

GUIDELINES
FOR
Integrated Power Development Scheme
(IPDS)



MINISTRY OF POWER
GOVERNMENT OF INDIA

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Chapter I - Integrated Power Development Scheme (IPDS)

1. Background:

- 1.1 Distribution is the most critical segment of the electricity business chain. The real challenge in the power sector today lies in efficient management of the distribution sector. Availability of a robust sub-transmission and distribution network along with adequate metering arrangements is the need of the day for efficient management of the distribution system.
- 1.2 Electricity is the key ingredient for accelerated economic growth and is considered vital for nation's overall development. Providing reliable and quality power supply in an efficient manner is an immediate requirement of the day. Amongst the three major layers of Power Sector i.e. Generation, Transmission and Distribution, the Distribution Sector has direct interface with the end consumers and is largely accountable for consumer satisfaction and also for flow of revenues in the entire value chain of Power Sector. Thus, Distribution Sector plays a significant role in sustenance as well as growth of the Power Sector.
- 1.3 There is a consistent increase in electricity demand, particularly in urban areas, due to increase in customer base, changes in lifestyle and consumption pattern, which requires continual up-gradation and creation of infrastructure for electricity distribution. However, the poor financial health of the distribution utilities has resulted in inadequate investment in the distribution network.
- 1.4 The Government of India has been providing support to State owned Discoms/Power Departments by extending financial assistance through various programmes. However, the State owned Discoms/Power Departments have not been able to keep pace with the growth in demand of electricity, resulting in critical gaps/missing links in the sub transmission and distribution network. The sub-transmission and distribution network has therefore become a bottleneck in ensuring reliable and quality power supply to the consumers.
- 1.5 Apart from bridging the gaps in the requisite distribution infrastructure, there is also a need to focus on metering of consumers. End-to-end metering is a vital need of the power sector. Effective metering of all consumers will ensure proper accounting, billing, load pattern assessment and planning of infrastructure required. It also helps in identifying high loss pockets so as to initiate remedial measures towards reduction of losses.
- 1.6 Keeping in view the present financial condition of Discoms/Power Deptt., Govt has launched the Integrated Power Development Scheme (IPDS) to extend financial assistance against capital expenditure to address the

gaps in sub transmission & distribution network and metering in Urban and Semi-urban areas to supplement the resources of DISCOMs/Power Deptt.

- 1.7 In view of ambitious targets for tapping the solar energy potential in our country, Utilities are encouraged to take up roof top solar projects, installation of solar panels and smart/net-meters in the various offices of Discoms/Govt. establishments under IPDS.

2. Approval of the scheme

2.1 Govt. of India has launched Integrated Power Development Scheme (IPDS) for the Urban/Semi-urban areas with the following components:

- (i) Strengthening of Sub-transmission and Distribution network in urban areas;
- (ii) Metering of distribution transformers / feeders / consumers in urban areas and,
- (iii) Rooftop Solar Project, installation of solar panels and smart/net meters as a mandatory component under IPDS
- (iv) Continuing IT enablement of distribution sector and distribution network strengthening as per the norms of the ongoing scheme of RAPDRP by subsuming the same in IPDS.

2.2 Part-(i), (ii) and (iii) of IPDS scheme will cover works relating to Strengthening of Sub-transmission & Distribution system, including metering of distribution transformers / feeders / consumers in the urban areas, Rooftop Solar projects and IT enablement of distribution sector. The details scope of works and items excluded from the scope of the scheme has been provided at **Annexure-I**.

2.3 The approval has been accorded for components (i), (ii) and (iii) above having scheme cost of Rs.32,612 crore including a budgetary support of Rs.25,354 crore from Government of India during the entire implementation period.

2.4 Implementation of IT enablement of distribution sector and distribution network strengthening under R-APDRP component of the scheme -

The ongoing scheme of R-APDRP will get subsumed in the new scheme of IPDS and will be continued as a separate component of IPDS for IT enablement of distribution sector (Part-A IT & SCADA projects under RAPDRP) and strengthening of distribution network (Part-B projects under RAPDRP) in the urban areas. All ongoing projects under this component of the scheme will be implemented as per MOP Order No.-14/01/2011-APDRP dated 08.07.2013 (for continuation of R-APDRP in 12th and 13th Plans and for completion of

targets laid down under RAPDRP scheme for 12th and 13th Plan periods) and following all the RAPDRP guidelines issued (or to be issued in future) in this regard from time to time since inception of the scheme in 2008.

The approved revised scheme outlay of Rs.44011 crores for RAPDRP for 12th and 13th Plans will be carried forward to the new scheme of IPDS as a separate component so as to ensure that commitment made / targets fixed under RAPDRP are achieved.

Office Memorandum No _____ dated _____ regarding setting up of Integrated Power Development Scheme (IPDS) is enclosed as **Annexure-II**.

- 3.0 These guidelines shall be applicable only for the components (i), (ii)& (iii) above of the scheme viz. Strengthening of Sub-transmission & Distribution system, including metering of distribution transformers / feeders / consumers in the urban areas, Rooftop Solar projects and IT enablement of distribution sector. The existing operational Guidelines/ Standard documents/ procedures of R-APDRP shall continue to prevail for implementation of R-APDRP component. The commitments already made under R-APDRP shall be honoured as per the approvals and guidelines.
- 4.0 State Government and Utility should work with the concerned State Electricity Regulatory Commission (SERC) to ensure that the financial benefits of Gol Grant and benefits arising out of the AT&C loss reduction are passed on to the consumers.

Chapter II Project Formulation and Implementation

1. **Project formulation:** The Discoms will assess the need for strengthening the urban distribution networks and will formulate bankable Detailed Project Reports (DPRs) for coverage under the scheme as per following:-
 - 1.1 The DPRs will be recommended by the existing Distribution Reforms Committee (DRC) at the State level under the Chairmanship of the Chief Secretary/Principal Secretary/Secretary Power/Energy constituted by the State for R-APDRP. The scope of the Committee will be extended to cover IPDS.
 - 1.2 The DRC will ensure that there is no duplication of works vis-à-vis any other Gol scheme under implementation in same area, while recommending the projects to the Nodal Agency.
 - 1.3 Power Finance Corporation Limited (PFC) will act as the Nodal Agency for operationalization of the scheme. The projects will 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.
 - 1.4 Utility should commit to inform regarding investment under IPDS to their respective State Electricity Regulatory Commission (SERC) at the time of recommending DPR for IPDS to Nodal Agency.
 - 1.5 With a view to operationalise the scheme with ease and manageability, Utility shall prepare the DPRs after consolidating the requirements of strengthening the distribution network preferably Electricity Distribution Circle/Zone/entire Utility wise after excluding the Rural area requirements, so that all the requirements in a Utility are covered in maximum 5 to 6 DPRs.
 - 1.6 However, to avoid duplication of works with scope already sanctioned under RAPDRP scheme, Utility shall indicate the additional work component proposed under IPDS DPRs with comparative BOQ for such R-APDRP project area.
 - 1.7 Separate DPR for the gaps in NOFN work shall be prepared by respective utility in consultation with BBNL/designated agency like BSNL, RailTel, PGCIL etc. for the NOFN programme in the state and shall include the proposed implementation methodology and milestones along with the cost.
 - 1.8 Separate DPR for ERP component shall be prepared by respective utility, in case of requirement of ERP, as many states have already implemented ERP.

- 1.9 No cost escalation shall be admissible for the schemes sanctioned under IPDS. Any additional cost on any account whatsoever to complete the project shall be borne by utility.

2. Scope of Works

The scheme shall be formulated for urban/semi-urban areas only and the details of scope of works covered under the scheme are:

- a) Sub Transmission & Distribution Infrastructure (New/ augmentation of substation, 66,33,22 & 11 kV lines, LT lines etc), 100% Metering of Consumer, Feeders & Distribution Transformers, AMR, GIS sub-station, Meter Pillar Box, AMI in SCADA towns, AB cable, UG cables. Renovation and Modernization of existing sub stations and lines, ERP Implementation & customer care services, installation of Capacitors, HVDS etc.
- b) Rooftop Solar projects, installation of solar panels and smart/net meters as a mandatory component
- c) The scheme also includes establishment of Missing link of Optic fiber (Up to Sub Stations under National Optic Fiber Network-NOFN), establishment of National Power Data Hub at CEA, Training & Capacity building and Project Management Agency (PMA) for monitoring and timely implementation of the projects. The details scope of works and items excluded from the scope of the scheme has been provided at **Annexure-I**.

Note: Above works shall be eligible under the scheme provided proposed scope of works is not covered under any Gol program like R-APDRP/ RGGVY / DDUGJY/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 Distribution Reforms Committee (DRC) under the chairmanship of Chief Secretary/Principal Secretary/Secretary Power/Energy shall ensure that there is no duplication of works while recommending the projects to the Nodal Agency.

3. **Eligible entities:** 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 the urban areas is with them, the 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 Discom concerned.
4. **Submission & Approval of DPRs:** The DPRs will be recommended by existing Distribution Reforms Committee (DRC) constituted for R-APDRP. The submission of DPRs to the Nodal agency shall be Online through a dedicated web portal. The eligible projects (DPR) will be approved by the Monitoring Committee based on recommendations of the Nodal Agency.

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 IPDS scheme envisages to connect all the 33 KV or 66 KV grid sub stations by extending optic fiber network being established under NOFN. Provision of 100% grant has been made under the scheme for the missing links if any.

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

6. **Time frame for approval of projects:** Approval of the project shall be accorded during the balance period of 12th & 13th Plan, or till cumulative value of approval within budgetary provision of the scheme, whichever is earlier.
7. **Eligible Cost for determining grant:** The project cost approved by the Monitoring Committee or Award cost of the project, whichever is less, shall be the eligible cost for determining the Grant (including additional grant) under the scheme. Any cost overrun during implementation of the project due to any reasons whatsoever shall not be eligible for any grant and shall be borne by the utility / respective State Government.
8. **Tripartite/ Bipartite agreement:** Tripartite agreement will be executed between PFC as the Nodal Agency on behalf of Ministry of Power, the State Government and the Discom for undertaking and agreeing to their stipulated roles/responsibilities and 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 between PFC as the Nodal Agency and the State Government. The format for agreement is as per chapter 5 of these guidelines.
9. **Mode of Implementation:** The projects shall be implemented on turn-key/ partial turnkey or departmental in line with Part-B of R-APDRP.
10. **Execution Period:** Utility has to ensure that the projects after sanction by Monitoring Committee are awarded within a period of three (03) months. 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 execution or date of declaration by utility for start of work in case of departmental execution.

- 11. Dedicated team for implementation of projects:** Discoms shall create a dedicated team for implementation of projects at field & HQ levels including necessary manpower and requisite infrastructure like office, logistics etc. to strengthen the implementation and monitoring.
- 12. Project Management Agency (PMA):**
- a) In order to complement the utility's expertise and effort, a Project Management Agency (PMA) will be appointed by the utility for various activities including monitoring of projects and ensuring timely implementation of the project.
 - b) 100% grant will be provided by Gol towards expenditure incurred on Project Management Agency (PMA) as per provision in the scheme, which will be limited to 0.5% of cost of works or approved PMA allocation.
 - c) The PMA allocation shall be disbursed to utilities/ state at the time of award of such agency by respective utilities
- 13. National Power Data Hub at CEA:** National Power Data Hub at CEA shall be established under IPDS. CEA is expected to maintain data repository of all Utilities and SERCs. This data hub shall primarily be a nodal information centre for data and information related to power distribution systems and will broadly collate the state wise updated status of distribution system in the country. Modalities and guidelines for implementation of the data hub shall be worked out by CEA and shall be put up to monitoring committee for approval.

Chapter III-Stakeholders of the scheme- Roles and responsibilities

1. **Power Finance Corporation Limited (PFC) shall be the Nodal Agency for operationalization and implementation of the scheme under the overall guidance of the Ministry of Power (MoP). The Office memorandum issued in this regard is enclosed as Annexure III.** The role of the Nodal agency is as below:
 - 1.1 The projects will 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.
 - 1.2 PFC will act as a single window service under IPDS and will coordinate with the main stakeholders involved such as MoP, Monitoring Committee, Central Electricity Authority (CEA), Financial Institutions, utilities and consultants, if any. PFC would be expected to take the initiative for speedy and timely completion of projects and thus assist the Utilities in achieving loss reduction targets and other parameters of the scheme.
 - 1.3 It will monitor the implementation of projects sanctioned under the scheme by periodic review with utility against identified milestones & deliverables including physical and financial progress and generate exception reports for the consideration of Ministry of Power.
 - 1.4 The GoI funds under the programme will be provided to the State Power Utility/ Distribution Company/Other agency through PFC, the Nodal Agency. Budget provision for the funds shall be made annually by MoP, GoI.
 - 1.5 PFC along with REC / other financial institutions shall be providing counterpart funding of the schemes covered under IPDS. Claim for conversion of 50% FI loan into grant shall be examined by PFC irrespective of source of loan funding. Thereafter the approval of R-APDRP Monitoring Committee will be obtained for conversion of loan into grant.
 - 1.6 PFC shall provide secretarial support to Monitoring Committee and also make arrangements for workshops / seminars etc. under guidance of MoP for capacity building of utilities and for disseminating information on best practices in electricity distribution and arranging publicity of the scheme etc.
 - 1.7 Develop a dedicated web portal for submission of DPRs and for maintaining the MIS of the projects.
 - 1.8 Receive the Grant Component and other charges from the Government of India and keep the same in separate Bank account for disbursement

from time to time to Borrower, payment of service charges and other incidental costs etc.

- 1.9 PFC shall issue necessary Guidelines or its amendments for operationalization of the scheme after due approval by Monitoring Committee. It shall also issue Advisories/ Best Practices/ Standard documents/formats etc. for ease of implementation.
 - 1.10 PFC may engage consultants for some or all of the activities, as and when required for effective and smooth implementation of the scheme.
 - 1.11 PFC shall carry out all the activities related to media, public relation, training (capacity building) of human resources in distribution sector.
 - 1.12 PFC shall compile utility wise AT&C loss data in "Report on Performance of State Power Utilities" submitted to MoP annually. PFC will assess reduction in AT&C losses as per Utility wise loss reduction trajectory finalized in consultation with State Governments.
 - 1.13 Similarly, PFC shall compile the data for upfront release of grant by state government to Utilities against admissible subsidy. The certification may be obtained from the respective Dir (Finance) of Discoms/ secretary (E) of Power Deptt. Same will be used for conversion of 50% FI loan into grant
 - 1.14 The Nodal Agency will be paid @0.5% of the total project cost as their fee for operationalization of the scheme. The Fee shall be claimed as follows:
 - 40% of Fee On sanction of Project by Monitoring Committee
 - 30% of Fee On award/ start of work in-house implementation
 - 20% of Fee after 1 year of award/ start of work in-house
 - 10% of Fee On Closure/ Part Closure of project
2. **Distribution Reforms Committee (DRC) at the State level:** The scope of existing Distribution Reforms Committee (DRC) at the State level under the Chairmanship of the Chief Secretary/Principal Secretary/Secretary Power/Energy constituted by the State for R-APDRP, will be extended to cover IPDS. The DRC will-
- a) Recommend the project DPRs (including DPRs for NOFN component, and Roof top solar projects) proposals of the Utilities to the Ministry of Power/ Nodal Agency after due-diligence like need assessment of works, cost, bankability of the project etc and ensuring that all the required formalities have been complied with
 - b) To ensure non-duplication / overlapping of works with any other Govt / State scheme like R-APDRP, RGGVY, DDUGJY, NEF etc.

- c) To monitor achievement and target under the scheme and resolving issues relating to implementation of the approved projects viz. allocation of land for sub-stations, right of way (ROW), forest clearance, railway clearance, safety clearance etc.
 - d) Monitor the compliance to conditionality
 - e) Monitor the achievement of milestones and targets under the scheme
 - f) Allocate fund to Utilities within State out of total allocated fund for the state under IPDS,
- 3 **Monitoring committee:** The DPRs will be approved 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 Urban Development, Ministry of Housing & Urban Poverty Alleviation, Central Electricity Authority (CEA) and Planning Commission. Chairman & Managing Director, PFC will be the Member Secretary & Convener of the Committee. Further,
- a) The Committee will be empowered to approve operational guidelines prepared by the Nodal Agency for implementation of the scheme and to amend these guidelines from time to time within the overall approval granted by CCEA.
 - b) The Committee will also monitor and review implementation of the scheme and approve conversion of loan into grant upon fulfillment of the necessary conditions.
 - c) The Committee shall have powers to amend/ modify the scope of work / timelines under the scheme from time to time.

The Office memorandum issued in this regard is enclosed as **Annexure IV**.

3. **Utility (Discom/Power Department):** The Utility shall be responsible for the following functions-
- a) Online submission of DPRs duly recommended by the Distribution Reforms Committee (DRC) to the Nodal Agency;
 - b) Implementation of the scheme within the scheduled completion period as per guidelines;
 - c) Appointment of Project Management Agency (PMA)
 - d) Establishment of a dedicated project implementation cell at field & HQ levels
 - e) Submission of updated progress of the project to the Nodal Agency including its periodic updation on the web portal;
 - f) Any other related information to the Nodal Agency to be provided, as and when required.

4. State Government

- a) To extend the role of the existing DRC for R-APDRP projects to empower the committee for recommendation of projects under IPDS;
- b) Minimum contribution to Discom(s) @ 10% (5% in case of Special Category States) to be arranged by State as per phasing in para 2 of Chapter IV.
- c) State to commit for adjusting any excess release made earlier (to limit the subsidy amount to 60% of the completed project cost), incase utility fails to refund
- d) To make upfront payment of revenue subsidy to the utility
- e) To provide support on policy issues on distribution of power in the state;
- f) To provide required land for sub stations and facilitate in obtaining other statutory clearances (ROW, forest etc.)
- g) State commits to refund grant component released to Utility In case of default or poor progress resulting to short-closure/cancellation. MoP, Gol/PFC reserves the right to recall the grant (if not recovered otherwise) by way of deduction from Central Plan Allocation of the State.
- h) To furnish guarantee for the loan component under the scheme in case the utility is not able to provide any other mode of security

Chapter IV- Scheme Outlay and Funding mechanism

1. **Categorization of States:** 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).
2. **Funding pattern:** The funding mechanism 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
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%

*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 PFC or by other FIs / Banks.

Note: 100% grant will be provided by Gol towards expenditure incurred on activities for bridging the missing links of National Optical Fibre Network (NOFN), Training & Capacity Building, Establishment of National Power Data Hub at CEA and Project Management Agency (PMA) as per provision in the scheme.

3. Release / Disbursement of funds by Gol:

The grant support from Gol is proposed to be released as per following conditions:

Tranche no.	Conditions for release of grant support by Gol	Release of Grant component of GOI for partial funding components	Release of Grant component of GOI for 100% funding components of NOFN gaps
1	(i) Approval of DPRs by Monitoring Committee (ii) Bipartite / Tripartite agreement between Discoms, State Govt & Nodal Agency on behalf of MoP.	10% (i.e. 6% of project cost for normal state / 8.5% of project cost for sp cat states)	10% of respective project component
2	Placement of Letter of Award (LoA) by the utility in case of turnkey or declaration by utility to start in-house implementation (*)	20% (i.e. 12% of project cost for normal state / 17.0% of project cost for sp cat states)	20% of respective project component
3	Utilisation of 90% of grant released by GOI (1st and 2nd Tranche) , 100% release of Discom contribution and Tie up of entire FI loan /own resources	60% (i.e. 36% of project cost for normal state / 51% of project cost for sp cat states)	60% of respective project component (Discom component is Nil)
4	After completion of works [by obtaining certificate by Chartered Accountant (CA) for Project Closure / Short Closure duly certified by Utility]	10% (i.e. 6% of project cost for normal state / 8.5% of project cost for sp cat states)	10% of respective project component
5	Release of additional Grant on conversion of 50% of FI loan/ Own fund component subject to complying with conditions mentioned at para 7.0 below	50% of FI loan/ Own fund component (i.e. 15% of project cost for other States /5% of project cost for special category States)	

*In case the turnkey award cost is lower vis-à-vis the approved project cost, 2nd tranche shall be suitably adjusted. In case of partial turnkey/departamental, any adjustment shall be done at completion of project or based on declaration by utility

4. Allocation of available funds under IPDS:

- 4.1 In order to ensure that the benefit of the scheme in the form of Gol grant is not passed on to only few states, who poses their DPR in the initial period of launch of scheme, the available fund under the scheme may be allocated State wise in an appropriate ratio.
- 4.2 The detail state wise allocation has been done on the basis of population of Urban areas of States, Energy loss of the Discom, per capita energy consumption of States etc. and enclosed at Annexure-V.
 - a) In case balance of the allocation (not sanctioned fully), the same can be reallocated within these utilities as per requirement (not sanctioned due to capping) on prorata basis.
 - b) State level DRC has to finalize the allocation of fund (out of allocated amount for the entire state) among the utilities within their State.
- 4.3 No cost escalation shall be admissible for the schemes sanctioned under IPDS. Any additional cost on any account whatsoever to complete the project shall be borne by utility.
- 4.4 In the case of cost over-run at the award stage, there is a possibility that eligible utility may opt for reducing the scope of work or BoQ due to financial constraints. In such cases, the Nodal Agency shall have the power to approve revised DPRs in the manner so that the Gol grant commitment is limited to original approval. Nodal Agency can also approve any increase in revised project cost provided that the Gol grant commitment is limited to original approval. All such revisions in project cost approved by Nodal Agency will be placed in the Monitoring Committee periodically.

5. Completion of works:

- 5.1 A Project Completion Certificate shall be furnished by the utility, signed by Director/Member in case of Utility and Chief Engineer in case of Power Department, 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 any project component, expenditure against the project with item wise breakup certified by a practicing CA etc.
- 5.2 Project Closure: The projects needs to be closed in one of the following manner so that closure is co-terminus with releasing/ adjusting final tranche of grant, or recalling unutilized grant;
 - On completion of sanctioned scope of work and expenditure against sanctioned cost.

- On completion of sanctioned scope of work at reduced cost of sanction and expenditure against sanctioned cost, project will be closed at such reduced cost and sanction & Gol grant will be revised by Nodal Agency accordingly.
- Excessive delay in award and implementation beyond Execution period may lead to part completion of sanctioned scope of work at reduced cost (not less than 30% of sanctioned cost) and corresponding expenditure against sanctioned cost. Such projects will be closed at such reduced cost and Nodal Agency is authorized to suo-moto short close at revised cost & Gol grant accordingly.
- Excessive delay in award and poor progress of implementation (expenditure less than 30% of sanctioned cost) beyond Execution period may lead to cancellation of project. Such projects will be suo-moto cancelled by Nodal Agency and entire Gol fund released to utility/ state will be recovered accordingly.

5.3 The project completion certificate/Closure /Short-closure need to be submitted to nodal agency. The format for Project Completion Report/short-closure/closure report shall be provided by Nodal Agency.

- 6 **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 in case of turnkey execution and 27 months in case of partial turnkey/ departmental execution to become qualified for the release of final tranche of 10%. The expenditure as per the Project Completion Certificate 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).
- 7 **Release of additional grant:** Additional grant (i.e. conversion of 50% of loan component) under the scheme will be released subject to achievement of following milestones:
- (a) Timely completion of the scheme as per laid down milestones
 - (b) Reduction in AT&C losses as per trajectory finalized by MOP in consultation with State Governments (Discom-wise)
 - (c) Upfront release of admissible revenue subsidy, if any, by State Govt. based on metered consumption

Guideline for conversion of 50% of FI loan/ Own fund component (i.e. 5% of project cost for special category States and 15% of project cost for other States) into additional grant based upon achievement of milestones is described below:

- 7.1 The conversion will take place in the period subsequent to the financial year, in which all the sanctioned works of IPDS are completed in the Discom to ensure availability of AT&C loss report of Discom.
 - 7.2 The performance parameters of the financial year in which all the sanctioned works of IPDS are completed in the Discom, shall be considered for conversion of loan into grant.
 - 7.3 Based on AT&C loss data in "Report on Performance of State Power Utilities" submitted to MoP annually, PFC will assess reduction in AT&C losses as per Utility wise loss reduction trajectory finalized in consultation with State Governments and circulated vide MoP OM 14/5/2011-APDRP dated 28-7-2014.
 - 7.4 Dir (Finance) of Discoms/ Secretary (E) of Power Deptt. of respective States shall certify the amount of admissible revenue subsidy in the respective Discom area based on metered consumption along with upfront release of same to Discom by respective State Govt.
 - 7.5 Conversion of FI loan/ Own fund component will take place only if-
 - a) The sanctioned project has been completed within time schedule of 27 months (3 month for Award and 24 months for Execution) from the date of sanction of project by Monitoring Committee.
 - b) 100% subsidy has been released upfront to Discom by State Govt. in the financial year in which IPDS scheme is completed in respective Discom.
 - c) AT&C loss of the Discom in the financial year in which IPDS scheme is completed in respective Discom is equal or less than the AT&C loss trajectory figure as finalized by MOP as **per Annexure-VI** in consultation with State Governments (Discom-wise).
 - 7.6 In case utility does not achieve 7.5(b) or 7.5(c) above in the year of completion of project, they can submit claim for conversion on achieving these conditions in subsequent years up to 2022 for which the targets have been defined in the AT&C loss trajectory.
8. **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 CEA 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, Mkw) 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:

AT&C Losses (%) for SEBs/PDs/Discoms		
• Net input energy (Mkw)	=	Total input energy (adjusted for transmission losses and energy traded)
• Net sale of energy (Mkw)	=	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 (Mkw)	=	Net sale of energy (Mkw)*collection efficiency
• AT&C Losses (%)	=	(Net input energy, Mkw - Energy realized, Mkw)*100/(Net input energy, Mkw)

9. **IPDS Bank Account:** The utility shall open a separate bank account for IPDS, which shall be dedicated to the project, where in all the funds from Gol Grant shall be routed. All expenditure against the project shall be regulated through this account. The Nodal agency shall release all funds to beneficiaries Discoms through RTGS/NEFT/ET to the IPDS separate bank account.

10. Supporting/ Enabling activities of Ministry of Power

- a. 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, awareness creation, monitoring, field inspections, evaluation studies, interaction with stakeholders, workshop, training etc.
- b. MoP shall make necessary budget provisions for release of Gol grant for release to Utility by PFC under IPDS. Moreover, MoP shall make a provision of rolling advance to PFC upto 20% of budget provision to be recouped on monthly basis.
- c. National Power Data Hub at CEA shall be established under IPDS. CEA is expected to maintain data repository of all Utilities and SERCs

(On Stamp paper of Rs.)

Chapter V - Format for Tripartite/Bipartite Agreement (To be added for PDS)

Scope of works under IPDS

1. Strengthening of sub-transmission and distribution network

The following works shall be eligible to be covered under the scheme based on study/assessment carried by the respective State Discoms / Power Departments 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 including GIS 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) Laying of under-ground cables in densely populated areas and areas of tourism and religious importance
- (viii) High voltage distribution system (HVDS)
- (ix) Aerial Bunched Cable for theft prone areas
- (x) Rooftop Solar projects, installation of solar panel and smart/ net meters as mandatory component
- (xi) IT Applications
 - (a) ERP
 - (b) Customer Care Services

2. 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
- (iii) Installation of prepaid / smart meters in Govt. establishment
- (iv) AML, Smart meters in the towns where SCADA being established under R-APDRP.
- (v) Boundary meters for ring fencing of Non-RAPDRP Towns with population more than 5000
- (vi) AMR for feeders, Distribution transformer and high load consumers

3. "IT enablement of distribution sector and distribution network strengthening under R-APDRP" component as per ongoing RAPDRP scheme in accordance with MOP Order No.-14/01/2011-APDRP dated 08.07.2013 for continuation of scheme in 12th and 13th Plan and applicable guidelines
4. Completion of optical fiber missing links to connect all the 33 KV or 66 KV grid sub stations under the establishment of National Optical Fiber Network (NOFN)
5. Establishment of National Power Data Hub at CEA
6. Training & Capacity Building

Above works shall be eligible under the scheme provided proposed scope of works is not covered under any Govt. program like R-APDRP/ RGGVY / DDUGJY/ 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 Distribution Reforms Committee (DRC) 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. AMI in the towns where SCADA is not planned under R-APDRP
3. Civil works other than sub station
4. Service lines to consumer
5. GIS survey of assets and consumers
6. Cost of land for sub-stations
7. Compensation towards right of way
8. Distribution automation and IT applications (except ERP and Customer Care Services)
9. Office equipment / fixtures
10. Spares (Other than mandatory spares prescribed by the manufacturer)
11. Tools and Plants (T&P)
12. Vehicles
13. Salaries and Establishment Expenditure

Annexure-II

Office Memorandum No _____ dated _____ regarding setting up
of Integrated Power Development Scheme (IPDS)

Annexure-III

Office Memorandum No _____ dated _____ for designating
Power Finance Corporation as Nodal Agency for Integrated Power
Development Scheme (IPDS)

Annexure-IV

Office Memorandum No _____ dated _____ for setting up of
Monitoring Committee for Integrated Power Development Scheme (IPDS)

Annexure-V

Allocation of IPDS Funds among Various states

Sl. No.	Name of State / UT	(%) Allocation ##	Partial Gol funding component (Rs.Cr.)	NOFN (100% Gol funding) Component (Rs.Cr.)	PMA (100% Gol funding) Component (Rs.Cr.)	Maximum Limit of state Share (Rs.Cr.)
	Total Allocation		31902	120	160	32182
1	Andhra Pradesh (including Telangana)	5.55%	1724.85	6.66	8.62	1740.13
2	Arunachal Pradesh	0.87%	326.08	1.04	1.63	328.75
3	Assam	2.13%	799.17	2.56	4.00	805.72
4	Bihar	4.52%	1404.74	5.42	7.02	1417.18
5	Chhatisgarh	1.77%	549.90	2.12	2.75	554.77
6	Goa	0.18%	54.45	0.21	0.27	54.93
7	Gujarat	5.01%	1557.41	6.01	7.79	1571.21
8	Haryana	2.56%	797.18	3.08	3.99	804.24
9	Himachal Pradesh	0.54%	200.76	0.64	1.00	202.41
10	Jammu & Kashmir	1.70%	635.40	2.03	3.18	640.61
11	Jharkhand	2.57%	797.56	3.08	3.99	804.63
12	Karnataka	5.08%	1579.01	6.10	7.90	1593.00
13	Kerala	3.35%	1039.81	4.01	5.20	1049.02
14	Madhya Pradesh	5.34%	1660.44	6.41	8.30	1675.15
15	Maharashtra	9.99%	3106.16	11.99	15.53	3133.68
16	Manipur	1.32%	493.31	1.58	2.47	497.36
17	Meghalaya	0.94%	352.09	1.13	1.76	354.97
18	Mizoram	1.01%	376.99	1.21	1.88	380.09
19	Nagaland	1.21%	453.53	1.45	2.27	457.25
20	Odisha	2.76%	856.64	3.31	4.28	864.23
21	Punjab	2.20%	683.79	2.64	3.42	689.85
22	Rajasthan	4.23%	1316.02	5.08	6.58	1327.68
23	Sikkim	0.69%	257.56	0.82	1.29	259.67
24	Tamilnadu	6.96%	2164.98	8.36	10.82	2184.16
25	Tripura	1.29%	482.53	1.54	2.41	486.49
26	Uttar Pradesh	12.35%	3837.60	14.81	19.19	3871.60
27	Uttaranchal	1.09%	407.88	1.31	2.04	411.22
28	West Bengal	7.37%	2290.67	8.84	11.45	2310.97
	UTs					
1	Chandigarh	0.58%	180.28	0.70	0.90	181.88
2	NCT of Delhi	2.75%	855.04	3.30	4.28	862.61
3	Daman & Diu	0.05%	15.68	0.06	0.08	15.82
4	D & N Haveli	0.05%	14.87	0.06	0.07	15.01
5	Lakshadweep	0.92%	284.95	1.10	1.42	287.47
6	Puducherry	0.14%	44.74	0.17	0.22	45.14
7	A&N islands	0.96%	299.94	1.16	1.50	302.60
	Grand Total	100%	31902	120	160	32182

REC. figure based on various parameters

Note

- a) Share of AP & Telangana to be divided based on latest census population.
- b) State DRC has to decide the distribution of fund among the utilities within their State

Annexure VI (To be replaced with Discom wise figure)

AT&C loss Reduction trajectory finalized by MOP in consultation with State Government (Discom-wise)

Sl No	State	Source:	Year wise projection								
		PFC	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Andhra Pradesh	13.63	13.38	13.13	12.88	12.58	12.28	12.00	12.00	12.00	12.00
2	Arunachal Pradesh	60.26	56.76	53.26	49.76	46.26	42.76	39.26	36.00	33.00	30.00
3	Assam	31.85	29.85	28.35	26.85	25.35	23.85	22.00	20.00	18.50	17.00
4	Bihar	54.63	50.63	46.63	42.63	38.13	34.00	30.00	27.00	24.00	21.00
5	Chattisgarh	25.12	24.48	22.37	20.66	19.07	17.49	16.17	15.11	14.52	14.00
6	Delhi	15.22	14.72	14.22	13.97	13.72	13.22	13.00	12.50	12.25	12.00
7	Goa	14.14	13.89	13.64	13.39	13.14	12.64	12.00	12.00	12.00	12.00
8	Gujarat	19.87	18.87	17.87	16.87	15.87	15.37	15.00	14.50	14.25	14.00
9	Haryana	32.55	30.05	27.55	24.55	21.55	19.55	18.00	17.00	16.00	15.00
10	Himachal Pradesh	9.53	14.50	13.50	12.50	11.50	10.50	10.00	10.00	10.00	10.00
11	Jammu & Kashmir	60.87	55.87	51.87	47.87	43.87	39.87	35.00	30.00	26.00	22.00
12	Jharkhand	47.49	43.49	39.49	36.49	32.49	29.49	27.00	24.00	21.00	18.00
13	Karnataka	20.78	18.25	17.90	17.43	16.86	16.29	15.72	15.15	14.57	14.00
14	Kerala	10.53	11.15	10.80	10.50	10.25	10.00	10.00	10.00	10.00	10.00
15	Madhya Pradesh	31.15	27.65	25.15	23.15	21.15	19.15	17.00	16.00	15.00	15.00
16	Maharashtra	21.95	20.45	18.95	17.45	16.45	15.45	15.00	14.50	14.25	14.00
17	Manipur	85.49	78.49	71.49	64.49	56.49	48.00	40.00	34.00	28.00	22.00
18	Meghalaya	26.60	33.11	31.29	29.79	28.29	26.79	25.29	23.79	22.29	20.79
19	Mizoram	27.55	27.02	26.14	25.77	24.59	23.49	22.13	21.13	19.75	18.62
20	Nagaland	75.30	67.21	64.21	59.21	53.21	47.21	41.21	35.21	29.21	24.21
21	Odisha	42.94	38.94	37.00	35.00	33.00	30.50	28.00	25.50	23.00	20.50
22	Puducherry	9.13	19.00	18.00	17.00	16.00	15.00	14.00	13.00	12.00	11.00
23	Punjab	17.66	17.16	16.66	16.16	15.66	15.16	15.00	14.50	14.25	14.00
24	Rajasthan	20.00	19.00	18.00	17.00	16.00	15.50	15.00	15.00	15.00	15.00
25	Sikkim	53.51	49.51	45.51	41.51	37.51	33.51	29.00	26.00	23.00	20.00
26	Tamil Nadu	20.72	20.22	19.72	19.22	18.97	18.72	18.47	18.22	18.00	18.00
27	Telangana			13.13	12.88	12.58	12.28	12.00	12.00	12.00	12.00
28	Tripura	33.85	29.85	27.35	24.85	22.35	20.85	20.00	18.00	17.00	16.00
29	Uttar Pradesh	42.85	38.85	34.85	31.85	28.85	25.85	22.85	20.00	17.00	15.00
30	Uttarakhand	23.18	21.68	20.18	18.68	17.68	16.68	16.00	15.00	14.50	14.00
31	West Bengal	34.43	30.51	29.00	28.00	26.00	24.00	23.00	22.00	21.50	21.00
		25.38	23.70	22.17	20.85	19.52	18.31	17.27	16.36	15.57	14.95