

Deen Dayal Upadhyay Gram Jyoti Yojana

Deen Dayal Upadhyay Gram Jyoti Yojana (DDU-GJY) was launched on July 25th, 2015 targeting power sector reforms in rural areas aiming to ensure round the clock power supply to farmers and rural households. The scheme will focus on **separation of power supply feeders** for agricultural and non-agricultural feeders, **creation and augmentation of power supply infrastructure** for better transmission and distribution of power, and **metering of electricity distribution** for improved energy auditing. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), the erstwhile rural electrification scheme has been subsumed under the DDU-GJY. The current scheme has a total outlay of **Rs 43033 crore** during the entire implementation period up to 2022.

In India, power supply to agriculture has been heavily subsidized. However, power consumption in agricultural is suffering from many inefficiencies such as high technical losses (estimated at over 35%), power theft and disproportionate use. A study by World Bank has shown that it is primarily large farmers who have benefited from power subsidies, as most small and marginal farmers lack power access and depend on rain-fed agriculture.

In this light, several states in India have undertaken programs for rural feeder segregation separating power supply for agricultural and non-agricultural usage. Through this mechanism, power utilities have attempted to measure and limit the amount of power supplied at subsidized rates for irrigation, while ensuring that rural non-agricultural households can receive better quality supply for longer periods. States such as – Andhra Pradesh, Gujarat, Haryana, Punjab, Karnataka, Maharashtra, and Rajasthan have initiated such programs in the past. **DDU-GJY** aims to implement the same at a national level. Previous national initiatives to improve extent and quality of rural electrification have also been subsumed under the program.

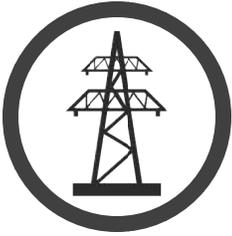
Scope of Works under the Scheme

Broadly, DDU-GJY aims to target three areas – 1) **creation of new infrastructure** (including separate feeders and new sub-stations); 2) **augmentation of existing infrastructure** (through modernization of power lines and sub-stations) and; 3) **better monitoring of initiatives** (through better metering of power supply). Scope of works that can be taken under the scheme can be grouped into three pillars – Feeder Separation, Systems Strengthening and Energy Auditing. These have been listed out below.



Feeder Separation

- Creation of High Tension lines for setting up new feeders (both agricultural and non-agricultural)
- Installation of new transformers for distribution of electricity to agricultural and non-agricultural end users
- Regrouping consumers into agricultural and non-agricultural



Systems Strengthening

- Creation of new sub-stations and augmentation of capacity of existing stations to coverage of electricity distribution
- Modernization of existing sub-stations and power lines to improve quality of electricity distribution
- Installation of aerial bunch cable to control electricity theft



Energy Auditing

- Installation of meters for feeders, transformers and consumers for un-metered connections to improve coverage of monitoring
- Replacement of faulty meters to improve quality of monitoring

Stakeholders under the scheme

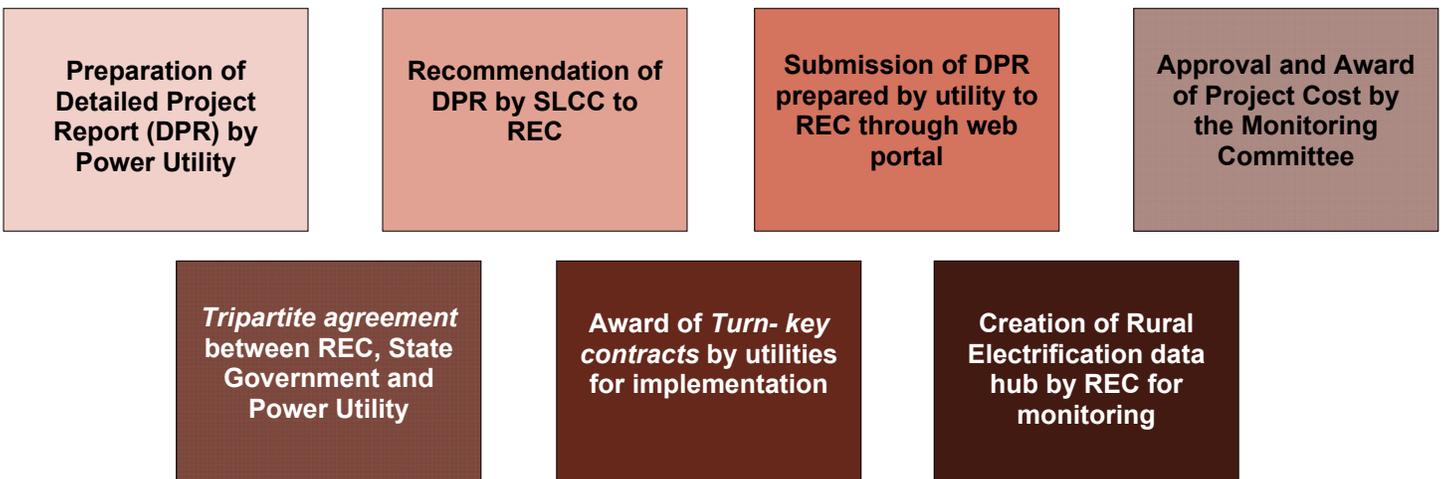
The scheme involves a diverse range of stakeholders ranging from power utilities, the state government to central level nodal agencies. The key implementing agencies are the power utilities, while other national and regional stakeholders are responsible for monitoring and sanctioning the proposals and efforts of the utilities. Given below is an overview of roles and composition of different stakeholders under the scheme.

Institution	Role	Composition
Monitoring Committee	<ul style="list-style-type: none"> • Operationalizing the scheme by taking necessary policy decisions • Sanctioning DPRs prepared under the scheme • Monitoring implementation of the scheme 	<ul style="list-style-type: none"> • Secretary, Ministry of Power is Chairman • CMD, Rural Electrification Corporation is Member Secretary • Chairperson, Central Electricity Authority and Joint Secretaries of other ministries are members
Rural Electrification Corporation	<ul style="list-style-type: none"> • Notify guidelines and formats for implementation of projects • Appraise DPRs before putting them to monitoring committee • Developing web portal for maintaining MIS of projects 	REC is a public sector company functioning under the purview of the Ministry of Power
State Government	<ul style="list-style-type: none"> • Payment of revenue subsidies to power utilities • Provision of land and statutory clearances for creation of infrastructure • Ensure funding availability for utilities by providing guarantees against loans when utilities fail to do so. 	<ul style="list-style-type: none"> • Chief Minister's Office • All Ministries and Departments • Other institutions associated with the state government
State Level Standing Committee	<ul style="list-style-type: none"> • Recommending DPRs to Monitoring Committee for approval • Preventing duplication of works by 	<ul style="list-style-type: none"> • Secretary, Ministry of Power is Chairman • CMD, Rural Electrification Corporation is Member Secretary

	<p>ensuring that there is no overlapping of initiatives</p> <ul style="list-style-type: none"> • Supplement implementation of project by identifying and resolving bottlenecks 	<ul style="list-style-type: none"> • Chairperson, Central Electricity Authority and Joint Secretaries of other ministries are members
Power Utilities	<ul style="list-style-type: none"> • Preparation of DPRs for implementation of projects and submission to REC • Establishment of dedicated project implementation cell at the district level • Submission of progress under the scheme to REC and updating information on the web portal 	<p>Utilities would include all distribution companies (DISCOMS) both in the private and public sector.</p>

Processes under the scheme

Implementation under the scheme involves several processes from preparation of proposals, sanctioning of grants, to awarding contracts for implementation. Stakeholders ranging from power utilities to central and state level agencies have a major role to play in these processes. Given below is an overview of the steps to be undertaken for implementation of the scheme.



Funding under the scheme

The scheme is to be primarily driven by the support of Central Government through grants at different stages. State Governments have to play the role of facilitators by ensuring coordination between different agencies and providing necessary inputs such as land and statutory clearances. While 60% of the project cost is provided by Central Government as a grant, the remaining 40% has to be arranged by power utilities. Out of this the Central Government reimburses half of the loan component on achievement of pre-determined milestones. Also, state governments can assist utilities in providing for the mandatory 10% contribution by putting in their own money in the projects.



The central government contribution will be greater in the case of **Special Category States** (all north-eastern states along with Jammu and Kashmir, Himachal Pradesh and Uttarakhand). This would amount to 85% grants, reducing the loan requirement to 10% and the mandatory contribution by utilities to 5%.

Conclusion

The scheme can play a major role in Rural Development in India. Previous experiences of state governments will have to be kept in mind while implementing the scheme at a national level. It has been recommended that a pilot must be conducted before rolling out the implementation at a State level. Focus has to be on effectively monitoring the initiatives being taken under the scheme. There is need to assess impact at regular intervals and incorporate the learning from one stage into strategies for another. Overall, proper coordination between a diverse range of stakeholders would be the key factor to ensure proper implementation of the scheme and achievement of the objectives it has been launched with.