of “Other than Special Category States” will be 60% of the approved cost, while for the DISCOMs in “Special Category States”, the maximum financial assistance will be 90% of the approved cost.

6.5 For the purpose of execution of this Scheme, all North Eastern States including Sikkim and States of Himachal Pradesh & Uttarakhand and Union Territories of

Jammu & Kashmir, Ladakh, Andaman & Nicobar Islands, and Lakshadweep will be treated as Special Category States/UTs

6.6 Part B of the Scheme will be fully funded by grant through Central/State Governments.

7. Release of Funds :

7.1 The funds for prepaid Smart Metering will be made available to the DISCOMs only after installation, commissioning and demonstration of at least one prepaid billing period in the area specified by the DISCOM in the DPR approved by the Monitoring Committee.

7.2 All DISCOMs that initiate their prepaid Smart metering tenders after 1st January, 2020 will be eligible for funding, if they carry out prepaid Smart metering works in TOTEX mode after obtaining approval of Monitoring Committee in this regard.

7.3 The funding for the works other than prepaid Smart metering, DT Metering and Feeder Metering including integration of existing Metering infrastructure would be contingent upon DISCOMs clearing the pre-qualifying criteria and achieving at least 60% marks on the result evaluation matrix.

7.4 The first instalment will be released as 10% advance on DPR approval and yearly fund release for second and subsequent instalments will be based on annual evaluation (as per agreed Results Evaluation Framework) as under:

- 2nd Instalment - 20% of GBS after 1st evaluation (30% cumulative)
- 3rd Instalment - 30% GBS after 2nd evaluation (60% cumulative)
- 4th Instalment - 40% GBS after 3rd evaluation (100% cumulative)

8. Financing of the Scheme :

8.1 The estimated outlay for the Scheme is Rs 3,03,758 crore with an estimated GBS from Central Government of Rs 97,631 crore. The Government of India will provide Rs. 1,030 Crore for activities under Part B of the Scheme. It is envisaged that about Rs. 200 crores will be spent by the State Governments towards reforms support in the form of consultancy.

8.2 Savings under various components of this Scheme (GBS) will be fungible across all parts of the Scheme with the approval of the Monitoring Committee .

8.3 Counterpart funding will be provided to DISCOMs by PFC/REC and/or Banks/other FIs. Further, counterpart funding from bilateral/multilateral funding agencies can also be leveraged for which Government of India would extend benefits of reduced Government Guarantee fee.

9. The performance of the DISCOMs in the Reforms Based Results Linked Revamped Distribution Scheme would also form integral part of the financing norms of PFC, REC, Banks/FI's for any project in the Distribution Sector even beyond those related to funding under this Scheme.

10. Monitoring Committee:

10.1 An inter-ministerial Monitoring Committee for the Scheme will be constituted under the chairmanship of Secretary, Ministry of Power. The Monitoring Committee will frame and approve all operational guidelines, sanction all Action Plans & DPRs of DISCOMs / States and proposals/DPRs under Part B, and review and monitor implementation of Scheme including review of Third-Party Mid-Term Evaluation of the Scheme carried out by the Nodal Agency.

10.2 The Monitoring Committee will also approve scope of works and take necessary decisions for operationalization of various components of the Scheme and amendments thereof, within the framework approved by Cabinet Committee on Economic Affairs (CCEA). The Monitoring Committee will also be competent to modify the scope of works under various parts of the Scheme in line with the objectives of the Scheme.

10.3 The maximum marks and targets for individual parameters in Result Evaluation framework may differ for each year of evaluation .The result evaluation framework would be different for each DISCOM and would be fixed for each year depending on the cumulative performance as well as the annual performance. The funds for a particular year in respect of Infrastructure Works would be released in respect of a DISCOM for a particular year only after it has been found to have fulfilled the pre-qualifying criteria and its total weighted score is at least 60 marks on the result evaluation matrix after having been evaluated by the Nodal Agency and approved as

such by the Monitoring Committee . Evaluation of parameters relating to financial accounts shall be based on audited quarterly / annual accounts .

11. REC Limited and Power Finance Corporation Limited (PFC) would be the Nodal Agencies for the Scheme and would be responsible for operationalization of Scheme in the entire country.

12. The State Governments and their DISCOMs will sign a Tripartite Agreement with the Central Government before availing benefits under the Scheme.

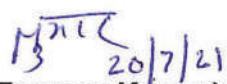
13. The duration of the Scheme is 5 years (FY 2021-22 to FY 2025-26). The sunset date for the Scheme will be 31.03.2026.

14. The Nodal Agencies will submit monthly progress report indicating both financial and physical progress on the implementation of the Scheme to Ministry of Power and CEA.

15. The detailed guidelines for the implementation of the Scheme will be issued separately.

16. The expenditure under the Scheme would be debited to the budget grant no. 78 of Ministry of Power.

17. This issues with the concurrence of Finance Branch of the Ministry of Power vide their Dy. No. 379/Fin./2021 dated 20.07.2021.


(Tanmay Kumar)

Joint Secretary to the Government of India

Tele-Fax No.: 23714168

E-mail: tanmay.kumar-rj@gov.in

Annexure - I

Details of Part – ‘A’ and Part – ‘B’ of SchemePart- ‘A’ of Scheme – Funding for Smart Metering

Item Head	Item Description	Quantity	GBS, % (Max)
A-1	Prepaid Smart metering solution including at consumer, DT, and feeder level including integration of existing infrastructure	25 crore	15% / 22.5% (limited upto Rs.900 or Rs.1350 respectively per meter for Consumer metering)###
A-2	Other costs including encumbrance free standardized billing modules for all States, data management, data analytics, and support to implementation, AI etc.	Lumpsum	100%

Part- ‘A’ of Scheme – Funding for Infrastructure Creation

Item Head	Item Description	Quantity Estimated
A-3	Segregation of agriculture feeders	10,000 Nos.
A-4	Replacement of existing LT Overhead bare conductor lines with AB Cable / HVDS in theft prone areas	4,00,000 Kms
A-5	Distribution Automation in Urban Areas	
A-5.1	SCADA/DMS in Big cities, having population >2.75 lakh, including opex for 2 years	100 Nos.
A-5.2	SCADA (Real Time Supervision & Controllability of Sub-station) including opex for 2 years	3875 Nos.
A-6	Funding for distribution infrastructure including HVDS, IT and OT in Distribution Sector, Feeders, conductors, Transformers, cables, substations, feeders, capacitors etc. to cater to load growth and increasing demand	As required

Part- ‘B’ of Scheme

Item Head	Item Description	Quantity	Outlay (Rs. Crore)	GBS % (Max)	GBS(Rs. Crore)
B-1	Augmentation of Smart Grid Knowledge center including AI	-	30	100%	30
B-2	Training / Capacity building/ Awards and incentives	-	200	100%	200
B-3	Reforms support in form of consultancy		200	100%	-200*
B-4	Nodal agency fee, MoP enabling activities and PMA charges**	-	1,000	100%	1000
Sub-Total (Part-B):			1,430		1,030

**Amount for reform support in form of consultancy may be taken State Governments and utilized for the Scheme.*

***Approximately 1% of the estimated GBS for Part A for smart metering and Infra creation.*

For Part A – Prepaid Smart metering in “Other than Special Category States”, a fixed amount of Rs 900 per consumer meter or 15% of the cost per consumer meter worked out for the whole project, whichever is lower, would be funded. In case of “Special Category States”, a fixed amount of Rs 1350 per consumer meter or 22.5% of the cost per consumer meter worked out for the whole project, whichever is lower, would be funded. To incentivize the States/UTs for deployment of prepaid Smart meters by December, 2023. An incentive @ 7.5% of the cost per consumer meter worked out for the whole project or Rs. 450 per consumer meter, whichever is lower, would be provided for “Other than Special Category States” for prepaid Smart meters installed within the targeted timeline of first phase mission i.e. by December, 2023. The incentive for Special Category States would be @ 11.25% of the cost per consumer meter worked out for the whole project or Rs. 675 per consumer meter, whichever is lower. The incentive would be met out of overall provision of GBS for Smart Metering under the Scheme (Rs. 23,300 crore) along with expected cost reduction benefits arising out of economies of scale looking to the large-scale deployment of prepaid Smart meters in first phase, similar to the huge reduction in price experienced in large scale use of LED bulbs and solar power.

Indicative List of Reforms under PART-'A'

An indicative list of reforms / activities to be covered under the Scheme:

- (i) Putting in place a mechanism to ensure that the Government Departments pay for the for electricity consumed, promptly
- (ii) Putting in place a mechanism for ensuring that the consumption by the subsidized categories is accounted for properly and released to the DISCOM in advance as mandated by Section 65 of the Electricity Act 2003, which will be credited to the consumer account maintained by the DISCOM. Subsidy delivery must be targeted via Direct Benefit Transfer (DBT) for improvement in accountability
- (iii) Annual Tariff Fixation, Tariff to reflect prudent costs; costs not reflected in Tariff shown separately, to be funded by the DISCOM/State Govt.; no Regulatory assets to be created, Multi Year Tariff (MYT).
- (iv) Preparation of and adherence to a roadmap for funding accumulated and current financial losses, if any, through clearance of part or whole of regulatory assets and state funding.
- (v) Energy Accounting with 100% feeder and transformer metering on OPEX model.
- (vi) Corporate Governance reforms, Operation of part or whole area of supply of DISCOM through private participation or through CPSUs/JVs of CPSUs
- (vii) Distribution Franchisee arrangements in some areas of DISCOM
- (viii) Setting up electricity police stations in line with the provisions of the Electricity Act, 2003
- (ix) Training and Capacity Building of existing manpower, Creation of IT cadre for management of IT/OT services or engaging knowledge partners / consultants for the same.
- (x) Compliance of RPO trajectories
- (xi) Publication of quarterly audited/unaudited reports in a standardized format circulated by PFC. Quarterly and Annual Accounts of DISCOMs need to explicitly include details of subsidy and Govt. Department dues. The annual accounts of the previous year would be published by DISCOMs latest by September 30th of the current year.
- (xii) Initiation of performance linked transfer policy for DISCOM staff
- (xiii) Any other activity which serves to achieve the objective of the Scheme.

Results Evaluation Framework

The Results evaluation framework would have two components (i) Prequalifying criteria; and, (ii) Result evaluation matrix.

Pre-Qualification Conditions:

- I. DISCOMs would publish quarterly un-audited accounts within 60 days of the end of each quarter during first two years of operation of the Scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited quarterly accounts within 45 days from 3rd year onwards.
- II. Further, DISCOMs would publish audited annual accounts by end of December of the following year during first two years of operation of the Scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited annual accounts by end of September of the following year from 3rd year onwards.
- III. DISCOMs will have ensured that no new Regulatory Assets have been created in latest tariff determination cycle.
- IV. State Government to ensure 100% payment of subsidy for the previous year and advance payment of subsidy up to current period in line with section 65 of EA2003 and wipe out the remaining subsidy amount by the end of the project period.
- V. All Government Department/ Attached Offices/ Local Bodies have made 100% payment of current electricity dues for the year under evaluation.
- VI. Progress commensurate to commitment in putting Govt. Offices on prepaid meters.
- VII. No. of days Payables to Creditors / suppliers for the year under evaluation is equal to or less than the projected trajectory as per results evaluation framework.
- VIII. Tariff order for the current year in which evaluation is being done and true up of penultimate year has been issued and implemented w.e.f. 1st April of current FY.

Utilities clearing the pre-qualifying criteria would be eligible for evaluation against the result evaluation matrix, which would determine their eligibility for release of funds for a particular year. The result evaluation framework would be different for each DISCOM and would be fixed for each year depending on the cumulative performance as well as the annual performance.

Four basic categories of Results Parameters have been identified and weightage has been assigned to each of the category as under:

Sr. No.	Category	Weightage for Evaluation
1.	Financial Sustainability	60
2.	Outcome of infrastructure Works	20
3.	Infrastructure Works	10
4.	Policy & Structural Reforms, Capacity Building and IT/OT Enablement	10
	Total	100

While the weightage of Financial sustainability would remain static at 60%, Monitoring Committee of the Scheme may make variations specific to the needs of the States/DISCOMs for other weightages

Under each of the categories above, there would be result parameters in the matrix, which will be assigned maximum marks on the basis of agreed priority/ significance towards achieving the objectives of the Scheme. The maximum marks and targets for individual parameters may differ for each of the evaluation years.

The funds for a particular year will be released only if the Utility clears the pre-qualifying criteria and the total weighted score is more than 60 marks on the evaluation matrix. Evaluation of parameters relating to financial accounts shall be based on audited quarterly/annual accounts.

Recognising that the year-wise emphasis on desired outcomes could be different, the Monitoring committee will reserve the right to allocate the maximum marks to individual result parameters for every year of evaluation. Result Evaluation Framework may be modified, if required, to include a smaller number of parameters and to exclude those included in the pre-qualifying criteria to avoid duplication and to make the Result Evaluation Framework simplistic.

RESULTS EVALUATION MATRIX (ILLUSTRATIVE)

Name of DISCOM:

SN	Result Parameters	Weightage	Unit of Measurement	Base Year [2020-21]	Evaluation of Cumulative Improvement from Base Year up to Year under evaluation			
				(Values)	Max. Marks	Target	Achievement	Score
A.	Financial Sustainability	60						
1	ACS-ARR gap		Rs./kWh		25			
2	AT&C Loss - Increase in Billing and Collection Efficiency - Reduction in theft / line losses		%		25			
3	Outstanding/ Overdue Subsidy Payment by State Government		Rs. Crore		15			
4	Outstanding/ Overdue Government Dues		No. of Days Receivable		10			
5	Progress in putting Govt. Offices on prepaid meters		%		10			
6	No. of Creditor Days (including payment to Gencos for supply of power)		No. of days payable		5			
7	No. of Debtor Days		No. of days receivables		5			
8	Unliquidated Regulatory Assets		Rs. Crore		5			
Sub Total (A)					Σ Max. Marks			Σ Score
Weighted Score (A) = (Weightage x ΣScore)/ ΣMaximum Marks								
B	Outcomes of Infrastructure works	20						
1	Hours of supply (Rural)		Avg. Hours/Day		20			
2	Hours of supply (Urban)		Avg. Hours/Day		20			
3	Accurate Energy Accounts		%		20			
4	Reliability of power supply - SAIFI (System Average Interruption Frequency Index)		Nos. / year		20			
5	Reliability of power supply - SAIDI (System Average Interruption Duration Index)		Hours or minutes/ year		20			

SN	Result Parameters	Weightage	Unit of Measurement	Base Year [2020-21]	Evaluation of Cumulative Improvement from Base Year up to Year under evaluation			
				(Values)	Max. Marks	Target	Achievement	Score
Sub Total (B)					Σ Max. Marks			Σ Score
Weighted Score (B) = (Weightage x ΣScore)/ ΣMaximum Marks								
C.	Infrastructure Works	10						
1	Metering							
I	Consumer Metering		Nos.		10			
ii	DT Metering		Nos.		20			
iii	Feeder Metering		Nos.		20			
2	Feeder Separation - % of total Agriculture feeders separated (Feeders with Agricultural load of \geq 30% of total load of feeder)		%		10			
3	Replacement of existing LT overhead bare conductor lines with AB/UG cable		Ckm		10			
4	% of Consumers with Prepaid Smart Meters (other than Govt. Deptt.)		%		15			
5	% of Govt Departments with Prepaid Smart Meters	%		15				
Sub Total (C)					Σ Max. Marks			Σ Score
Weighted Score (C) = (Weightage x ΣScore)/ ΣMaximum Marks								
D	Policy & Structural Reforms, Capacity building and IT/OT enablement	10						
1	SCADA		No. of Towns		15			
2	ERP Implementation		Yes/No		10			
3	Training of DISCOM Officials		Man-days		5			
4	Corporate Governance (Recommendations complied)		%		10			
5	Tariff Reforms (MYT / ToD / Cross Subsidy)				15			
6	Subsidy Delivery Mechanism/ DBT				15			

SN	Result Parameters	Weightage	Unit of Measurement	Base Year [2020-21]	Evaluation of Cumulative Improvement from Base Year up to Year under evaluation			
				(Values)	Max. Marks	Target	Achievement	Score
7	Consumer rights and grievance redressal				15			
8	Adoption of PPP mode				15			
Sub Total (D)					Σ Max. Marks			Σ Score
Weighted Score (D) = (Weightage x ΣScore) / Σ Maximum Marks								
Sum of Weighted Score (A+B+C+D)								

Note : In order to qualify for receipt of grant under the Scheme , the total weighted score should be 60 or more .

Indicative List of Works under Part – ‘A’

An indicative list of works to be covered under the Scheme:

- (i) Replacement of conductors, which are old/frayed
- (ii) Additional HT lines to improve quality of supply
- (iii) Segregation of agricultural feeders
- (iv) Provision of Aerial bunched Cables (ABC) in high loss areas
- (v) High Voltage Distribution System (HVDS) in high loss areas
- (vi) Supervisory Control and Data Acquisition (SCADA) in all urban areas; and DMS in 100 urban centres above the population of 2.75 lakhs as per urban census 2011
- (vii) Prepaid/Smart metering systems
- (viii) Works like new feeders, capacitors, etc for loss reduction
- (ix) IT/OT enablement works
- (x) Prepaid metering for all Government Departments
- (xi) Distribution Works for system strengthening
- (xii) Transformer / Feeder Metering – on OPEX Model

Segregation of feeders dedicated only for supply of power for agricultural purpose, which are proposed to be solarized under Kisan Urja Suraksha Evam Utthan Mahabhiyan (KUSUM) Scheme will be sanctioned on priority under the Scheme. Further, feeders once segregated will not be used for serving other than agricultural loads.

Part B: Training & Capacity Building and Other Enabling & Supporting Activities

The major components covered under the Part B of the Scheme are:

I. Augmentation of Smart Grid Knowledge Centre including AI

Smart Grid Knowledge Center (SGKC) at PGCIL, Manesar is a facility developed under assistance from the Integrated Power Development Scheme (IPDS). The center has been established to act as resource center for smart grid activities in the country with various smart grid technologies on display on a lab scale. It also has state of the art Smart grid training facilities. SGKC will be upscaled as an incubation center for evaluating and disseminating new technologies, and also as an innovation park. An amount of Rs 30 Crores is earmarked for expansion of centers' activities with 100% gross budgetary support. These funds would also be used for creation of Center for development of applications related to use of Artificial Intelligence in Distribution Sector.

II. Training / Capacity building/ Awards and incentives

Training and capacity building of professionals in the Distribution Sector is a much-felt need. Training in good corporate governance practices, technical matters, advance technology intervention areas, new business processes, etc. both in India and abroad are envisaged under this head. The details of the training programs will be finalized by the Monitoring Committee.

Ministry of Power will institute various awards and incentives for DISCOM personnel and management for showing exemplary performance in areas both within and beyond the realm of the Scheme. These will be instituted with the approval of Monitoring Committee.

III. Reforms support in form of consultancy

The Scheme also envisages consultancy support for reform implementation. Ministry of Power, through the Nodal Agency, will appoint consultants both at national and state/regional levels based on the action plans finalized by the Monitoring Committee who will advise and assist MoP and States/DISCOMs in Scheme implementation, especially the reforms in DISCOMs

The consultancy support provided by the MoP to Union Territories for privatization of Power Departments/ Utilities under AatmaNirbhar Bharat Abhiyan will also be funded out of this component. The details of the consultancies shall be finalized by the Monitoring Committee. The costs towards this consultancy for the Scheme period will be borne by the Ministry of Power out of allocation under Part-B of the Scheme.

IV. Nodal agency fee, MoP enabling activities and PMA charges

This head will cover various enabling activities viz. communication plan, consumer awareness and other associated measures such as third-party evaluation, nodal agency fee and PMA charges etc.

Shram Shakti Bhawan, Rafi Marg
New Delhi the 20th July 2021

OFFICE MEMORANDUM

Subject: Constitution of Monitoring Committee for implementation of Revamped Distribution Sector Scheme: A Reforms based and Results linked Scheme. – regarding

The “**Revamped Distribution Sector Scheme - A Reforms based and Results linked Scheme**” has been approved by Government of India with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.

2. A Monitoring Committee for the scheme is being constituted comprising the following members:

(i)	Secretary, Ministry of Power	Chairperson
(ii)	Chairperson, Central Electricity Authority	Member
(iii)	Principal Advisor (Energy), NITI Aayog	Member
(iv)	Joint Secretary, Ministry of Finance (D/o Expenditure)	Member
(v)	Joint Secretary, Ministry of New and Renewable Energy	Member
(vi)	Joint Secretary, Ministry of Home Affairs	Member
(vii)	Joint Secretary, Ministry of Electronics and IT	Member
(viii)	Additional Secretary(Distribution),Ministry of Power	Member
(ix)	Additional Secretary & Financial Advisor, Ministry of Power	Member
(x)	Joint Secretary (Distribution), Ministry of Power	Member
(xi)	CMD, Power Finance Corporation Ltd.	Member
(xii)	CMD, PGCIL	Member
(xiii)	DG, Bureau of Energy Efficiency (BEE)	Member

(xiv)	Director, NPMU	Member
(xv)	CMD, REC Ltd.	Member Secretary & Convener

3. The Monitoring Committee will frame and approve all operational guidelines, sanction all Action Plans & DPRs of DISCOMs / States and proposals/DPRs under Part-B, and review and monitor implementation of Scheme including review of Third-Party Mid-Term Evaluation of the Scheme carried out by the Nodal Agency.

4. The Monitoring Committee will exercise powers vested with it in terms of OM No 20/9/2019-IPDS dated 20th July, 2021 issued by Ministry of Power for implementation of Revamped Distribution Sector Scheme. In addition, the Monitoring Committee would also exercise powers vested with it in terms of the OM No 44/44/2014-RE dated 17th December, 2014 and OM No 26/1/2014-APDRP dated 15th December, 2014 in respect to issues pertaining to the DDUGJY,IPDS and PMDP Schemes respectively, including on their subsumed components.

5. REC Ltd. and Power Finance Corporation Limited being the Nodal Agencies will provide necessary secretarial assistance such as manpower, material and other logistic support to the committee for smooth implementation of the scheme.

6. The members of the Committee will draw TA/DA if any, from their respective offices.

7. This issues with the approval of Hon'ble Minister of Power, and New & Renewable Energy.

Srikanth
(M. Srikanth Reddy)
Deputy Director(UR&SI-II)
Tel.No.011-2339108

To

1. All Members of the Monitoring Committee.
2. CMD, REC Ltd.

Copy to:

1. PS to Hon'ble Minister of Power
2. PS to Hon'ble Minister of State for Power
3. Sr. PPS to Secretary (Power)
4. PPS to AS(Distribution),/PPS to AS&FA, Ministry of Power
5. PPS to JS(Distribution), Ministry of Power
6. PPS to Director (UR&SI)/ PS to Director (Distribution Schemes), Ministry of Power

Allocation of States between Nodal agencies

States and UTs allocated to REC

1. Assam
2. Meghalaya
3. Arunachal Pradesh
4. Chhattisgarh
5. J&K
6. Ladakh
7. Goa
8. Tamil Nadu
9. Karnataka
10. Bihar
11. Rajasthan
12. Uttar Pradesh
13. West Bengal
14. Andaman Nicobar
15. Sikkim
16. Mizoram
17. Manipur
18. Nagaland
19. Tripura

States and UTs allocated to PFC

1. Maharashtra
2. Gujarat
3. Andhra Pradesh
4. Telangana
5. Kerala
6. Madhya Pradesh
7. Uttarakhand
8. Odisha
9. Jharkhand
10. Punjab
11. Haryana
12. Himachal Pradesh
13. Chandigarh
14. Delhi
15. Puducherry
16. Lakshadweep
17. DNH and Daman & Diu

F.No.42/17/2011-RE [206787]
Government of India / Bharat Sarkar
Ministry of Power / VidyutMantralaya
Shram Shakti Bhawan, New Delhi-110001
 ** ** **

Dated the 16th September, 2021

To

**The Additional Chief Secretary/Principal Secretary/Secretary
 (Power/Energy) of all States/UTs**

Subject: Constitution of District Electricity Committees.

Sir/Madam,

Government of India have been providing funds under different schemes for strengthening the Distribution Systems in the country. In the past five years almost 2 lac crore were provided under DDUGJY/IPDS/SAUBHAGYA/RE etc. to ensure universal access by electrifying every village and every hamlet and every household; and for setting up more substations, upgrading existing substations, for HT/LT lines/ Transformers etc. for strengthening the Distribution systems. However, Government of India have been receiving complaints regarding the quality of works, works not been completed etc. Now the Govt. have approved a new scheme of 3 lac crores for further strengthening the Distribution Systems wherever necessary, and modernizing it to meet emerging challenges. In order to ensure the involvement and oversight of the people in the process it has been decided to set up a District Level Committee which shall exercise oversight over all Government of India schemes; as also its impact on the provision of services to the people.

(i) The Composition of the Committee may be as under:

(a)	Most Senior MP in the district	Chairperson
(b)	Other MPs in the district	Co-chairpersons
(c)	District Collector	Member Secretary
(d)	Chairperson / President of the District Panchayat	Member
(e)	MLAs of the district	Members
(f)	Most Senior representatives of CPSUs of Ministry of Power and NRE located in the concerned district, or their nominated officials for the district.	Members
(g)	Chief Engineer/Superintending Engineer of the DISCOM / Power Department concerned	Convenor

(ii) The Committee will meet periodically at District Headquarters at least once in three months to review and coordinate overall development of power supply infrastructure in the district in accordance with the schemes of the Government which may, inter-alia, include the following aspects :

- a. All Government of India Schemes, including their progress and quality issues.

Bendu

- b. Development of Sub-transmission and distribution network including regular operations and maintenance of network – identifying further areas where strengthening is needed.
- c. Impact of the works on quality and reliability of power supply.
- d. Standards of Performance and consumer services / quality of supply.
- e. Complaints and Grievance Redressal System.
- f. Any other relevant matter

(iii) It will be the responsibility of the Convenor and Member Secretary to conduct the meetings on regular basis and issue timely minutes.

2. Therefore, all the States/UTs are requested to notify and ensure establishment of District Electricity Committees as mentioned above under intimation to this Ministry.

Yours faithfully,



(Bimlesh Pawar)

Under Secretary to the Govt. of India

Email: bimlesh.pawar@nic.in

distribution2-mop@gov.in

Tel: 011-23708051

Copy to:-

1. CMD, REC Ltd., Plot No I-4, Sector-29, Gurugram, Haryana-122001
2. CMD, Power Finance Corporation Ltd., Urjanidhi 1, Barakhamba Lane, New Delhi- 110001

Copy for information:-

PS to HMoP/ PS to HMoSP/ Sr. PPS to Secretary (Power) / PPS to AS&FA/PPS to AS (D)/ PPS to JS(D) / PS to Director (UR&SI/DS), Ministry of Power.