



# GUIDELINES

## DEENDAYAL UPADHYAYA GRAM JYOTI YOJANA (DDUGJY)

Approved by Monitoring Committee



असीमित ऊर्जा, अनन्त संभावनाएं  
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**Nodal Agency**

## Chapter I - DEENDAYAL UPADHYAYA GRAM JYOTI YOJANA (DDUGJY)

### 1. Background:

- 1.1 In rural areas of the country, the agricultural and non-agricultural load (domestic and non-domestic) are typically catered through common distribution network. The availability of power supply in rural areas is inadequate and unreliable in many parts of the country. The distribution utilities resort to frequent load shedding in rural areas to mitigate the gap between supply and demand, which affects power supply to agricultural consumers as well as non-agricultural consumers owing to common distribution network.
- 1.2 Feeder separation refers to supply of electricity to agricultural consumers and to non-agricultural consumers (domestic and non-domestic) separately through dedicated feeders. This arrangement allows the distribution company to regulate power supply to agricultural consumers as and when needed for effective Demand Side Management (DSM). The separation of feeders helps in flattening of the load curve by shifting the agricultural load to off-peak hours and thus facilitates peak load management. The core objective of separation of feeders is to provide regulated supply to agricultural consumers and continuous power supply to non-agricultural consumers in rural areas.
- 1.3 The demand of electricity in rural areas is increasing day by day due to increase in customer base, changes in lifestyle and consumption pattern which requires continual strengthening and augmentation of distribution network. However, the poor financial health of the distribution utilities has resulted in under-investment in the distribution network leading to poor upkeep and maintenance of assets, particularly in rural areas. Therefore, strengthening and augmentation of sub-transmission & distribution infrastructure is also considered necessary to ensure reliable and quality power supply in rural areas.
- 1.4 In order to facilitate sustainable commercial operations of electricity distribution, it is also important to focus on metering at consumer end for all categories of consumers. Apart from metering at consumer end, the metering arrangement at distribution transformers and feeders would facilitate building up a mechanism for proper energy accounting. This will help in identifying high loss pockets and initiating remedial measures towards reduction of losses.

### 2. Approval of the scheme

- 2.1 Govt. of India has launched Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for the rural areas with the following components:
  - (i) **Separation of agriculture and non-agriculture feeders** facilitating judicious rostering of supply to agricultural & non- agricultural consumers in the rural areas;

(ii) **Strengthening and augmentation of sub-transmission & distribution (ST&D)** infrastructure in rural areas, including metering at distribution transformers, feeders and consumers end;

(iii) **Rural electrification**, as per CCEA approval dated 01.08.2013 for completion of the targets laid down under RGGVY for 12<sup>th</sup> and 13<sup>th</sup> Plans by subsuming RGGVY in DDUGJY and carrying forward the approved outlay for RGGVY to DDUGJY;

2.2 The approval has been accorded for components (i) and (ii) above having scheme cost of Rs. 43033 crore including a budgetary support of Rs. 33453 crore from Government of India during the entire implementation period (balance period of 12<sup>th</sup> & 13<sup>th</sup> Plan).

2.3 The existing programme of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) as approved by CCEA for continuation in 12<sup>th</sup> and 13<sup>th</sup> Plans will get subsumed in this scheme as a separate rural electrification component [component (iii) above] for which CCEA has already approved the scheme cost of Rs. 39275 crore including a budgetary support of Rs. 35447 crore. This outlay will be carried forward to the new scheme of DDUGJY in addition to the outlay indicated in Para 2.2 above.

2.4 Office Memorandum F.No. 44/44/2014-RE dated 3<sup>rd</sup> December 2014 issued by the Ministry of Power in respect of Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) is enclosed as **Annexure-I**.

3. These guidelines shall be applicable for the components (i) & (ii) above of the scheme viz. feeder separation and augmentation of distribution infrastructure including metering in rural areas and any new project sanctioned under Rural Electrification component. The existing operational Guidelines/ Standard documents/ procedures of RGGVY shall continue to prevail for implementation of already sanctioned RE projects.

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## Chapter II Project Formulation and Implementation

### 1. Project formulation:

Project formulation under the scheme will be a two stage process as explained below:

(i) **1st Stage:** The utilities will identify need for feeder separation and critical gaps in sub-transmission and distribution network considering all relevant parameters such as consumer mix, consumption pattern, voltage regulation, AT&C loss level, HT & LT ratio, optimum loading of transformers & feeders / lines, reactive power management, power factor improvement, standard of performance etc. and on-going works under other schemes for efficient management of distribution system. Based on the assessment, utilities will prioritize scope of work to ensure (i) 24x7 power supply for non-agricultural consumers and adequate power supply for agricultural consumers, (ii) reduction of AT&C losses as per trajectory (discom-wise) finalized by the Ministry of Power in consultation with States and (iii) providing access to all rural households. The utility / state shall ensure availability of power to achieve the target of 24x7 power supply for non-agricultural consumers, progressively in rural areas. The utilities shall prepare a Need Assessment Document (NAD), in prescribed format (being circulated by nodal agency separately), containing all relevant information along with justifications (preferably by way of load flow studies) to substantiate the proposed scope of work and cost estimates. The NAD will be examined by the nodal agency to arrive at broad scope of work to be covered under the scheme and the total cost in consultation with the concerned utilities.

(ii) **2nd Stage:** Based on the broad scope of work validated by nodal agency at 1st Stage, the utilities will formulate district/circle/zone wise bankable Detailed Project Reports (DPRs) based on detailed field survey and latest approved schedule of rates for various items of work. The Nodal Agency will separately provide comparable costs sourced from CPSUs for major equipment for reference of the utility. These reference rates shall be used as ceiling rates for sanctioning of the projects. Grant shall be extended on the sanctioned cost or award cost of the project, whichever is lower. The works in Gram Panchayat selected under Saansad Adarsh Gram Yojana (SAGY) shall necessary be included in the DPR. While formulating DPRs, utility shall necessarily consult the public representatives including Member of Parliament. Utility shall furnish a certificate to this effect while submitting DPRs to Nodal Agency.

### 2. Scope of Works: The projects under the scheme shall be formulated for **rural areas only** and will cover works relating to:

- (i) Separation of agriculture and non-agriculture feeders facilitating judicious rostering of supply to agricultural & non- agricultural consumers in the rural areas;
- (ii) Strengthening and augmentation of sub-transmission & distribution (ST&D) infrastructure in rural areas, including metering at distribution transformers, feeders and consumers end;

The details of works covered under the scheme are as under:

**i. Feeder Separation**

- (i) Physical separation of HT feeders for Agricultural and non-Agricultural consumers:
  - a. Erection of HT lines for drawing new feeders and reorientation/re-alignment of existing lines.
  - b. Installation of new distribution transformers and augmentation of existing distribution transformers.
  - c. Re-location of distribution transformers and associated LT lines for re-grouping of consumers (Agricultural and Non-Agricultural).
- (ii) Virtual separation of feeders :
  - a. Installation of new distribution transformers and augmentation of existing distribution transformers.
  - b. Re-location of distribution transformers and associated LT lines for re-grouping of consumers (Agricultural and Non-Agricultural).
  - c. Installation of rotary switch and associated hardware at sub-stations.

Feeders already segregated by the utilities shall not be eligible to be covered under this scheme. However, the feeders segregated by virtual means could be considered for undertaking physical separation under the scheme.

**ii. Strengthening of sub-transmission and distribution system**

- (i) Creation of new sub stations along with associated 66 KV / 33 KV/ 22 KV/ 11 KV lines.
- (ii) Augmentation of existing sub-stations capacity by installation of higher capacity/additional power transformer along with associated equipment/ switchgear etc.
- (iii) Erection of HT lines for reorientation/re-alignment including augmentation of existing lines.
- (iv) Installation of new distribution transformers and augmentation of existing distribution transformers along with associated LT lines.
- (v) Installation of capacitors.
- (vi) Renovation and Modernization of existing sub-stations and lines.
- (vii) High Voltage Distribution System (HVDS).
- (viii) Arial Bunched Cable for theft prone areas.

**iii. Micro-grid and off-grid distribution network.**

#### iv. Metering

The installation of meters at sub-stations, feeders, distribution transformers and consumers is important to ensure seamless accounting and auditing of energy at all levels in the distribution system. Accordingly, metering of all feeders and distribution transformers including metering at all input points to the utility shall be ensured under this scheme. The metering component under the scheme shall cover the following:

- (i) Installation of suitable static meters for feeders, distribution transformers and all categories of consumers for un-metered connections, replacement of faulty meters & electro-mechanical meters.
- (ii) Installation of Pillar Box for relocation of meters outside the premises of consumers including associated service cables and accessories

#### v. Works not eligible under the scheme

The following works/ items shall not be eligible for coverage under DDUGJY scheme:

- (i) Works already sanctioned under other schemes of Government of India (RGGVY, NEF, R-APDRP etc.). The projects for which any other grant / subsidy from Government of India has already been received / proposed to be received shall not be eligible under this scheme.
- (ii) Service lines to APL consumers.
- (iii) Under-ground cable works.
- (iv) Cost of land for sub-stations.
- (v) Civil works other than sub-stations.
- (vi) Compensation towards right of way.
- (vii) Distribution automation and IT applications.
- (viii) Office equipment / fixtures.
- (ix) Spares (other than mandatory spares).
- (x) Tools and Plants (T&P).
- (xi) Vehicles.
- (xii) AMR / AMI, Prepaid meters and Smart Meters.
- (xiii) Salaries and Establishment Expenditure.

3. **Eligible entities:** All Discoms including private sector Discoms and State Power Departments (referred to as Utilities) will be eligible for financial assistance under the scheme. In case of private sector Discoms where the distribution of power supply in rural areas is with them, projects under the scheme will be implemented through a concerned State Government Agency and the assets to be created under the scheme will be owned by the State Government / State owned companies. These assets will be handed over to the concerned Utility for their use during the license period on

mutually agreed terms and conditions. The responsibility of operation and maintenance of these assets would be of the concerned Utility. The areas under franchisee shall be covered under the scheme subject to compliance with the terms & conditions of their respective agreements. Rural Electric (RE) Cooperative Societies shall also be eligible, but they would be required to submit Audited statements annually regarding the utilization under the approved project through the State Cooperative Department and the concerned Discom. Further, all the projects need to be recommended by the State Level Standing Committee.

4. **Submission and approval of DPRs:** The district/circle/zone wise DPRs shall be prepared by the utility and recommended by State Level Standing Committee (SLSC) headed by Chief Secretary of the State. The utility shall submit the DPR to the Nodal Agency online through web portal. One hard copy of the DPR (as printed out from web portal), duly recommended by the SLSC shall be submitted by the utility to the Nodal Agency for record and reference. The eligible projects (DPR) will be approved by the Monitoring Committee.
5. **DPR for NOFN component:** Government of India has already approved the setting up of National Optical Fiber Network (NOFN) to provide connectivity to 2,50,000 Gram Panchayats spread over 6,600 Blocks and 641 Districts of the country, which would ensure broadband connectivity with adequate bandwidth. The existing optical fiber will be extended up to the Gram Panchayats. The Programme is being implemented through Bharat Broadband Network Limited (BBNL), which is a Special Purpose Vehicle set up by Government of India with the mandate to create the National Optical Fiber Network (NOFN) in India.

The DDUGJY scheme envisages to connect all the 33 KV or 66 KV grid sub stations/ billing offices / Regional / Circle / Zonal offices of utilities by extending optic fiber network being established under NOFN. Provision of 100% grant has been made under the scheme for connecting the missing links of NOFN including terminal equipment provided such connectivity has not been included / approved under any other scheme of Government of India / State Governments. A declaration of the state regarding coverage of optic fibre missing links as per the provision of the scheme shall form a part of tripartite/ bipartite agreement to be executed with state.

A separate and consolidated DPR shall be prepared by the respective utility in consultation with BBNL or any designated agency like BSNL, RailTel, PGCIL etc. for the NOFN programme in the state. The DPR shall include the proposed implementation methodology and milestones along with the cost. DPRs recommended by the SLSC shall be submitted to the Nodal Agency.

6. **Eligible Cost for determining grant:** The project cost approved by the Monitoring Committee or Award cost of the project (including price variation, if any), whichever is less, shall be the eligible cost for determining the Grant (including additional grant) under the scheme. However 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 utility / respective State Government.

Nodal agency, based on the request of the utility, can also consider endorsing any increase in the approved project cost based on award to facilitate the utility to tie up



the required debt against the project. However, the grant portion from Government of India shall be limited to the project cost approved by the Monitoring Committee. Nodal agency will compile all such cases and periodically submit the same for information of the Monitoring Committee.

7. **Tripartite/ Bipartite agreement:** A Tripartite agreement will be executed between REC as the Nodal Agency on behalf of Ministry of Power, the State Government and the Utility for undertaking and agreeing to their stipulated roles/responsibilities as per provisions of the scheme guidelines. Bipartite agreement will be executed in case of State Power Departments.
8. **Mode of Implementation:** The projects shall be implemented on turn-key basis. The turnkey contract shall be awarded by the concerned utilities through e-tendering in accordance with the prescribed Procurement Policy, Standard Bidding Document and Technical Specifications being circulated separately by the nodal agency. The projects have to be awarded within six months of date of communication of the approval by the Monitoring committee. However, in exceptional circumstances, execution on partial turnkey/departmental basis shall be permitted with the approval of the Monitoring Committee.
9. **Implementation Period:** Projects under the scheme shall be completed within a period of 24 months from the date of issue of Letter of Award (LoA) by the utility, in case of turnkey implementation. For execution on partial turnkey/departmental basis, approved by the monitoring Committee, project needs to be completed within 30 months (24 months for implementation and 6 months for placement of awards for supply and services i.e. erection) from date of communication of the approval of the Monitoring committee. In case the utilities are not able to complete the projects within stipulated time period due to circumstances beyond their control, the Monitoring Committee is authorized to grant time extension based on merits in exceptional cases on a case to case basis.

In either mode of implementation (turnkey/partial turnkey/departmental), the maximum time limit for completion of the project viz award and implementation shall not be beyond thirty months from date of communication of the approval of the Monitoring committee. However, the upper limit for completion of award shall be nine months as defined in Chapter IV Funding mechanism, under para 6 i.e pre closure/recall of grant.

10. **Dedicated team for implementation of projects:** Utility shall create a dedicated team for implementation of projects at district and Utility/State level including necessary manpower and requisite infrastructure like office, logistics etc. to ensure smooth implementation, monitoring and to redress grievance of public and public representatives of the project areas. The details of the dedicated team shall be mentioned in the DPR. An officer of the rank of Chief Engineer/General Manager or above, will be designated as Nodal Officer from the dedicated team at utility/ state level. The Nodal Officer shall be responsible for implementation of scheme in accordance with the prescribed guidelines, providing all necessary information including physical & financial progress related to the projects, arrange to get relevant



orders/clearances from the State Government, enhance level of awareness and redress grievances of public & public representatives in the project areas.

11. **Project Management Agency (PMA):** An appropriate Project Management Agency (PMA) shall be appointed preferably utility-wise to assist them in project management ensuring timely implementation of the project. 100% grant will be provided by Government of India towards expenditure incurred on Project Management Agency (PMA) as per provision in the scheme i.e. up to 0.5% of cost of works. The utility has to bear any cost beyond 0.5% of the project cost, if any, from own resources for deployment of PMA. Utility can select any PMA from CPSUs or through open bidding as per their policy/guidelines. The separate Guidelines specifying duties, responsibilities and disbursement conditions for of their fees & other aspects shall be circulated separately.

The utility may deploy the same agency as PMA for DDUGJY & IPDS for better coordination, operational efficiency and cost optimization.

12. **Rural Electrification Data Hub:** A Rural Electrification (RE) data hub shall be created at REC. This data hub shall primarily be a nodal information centre for data and information related to rural power distribution systems and will broadly collate the state wise updated status of rural electrification in the country. This will be subsequently uplinked in a seamless manner with the National Power Data Hub in CEA. Modalities and guidelines for implementation of the data hub shall be worked out by REC separately, in consultation with CEA, and shall be put up to monitoring committee for approval.

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### Chapter III - Stakeholders of the scheme- Roles and responsibilities

1. **Rural Electrification Corporation Limited (REC) shall be the Nodal Agency** for operationalization and implementation of the scheme under the overall guidance of MoP. The Nodal Agency will be paid 0.5% of the project cost approved by Monitoring Committee or award cost, whichever is lower, as their fee. The role of the Nodal agency is as below:
  - (i) Notify all the guidelines and formats required for implementation of the project from time to time.
  - (ii) Appraise the DPRs before putting up to the Monitoring Committee.
  - (iii) Conduct all works relating to holding of the Monitoring Committee meetings for approvals.
  - (iv) Administer the Grant Component.
  - (v) Develop a dedicated web portal for submission of DPRs and for maintaining the MIS of the projects.
  - (vi) Monitor physical and financial progress of the projects including quality of works.

Nodal agency shall deploy Third Party services of outside agencies/manpower for concurrent evaluation of project implementation.
2. **State Level Standing Committee:** The Projects shall be recommended by existing State Level Standing Committee (SLSC) constituted for RGGVY projects under the chairmanship of Chief Secretary before submitting the projects to the Nodal Agency. The roles and responsibilities of State Level Committee shall be as follows:
  - (i) Recommending DPRs (including DPRs for NOFN component) for approval of monitoring committee after vetting the physical works covered under the project and ensuring adequacy of upstream network, commensurate with the proposed distribution network and availability of adequate power supply to cater to the load demand of the project area.
  - (ii) Ensuring that there is no duplication / overlapping of works with any other Government of India scheme like RGGVY, NEF etc.
  - (iii) Monitoring progress, quality control and resolve issues relating to implementation of sanctioned projects viz. allocation of land for sub stations, right of way, forest clearance, railway clearance, safety clearance etc.
3. **Monitoring Committee:** The Office memorandum issued in this regard is enclosed as **Annexure II**. The Committee will be empowered to:

- (i) Approve operational guidelines including scope of work and to take necessary policy decisions for operationalization of various components of scheme and amendments thereof within the framework approved by CCEA.
  - (ii) Sanction of DPRs/Projects, monitoring and review of implementation of the scheme.
  - (iii) Grant extension of time for project execution due to circumstances beyond control based on merit in exceptional cases, on a case to case basis, provided there is no cost overrun.
  - (iv) Approve additional grant to states on achievement of specified outcomes.
  - (v) Exercise powers vested with the Monitoring Committee constituted in terms of OM No. 44/10/2011-RE (Vol.III) dated 12th September 2013, in respect of issues pertaining to the implementation of erstwhile RGGVY scheme.
4. **Utility (Discom/Power Department):** The Utility shall be responsible for the following functions:
- (i) Preparation of NAD/DPRs and online submission of DPRs duly recommended by the State Level Standing Committee (SLSC) 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 progress of the project to the Nodal Agency including its periodic updation on the web portal.
  - (vi) To ensure availability of power to achieve target of 24x7 power supply for rural non-agricultural consumers, progressively and adequate power supply for agricultural consumers.
  - (vii) Any other related information to the Nodal Agency to be provided, as and when required.
5. **State Government**
- (i) To extend the role of the existing SLSC for RGGVY projects to empower the committee for recommendation of projects under DDUGJY.
  - (ii) To make upfront payment of revenue subsidy to the utility.
  - (iii) To provide support on policy issues on distribution of power in the state.
  - (iv) To provide required land for sub stations and facilitate in obtaining other statutory clearances (ROW, forest etc.).

- (v) To ensure implementation of NOFN component.
- (vi) To arrange for Utility contribution (10% or 5% as the case may be) in case utility fails to arrange the same.
- (vii) To furnish guarantee for the loan component under the scheme in case the utility is not able to provide any other mode of security.

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## Chapter IV - FUND DISBURSEMENT GUIDELINES

### 1. Funding Mechanism

- 1.1 The states have been categorized in two groups (i) Special Category States (All North Eastern States including Sikkim, J&K, Himachal Pradesh, Uttarakhand) and (ii) Other than Special Category States (all other States).
- 1.2 The financial support under the scheme shall be as under:

Agency	Nature of support	Quantum of support (percentage of project cost)	
		Other than Special Category States	Special Category States
Govt. of India	Grant	60	85
Utility/ State Contribution	Own Fund	10	5
Loan (FIs/Banks)	Loan	30	10
Additional Grant from Gol on achievement of prescribed milestones	Grant	50% of total loan component (30%) i.e 15%	50% of total loan component (10%) i.e. 5%
Maximum Grant by Gol (including additional grant on achievement of prescribed milestones)	Grant	75%	90%

Minimum contribution by Utility(s) shall be 10% (5% in case of Special Category States). However, Utility(s) contribution can go up to 40% (15% in case of Special Category States), if they do not intend to avail loan. In case the Utility(s) do not avail loan, the maximum eligible additional grant would still be 15% (5% in case of Special Category States) on achievement of prescribed milestones. The loan component would be provided by REC or by other FIs/Banks.

- 1.3 The grant support from budget of Ministry of Power shall be as follows:

Instalment No.	Condition for release	Release of Grant Component of Gol
1	(i) Approval of Projects by Monitoring Committee (ii) Bipartite/Tripartite agreement amongst Utilities, State Govt. & REC (on behalf of MoP)	10%
2	Placement of letter of Award (LoA) by the Utility	20%
3	Utilization of 90% of 1 <sup>st</sup> & 2 <sup>nd</sup> instalment and 100% release of Utility contribution	60%
4	After completion of works	10%
5	Total	100%

- 1.4 Additional grant (50% of loan component i.e. 5% for special category states and 15% for other states) under the scheme will be released subject to achievement of following milestones:
- (i) Timely completion of the scheme as per laid down milestones.
  - (ii) Reduction in AT&C losses as per trajectory finalized by MoP in consultation with State Governments (Discom-wise)
  - (iii) Upfront release of admissible revenue subsidy by State Govt. based on metered consumption.
- 1.5 At the time of seeking additional grant, Utilities are required to submit claims duly verified by the head of the utility regarding achievement of milestones mentioned under 1.4 above.

## **2. Flow of Funds**

2.1 REC shall submit proposal to Ministry of Power for release of funds for further release to Utility when all the formalities for release to utilities are completed to ensure minimum time gap between receipt of funds by REC from Ministry of Power and release to utilities by REC.

2.2 On request from REC, and after satisfying that the conditions specified for release of particular installment have been complied with, Ministry of Power shall release fund against that particular installment directly to REC's dedicated bank account.

### **2.3 Release by REC**

2.3.1 On request from Utilities, REC shall release funds to the dedicated bank accounts of utilities.

2.3.2 In order to receive fund under DDUGJY each utility shall open a separate dedicated bank account in a nationalized bank having e-banking facility. The nature of the account shall be current account with CLTD (Corporate Liquid Term Deposit) facility.

2.3.3 Eligible fund for execution of the project shall be released to this dedicated account and all due payments related to execution of project(s) shall be made by Utilities from this account. Utilities shall maintain books of accounts both for receipt of fund from REC and release to Contractors for each of the project.

2.3.4 The project cost approved by the Monitoring Committee or Award cost of the project (including price variation, if any), whichever is less, shall be the eligible cost for determining the Grant (including additional grant) under the

Scheme. However 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 utility/respective State Government.

## **2.4 Mechanism for release of grants and fee to Nodal Agency (REC)**

2.4.1 Release of 10% of eligible Grant component (1<sup>st</sup> tranche) on achievement of following:

- (i) Approval of the project by the Monitoring Committee
- (ii) Execution of tripartite/bipartite agreement
- (iii) Appointment of Project Management Agency (PMA) by the Utility

2.4.2 Release of 20% of eligible grant component (2<sup>nd</sup> tranche) on achievement on of following:

- (i) Placement of Award
- (ii) Updating of web portal regarding award details

In case of the award cost is lower vis-à-vis the approved project cost, 2<sup>nd</sup> tranche shall be suitably adjusted.

2.4.3 Release of 60% of eligible grant component (3<sup>rd</sup> tranche) on submission of following:

- (i) Certificate from utility regarding utilization of 90% of grant released under 1<sup>st</sup> & 2<sup>nd</sup> tranche
- (ii) Receipt of 100% of utility contribution (10% of approved project cost for other than special category states and 5% of the approved project cost for special category states)
- (iii) Financial sanction of lenders (FIs/Banks) for 30% of approved project cost (10% in case of special category) in case utility needs to avail loan for the project
- (iv) Recommendation of PMA supported by a report on expenditure, progress and constrains for timely completion of project

2.4.4 Release of 10% of eligible grant component (final tranche) on submission of following:

- (i) Project completion certificate, duly recommended by the Head of the Utility, in the stipulated format.



- (ii) PMA report regarding Project completion and expenditure incurred along with recommendations regarding achievement of stipulated objectives in accordance with the guidelines.

2.4.5 In case of timely completion of the project, utilities shall submit all the documents and information in the prescribed format for availing additional grant as per the guidelines.

3. Nodal Agency, REC shall be eligible for 0.5% of the project costs approved by Monitoring Committee or award cost whichever is lower as its fee, which shall be claimed as below:

- (i) **1<sup>st</sup> installment:** 40% of the nodal agency fee (i.e. 40% of 0.5% of approved project cost) in the financial years in which the projects are approved by the Monitoring Committee under DDUGJY.
- (ii) **2<sup>nd</sup> installment:** 30% of the nodal agency fee (i.e. 30% of 0.5% of approved project cost) on award of approved projects.
- (iii) **3<sup>rd</sup> installment:** 20% of the nodal agency fee (i.e. 20% of 0.5% of approved project cost) after one year of claiming 2nd installment.
- (iv) **4<sup>th</sup> installment:** 10% of the nodal agency fee (i.e. 10% of 0.5% of approved project cost) after completion of works.

#### 4. Inter Project Utilization

4.1 In the event the funds earmarked for a particular sanctioned project (say project A) is not expended for valid reasons, the Utility can be allowed to utilize such earmarked funds for other projects (s) (say project B) of the same scheme subject to following:

4.1.1 The fund so diverted from project 'A' together with the amount released for project 'B' in the normal course shall at no time exceed sanctioned cost of project 'B'.

4.1.2 Such diversion will be treated as part of next installment due in respect of project 'B' to which the fund are getting diverted to. All conditions relating to compliance of physical and expenditure target laid down for the next installment due in respect of project 'B' shall also be applicable to such diverted amount of funds from project 'A' as if, it will be treated as release of further installment to project 'B'.

4.1.3 The fund so swapped (fully or partially) shall be regularized on receipt of regular installment from REC.

## **5. Fund Management by REC**

- 5.1 REC shall adopt Corporate Internet Banking (CINB) as per prevailing REC practice and all payments shall be made directly to the Utility's dedicated bank account.
- 5.2 Interest earned on unutilized fund under DDUGJY shall be remitted to Ministry of Power's account on regular basis and at least once in a quarter.

## **6. Fund Management by Utility**

- 6.1 Utility shall adopt CINB. All project related payments to the contractors (and others) by Utility shall be done directly from the dedicated bank account and in no case, Utility shall open any other bank account(s) under DDUGJY. REC shall have the view right of Utility account.
- 6.2 All payment (to contractors & others) shall be made directly from the dedicated bank account as per the established procedure through e-banking only.
- 6.3 Any interest earned on DDUGJY capital subsidy/grant shall be remitted to Ministry of Power's bank account on regular basis and at least once in a quarter.
- 6.4 Since capital subsidy/grant under DDUGJY is Govt. of India money and Utilities are only the custodian of that fund, the Utilities 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 DDUGJY. 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.
- 6.5 The Utility shall ensure that funds released under DDUGJY is utilized for the purpose for which it is released and will not be diverted for any other purposes other than DDUGJY whatsoever. In case of any breach or deviation further release of funds shall be stopped.
- 6.6 The Utility shall ensure that DDUGJY fund shall not be invested in any other bank/branch, whether for short term or medium term, including fixed deposits.

## **7. Utilization Certificate**

Utility shall submit utilization certificates (UC) for the funds released during the financial year and the utilization thereof in prescribed format, latest by 30<sup>th</sup> April of succeeding year. Release of further fund to the utilities will be subject to submission of UC in the prescribed format. The UC shall provide the physical progress/achievements also apart from financial utilization.

## **8. Auditing**

- 8.1 The Utility will ensure auditing of DDUGJY accounts relating to receipts of funds from REC and expenditure incurred by the Utility against such receipts during the F.Y. by independent Chartered Accountant and furnish a report to REC latest by 30<sup>th</sup> June of succeeding year. REC shall consider release of further funds on the receipt of audited report and certificate from Charter Accountant.
- 8.2 In addition to above, the works and any other aspects like quality, quantity, financial etc. under DDUGJY 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, Ministry of Power.

## **9. Monitoring of Programme**

- 9.1 The requisite details of project(s) as prescribed by the REC from time to time shall be entered by the Utility in relevant module of DDUGJY portal.
- 9.2 It shall be the responsibility of the Utility to ensure placement of all Master Data for the constant updating and accuracy of data relating to the progress of DDUGJY works, record of Quality control tests as well as the payments made.
- 9.3 Fund releases to Utility would be affected in case of failure in updation of data on web portal.

## **10. Public Financial Management System (PFMS)**

- 10.1 DDUGJY being a Government of India program, the release from nodal agency (REC) to utilities shall be done through PFMS and utilities shall be using PFMS for funds flows under the scheme.
- 10.2 The Utilities 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.
- 10.3 Utilities receiving funds under DDUGJY are to be registered / mapped in PFMS. REC/Programme Division of Ministry of Power may ensure that all utilities to whom funds are to be released are properly registered/mapped in PFMS.
- 10.4 REC/Utilities shall submit status of unspent Capital subsidy/grant lying with them to Ministry of Power on quarterly basis.

## **11. Quality Assurance and Evaluation Mechanism**

- 11.1 The utility shall be solely responsible & accountable for assuring quality in DDUGJY works. Accordingly, utility shall formulate a comprehensive Quality

Assurance (QA) and Inspection Plan with an objective to build Quality Infrastructure under DDUGJY works. 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 utility and kept in proper order for scrutiny during the course of project execution and for future reference. The Utility 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. The implementation of the scheme in the particular district shall be reviewed periodically during meeting of District Vigilance and Monitoring Committee

- 11.2 Nodal Agency (REC) shall also formulate an appropriate mechanism for third party evaluation, both concurrent and post implementation of the scheme. The nodal agency will appoint agency for carrying out inspection on sample basis. The expenditure on this account shall be met from MoP enabling charges under the scheme.

## **12. Completion of works**

A Project Completion Certificate shall be furnished by the utility, signed by Head of Discoms/Secretary (Power/Energy) in case of Power Departments, which shall contain the information regarding date of completion, details of major items of works approved and completed, justification for non-completion or shelving of nay project component, expenditure against the project with item wise breakup certified by a practicing Chartered Accountant (CA) etc. The project completion certificate needs to be submitted to nodal agency regarding release of final tranche of grant component. A format of project completion certificate will be made available in the web portal for the scheme.

## **13. Eligibility for release of final installment**

The date of completion as mentioned in the project Completion Certificate shall be within the execution period of 24 months from date of award in case of turnkey execution, and 30 months from date of communication of sanction in case of partial turnkey/ departmental execution, or as extended by the Monitoring Committee to become qualified for the release of final tranche of 10%. The expenditure as per the Project Completion Certificate or award cost or the cost approved by the Monitoring Committee whichever is lower shall be considered as the final cost of the project for the release of the last installment of 10%, after adjusting any excess release made earlier (to limit the subsidy amount to 60% of the completed project cost).

## 14. Release of additional grant

14.1 Additional grant (i.e. conversion of 50% of loan component i.e. 5% for special category States and 15% for other States) under the scheme will be released subject to all milestones mentioned below:

(i) **Timely completion of the scheme**

Completion of project within approved time schedule.

(ii) **Reduction in AT&C losses as per trajectory finalized by MOP in consultation with State Governments (Discom-wise)**

The trajectory finalized by MOP in consultation with State Governments (Discom-wise) is enclosed as **Annexure-III**. The actual AT&C loss figure of the utility shall be compared with the corresponding AT&C loss level as per the trajectory. The AT&C losses as determined by Power Finance Corporation (PFC) as per the formula of MoP (enclosed as **Annexure – IV**) shall be the source for examining the compliance of this condition.

(iii) **Upfront release of admissible revenue subsidy by State Govt. based on metered consumption**

Presently, revenue subsidy due against subsidized consumers from the State Governments as per the tariff order is being calculated on the basis of estimation. Metering is a vital component in DDUGJY and utilities are expected to make provisions of providing meters at all level. The amount of subsidy due shall be calculated on the basis of metered consumption after the completion of work under the scheme.

Accordingly upfront release of subsidy based on metered consumption by the State Governments will be seen for compliance of this milestone. The amount of admissible revenue subsidy and the amount received upfront certified by the Head of the utility shall be submitted to the Nodal Agency for compliance.

14.2 The evaluation of criteria (ii) and (iii) will be done for three consecutive years starting from the year of award. The additional grant will be divided in three equal annual tranches corresponding to each year of evaluation (5% for other than special category States and 1.66% for Special category States). The utility will be eligible for each annual tranche only if both conditions of (ii) and (iii) are complied with for that year. Disbursement of eligible additional grant would be subject to completion of project within approved time schedule.

An example for calculating the eligibility of additional grant under varying scenarios is enclosed as **Annexure-V**.

## **15. Pre Closure/Recall of Grant**

- 15.1 In case the utility fails to submit the Project Completion Certificate within a period of one year from the approved project completion date (approved by Monitoring Committee), the Nodal Agency shall send a team suo moto to assess the works and expenditure and submit its recommendation to the Monitoring Committee for closure and also refund of excess grant by utility if any released against the project.
- 15.2 In case the utility fails to award the project within nine months of release of first tranche of grant component viz. 10% the project will be deemed as closed/cancelled and the grant component released shall be refunded by the utility within three months.
- 15.3 In case the utility fails to refund the grant as in above cases, the Nodal Agency has the right to adjust the already released grant against future releases of grant pertaining to other approved projects under the scheme. If there are no such eligible future releases, the same shall be adjusted against the Central Plan Assistance for the State by Government of India.

## **16. Supporting/Enabling activities of Ministry of Power**

A provision of 0.5% of the total project cost has been kept for the supporting/enabling activities of Ministry of Power relating to implementation of the scheme, such as capacity building, creating awareness through workshops, seminars, interaction with stakeholders, program publicity and promotion, quality monitoring of works, third party evaluation, field inspections, evaluation studies, training, study tours, special audits etc.

## **17. Miscellaneous**

Ministry of Power/REC may, from time to time, issue such directions for compliances of Utilities as may be necessary for smooth implementation of the DDUGJY.

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F. No. 44/44/2014-RE  
Ministry of Power  
Govt. of India

Shram Shakti Bhawan, Rafi Marg,  
New Delhi dated 3<sup>rd</sup> December, 2014

**OFFICE MEMORANDUM**

**Subject: "Deendayal Upadhyaya Gram Jyoti Yojana" (DDUGJY)**

Sanction of the President is conveyed for launch/implementation of "Deendayal Upadhyaya Gram Jyoti Yojana" (DDUGJY) with the following components :

- (i) Separation of agriculture and non-agriculture feeders facilitating judicious rostering of supply to agricultural & non- agricultural consumers in the rural areas; and
- (ii) Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers
- (iii) Rural electrification, as per CCEA approval dated 01.08.2013 for completion of the targets laid down under RGGVY for 12th and 13th Plans by carrying forward the approved outlay for RGGVY to DDUGJY.

2. The components at (i) and (ii) of the above scheme will have an estimated outlay of Rs. 43033 crore including a budgetary support of Rs. 33453 crore from Government of India during the entire implementation period. Details are given in **Annexure-I**.

3. The scheme of RGGVY as approved by CCEA for continuation in 12th and 13th Plans will get subsumed in this scheme as a separate rural electrification component [component (iii) above] for which CCEA has already approved the scheme cost of Rs. 39275 crore including a budgetary support of Rs. 35447 crore. This outlay will be carried forward to the new scheme of DDUGJY in addition to the outlay indicated in para 2 above.

**4. Scope of works**

The scheme will cover works relating to feeder separation, strengthening of sub-transmission & distribution systems including metering of distribution transformers/feeders/consumers and rural electrification. The details are given at **Annexure-II**.



## 5. Eligible Utilities

All Discoms including private sector Discoms and State Power Departments will be eligible for financial assistance under the scheme. In case of private sector Discoms where the distribution of power supply in rural areas is with them, projects under the scheme will be implemented through a State Government Agency and the assets to be created under the scheme will be owned by the State Government / State owned companies. These assets will be handed over to the concerned Discom for their use during the license period on mutually agreed terms & conditions. The responsibility of operation and maintenance of these assets would be of the concerned Discom.

## 6. Formulation of DPR and Project Appraisal Mechanism

The Discoms will prioritize strengthening of rural infrastructural works considering specific network requirement and will formulate bankable Detailed Project Reports (DPRs) of the projects for coverage under the scheme. The DPRs will be recommended by existing State Level Standing Committee (SLSC) constituted for RGGVY programme under the chairmanship of Chief Secretary (scope of Committee shall be extended to cover Deendayal Upadhyaya Gram Jyoti Yojana) before submission to the Nodal Agency. The SLSC will ensure that there is no duplication of works while recommending the projects to the Nodal Agency. **Rural Electrification Corporation Limited (REC) shall be the Nodal Agency for operationalization of the scheme.** The Nodal Agency will be paid 0.5% of the total project cost as their fee. The projects shall be appraised and duly recommended by the Nodal Agency for approval of the Monitoring Committee chaired by Secretary (Power), Ministry of Power, Govt of India.

## 7. Monitoring Committee

The projects will be placed for approval by the Monitoring Committee under the chairmanship of Secretary (Power). The Committee will consist of representatives from Ministry of Power, Ministry of Finance, Ministry of Rural Development, Ministry of Agriculture, Ministry of New & Renewable Energy, Central Electricity Authority (CEA) and Planning Commission. Chairman & Managing Director, REC will be the Member Secretary & Convener of the Committee. The Committee will be empowered to approve operational guidelines to be prepared by the Nodal Agency for implementation of the scheme and amend these guidelines (including the scope of work in **Annexure-II**) from time to time within the overall approval granted by CCEA. The Committee will also monitor implementation of the scheme.

## 8. Tripartite/ Bipartite agreement

Suitable Tripartite agreement will be executed between REC as the Nodal Agency on behalf of Ministry of Power, the State Government and the Discom to ensure implementation of the scheme in accordance with the



guidelines prescribed under the scheme. Bipartite agreement will be executed in case of State Power departments.

#### 9. Project Management Agency (PMA)

An appropriate Project Management Agency (PMA) will be appointed by the utility for monitoring and ensuring timely implementation of the project. 100% grant will be provided by Gol towards expenditure incurred on Project Management Agency (PMA) as per provision in the scheme (0.5% of cost of works).

#### 10. Execution Period

Projects under the scheme will be completed within a period of 24 months from the date of issue of Letter of Award (LoA) by the utility. In case the Discoms / Power Departments are not able to complete the projects within stipulated time period due to circumstances beyond their control, the Monitoring Committee will be authorized to grant time extension based on merits in exceptional cases on a case to case basis.

#### 11. Supporting/ Enabling activities of Ministry of Power

A provision of 0.5% of the total project cost has been kept for the supporting/ enabling activities of Ministry of Power relating to implementation of the scheme, such as capacity building, creating awareness, monitoring, field inspections, evaluation studies, training etc.

#### 12. Funding Mechanism

The funding mechanism will be as under:

Agency	Nature of support	Quantum of support (Percentage of project cost)	
		Other than Special Category States	Special Category States #
Govt of India	Grant	60	85
Discom Contribution*	Own Fund	10	5
Lender (FIs/ Banks)	Loan	30	10
Additional Grant from GOI on achievement of prescribed milestones	Grant	50% of total loan component (30%) i.e. 15%	50% of total loan component (10%) i.e. 5%
Maximum Grant by GOI (including additional grant on achievement of prescribed milestones)	Grant	75%	90%

# **Special Category States** (All North Eastern States including Sikkim, J&K, Himachal Pradesh, Uttarakhand)

\* Minimum contribution by Discom(s) is 10% (5% in case of Special Category States). However, Discom(s) contribution can go up to 40% (15% in case of Special Category States), if they do not intend to avail loan. In case, the Discom(s) do not avail loan, the maximum eligible additional

grant would be 15% (5% in case of Special Category States) on achievement of prescribed milestones. The loan component would be provided by REC or by other FIs/Banks.

Note: 100% grant shall be provided by Gol towards expenditure incurred on activities for bridging the missing links of National Optical Fibre Network (NOFN), Creation of Rural Electrification Data Hub at Rural Electrification Corporation & Project Management Agency (PMA) as per provision in the scheme.

### 13. Release of funds by Gol:

The grant support from Gol is proposed to be extended as per following milestones:

Tranche no.	Conditions for release of grant support by Gol	Release of Grant component of GOI
1	(i) Approval of projects by Monitoring Committee (ii) Bipartite / Tripartite agreement amongst Discoms, State Govt & Nodal Agency on behalf of MoP.	10%
2	Placement of Letter of Award (LoA) by the utility	20%
3	Utilisation of 90% of grant released by GOI (1st and 2nd Tranche) and 100% release of Discom contribution	60%
4	After completion of works	10%

### 14. Milestones for release of additional grant (50% of loan component i.e. 5% for special category States and 15% for other States)

Additional grant (i.e. conversion of 50% of loan component) under the scheme will be released subject to achievement of following milestones :

- Timely completion of the scheme as per laid down milestones
- Reduction in AT&C losses as per trajectory finalized by MOP in consultation with State Governments (Discom-wise)
- Upfront release of admissible revenue subsidy by State Govt. based on metered consumption

### 15. Implementation of rural electrification component of the scheme

All ongoing projects under this component of the scheme will be implemented as per CCEA approval dated 01.08.2013 and the commitment made/targets fixed under RGGVY will be completed by carrying forward the approved outlay of RGGVY to DDUGJY. A copy of Office Memorandum issued by Ministry of Power conveying the approval of CCEA is enclosed at **Annexure-III**.



16. The expenditure involved on above scheme would be debitable to approved budget grant No. 2801.05.800.06.00.35 of Ministry of Power for the year 2014-15 and the relevant budget head for the subsequent years.-
17. The scope of work items listed in Annexure-II of this sanction shall be eligible under the scheme provided the proposed scope of works is not covered under any GoI program like R-APDRP/ RGGVY / NEF etc. The projects for which any other grant / subsidy from Government of India has already been received / proposed to be received shall not be eligible under this scheme. State Level Standing Committee (SLSC) under the chairmanship of Chief Secretary shall ensure that there is no duplication of works while recommending the projects to the Nodal Agency.
18. The Nodal Agency will furnish monthly progress reports on the implementation of the scheme indicating both financial and physical progress to Ministry of Power and CEA.
19. Detailed guidelines for the implementation of the scheme will be issued separately.
20. This issues with the concurrence of Finance Wing vide their diary No. 190/Fin./14 dated the 01.12.2014.



(B.N.Sharma)

Joint Secretary to the Government of India

To

1. Chief Secretaries of all States
2. Secretary (Power/Energy) of all States
3. Chairman of all State Utilities
4. Chairman & Managing Director, REC, SCOPE Complex, New Delhi.
5. Cabinet Secretariat.
6. Prime Minister's Office.
7. Controller of Accounts, Ministry of Power.
8. Controller of Accounts, Pay & Accounts Office.
9. Principal Directorate of Audit, Economic & Service Ministries, I.P. Estate, New Delhi.
10. Secretary, Planning Commission, New Delhi.
11. Secretary, Department of Expenditure, Ministry of Finance, New Delhi.
12. Chairman, Central Electricity Authority, Sewa Bhawan, R.K.Puram, New Delhi.

Copy to:

PPS to Secretary/PPS to SS(RNC)/PS to JS(RE)/PS to JS&FA, Ministry of Power.

**COST ESTIMATE**  
**(Other than Rural Electrification Component)**

(Rs. in crore)

S.No.	Proposed Works	Amount
<b>A</b>	<b>Item of works proposed for partial funding by GOI</b>	
1	Feeder Separation/ New Feeders (16500 Nos. feeders and associated works)	24,750
2	33 KV/66 KV Line (21900 Ckm)	1,515
3	Sub-station Works – 33 KV or 66 KV (1620 new sub-station, augmentation of 1615 existing sub-station)	4,045
4	LT Infrastructure works (LT lines with bare conductor/Arial Bunched cables & Distribution Transformers)	5,350
5	Metering at Feeders, Distribution Transformers & Consumers end	6,450
	<b>Sub-Total (A)</b>	<b>42,110</b>
<b>B</b>	<b>Item of works proposed for 100% funding by GOI</b>	
7	Establishing Missing link of Optic fibre (Upto Sub Stations under National Optic Fibre Network-NOFN)	280
8	Creation of Rural Electrification Data Hub at Rural Electrification Corporation	10
9	Project Management Agency (PMA) @ 0.5% of total cost of works [0.5% of A]	211
	<b>Sub-Total (B)</b>	<b>501</b>
	<b>Total Project Cost (A+B)</b>	<b>42,611</b>
<b>C</b>	<b>Fee of Nodal Agency and provision for enabling activities for Ministry of Power</b>	
10	REC fee @0.50 % of total cost of works (A)	211
11	Provision for MoP for enabling activities @0.50 % of total cost of works (A)	211
	<b>Sub-Total (C)</b>	<b>422</b>
	<b>Grand Total (A+B+C)</b>	<b>43033</b>

**ESTIMATE FOR GBS REQUIREMENT (Other than Rural Electrification Component)**

(Rs. Crore)

Sl.No.	Particulars	Other than Special Category States	Special Category States	Total
1	Total Cost of Works proposed for partial funding by GOI	35793.50	6316.50	42110.00
2	Percentage of project cost proposed to be shared by Gol as Grant (including additional grant on timely completion)	75%	90%	-
3	Grant Component for works proposed for partial funding by GOI	26845.13	5684.85	32529.98
4	Total Cost of Works proposed for 100% funding by GOI	501.00		501.00
5	Fee of Nodal Agency and provision for enabling activities for Ministry of Power	422.00		422.00
	<b>Total GBS Requirement (3+4+5)</b>			<b>33452.98 say 33453</b>



**YEAR-WISE PHASING OF BUDGETARY SUPPORT**  
**(Other than Rural Electrification Component)**  
**(Rs. Crore).**

Year	Grant
2014-15	500
2015-16	3500
2016-17	6500
<b>Sub-Total (12th Plan)</b>	<b>10500</b>
2017-18	8500
2018-19	7500
2019-20	2500
2020-21	2000
2021-22	2453
<b>Sub-Total (13th Plan)</b>	<b>22953</b>
<b>Grand Total</b>	<b>33453</b>

Scope of works**1. Feeder Separation**

- (i) Physical separation of HT feeders for Agricultural and non-Agricultural consumers
  - (a) Erection of HT lines for drawing new feeders and reorientation/re-alignment of existing lines
  - (b) Installation of new distribution transformers and augmentation of existing distribution transformers
  - (c) Re-location of distribution transformers and associated LT lines for re-grouping of consumers (Agricultural and Non-Agricultural)
- (ii) Virtual separation of feeders
  - (a) Installation of new distribution transformers and augmentation of existing distribution transformers
  - (b) Re-location of distribution transformers and associated LT lines for re-grouping of consumers (Agricultural and Non-Agricultural)
  - (c) Installation of rotary switch and associated hardware at sub-stations

Feeders already segregated by the States Discoms / Power Deptt. shall not be eligible to be covered under this scheme. However, the feeders already segregated by virtual means could be considered for undertaking physical separation under the scheme.

**2. Strengthening of sub-transmission and distribution system in rural areas to address critical gaps**

The following works shall be eligible to be covered under the scheme based on study/assessment carried by the respective State Discoms / Power Deptt. for identifying critical gaps in sub-transmission and distribution network considering all relevant parameters (such as voltage regulation, HT & LT ratio, optimum loading of transformers & lines, reactive power management, power factor improvement, standard of performance, ongoing works under other schemes etc.) :

- (i) Creation of new sub stations along with associated 66 KV / 33 KV/ 22 KV/ 11 KV lines.
- (ii) Augmentation of existing sub-stations capacity by installation of higher capacity/additional power transformer along with associated equipment/ switchgear etc.
- (iii) Erection of HT lines for reorientation/re-alignment including augmentation of existing lines
- (iv) Installation of new distribution transformers and augmentation of existing distribution transformers along with associated LT lines



- (v) Installation of capacitors
- (vi) Renovation and Modernization of existing sub-stations and lines
- (vii) High Voltage Distribution System (HVDS)
- (viii) Aerial Bundled Cable for theft prone areas

### 3. Metering

- (i) Installation of suitable static meters for feeders, distribution transformers and all categories of consumers for existing un-metered connections, replacement of faulty meters & electro-mechanical meters.
  - (ii) Installation of Pillar Box for relocation of meters outside the premises of consumers including associated cables and accessories
4. Rural electrification component as per ongoing RGGVY scheme in accordance with CCEA approval dated 01.08.2013 for continuation of scheme in 12th and 13th Plan and applicable guidelines
  5. Completion of optical fibre missing links to connect all the 33 KV or 66 KV grid sub stations under the establishment of National Optical Fibre Network (NOFN)
  6. Creation of rural electrification data hub at REC
  7. Provisioning of micro-grid and off-grid distribution network

Above works shall be eligible under the scheme provided the proposed scope of works is not covered under any GoI program like R-APDRP/ RGGVY / NEF etc. The projects for which any other grant / subsidy from Government of India has already been received / proposed to be received shall not be eligible under this scheme. State Level Standing Committee (SLSC) under the chairmanship of Chief Secretary shall ensure that there is no duplication of works while recommending the projects to the Nodal Agency.

#### List of items not eligible to be covered under the scheme

1. Works already covered under other schemes of Govt. of India
2. Service lines to consumer (except rural electrification component)
3. Under-ground cable works
4. Cost of land for sub-stations
5. Civil works other than sub-stations
6. Compensation towards right of way
7. Distribution automation and IT applications
8. Office equipment / fixtures
9. Spares (Other than mandatory spares prescribed by the Manufacturer)
10. Tools and Plants (T&P)
11. Vehicles
12. AMR / AMI, Prepaid meters and Smart Meters
13. Salaries and Establishment Expenditure



F. No. 44/10/2011-RE  
Ministry of Power  
Govt. of India

Shram Shakti Bhawan, Rafi Marg,  
New Delhi dated 2<sup>nd</sup> September, 2013

OFFICE MEMORANDUM

**Subject: Continuation of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) in 12th & 13th Plan - Scheme of Rural Electricity Infrastructure and Household Electrification.**

In continuation of Office Memorandum No. 44/19/2004-D(RE) dated 18th March 2005 and Order No. 44/37/07-D(RE) dated 06.02.2008, sanction of the President is conveyed for continuation of "Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) - Scheme of Rural Electricity Infrastructure and Household Electrification", in the 12th & 13th Plan for :

- (i) Completing spillover works of projects sanctioned in 10th and 11th Plan
  - (ii) Continuing the scheme for covering all remaining census villages and habitations with population of above 100
  - (iii) Providing free electricity connections to BPL households at the rate of Rs. 3000 per connection in villages and habitations with population of above 100
  - (iv) Extending DDG to grid connected areas to supplement the availability of power in areas where power supply is less than six hours a day
2. The approval has been accorded for total capital subsidy of Rs.35,447 crore, of which Rs. 23,397 Crore will be met through GBS for 12th Plan and remaining Rs.12,050 Crore would spillover to 13th Plan. Details are enclosed at Annexure-I.
  3. Rural Electrification Corporation (REC) will continue to be the nodal agency for the scheme.
  4. Ninety per cent capital subsidy would be provided towards overall cost of the projects under the scheme, excluding the amount of state or local taxes, which will be borne by the concerned State/State Utility. 10% of the project cost would be contributed by states through own resources/loan from financial institutions.
  5. Prior commitment to be given by the respective State Government for a minimum daily supply of 6-8 hours of electricity in the RGGVY network with the assurance of meeting any deficit in this context by supplying electricity at subsidized tariff as required under the Electricity Act 2003.

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## 6. Scope of the scheme

### 6.1 Spillover works of 10th and 11th Plan projects

Spillover works of projects sanctioned in 10th and 11th Plan will be completed in accordance with the applicable guidelines for 10th & 11th Plan respectively unless otherwise specified. State-wise details of projects sanctioned during 10th and 11th Plan including DDG projects are enclosed at Annexure-II. The total requirement of capital subsidy for spillover works is Rs. 12,849 Crore as detailed in Annexure-III.

### 6.2 Coverage of remaining Census villages and habitations with population of above 100

The villages and habitations which have not been covered under RGGVY in 10th and 11th Plan projects would be eligible for consideration in 12th Plan. Besides these, villages and habitations covered in 10th and 11th Plan projects would also be eligible for coverage in 12th Plan only for the purpose of covering remaining BPL households as explained below in sub-para 6.3(ii).

### 6.3 Free electricity connection to Below Poverty Line (BPL) households:

(i) BPL households will be provided free electricity connections with LED lamp at the rate of Rs. 3000 per connection in villages and habitations with above 100 population.

(ii) Free electricity connections to BPL households would also be provided in villages and habitations already covered in sanctioned projects of 10th and 11th Plan from available infrastructure (either available before or provided under RGGVY) and cost of providing connections at the rate Rs. 3000 per connection will be reimbursed to the concerned implementing agency. No funds will be made available to augment or strengthen infrastructure in such already covered villages on account of such BPL connections except for about 17,000 villages; mainly in Bihar and Uttar Pradesh; covered in 10th Plan projects with only 10% of BPL households. Any required expenditure for upgrading or strengthening infrastructure will have to be borne by respective State Government or utility.

(iii) Households above poverty line would be paying for their connections at prescribed connection charges and no subsidy would be available for this purpose from this scheme.

(iv) Wherever SC/ST population exists amongst BPL households and subject to being eligible otherwise, they will be provided connection free of cost and a separate record will be kept for such connection.

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#### 6.4 Decentralized distribution-cum-generation

Decentralized distribution-cum-generation from conventional or renewable or non-conventional sources such as biomass, bio fuel, bio gas, mini hydro, geo thermal and solar etc. is envisaged for villages where grid connectivity is either not feasible or not cost effective. DDG will also be extended to grid connected areas to supplement the availability of power in areas where power supply is less than six hours a day. Rs.900 crores as subsidy has been earmarked for DDG Projects. However, the allocation under DDG would be flexible to meet any additional requirement within the overall cost of the scheme. While considering DDG projects it may be ensured that these do not overlap with the schemes of MNRE.

#### 7. Implementation Framework

(i) REC will prepare detailed guidelines for formulation of projects including technical specifications of material / equipment, construction standards, codification scheme for identifying habitations with unique code etc. and guidelines for procurement of goods & services including standard bidding document incorporating cluster based approach for execution of works. REC will get these guidelines approved by the Monitoring Committee.

(ii) REC will formulate an appropriate Quality Control Mechanism through a suitable Quality Control Manual for concurrent evaluation of quality of material/equipment & construction and get it approved by the Monitoring Committee.

(iii) Implementing agencies may also be allowed to execute projects departmentally in exceptional cases with the approval of Monitoring Committee instead of mandatory condition of execution of projects on turnkey basis only. REC will prepare suitable guidelines for departmental execution of projects in such cases to ensure proper utilization of material / equipment in the project areas only and proper accounting of project expenditure and get it approved by the Monitoring Committee.

(iv) REC will formulate a suitable tripartite (Quadripartite – in case CPSU is the implementing agency) agreement to be executed amongst REC on behalf of Ministry of Power, State Government and Implementing Agency to ensure implementation of scheme in accordance with the guidelines prescribed under the scheme and get it approved by the Monitoring Committee.

(v) Each State Government shall set up a State Level Standing Committee, headed by the Chief Secretary and consisting of Secretaries of Energy, Rural Development, Finance, Panchayat Raj, Forest, Revenue and a representative of REC etc. The Committee shall vet the district-wise list of villages, habitations, BPL households to be covered under the scheme and recommend the project proposals formulated by the implementing agency in accordance with the guidelines. The State Committee, while considering project proposals for its recommendations, shall ensure adequacy of upstream network commensurating with the proposed distribution network and availability of adequate power supply to cater to the load demand of project area. The Committee shall also monitor progress, quality control and resolve issues

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relating to implementation of sanctioned projects viz. allocation of land for sub-stations, right of way, forest clearance, railway clearance, safety clearance etc..

(vi) State Government shall identify implementing agencies amongst State Power utilities, DISCOMs and identified CPSUs for implementation of scheme in various districts of the State.

(vii) The Implementing Agencies shall first conduct field survey and identify the list of eligible villages and habitations to be covered in 12th Plan. The list of such identified villages and habitations shall be verified by REC on the basis of its records of 10th and 11th Plan projects. REC, while verifying such list of eligible villages and habitations, shall also ensure that all habitations are identified with unique code. Implementing agency shall prepare district-wise Detailed Project Report (DPR) for electrification works in such selected and verified villages and habitations as per the detailed guidelines and technical specifications and submit the project proposal for recommendation by the State Committee. DPRs shall be prepared and submitted for consideration based on actual field survey and as per updated schedule of rates to arrive at the actual quantity/scope and to avoid any cost revision in future. Cost overruns, if any, on the ground of quantity variation shall not be entertained by MOP subsequently and shall be borne by the State Government.

(viii) The projects implementing agencies shall create a dedicated team for implementation of projects at district and project implementing agency level and to enhance level of awareness and to redress grievance of public and public representatives of the project areas. Payment of agency charges would be contingent upon deployment of such dedicated teams by implementing agencies for management of projects.

(ix) The projects recommended by the State Committee shall be submitted to REC for techno-economic appraisal. REC after detailed techno-economic appraisal, submit its recommendations to the Monitoring Committee for consideration of administrative and financial sanction.

(x) The load per BPL household and APL household to be considered as 250 Watts and 500 Watts respectively.

(xi) It may not be economically viable or technically feasible to extend grid to electrify certain habitation on account of either their size or location. Such habitations may be electrified by using suitable scheme of MNRE. State level committee and monitoring committee will examine this aspect while covering all habitations under the project.

(xii) A suitable mechanism shall be put in place in consultation with Ministry of Finance and with the approval of the Monitoring Committee to avoid any overlap between RGGVY scheme and schemes of MNRE.

#### **8. Service Charges / Fees**

i) The State Utilities and Central Public Sector Undertakings will be provided 5% of the project cost (excluding the cost of providing connections to BPL households) as agency charges (inclusive of all taxes like service tax etc.) for implementing the scheme including field survey, preparation of DPR, deployment of dedicated manpower and also for meeting additional

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expenditure on compulsory third party monitoring at the first tier of the Quality Control Mechanism. Release of agency charges shall be linked to fulfillment of specified conditions like detailed survey, deployment of dedicated team etc..

ii) Rural Electrification Corporation Limited (REC) will be given 0.5% of the project cost as the fee (inclusive of all taxes like service tax etc.) for establishing frameworks for implementation, meeting the scheme related expenditure, appraisal and evaluation both at pre-award and post award stage, monitoring and complete supervision of the programme from concept to completion of the scheme and for quality control of projects at second tier (REC Quality Monitors) of the Quality Control Mechanism. For spillover works of 10th and 11th plan, REC fee would remain same as earlier i.e. @ 1% of the project cost.

iii) For supporting/enabling activities and Quality Monitoring at Third Tier (National Quality Monitors) to be undertaken by Ministry of Power, a provision of 0.5% of the project cost for the projects to be sanctioned in future would be kept. The supporting activities would be in the nature of capacity building, awareness and other administrative and associated expenses, franchisee development and undertaking of pilot studies and projects complementary to the rural electrification scheme.

#### 9. Monitoring Committee

A Monitoring Committee shall be constituted by the Ministry of Power under the Chairmanship of Secretary (Power), Government of India consisting of representatives from Department of Expenditure, Planning Commission, Ministry of Rural Development, Ministry of Panchayati Raj, Ministry of New and Renewable Energy. This Committee will consider projects for sanction based on the recommendation of the respective State Level Standing Committee and REC. The Committee will also monitor implementation of the scheme in addition to issuing / amending guidelines from time to time. The Committee will also be empowered to review and revise the benchmark cost norms.

#### 10. Sustainability of RGGVY assets

Deployment of franchisees for management of rural distribution shall not be mandatory for new as well as ongoing projects already sanctioned in 10th and 11th Plan. However, States should mention the alternative arrangement that would be adopted by them to ensure maintenance of the assets created and revenue sustainability at the DISCOM level. The States through DISCOM would be submitting an undertaking to MOP regarding maintenance of assets created under RGGVY projects, at the time of submission of DPRs.

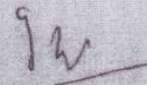
11. The services of Central Public Sector Undertakings (CPSUs) have been offered to the states for assisting them in the execution of Rural Electrification Projects as per their willingness and requirement. With a view to augment the implementation capacities for the programme, REC will enter into Memorandum of Understanding (MOUs) with various CPSUs working in power sector with approval of Monitoring Committee to make available project management expertise and capabilities to states wishing to

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use their services. This will be operationalised through a suitable Tripartite / Quadripartite Agreement.

12. In the event the projects are not implemented satisfactorily in accordance with the conditionalities indicated above, the capital subsidy would be converted into interest bearing loans.
13. The expenditure involved on above scheme would be debitable to approved budget grant No. 76 of Ministry of Power for the year 2013-14 and the subsequent years.
14. This issues with the concurrence of Finance Wing vide their diary No. 1017/JS&FA/13 dated the 19.08.2013.



(B. N. Sharma)  
Joint Secretary to the Government of India

To

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





ESTIMATION OF CAPITAL SUBSIDY FOR 12<sup>th</sup> and 13<sup>th</sup> PLAN**A. FOR SPILLOVER WORKS 10<sup>th</sup> PLAN, 11<sup>th</sup> PLAN**

1. Total requirement of capital subsidy for 10<sup>th</sup> plan, 11<sup>th</sup> plan incl. DDG projects (Details in Annexure-III) Rs.39000 Crore
2. Capital Subsidy utilised up to 31/03/2012 Rs. 26151 Crore
3. Capital Subsidy required for spill over works (1-2) Rs. 12849 Crore

**B. FOR NEW PROJECTS**

Sl. No	Particulars	Unit Cost (Rs. in Lakh)	Total Quantity (No. in Lakh)	Total amount (Rs. in Crore)
1	Estimated cost of electrifying villages including one habitation ( i.e. $0.88 \times 2 = 1.76$ Lakh villages/habitations)	9.00	0.88	7920
2	Estimated cost of electrifying habitations above 100 population	9.00	0.77	6930
3	Estimated Cost of providing free connections to 2.73 Crore BPL households @ Rs.3000/household	0.03	273	8190
4	Cost of DDG Projects in 12th plan	-	-	1000
5	Agency Charges @5 % on (1+2+4) - Excl. BPL cost			792.50
6	Total project cost (1+2+3+4+5)			24832.50
7	REC fee @0.5 % of total project cost			124.16
8	Provision for MoP for enabling activities @0.5 % of total project cost			124.16
9	Total cost to cover remaining villages, habitations and BPL Households (6+7+8)			25080.83
10	Subsidy ratio		90:10	
11	Capital subsidy required for projects (against sr.no. 6 above)			22349.25
12	Capital subsidy against REC Fee/MoP activities			248.33
13	Total requirement of subsidy including REC fee and provision for MoP for 12th plan projects (11+12)			22597.58 Say 22598

- C. TOTAL REQUIREMENT OF CAPITAL SUBSIDY FOR 12<sup>th</sup> AND 13<sup>th</sup> PLAN (A+B) Rs.35447 Crore
- D. CAPITAL SUBSIDY TO BE MET THROUGH GBS FOR 12<sup>th</sup> PLAN Rs. 23397 Crore
- E. CAPITAL SUBSIDY TO BE SPILLOVER TO 13<sup>th</sup> PLAN (C-D) Rs. 12050 Crore



PROJECTS SANCTIONED IN 10TH PLAN AND 11TH PLAN (As on 31/03/2012)

Annexure-II

Sr. No.	State	No. of Projects	No. of Districts	Coverage						Sanctioned Project Cost (Revised) (Rs.Cr)	
				Un-electrified villages (UEV) (Nos)	Partially electrified villages (EV) (Nos)	Total Villages (Nos)	Habitations with population above 100 including Census villages (Nos)	Habitations with population above 100 excluding Census villages (Nos)	Habitations with population 100 or below		BPL Households (BPL HH) (Nos)
1	Andhra Pr.	26	22	0	27477	27477	60500	33031	8942	2464663	896.52
2	Arunachal Pr.	16	16	2129	1780	3909	2251	-1658	211	40810	942.09
3	Assam	21	23	8325	12084	21310	53520	32210	491	1150567	2762.76
4	Bihar	54	38	23847	19244	43091	68103	25012	0	5699338	7625.26
5	Chhattisgarh	16	16	1594	17375	18969	36795	17826	0	879834	1345.21
6	Gujarat	25	25	0	17667	17667	30835	13168	362	729955	352.02
7	Haryana	21	21	0	8610	8610	6813	203	7	273667	227.95
8	Himachal Pr.	12	12	95	10650	10745	14426	3661	6578	13199	342.03
9	J & K	14	14	238	4442	4681	10946	6255	330	81217	926.68
10	Jharkhand	22	22	19261	7223	26504	59282	32778	17153	1830722	3453.04
11	Karnataka	27	27	61	28504	28565	46648	16081	2687	902455	971.17
12	Kerala	14	14	8	1273	1273	4079	2866	3	73453	237.58
13	Madhya Pradesh	52	46	862	49807	50769	96492	35733	5740	1825176	2697.20
14	Maharashtra	35	34	0	41981	41981	77575	35994	1326	1221854	843.57
15	Manipur	8	9	842	1378	2260	2045	-215	0	107360	381.83
16	Meghalaya	7	7	1866	3239	5105	4470	-635	0	109696	441.99
17	Mizoram	8	8	137	570	707	615	-82	38	27417	268.58
18	Nagaland	11	11	103	1140	1245	1376	131	9	69859	264.35
19	Orissa	32	30	14747	29320	44067	69374	25307	4281	3866580	3782.51
20	Punjab	17	17	0	11840	11840	12728	881	0	148860	186.91
21	Rajasthan	40	33	4350	34845	39195	61902	22397	0	1269942	1335.92
22	Sikkim	4	4	25	418	443	1651	1208	22	11458	196.54
23	Tamilnadu	29	29	0	10738	10738	76739	66001	0	527234	484.66
24	Tripura	4	4	148	658	806	5229	4423	176	107506	198.41
25	Uttar Pradesh	86	85	28136	22580	51116	112526	61423	0	1914309	7288.15
26	Uttarakhand	13	13	1511	13820	15331	13155	-2176	2568	223067	766.43
27	West Bengal	29	17	4454	24311	28765	83722	54957	0	2628810	2841.86
Total		646	579	112795	402364	515159	1001906	486347	74157	27565406	42060.44

DETAILS OF DDG PROJECTS SANCTIONED UNDER RGGVY (As on 31/03/2012)

Sr. No.	State	No. of projects	Coverage			Sanctioned Project Cost (Rs.Crore)
			Un-electrified villages (Nos)	Un-electrified Habitations (Nos)	BPL Households (Nos)	
1	Andhra Pradesh	96	39	96	500	26.55
2	Bihar	48	46	127	16143	37.85
3	Chhattisgarh	19	19	31	1440	10.53
4	Madhya Pradesh	48	48	122	3167	28.83
5	Uttar Pradesh	62	38	65	4821	64.69
6	Uttarakhand	1	2	5	225	2.74
7	West Bengal	9	39	0	2326	109.97
Total		283	233	446	46772	250.56

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## A. Spillover Works

Item	Un-electrified Villages (Nos.)	Partially Electrified Villages (Nos.)	BPL Households (Lakh Nos.)
Coverage	112795	402364	275.69
Progress (Up to 31/03/2012)	104496	248553	194.25
Spill over to XII-Plan	8299	153811	81.44

## B. Fund Requirement for spillover works of 10th plan , 11th plan and DDG projects

1. Total sanctioned project cost		42341 Rs. Crore
(i) Sanctioned project cost of X Plan projects	13263.68 Rs. Crore	
(ii) Sanctioned project cost of XI Plan-Phase I projects	20832.44 Rs. Crore	
(iii) Sanctioned project cost of XI Plan-Phase II projects	7964.32 Rs. Crore	
(iv) Sanctioned project cost of DDG projects	280.56 Rs. Crore	
2. Expected further increase in project cost @ 1 % of total sanctioned project cost		423.41 Rs. Crore
3. Total expected revised project cost		42764.41 Rs. Crore
4. Total Capital subsidy involved @ 90% of total expected revised project cost		38487.97 Rs. Crore
5. Capital subsidy already released towards project cost		25880.15 Rs. Crore
6. Contribution made by States (Including loan from REC) = (5)*0.1/0.9		2875.57 Rs. Crore
7. Cost of spillover =(3)-(5)-(6)		14008.69 Rs. Crore
8. REC Fees		366.09 Rs. Crore
(i) REC Fees for X Plan projects	72.41 Rs. Crore	
(ii) REC Fees for XI Plan projects @ 1 % of expected revised project cost of XI Plan projects	290.85 Rs. Crore	
(iii) REC Fees for DDG projects @ 1 % of expected revised project cost of DDG projects	2.83 Rs. Crore	
9. REC fee already released by MOP		226.37 Rs. Crore
10. Balance REC fee to be released =(8)-(9)		139.72 Rs. Crore
11. Provision for MoP for enabling activities ( Out of provision of 1% of total project cost)		90 Rs. Crore
12. Amount utilised by MOP		44.25 Rs. Crore
13. Balance provision for MOP for enabling activities =(11)-(12)		45.75 Rs. Crore
14. Total cost towards Spill over works of 10th and 11th plan projects including REC fee & enabling activities of MOP =(7)+(10)+(13)		14194.16 Rs. Crore
	Say	14194.00 Rs. Crore
15. Total requirement of capital subsidy =(4)+(8)+(11)		38944.06 Rs. Crore
	Say	39000.00 Rs. Crore
16. Capital subsidy utilised up to 31/03/2012		26151.00 Rs. Crore
17. Capital subsidy required for spillover works of 10th plan , 11th plan and DDG projects		12849.00 Rs. Crore

## Annexure-II

No. 44/44/2014-RE  
Government of India  
Ministry of Power  
\*\*\*\*\*

Shram Shakti Bhawan, Rafi Marg,  
New Delhi the 17<sup>th</sup> December, 2014

### OFFICE MEMORANDUM

**Subject: Constitution of Monitoring Committee for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) – regarding.**

The Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) has been launched for feeder separation, strengthening of sub-transmission and distribution system including metering of distribution transformers/feeders/consumers and rural electrification. A Monitoring Committee for DDUGJY is being constituted consisting of the following members :-

(i)	Secretary, Ministry of Power	Chairman
(ii)	Special Secretary/Additional Secretary, Ministry of Power	Member
(iii)	Chairperson, Central Electricity Authority	Member
(iv)	Principal Advisor(Energy), Planning Commission/ successor organization	Member
(v)	Joint Secretary, Ministry of Finance(D/o Expenditure)	Member
(vi)	Joint Secretary, Ministry of Rural Development	Member
(vii)	Joint Secretary, Ministry of Agriculture	Member
(viii)	Joint Secretary, Ministry of New and Renewable Energy	Member
(ix)	Joint Secretary & Financial Advisor, Ministry of Power	Member
(x)	Joint Secretary(RE), Ministry of Power	Member
(xi)	CMD, Rural Electrification Corporation	Member Secretary&Convener

2. The Monitoring Committee will be empowered to :

- I. Approve operational guidelines including scope of work and to take necessary policy decisions for operationization of various components of the scheme and amendments thereof, within the framework approved by CCEA.
- II. Sanction of DPRs/Projects, monitoring and review of implementation of the scheme.
- III. Grant extension of time for project execution due to circumstances beyond control based on merit in exceptional cases, on a case to case basis, provided there is no cost overrun.
- IV. Approve additional grant to states on achievement of specified outcomes.
- V. Exercise powers vested with the Monitoring Committee constituted in terms of OM No. 44/10/2011-RE(Vol.III) dated 12<sup>th</sup> September, 2013, in respect of issues pertaining to the implementation of erstwhile RGGVY scheme.

.....Contd/-

o/c  
محمد

4. Rural Electrification Corporation Ltd. (REC) being the nodal agency for DDUGJY will provide necessary Secretarial assistance such as manpower, material and other logistic support to the committee for smooth implementation of the scheme.
5. The members of the Committee will draw TA/DA, if any, from their respective offices.
6. This issues with the approval of Joint Secretary (RE).

  
( A.K.Mitra )

Under Secretary to the Government of India  
Tele-fax 23719637

To

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

Copy to:

1. PS to Minister of Power.
2. PPS to Secretary(Power).
3. PPS to SS(RNC).
4. PS to JS(RE)/PS to JS&FA/PA to DS(RE), Ministry of Power.



## Annexure-III

DISCOM wise AT&C Loss trajectory up to 2021-22 (Suggested by Discoms)												
Region	State	2012-13 (PFC Rept)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
Eastern	Bihar											
	NBPDCL	56.00		46.63	42.63	38.13	34.00	30.00	27.00	24.00	21.00	
	SBPDCL	53.97		46.63	42.63	38.13	34.00	30.00	27.00	24.00	21.00	
	<b>Bihar Total</b>	<b>54.63</b>		<b>46.63</b>	<b>42.63</b>	<b>38.13</b>	<b>34.00</b>	<b>30.00</b>	<b>27.00</b>	<b>24.00</b>	<b>21.00</b>	
	Jharkhand	47.49	43.49	39.49	36.49	32.49	29.49	27.00	24.00	21.00	18.00	
	Orissa											
	CESCO	43.61	39.55	37.58	35.55	33.51	30.98	28.44	25.90	23.36	20.82	
	NESCO	39.61	35.92	34.13	32.29	30.44	28.14	25.83	23.52	21.22	18.91	
	SESCO	49.36	44.76	42.53	40.23	37.93	35.06	32.19	29.31	26.44	23.56	
	WESCO	41.87	37.97	36.07	34.12	32.17	29.74	27.30	24.86	22.42	19.99	
<b>Orissa Total</b>	<b>42.94</b>	<b>38.94</b>	<b>37.00</b>	<b>35.00</b>	<b>33.00</b>	<b>30.50</b>	<b>28.00</b>	<b>25.50</b>	<b>23.00</b>	<b>20.50</b>		
Sikkim	53.51	49.51	45.51	41.51	37.51	33.51	29.00	26.00	23.00	20.00		
<b>West Bengal</b>	<b>34.43</b>	<b>30.51</b>	<b>29.00</b>	<b>28.00</b>	<b>26.00</b>	<b>24.00</b>	<b>23.00</b>	<b>22.00</b>	<b>21.50</b>	<b>21.00</b>		
North Eastern	Arunachal Pr.	60.26	56.76	53.26	49.76	46.26	42.76	39.26	36.00	33.00	30.00	
	Assam	31.85	29.85	28.35	26.85	25.35	23.85	22.00	20.00	18.50	17.00	
	Manipur	85.49	78.49	71.49	64.49	56.49	48.00	40.00	34.00	28.00	22.00	
	Meghalaya	26.60	33.11	31.29	29.79	28.29	26.79	25.29	23.79	22.29	20.79	
	Mizoram	27.55	27.02	26.14	25.77	24.59	23.49	22.13	21.13	19.75	18.62	
	Nagaland	75.30	67.21	64.21	59.21	53.21	47.21	41.21	35.21	29.21	24.21	
	Tripura	33.85	29.85	27.35	24.85	22.35	20.85	20.00	18.00	17.00	16.00	
Northern	Delhi											
	BRPL	15.16	14.67	14.17	13.92	13.67	13.17	12.95	12.45	12.21	11.96	
	BYPL	17.94	17.35	16.76	16.46	16.17	15.58	15.32	14.73	14.44	14.14	
	NDPL	13.12	12.69	12.25	12.04	11.82	11.39	11.20	10.77	10.56	10.34	
	<b>Delhi Total</b>	<b>15.22</b>	<b>14.72</b>	<b>14.22</b>	<b>13.97</b>	<b>13.72</b>	<b>13.22</b>	<b>13.00</b>	<b>12.50</b>	<b>12.25</b>	<b>12.00</b>	
	Haryana											
	DHBVNL	28.31	26.14	23.96	21.35	18.74	17.01	15.66	14.79	13.92	13.05	
	UHBVNL	36.97	34.13	31.29	27.88	24.48	22.20	20.44	19.31	18.17	17.04	
	<b>Haryana Total</b>	<b>32.55</b>	<b>30.05</b>	<b>27.55</b>	<b>24.55</b>	<b>21.55</b>	<b>19.55</b>	<b>18.00</b>	<b>17.00</b>	<b>16.00</b>	<b>15.00</b>	
	H.P.	9.53	14.50	13.50	12.50	11.50	10.50	10.00	10.00	10.00	10.00	
	J&K	60.87	55.87	51.87	47.87	43.87	39.87	35.00	30.00	26.00	22.00	
	Punjab	17.66	17.16	16.66	16.16	15.66	15.16	15.00	14.50	14.25	14.00	
	Rajasthan											
	AVVNL	19.90	21.78	19.60	18.50	17.50	16.50	15.50	14.50	14.25	14.00	
	JDVVNL	18.97	26.31	21.14	19.22	17.30	16.00	15.00	14.50	14.25	14.00	
	JVVNL	20.91	30.69	24.50	22.50	20.50	19.00	17.50	16.00	15.00	14.00	
	<b>Rajasthan Total</b>	<b>20.00</b>	<b>26.74</b>	<b>21.75</b>	<b>20.00</b>	<b>18.50</b>	<b>17.25</b>	<b>16.00</b>	<b>15.00</b>	<b>14.50</b>	<b>14.00</b>	
	Uttar Pradesh											
	DVVN	45.69	41.42	37.16	33.96	30.76	27.56	24.36	21.32	18.13	15.99	
	MVVN	45.83	41.55	37.27	34.07	30.86	27.65	24.44	21.39	18.18	16.04	
	PaVVN	33.39	30.27	27.16	24.82	22.48	20.14	17.81	15.58	13.25	11.69	
	PoVVN	52.37	47.48	42.59	38.93	35.26	31.59	27.93	24.44	20.78	18.33	
	KESCO	37.61	34.10	30.59	27.96	25.32	22.69	20.06	17.55	14.92	13.17	
	<b>UP Total</b>	<b>42.85</b>	<b>38.85</b>	<b>34.85</b>	<b>31.85</b>	<b>28.85</b>	<b>25.85</b>	<b>22.85</b>	<b>20.00</b>	<b>17.00</b>	<b>15.00</b>	
	Uttaranchal	23.18	21.68	20.18	18.68	17.68	16.68	16.00	15.00	14.50	14.00	
	Southern	Andhra Pradesh										
		APSPDCL	12.74		14.94	14.73	14.31	13.95	13.58	13.58	13.58	13.58
APEPDCL		9.90		10.69	10.33	10.23	10.02	9.89	9.89	9.89	9.89	
<b>Andhra Total</b>		<b>11.58</b>		<b>13.13</b>	<b>12.88</b>	<b>12.58</b>	<b>12.28</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	
Telangana												
TSSPDCL				15.90	15.40	14.90	14.40	13.90	13.40	12.90	12.40	
TSNPDCL				13.13	12.88	12.58	12.28	12.00	12.00	12.00	12.00	
<b>Telangana total</b>				<b>13.13</b>	<b>12.88</b>	<b>12.58</b>	<b>12.28</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	
Karnataka												
BESCOM		20.45	16.52	15.36	14.89	14.23	13.37	12.72	11.87	11.51	10.91	
GESCOM		18.28	25.51	25.03	24.37	23.92	23.41	22.84	22.44	21.72	21.01	
HESCOM		20.44	20.40	20.00	19.66	18.99	18.56	17.96	17.43	17.00	16.36	
MESCOM		14.57	14.31	13.10	12.70	12.08	11.65	11.28	10.79	9.92	9.32	
CHESCOM		30.42	16.50	15.81	15.35	14.92	14.27	13.59	12.99	12.51	12.19	
<b>Karnataka Total</b>		<b>20.78</b>	<b>18.25</b>	<b>17.90</b>	<b>17.43</b>	<b>16.86</b>	<b>16.29</b>	<b>15.72</b>	<b>15.15</b>	<b>14.57</b>	<b>14.00</b>	
Kerala		10.53	11.15	10.80	10.50	10.25	10.00	10.00	10.00	10.00	10.00	
Pondicherry		9.13	19.00	18.00	17.00	16.00	15.00	14.00	13.00	12.00	11.00	
Tamilnadu	20.72	20.22	19.72	19.22	18.97	18.72	18.47	18.22	18.00	18.00		
Western	Chattisgarh	25.12	24.48	22.37	20.66	19.07	17.49	16.17	15.11	14.52	14.00	
	Goa	14.14	13.89	13.64	13.39	13.14	12.64	12.00	12.00	12.00	12.00	
	Gujarat											
	DGVCL	10.40	13.58	14.48	14.48	14.48	14.48	14.48	14.48	14.48	14.48	
	MGVCL	14.94	17.41	16.64	15.80	15.01	14.26	14.26	14.26	14.26	14.26	
	PGVCL	30.41	26.63	28.22	25.68	23.37	21.27	19.35	17.61	16.03	14.58	
	UGVCL	14.37	11.75	16.39	15.57	14.80	14.80	14.80	14.80	14.80	14.80	
	<b>Gujarat Total</b>	<b>19.87</b>	<b>18.58</b>	<b>21.58</b>	<b>20.41</b>	<b>19.29</b>	<b>18.24</b>	<b>17.25</b>	<b>16.31</b>	<b>15.42</b>	<b>14.58</b>	
	Madhya Pr.											
	MPMKVVCL	29.97	29.61	27.00	25.00	23.00	21.00	19.00	17.00	16.00	15.00	
	MPPKVVCL	28.16	23.67	21.58	19.96	19.13	18.29	17.44	16.58	15.72	15.00	
	MPPuKVVCL	36.40	23.68	21.68	20.00	19.00	18.00	17.00	16.00	15.50	15.00	
	<b>MP Total</b>	<b>31.15</b>	<b>25.86</b>	<b>24.47</b>	<b>23.10</b>	<b>21.73</b>	<b>20.38</b>	<b>18.83</b>	<b>16.50</b>	<b>15.75</b>	<b>15.00</b>	
Maharashtra	21.95	20.45	18.95	17.45	16.45	15.45	15.00	14.50	14.25	14.00		

**Formula for AT&C loss in a Utility**

The methodology for calculation of Aggregate Technical and Commercial Losses (AT&C loss) has been defined by PFC in the “Report on Performance of State Power Utilities” in consultation with MOP/CEA, and is as below:

The AT&C losses represent the difference between energy available for sale (adjusted for transmission losses and trading in energy, Mkwh) and energy realized, (Mkwh). Energy realized is the energy billed (adjusted for trading in energy, Mkwh) factored by the collection efficiency. The collection efficiency is an index of efficiency in realization of billings, current as also previous years and essentially focuses on the year-to-year movement of receivables. The same is defined in table below:

<b>AT&amp;C Losses (%) for SEBs/PDs/Discoms</b>		
• Net input energy (Mkwh)	=	Total input energy (adjusted for transmission losses and energy traded)
• Net sale of energy (Mkwh)	=	Total energy sold (adjusted for energy traded)
• Net revenue from sale of energy (Rs. Crs.)	=	Revenue from sale of energy (adjusted for revenue from energy traded)
• Collection efficiency (%)	=	(Net revenue from sale of energy - Change in Debtors for sale of power)*100/(Net revenue from sale of energy)
• Energy realized (Mkwh)	=	Net sale of energy (Mkwh)*collection efficiency
• AT&C Losses (%)	=	(Net input energy, Mkwh - Energy realized, Mkwh)*100/( Net input energy, Mkwh)

## Annexure-V

### An example for calculating the eligibility of additional grant under varying scenarios is as per para 14.2 of the guidelines

For example, if the project is awarded in 2015-16, the evaluation of both criteria (ii) & (iii) will be done from FY 2015-16. If the utility complies with these criteria during the FY 2015-16, the utility becomes eligible for the first annual tranche. Similar evaluation will be carried out for subsequent two years i.e. 2016-17 and 2017-18 and if the utility comply with both criteria for these years also, the Utility will be eligible for 2nd and 3rd annual tranche. In case the Utility fails to comply with these criteria during any of the evaluation years, the utility will not be eligible for the tranche for that particular year only.

#### Scenario - I

Evaluation Year	Criteria (ii) and (iii)	Eligible Annual Tranche
2015-16 (Award)	Yes	5%
2016-17	Yes	5%
2017-18	Yes	5%
<b>Total</b>		<b>15%</b>

#### Scenario-II

Evaluation Year	Criteria (ii) and (iii)	Eligible Annual Tranche
2015-16 (Award)	Yes	5%
2016-17	No	0%
2017-18	Yes	5%
<b>Total</b>		<b>10%</b>

#### Scenario-III

Evaluation Year	Criteria (ii) and (iii)	Eligible Annual Tranche
2015-16 (Award)	No	0%
2016-17	No	0%
2017-18	Yes	5%
<b>Total</b>		<b>5%</b>

#### Scenario-IV

Evaluation Year	Criteria (ii) and (iii)	Eligible Annual Tranche
2015-16 (Award)	No	0%
2016-17	No	0%
2017-18	No	0%
<b>Total</b>		<b>0%</b>

In case, a project is awarded in 2016-17, the evaluation of both criteria (ii) & (iii) will be done for three years starting from FY 2016-17 to 2018-19.