

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

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

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

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

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

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

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

## **PART 'B'**

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

## **5. DISCOMs Eligible :**

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

## **6. Funding Pattern :**

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

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

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

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

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

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

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

## **7. Release of Funds :**

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

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

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

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

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

## **8. Financing of the Scheme :**

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