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POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)

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No. 02:10: RDSS: 2021: I: Utilities : 73133

Subject – Revamped Distribution Sector Scheme [RDSS] of Government of India

Maam/Sir,

You would also be aware that Union Cabinet has approved a Reforms-based and Results-linked, Revamped Distribution Sector Scheme (RDSS) which seeks to improve the operational efficiency and financial sustainability of Discoms/ Power Departments by providing conditional financial assistance to DISCOMs for strengthening of supply infrastructure. PFC and REC are designated as the Nodal agencies for the scheme. The guidelines of the scheme have already been circulated to your State.

In accordance with the guidelines, we would request you to kindly ensure reconstitution of the State Distribution Reforms Committee (DRC) for RDSS which shall be headed by the Chief Secretary, shall comprise of Secretary (Finance), Secretary (Land Revenue) and Secretary (Forest and Environment) as its members and your goodself as Convener.

Further, we will request you to expedite appointment of Project Management Agency (ies) [PMA] for preparation of DPR/ Action Plan including bid process, monitoring of implementation, quality assurance, material inspection, project completion, result evaluation and related works. Existing PMA of DDUGJY or Saubhagya or IPDS may be used for preparation of DPR and Action Plan and the expenses incurred will be eligible under the scheme. Some frequently asked questions (FAQs) w.r.t. the scheme are attached for easy understanding of the guidelines.

Being an equal stakeholder in our endeavor to improve the Power Distribution sector, I request you to advise the concerned officials in your Discoms to appoint a Nodal Officer and form a dedicated team to undertake activities under the Reforms-based and Results-linked, Revamped Distribution Sector Scheme.

With regards

Encl. as above

Yours sincerely,

(Saurav Kumar Shah)

CMD/MDs of all Discoms

Copy to:

- ACS / Principal Secretary/ Secretary (Power/Energy) of all States
- Joint Secretary (Distribution), Ministry of Power
- Executive Director, REC

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Revamped Distribution Sector Scheme [RDSS] FAQs

(Frequently Asked Questions)

1. What are the objectives of the scheme?

The objectives of the scheme are to:

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

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

2. What are various components of the Scheme?

The revamped Distribution Sector scheme has following parts:

Part A covers metering and distribution infrastructure works

- Component I : Metering
- Component II : Distribution infrastructure works
- Component III : Project Management

Part B covers Training & Capacity Building and other Enabling & Supporting Activities

3. What are the various works covered in Component I - Metering of Part A of the Scheme?

The following works are covered:

- Prepaid smart metering for consumers, and System metering at Feeder and Distribution Transformer level with communicating feature along with associated Advanced Metering Infrastructure (AMI) will be done in TOTEX mode through PPP, to facilitate reduction of Distribution losses and enable automatic measurement of energy flows and energy accounting as well as auditing.
- Funding under this Part will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode. Under this mode, a single agency will be contracted for supplying, maintaining and operating the metering infrastructure for the purpose of meter related data and services to the DISCOM. It will make both capital and operational expenditure under DBFOOT (Design Build Fund Own Operate & Transfer) or similar modes and will be paid for a portion of its capital expenditure initially and the remaining payment over the O&M period.
- Pre-paid smart metering works carried out after 1st January, 2020 will be eligible for funding, if they were carried out in TOTEX mode, after obtaining approval from Monitoring Committee in this regard.

4. What are the various works covered in component II - Distribution infrastructure works of Part A of the Scheme?

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In case of any discrepancy between Guidelines and FAQs, the RDSS Guidelines will prevail

The following works are covered:

- DISCOM can take up works related to loss reduction and system strengthening. 33kv level and below will be eligible under this component. In areas, where 33kv system does not exist, 110 kV/66kV shall be permitted. A list of indicative works is given below:
 - i. Construction of new substations, augmentation of substations
 - ii. Provision of Armoured / Aerial bunched Cables (ABC) or High Voltage Distribution System in high loss areas.
 - iii. Segregation / Bifurcation of feeders and other allied works
 - iv. Replacement of conductors, which are old/frayed
 - v. Additional HT lines to improve quality of supply
 - vi. IT/OT works
 - vii. Supervisory Control and Data Acquisition (SCADA) and Distribution Management System (DMS) in urban areas
 - SCADA/DMS in 100 towns (approx.) with eligibility of towns having population ≥ 1 Lacs in special category states and towns having population ≥ 2.75 Lacs in other states as per Census 2011 data, as well as all Capital/DISCOM HQ towns, if not covered earlier.
 - Basic SCADA in 3875 towns based on district-wise or Circle-wise common control centres in all other statutory towns
 - viii. Works like new feeders, capacitors, etc. for loss reduction
 - ix. Under-ground cabling works
 - x. Any other works required for system strengthening and loss reduction
- Segregation of feeders dedicated only for supply of power for agricultural purpose, which are proposed to be solarized under Kisan Urja Suraksha Evam Utthan Mahabhiyan (KUSUM) scheme will be sanctioned on priority under the scheme. Further, agricultural feeders once segregated will not be used for serving other non-agricultural consumers.

5. What are the various works covered in component III - Project Management - Part A of the Scheme?

Under component III of Part A, provision of Project Management Agency (PMA) is kept. The scope of PMA may include preparation of plan, DPR, tender documents, awarding, monitoring, quality assurance, material inspection, results evaluation or any other related works. (Excluding signing of Joint Measurement Certificate). Utility shall appoint one or more Project Management Agency (PMA) for project formulation and project management, based on their requirement to cover different phases of the project.

6. What are the various works covered in part B of the Scheme?

Part B focuses on the softer parts i.e. **Training, Capacity Building and other Enabling & Supporting Activities**

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

7. What are eligible entities for part A of the Scheme?

- All State-owned Distribution companies and State /UT Power Departments (referred to as DISCOMs collectively) excluding private Sector power companies will be eligible for financial assistance under the revamped scheme. The State transmission utilities which own and operate network at 110 kV and 66 kV levels in areas where 33 kV system does not exist shall also be eligible (for this purpose, all eligibility, and other relevant parameters of respective DISCOMs shall be evaluated) Further, funds release and any coordination shall be through DISCOM only, for such works to be executed in the specific manner by the transmission utility).
- The scheme would be optional to DISCOMs and will be implemented in urban and rural areas of all States/UTs except private DISCOMs.
- Same works sanctioned under any other scheme of the Government of India will not be eligible for funding under this scheme.

8. What will happen to the ongoing approved projects under IPDS/DDUGJY/PMDP after notification of the Revamped Distribution Sector Scheme?

Schemes of IPDS, DDUGJY along with PMDP-2015 for the erstwhile State of Jammu & Kashmir are being subsumed in the revamped scheme. The existing operational Guidelines/ Standard documents/ procedures and existing terms & conditions shall continue to prevail for implementation of projects sanctioned under DDUGJY, IPDS & PMDP. No new projects will be sanctioned under these schemes but projects already sanctioned under IPDS & DDUGJY will be eligible to receive funds upto 31.03.2022. However, projects sanctioned for Ayodhya (UP) under IPDS and projects sanctioned under PMDP 2015 will get funds till 31.03.2023.

9. What is estimated outlay and GBS of the scheme?

The estimated outlay for the scheme is Rs 3,03,758 crore with estimated GBS of Rs 97,631 crore.

10. Who is the Nodal agency of the Scheme?

PFC and REC have been designated as Nodal Agencies for the scheme. The states have been allocated between both organisations as stated in Annexure-III of the guidelines.

11. Whether ongoing smart metering works by DISCOMs will be eligible for funding under the revamped scheme?

Pre-paid smart metering works carried out after 01.01.2020 will be eligible for funding, if they were carried out in TOTEX mode, after obtaining approval from Monitoring Committee in this regard.

12. What are Action Plan-I and Action Plan II?

Applicant DISCOM will prepare an Action plan for strengthening its Distribution system and improving its performance by way of various reform measures, which would result in improvement in their operational efficiency and financial viability as well as improve the quality and reliability of power supply to the consumers. Works that are required for AT&C loss reduction would be given priority. The Action plan will have two parts:

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Action Plan I will cover the following:

- analyze the reasons/ root cause for losses
- list out the steps which will be taken for the reduction of losses and ACS-ARR gaps
- time frame for taking these steps
- reform measures for financial viability and operational efficiency of DISCOMs as well as annual Results (An indicative list of reform measures/activities is provided at Chapter-III, clause no.3.1.5.4)
- Outcomes and Evaluation framework for the scheme period

Action Plan II: Based on the analysis in Action Plan – I, DISCOM will list out the need assessment and the work plan for loss reduction. They will spell out major works for components of Part A of the scheme, namely metering including energy accounting and Distribution infrastructure works along-with their estimated cost.

The Action plans will be formulated by the DISCOM in consultation with the respective Nodal Agencies/Ministry of Power. The action plan will be submitted by the DISCOM to the respective Nodal Agencies on the recommendation of the Distribution Reforms Committee (DRC) and with the approval of the State Cabinet.

13. What is the meaning of Outcome and output parameters?

Outcome and output parameters are parameters to measure performance against their year-wise targets with respect to the baseline data. The utility shall spell out weightage and marks in this part in the form of a Results Evaluation Matrix. The details of results evaluation framework are given in Chapter 4 of guidelines.

14. How many DPRs are to be submitted by a DISCOM? What will be the coverage in DPR for each component of the scheme?

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

Component -II: Distribution Infrastructure Works:

For Distribution infrastructure works, one DPR for the whole DISCOM or separate DPRs for each administration unit will be submitted. DPRs shall be prepared based on need assessment as per Action Plan -II.

DPRs for works leading to Loss Reduction and for Modernisation shall be prepared separately as below:

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

The DPR for Loss Reduction shall be for at least 50% of the total eligible project cost. In case the Distribution losses (T&D) are low (less than 12% in the base year), then the DISCOM may allocate more funds to DPR for Modernisation with suitable justification and details.

15. What are the timelines for submission of different types of DPRs (metering, loss reduction and modernization)? What is the process of sanction of DPRs?

The Action Plan (duly approved by the State Cabinet) and DPRs (duly approved by DRC) shall be submitted to the respective Nodal Agencies by 31.10.2021. A web portal shall be developed by the Nodal Agencies for submission of Action Plan & DPRs by DISCOMs.

The Action Plan and DPRs for loss reduction and metering shall be scrutinized by the respective Nodal Agencies and approved by the Monitoring Committee with such modifications, as are necessary to achieve the objectives of the Scheme.

16. What is the Eligible Cost for determining grant?

The project cost approved by the Monitoring Committee or actual cost incurred for all the three components of the scheme, whichever is less, shall be the eligible cost for determining the grant under the scheme. Any cost overrun after approval of the project (by Monitoring Committee) due to any reason whatsoever shall not be eligible for any grant and shall be borne by the DISCOM/respective State Government. The eligible project cost shall include Central taxes and all fees like forest clearance, highway and railway crossing fee etc. The project cost shall however not include the cost of land. Further, the project cost shall be reduced to the extent of any Liquidated Damages actually levied, but the encashment of performance security or bid security (EMD) shall not reduce the project cost.

17. What are the different agreements under the scheme?

- **Scheme Implementation Agreement**

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

- **Tripartite Agreement**

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

18. Will pre-qualification conditions & evaluation matrix be considered during approval of Action Plan & sanction of DPRs?

Pre-qualification conditions and Evaluation Matrix will not be applicable for approval of the Action Plan or sanction of DPR for Loss reduction and metering.

DPR for Modernisation shall be sanctioned, subject to DISCOM becoming eligible in the evaluation for FY 2021-22 to be carried out in FY 2022-23.

19. What is provision of "Make in India" under the scheme?

Keeping in view the aims and objectives of Atma Nirbhar Bharat Abhiyan, Ministry of Power has issued Public Procurement (Preference to Make in India) for Purchase Preference

(linked with local content) Order in respect of Power Sector on 28.7.2020. This order is in line with the DPIIT Notification No.P-45021/2/2017-PP(BE-II) dated 4th June,2020. This order along-with amendments, if any, from time to time, shall be followed by the DISCOMs in the implementation of the scheme.

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

20. What are the areas that will be taken up on priority for prepaid smart metering in the first phase by Dec-2023? What are the timelines for different types of metering works?

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

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

The targeted timelines for achievement of various components of metering is tabulated below:

Types of meter	Priority Areas (1 st phase)	Other Areas
Consumer Meter	Dec-2023	Mar-2025
DT Meter	Dec-2023	Mar-2025
Feeder Meter	Dec-2022	Dec-2022

21. Which are the feeders that will be taken up for segregation on priority?

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

22. What is Result Evaluation Framework?

Results Evaluation Framework is a part of the Action Plan of the DISCOM which would be formulated incorporating result parameters and trajectories. The baseline data related to AT&C losses, ACS-ARR gap and other parameters shall pertain to the base year i.e. FY 2019-20 or FY 2020-21, for which audited accounts are available at the time of submission of Action plan. The Results Evaluation Framework would have two components

- Pre-qualifying Criteria
- Evaluation Matrix

23. What are Pre-Qualification Criteria?

Pre-Qualification Criteria must be mandatorily met by the DISCOM before it is evaluated on the basis of the Evaluation Matrix. These include

- Timely publishing of quarterly unaudited accounts
- Timely publishing of audited annual accounts
- DISCOM to ensure creation of no new Regulatory Assets in the latest tariff determination cycle
- State Government to ensure 100% payment of subsidy for the previous year and advance payment of subsidy up to current period in line with section 65 of EA2003 and wipe out the remaining subsidy amount by the end of the project period.
- All Government Departments/ Attached Offices/ Local Bodies/ Autonomous Bodies/ Boards/Corporations have made 100% payment of current electricity dues for the year under evaluation
- Progress commensurate to commitment in putting Govt. Offices on prepaid meters
- No. of days Payables to Creditors including Gencos for the year under evaluation is equal to or less than the projected trajectory as per results evaluation framework.
- Tariff order for the current year in which evaluation is being done and true up of penultimate year has been issued and implemented w.e.f. 1st April of current FY

24. What is the evaluation matrix?

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

Sl. No.	Category	Weightage
1	Financial Sustainability	60
2	Operational- Outcomes of Infrastructure works	20
3	Infrastructure Works	10
4	Policy & Structural Reforms, Capacity building and IT/OT enablement	10
	Total	100

Basic Categories & their weightage; Outcome and output parameters under each category with baseline data, target and assigned marks for each Parameter will form the Results Evaluation Matrix.

25. Can the weightage of categories in the Evaluation Matrix be modified?

While the weightage of parameters related to Financial Sustainability shall remain at least 60%, variations specific to the needs of the States/DISCOMs for other categories may be made with the approval of the Monitoring Committee.

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26. How individual parameters within each category of 'Evaluation Matrix' would be decided?

Within each of the four categories, individual parameters will be decided as per the requirements of the DISCOM. Maximum marks and agreed targets may be assigned to each parameter in the matrix, based on agreed priority/ significance towards achieving the objectives of the scheme. An illustrative Evaluation Matrix is given in the Guidelines, Chapter-IV, clause 4.11.7.

27. Whether the parameters and marks assigned can be different for different year of evaluation?

Recognizing that the year-wise emphasis on desired outcomes could be different, the maximum marks to individual result parameters may vary for every year of evaluation. The Evaluation Matrix will be different for each DISCOM and will be fixed for each year based on the cumulative as well as annual performance subject to the condition that the weightage of the parameters related to financial sustainability shall remain at least 60%.

28. Is there any minimum score for qualifying in the 'Evaluation Matrix'?

For qualifying in the Evaluation Matrix, a DISCOM needs to score a minimum of 60 marks.

29. What is the base year for fixing targets?

The baseline data related to AT&C losses, ACS-ARR gap and other parameters shall pertain to the base year i.e. FY 2019-20 or FY 2020-21, for which audited accounts are available at the time of submission of Action plan.

It is acknowledged that parameters of FY 2020-21 may not reflect the correct picture because of the pandemic. For parameters, where the FY 2020-21 figures do not reflect the correct picture in view of the unprecedented circumstances, targets for outcomes for the succeeding years may be set accordingly considering the figures for FY 2019-20 and FY 2020-21 for reasons to be recorded in writing.

30. Whether cost overrun after approval of the Project is allowed?

Any cost overrun after approval of the project (by Monitoring Committee) due to any reason whatsoever shall not be eligible for any grant and shall be borne by the DISCOM/respective State Government.

31. What is the difference between SCADA-DMS and Basic SCADA envisaged under Distribution infrastructure works?

- SCADA (Supervisory Control and Data Acquisition) - DMS (Distribution Management System) aims to collect, monitor & control the entire distribution network efficiently and reliably. It helps in improving the reliability and quality of service in terms of reducing outages, minimizing outage time, maintaining acceptable frequency and voltage levels. SCADA /DMS Control centre will be town wise with RTU on Substations and FRTUs on Sectionlizers, RMUs etc and FPIs
- Basic SCADA is a SCADA (Supervisory Control and Data Acquisition) for smaller towns as per criteria for supervisory and control of Substations and FPI on the network. RTU based solution for accurate & real time reliability measurement and monitoring at 11kV feeder of power distribution network. It will facilitate utility to take suitable administrative action for enhancement of power reliability. The control centre shall be district-wise or Circle-wise common control centres for all other statutory towns

32. What are the mode of implementation for various component under the Scheme?

Metering projects shall be implemented in TOTEX mode (Total expenditure includes both capital and operational expenditure) through single implementation partner (or service provider).

Distribution infrastructure projects shall be implemented normally on turnkey basis. However, certain works may be taken up on partial turnkey basis or departmentally with the approval of DRC and consent of respective Nodal Agencies.

33. What is the role of Project Management Agency (PMA)?

For project management, one or more PMA shall be appointed. Existing PMA of DDUGJY or Saubhagya or IPDS may be used for preparation of DPR and Action Plan, and the expenses incurred will be eligible under the scheme. However, for all other works including bid process, monitoring of implementation, project completion, result evaluation and related works, a new PMA will have to be appointed as per the SBD that will be circulated by either of the Nodal agency.

34. Is there uniform Standard Bidding Document for project implementation?

NSGM/REC shall issue Standard Bidding Document (SBD) for selection of single AMI service provider to bring uniformity of approach for implementation of smart metering solution across the country. Metering Projects taken up by DISCOMs through MOU route with CPSUs or their JVs and Subsidiaries shall also be permitted subject to their being implemented in TOTEX mode as per the scope of work and methodology given in the SBD.

For Distribution infrastructure works and PMA, one of the nodal agencies shall circulate Standard Bidding Documents (SBD).

35. Whether Discoms can change the Standard Bidding Document?

DISCOMs may make minor changes in the SBD, while retaining its basic structure and essence, provided that the approval of the respective Nodal Agencies is taken for the changes, subject to, overall supervision and control of the Monitoring Committee.

36. What is the implementation period for the Scheme?

The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26). There shall be no sanctions after 31.03.2023. The sunset date for the scheme will be 31.03.2026, the works executed beyond which will not be eligible for release of Central Government grant.

37. What are the requirements of Project Completion report?

Respective Nodal agencies shall approve the project closure under the guidance of MOP. A Project completion certificate, recommended and forwarded by State Energy Department shall be submitted after completion of scheme, which shall consist of:

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

38. What is the maximum GBS allowed under different component of the scheme?

- For prepaid smart metering projects, maximum GBS allowed is 15% (limited to Rs. 900 per meter for consumer metering) for "Other than Special Category States" and 22.50% (limited to Rs. 1350 per meter for consumer metering) for "Special Category States".

- For Distribution Infrastructure Works, maximum GBS allowed is 60% for "Other than Special Category States" and 90% for "Special Category States".
- For Part-B and Standard billing module, 100% GBS is allowed towards the works.

39. Is any additional grant / incentive allowed under the scheme?

Additional incentive is allowed under the scheme for installation of Prepaid Smart Meters by December'2023 under first phase mission as detailed below:

- Incentive @ 7.5% of the cost per consumer meter worked out for the whole project or Rs. 450 per consumer meter, whichever is lower, for "Other than Special Category States"
- Incentive @ 11.25% of the cost per consumer meter worked out for the whole project or Rs. 675 per consumer meter, whichever is lower, for "Special Category States"

40. Which States are categorized as Special Category States?

All North Eastern States including Sikkim and States/Union Territories of Jammu & Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Andaman & Nicobar Islands, and Lakshadweep are categorized as Special Category States.

41. How much PMA cost is to be funded by Gol?

PMA charges, restricted to 2.5% of the GBS of component I - metering and 1.5% of project cost of **component II** - Distribution infrastructure works, shall be sanctioned as a separate component of the scheme by the Monitoring Committee. PMA charges, over and above the permitted amount shall be borne by the respective DISCOM / State government.

PMA cost is to be funded by Gol for Distribution Infrastructure Works based on the sanctioned cost or award cost, whichever is lower as detailed below:

- 60% of approved cost of PMA for "Other than Special Category States"
- 90% of approved cost of PMA for "Special Category States"

42. How balance portion (other than Gol) of prepaid smart metering project to be funded by DISCOMs?

The implementation of the metering scheme is proposed through PPP on TOTEX mode. Therefore, DISCOMs will not have to pay upfront for all the capital expenditure. It is expected that the DISCOMs will be able to finance balance cost other than grant, due to enhanced revenue as a result of improvement in billing and collection due to prepaid metering.

43. Is counterpart funding allowed and to what extent?

No counterpart funding is allowed for prepaid smart metering works.

For other works under Part A, counterpart funding will be provided by the DISCOM/ State Government @ 40% of the project cost for "Other than Special Category States" and @ 10% of the project cost for "Special Category States". DISCOM can raise funds from REC, PFC, Banks & other FIs. Further, counterpart funding from bilateral/multilateral funding agencies can also be leveraged for which the Government of India would extend benefits of reduced Government Guarantee fee.

44. What are the modalities for release of Gol grant for prepaid smart metering projects? Is the release of funds is linked to pre-qualification criteria and result evaluation framework?

For prepaid smart metering project grant shall not be given in advance. The funds for prepaid Smart Metering will be made available to the DISCOMs only after installation, commissioning and demonstration of at least one prepaid recharge in the area specified by the DISCOM in the DPR approved by the Monitoring Committee.

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

Further, pre-qualification conditions and results evaluation matrix will not be applicable for release of grant for metering works.

45. What are the modalities for release of Gol grant under Distribution Infrastructure Works? How release of funds is linked to pre-qualification criteria and result evaluation framework?

For Distribution Infrastructure Works, Gol funds shall be released upon achievement of targets as per Action Plan as explained below:

Phase I: After approval of the DPR for Loss Reduction, DISCOM will become eligible for release of 10% of the grant for Loss Reduction part of the project as advance - 5% on sanction and further 5% on award of works.

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

- It will become eligible for total release of 30% (including the advance 10%) of the grant component of the project cost of Loss Reduction part and
- It will become eligible for release of 30% of the grant component of the project cost of DPR for Modernization – 10 % on sanction and 20% on award of works.

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

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

46. What is the Scheme Outlay and Funding Pattern?

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

S.No	Item Description	GBS % (Max)
A-1	Prepaid Smart metering solution including at consumer, DT, and feeder level including integration of existing infrastructure	15% / 22.5% as the case may be (limited up to Rs.900 or Rs.1350 respectively per meter for Consumer metering)#

A-2	Other costs including encumbrance free standardized billing modules for all states, data management, data analytics, and support to implementation etc.	100%
A-3 to A-6	Distribution Infrastructure works including SCADA, DMS, AB cables, feeder segregation etc.	60% or 90% as the case may be
B1-B4	Part-B	100%

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

47. Is it mandatory to achieve the targets as per Action Plan of any particular year in the same financial year?

No. However, if targets as per Action Plan are achieved in any subsequent year, Gol funds of the previous year shall also be released in the subsequent year.

48. What happens if any DISCOM fails to achieve targets as per Action Plan?

If any DISCOM fails to achieve targets as per Action Plan of any FY and such targets could not be achieved till FY 2025-26, then such DISCOM shall not be eligible for release of Gol funds pertaining to that FY. If any DISCOM could not achieve targets of any of the FYs, then initial advance of 10% of Gol grant of the cost of DPR for Loss Reduction will have to be refunded by the DISCOM.

49. Will there be any independent agency for evaluation of the Result Evaluation Framework?

Appropriate third party/parties will be appointed by MOP / Nodal Agencies to assess / verify the achievements of DISCOMs with respect to the action plan finalized on periodical basis using the Result Evaluation Framework.

50. When DISCOMs are required to submit Utilization Certificates?

DISCOMs shall submit utilization certificates (UC) for the funds released during the financial year in prescribed format latest by 30th April of succeeding year. Also, DISCOMs are required to submit utilization certificate of the funds already released for claiming further Gol funds.

51. Is there any Audit envisaged under the scheme?

DISCOMs are required to submit audit report relating to receipts of funds from Gol / Nodal agency and expenditure incurred by the DISCOM against such receipts during the financial year by an independent Chartered Accountant latest by 30th June of the succeeding year. Further, the works and finances would be open to audit by the office of the Comptroller & Auditor General of India (C&AG) as well as Internal Audit Wing, Office of Controller of Accounts, MoP.

52. What is the role of Public Financial Management System (PFMS) under the scheme?

Under the scheme, release of funds from Nodal Agencies to the DISCOMs shall be done through PFMS and the DISCOMs shall use PFMS for fund flows under the scheme. The DISCOMs shall mandatorily enter details like receipts, expenditures, etc in PFMS portal.

53. Is there any requirement of opening of dedicated bank account under the scheme?

DISCOM are required to open a dedicated savings bank account without CLTD (Corporate Liquid Term Deposit) facility or account as per Gol's directions from time to time in this regard. All payments to the contractors (and others) by DISCOM shall be done directly from the dedicated bank account through e-banking only. Any interest earned on grant shall be remitted to Ministry of Power's bank account on regular basis and at least once in a quarter. The DISCOM shall ensure that fund shall not be invested in any other bank/branch, whether for short term or medium term, including fixed deposits.

54. Is there any provision for Training and Capacity building of personnel involved on execution of the scheme?

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

55. Is there any provision for Awards and Incentive for personnel and management under the scheme?

Ministry of Power will institute various awards and incentives for DISCOM personnel and management for showing exemplary performance in areas both within and beyond the realm of the scheme. The awards and incentives will be instituted from time to time by the Nodal agencies with the approval of Monitoring Committee.

56. Many Digital Initiative projects (IT enablement, ERP, RT-DAS, computerized billing etc.) have been undertaken under R-APDRP and IPDS in the urban areas of the Discoms. Utilities are executing the work for consumers of entire State/Utilities. Can it be funded under the scheme?

Already awarded works are not envisaged to be covered under the Revamped Distribution sector scheme, except Smart metering works.

57. What methodology for calculation of AT&C losses and ACS-ARR gap is to be used?

CEA guidelines and formula are to be used for calculation of AT&C and ACS-ARR gap.

58. Can Utility appoint Government Companies as PMA on nomination basis?

It is not envisaged in the guidelines.

59. Scheme period is 5 years. What should be project completion period?

Project completion period of various components/projects of the Scheme shall be defined in the respective Standard Bidding Documents (SBD) to be issued by the Nodal Agencies.

60. Utility is having most of the data Circle wise, in place of Division wise. Can Circle-wise data be used in the scheme?

In case more robust data is available Circle wise, Utility can use Circle wise data in the scheme preparation.

61. Milestone will be Circle-wise or Discom-wise?

Milestones/Result Framework Matrix shall be for the entire Discom and evaluation shall also be done for Discom as a whole.

62. If target of 12% AT&C loss is not achieved, what will happen?

AT&C loss targets will be different for different Utilities/States. However, Utility has to achieve minimum 60 marks in evaluation, considering all the target parameters.

63. Will a normal electronic meter be allowed under the scheme?

Normal electronic meter is not allowed under the scheme. It should be prepaid smart meter only. Normal prepaid meters are allowed only in areas having no or poor network connectivity.

64. Can the smart meters be installed in post-paid mode?

No, it has to be in prepaid mode only. Areas with no or poor communication may go for normal prepaid meters.

65. Smart meters for Industrial consumers are not available in the market. What is to be done?

AMR meters can be proposed in the DPR.

66. Areas with no or poor communication may go for normal prepaid meters. But, in such cases how Energy Audit will be achieved?

Modern prepaid meters are having possibility of collecting energy data through Mobile App or otherwise at the time of recharging. Utilities may take up with industrial solution providers.

67. How to incorporate advance technological things like Artificial Intelligence (AI) / Machine learning (ML) etc. in the DPR? Please provide relevant guidelines.

Ministry has constituted a Task force, who will provide broad details and framework in this regard.