

Deen Dayal Upadhyaya Gram Jyoti Yojana – Round The Clock Power to Rural Households & Adequate Power For Agriculture

Feature
DDUGJY

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One of the major commitment of the Shri Narendra Modi government is to provide 24X7 uninterrupted quality electricity to all parts of the country. Yet missing infrastructure leaves large rural areas and many poor households behind. The conditions are aggravated by the fact that, to irrigate their fields, millions of farmers opt for pumping groundwater. Dwindling water tables and cheaper but ever more powerful pumps together with high energy subsidies contribute significantly to unsustainably rising electricity consumption. This not only adds to the fiscal burden of the state but results in load shedding that disrupts well-being and production.

In order to reverse the negative trends, several states have developed programmes for rural electricity segregation whereby separate feeders provide agricultural and non-agricultural consumers. According to evaluations of this scheme by the World Bank, Gujarat which serves as the most interesting and widely disseminated example previously had to deal with rampant power theft and farmers refusing to comply with regulations for rationing. Eventually, the Gujarat electricity utilities decided to enforce the rules through deployment of 500 ex-military men. Gujarat's load management reforms have, all in all, attempted to reduce the demand for both electricity and groundwater among farmers, but they have resulted mainly in increased power supply to villagers and small rural industries.

The new scheme of **Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)**, recently approved by the Union Government draws its inspiration from the similar pioneering scheme implemented by the Government of Gujarat. This scheme will enable to initiate much awaited reforms in the rural areas. It focuses on feeder separation (rural households & agricultural) and strengthening of sub-transmission & distribution infrastructure including metering at all levels in rural areas. This will help in providing round the clock power to rural households and adequate power to agricultural consumers. The earlier scheme for rural electrification viz. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) has been subsumed in the new scheme as its rural electrification component

Components:

The major components of the scheme are feeder separation; strengthening of sub-transmission and distribution network; Metering at all levels (input points, feeders and distribution transformers); Micro grid and off grid distribution network & Rural electrification- already sanctioned projects under RGGVY to be completed.

Budgetary Support:

The full scheme entails an investment of Rs 43,033 crore which includes the requirement of budgetary support of Rs. 33,453 crore from GOI over the entire implementation period. All Discoms **including private Discoms** and State Power Departments are eligible for financial assistance under this Scheme. Discoms will prioritize strengthening of rural infrastructure work considering specific network requirement and will formulate Detailed Project Reports (DPRs) of the projects for coverage under the Scheme. **Rural Electrification Corporation (REC)** is the Nodal Agency for operationalization of this Scheme. It will furnish monthly progress reports on the implementation of the scheme indicating both financial and physical progress to Ministry of Power and Central Electricity Authority .

Monitoring Committee:

The Monitoring Committee under the Chairmanship of Secretary (Power) will approve the projects and also monitor implementation of the scheme. Suitable Tripartite Agreement will be executed between REC as the Nodal Agency on behalf of Ministry of Power, the State Government and the Discom to ensure implementation of the scheme in accordance with the guidelines prescribed under the scheme. Bipartite agreement will be executed in case of State Power departments.

Execution Period:

Projects under this Scheme will be completed within a period of 24 months from the date of issue of Letter of Awards by the utility.

Funding Mechanism:

Grant portion of the Scheme is 60% for other than special category States (up to 75% on achievement of prescribed milestones) and 85% for special category States (up to 90% on achievement of prescribed milestones). The milestones for the additional grant are: timely completion of the scheme, reduction in AT&C losses as per trajectory and upfront release of subsidy by State govt. All North Eastern States including Sikkim, Jammu & Kashmir, Himachal Pradesh and Utrakhnad are included in special category States.

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