

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.1925
ANSWERED ON 09.12.2021**

REVAMPED DISTRIBUTION SCHEME

1925. SHRI JAYANT SINHA:

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

- (a) the salient features of the Revamped Distribution Scheme;**
- (b) the targets set for the DISCOMs under the said scheme for their functional improvement;**
- (c) the pre-qualifying criteria and the basic minimum benchmarks set for DISCOMs to be eligible for financial assistance; and**
- (d) the DISCOMs with which MOUs have been signed so far?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) : Government of India have launched the Reforms-based and Results-linked, Revamped Distribution Sector Scheme with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector. The salient features of the Scheme are as under:

- (i) The scheme has an outlay of Rs.3,03,758 crore and an estimated GBS from Central Government of Rs.97,631 crore.**
- (ii) The scheme aims to reduce the AT&C losses at pan-India levels to 12-15% and ACS-ARR gap to zero by 2024-25.**
- (iii) The scheme has a duration of 5 years (FY 2021-22 to FY 2025-26). The sunset date of scheme will be 31.03.2026.**
- (iv) The scheme has two major components: Part 'A' – Financial support for Prepaid Smart Metering & System Metering and upgradation of the Distribution Infrastructure and Part 'B' – Training & Capacity Building and other Enabling & Supporting Activities.**
- (v) State Governments/ Distribution Companies (DISCOMs) are free to undertake customized reform measures and works to meet the specific needs of the State.**

(vi) **The release of funds under the scheme has been linked to Results and Reforms. The pre-qualifying criteria need to be mandatorily met with by the DISCOMs before they can be evaluated for release of funds under the scheme.**

(vii) **REC and PFC are the nodal agencies, responsible for implementing the scheme across the country.**

(b) : **The scheme aims to reduce the AT&C losses at pan-India levels to 12-15% and ACS-ARR gap to zero by 2024-25. Recognizing that various DISCOMs are at different performance levels – both operational and financial, instead of adopting a one size fits all approach, the scheme envisages customized action plans as per the needs of the individual DISCOMs.**

(c) : **The scheme envisages a Results Evaluation Framework incorporating performance against result parameters and trajectories for improvement. The Results Evaluation Framework has two components (i) Pre-qualifying criteria; and (ii) Result Evaluation Matrix, details of which are given as Annexures-I & II respectively.**

Utilities clearing the pre-qualifying criteria would be eligible for evaluation against the result evaluation matrix, which would determine their eligibility for release of funds for a particular year. The result evaluation framework would be different for each DISCOM and would be fixed for each year depending on the cumulative performance as well as the annual performance.

There would be result parameters in the Result Evaluation Matrix, which will be assigned maximum marks on the basis of significance towards achieving the objectives of the Scheme. The maximum marks and targets for individual parameters may differ for each of the evaluation years. The funds for a particular year will be released only if the Utility clears the Pre-qualifying criteria (Annexure-I) and the total weighted score is more than 60 marks on the Result Evaluation Matrix (Annexure-II).

(d) : **The last date for receipt of Action Plans and DPRs is 31.12.2021.**

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF UNSTARRED QUESTION NO. 1925 ANSWERED IN THE LOK SABHA ON 09.12.2021

Pre-qualifying Criteria to be mandatorily met by DISCOM for Further Evaluation under Revamped Distribution Sector Scheme.

- (i) DISCOMs would publish quarterly un-audited accounts within 60 days of the end of each quarter during first two years of operation of the scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited quarterly accounts within 45 days from 3rd year onwards.**
- (ii) Further, DISCOMs would publish audited annual accounts by end of December of the following year during first two years of operation of the scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited annual accounts by end of September of the following year from 3rd year onwards.**
- (iii) DISCOMs will have ensured that no new Regulatory Assets have been created in latest tariff determination cycle.**
- (iv) 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.**
- (v) All Government Departments/ Attached Offices/ Local Bodies/ Autonomous Bodies/ Boards/Corporations have made 100% payment of current electricity dues for the year under evaluation.**
- (vi) Progress commensurate to commitment in putting Govt. Offices on prepaid meters.**
- (vii) 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.**
- (viii) 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.**

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF UNSTARRED QUESTION NO. 1925 ANSWERED IN THE LOK SABHA ON 09.12.2021

Summary of Results Evaluation Matrix for evaluation of DISCOM performance under Revamped Distribution Sector Scheme

Sr. No.	Category	Weightage for Evaluation
1.	Financial Sustainability	60
2.	Outcome of infrastructure Works	20
3.	Infrastructure Works	10
4.	Policy & Structural Reforms, Capacity Building and IT/OT Enablement	10
	Total	100
