

GOVERNMENT OF INDIA  
MINISTRY OF POWER

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.1586**  
ANSWERED ON 09.12.2024

**COST OF SMART METERS UNDER RDSS**

**1586 SHRI DEREK O' BRIEN:**

Will the Minister of **POWER** be pleased to state:

- (a) whether cost of smart meters is indeed substantially higher than the subsidy being offered under the Revamped Distribution Sector Scheme (RDSS) and that there are cost discrepancies in the Smart Meter Scheme;
- (b) if so, the details thereof;
- (c) whether Government is planning to increase the amount of subsidy being provided under the RDSS scheme; and
- (d) if so, the details thereof, if not, the reasons therefor?

**A N S W E R**

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

**(a) & (b) :** Under Revamped Distribution Sector Scheme (RDSS), maximum grant of Rs.900 per consumer meter, Rs. 3,450 per Distribution Transformer (DT) meter and Rs. 6,300 per feeder meter is being provided. For “Special Category States”, the same is Rs.1,350 per consumer meter, Rs. 5,175 per DT meter and Rs. 9,450 per feeder meter. An additional incentive of 50% of eligible Gross Budgetary Support (GBS) was being provided for deployment of prepaid Smart meters by December, 2023 which was availed by the States of Bihar and Assam.

To avoid post implementation & operational issues and to ensure hand-holding support to DISCOMS, RDSS guidelines mandate the roll-out of smart meters through AMISP (Advanced Metering Infrastructure Service Provider) on TOTEX mode (i.e. Total Expenditure which include both Capital and Operational Expenditure). The implementation of Smart Metering in TOTEX mode makes this component self-financing and DISCOMs will not have to pay upfront for the capital expenditure. It is expected that the DISCOM will be able to finance per month per meter cost through enhanced revenue as a result of improvement in billing and collection. AMISP will be responsible for supplying, maintaining and operating the metering infrastructure post installation. AMISP will be paid for a portion of its capital expenditure initially and the remaining payment would be paid during the operational period (7-10 years) on per meter per month basis, which is linked with Service Level Agreement (SLA). This approach ensures end-to-end responsibility of AMISP for delivery of services during the entire life cycle of the project.

**(c) & (d) :** There is no such proposal to increase the amount of grant being provided under RDSS as it is a fixed amount provided for incentivizing the Distribution Utilities for installation of smart meter.

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