No. 44/13/2014-RE  
Government of India  
Ministry of Power  
******  
Shram Shakti Bhawan, Rafi Marg,  
New Delhi, dated 6th March, 2018

To

The Chairman & Managing Director,  
Rural Electrification Corporation Ltd.,  
Core-IV, Scope Complex,  
New Delhi – 110 003.


Sir,

Please find enclosed herewith a copy of the Minutes of the Review, Planning and Monitoring (RPM) Meeting of Ministry of Power held under the Chairmanship of Secretary (Power) on 12.02.2018 at New Delhi for taking necessary action and circulation to all concerned.

Yours faithfully,

(Narender Singh)  
Under Secretary to the Govt. of India  
Tel-011- 2370 8304  
Email: narender.singh67@gov.in

Encl: as above

To,

1. Principal Secretary (Power/Energy) of all States

Copy to:

i. Chairperson, CEA, R.K. Puram, New Delhi

ii. CMD, PFC, Urjanidhi 1, Barakhamba Lane, New Delhi.

Copy also to:

PPS to Secretary(P) / PS to all JSs / PS to Dir (D)/ PS to Dir(RE), Ministry of Power.
Minutes of Review Planning and Monitoring (RPM) Meeting of Ministry of Power with Secretaries (Power/Energy) of States/UTs held on 12th February, 2018 at New Delhi.

Review Planning and Monitoring (RPM) Meeting of Ministry of Power with Secretaries (Power/Energy) of States was held under the Chairmanship of Secretary (Power) on 12th February, 2018 at New Delhi. The list of the participants is at Annex-I.

1.1 Secretary (Power), Govt. of India welcomed the Hon’ble Minister of Power, Energy Secretaries of the States & other dignitaries. Secretary (Power) appreciated the efforts of States for village electrification and requested them to put all efforts in completing the remaining un-electrified villages by March, 2018 positively.

1.2 Hon’ble Minister advised the States to complete village electrification works by March, 2018; launch Saubhagy scheme in remaining States; put hoardings for Saubhagy so that people may know about benefits of Saubhagy scheme. Hon’ble Minister further emphasised that States should put all efforts to reduce AT&C losses. In this direction, Hon’ble Minister pointed that theft prone areas may be franchised. In materialising these goals of AT&C loss reduction, Government of India is committed to help States.

2.0 Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya)

2.1 A presentation was made on DDUGJY & Saubhagya covering village electrification, award of new projects & actions required. State were requested States to take Saubhagya on fast track and put all efforts to achieve the targets. During the deliberation, following points emerged:

2.1.1 All balance un-electrified villages (including villages reported over & above 18452) to be electrified before 31st March 2018.

2.1.2 J&K State to make all necessary arrangements for transportation of material in 54 villages for electrification through off-grid mode.

2.1.3 REC to provide details regarding Manipur State for facilitating material mobilisation through Myanmar for electrification of 2 villages, so that it can be raised to MEA.

2.1.4 States to expedite the award of remaining 39 DDUGJY projects.

2.1.5 Proposal of Uttarakhand State regarding award cost for remaining 4 packages of 2 un-awarded projects to be examined by REC.

2.1.6 States of Arunachal Pradesh and J&K may take all measures for settlement of pending litigations, including out of court settlement, affecting award of works. Option for departmental execution may be exercised, if needed.

2.1.7 States to submit claims for drawl of funds under DDUGJY and Saubhagya and REC to expedite processing of claims.

2.1.8 States to ensure completion of works sanctioned under DDUGJY & IPDS by March 2019 as achievement of targets under Saubhagya is contingent upon completion of these schemes to a great extent.

2.1.9 States to submit fortnightly progress for Saubhagya and monthly progress for DDUGJY and IPDS in structured formats.

2.1.10 All States/UTs to plan and focus on organisation of camps in villages and communication campaign for successful implementation of Saubhagya. Local Public representatives (MPs & MLAs), District /Block /Panchayat administration should be actively involved under
Saubhagya and schedule of camps for next month be circulated to all Public Representatives. Adequate publicity should be ensured in respect of camps for larger participation.

2.1.11 States/UTs with 100% household electrification, should notify the scheme through newspaper, communication at local level etc. and release electricity connections to remaining un-electrified households, if any left out for any reasons.

2.1.12 Remaining States to organise launch functions of Subhagya at State level.

2.1.13 States with scattered Households may submit specific proposals justifying per household cost.

2.1.14 Formal communication may be sent to States/UTs which did not attend the RPM meeting.

2.1.15 A separate meeting regarding progress of DDUGJY & Saubhagya for UTs should also be organised.

3.0 Integrated Power Development Scheme (IPDS)

3.1 A presentation on IPDS was also made and after detailed discussion following action points emerged:

3.1.1 Utilities to expedite installation of IPDS billboards and upload the update on IPDS portal.

3.1.2 States to expedite project implementation and Utilize the funds provided under Saubhagya for urban area Household electrification also.

3.2 Secretary (Power) advised States to expedite award of IT Phase-II projects. The States confirmed the following:

3.2.1 J&K informed that PMA is being appointed and RfP for the same shall be issued thereafter.

3.2.2 Gujarat requested to club IT Phase-II and ERP projects. JS(D) advised that State may take a call to club the projects, however, separate accounting of the same needs to be maintained with reference to the sanctioned project.

3.2.3 MP informed that common framework architecture for all of its 3 Discoms is being finalized and RfP shall be issued shortly.

3.2.4 Assam, Karnataka and Odisha confirmed to issue respective RfP by end of February 2018.

3.3 States were requested to expedite Award of IPDS projects pending in Andaman, Arunachal Pradesh, Delhi, Goa, HP, J&K, Meghalaya, Puducherry and Sikkim.

3.4 JS(D) observed that although Part-B projects have been reported to be completed, the closure reports and final claims are yet to be received from the Utilities. He advised States to expedite submission of project closure reports, as the loan to grant conversion is solely dependent on it.

3.5 Utilities were advised to ensure completion of Part-B projects and adhere to the deadline of 31st March 2018. States submitted the following:
3.5.1 J&K informed that 11 towns are likely to be completed by Mar’18. In Kashmir area, works have been abandoned by the contractor and shall be delayed.

3.5.2 Jharkhand informed that Part-B works likely to be completed by June 2018.

3.5.3 Meghalaya informed that 6 out of 9 towns to be completed by Mar’18 and extension shall be required for remaining 3 towns.

3.5.4 Odisha informed that as the award was placed in 2016, the works are likely to be delayed and completed by July 2018.

3.5.5 Punjab informed that works can be completed by March 2018 but closure may require additional 2 months.

3.6 JS(D) advised States to inform PFC about the changes in BoQ if any, during the implementation of IPDS projects to ensure concurrent monitoring of projects and shall also help at the time of closure.

3.7 Utilities were advised to expedite submission of claims, if any, to PFC.

3.8 Secretary (Power) observed that the towns with >30% AT&C losses are the real problem areas. Utilities were advised to analyze feeder data available on NPP and take requisite steps to reduce AT&C losses.

4.0 **Ujjawal DISCOM Assurance Yojana (UDAY)**

4.1 Director Distribution, MoP presented some insights from the data analysis conducted under UDAY. It was emphasised that since UDAY is now half way through the implementation phase, despite encouraging results, the momentum of turnaround has to be increased.

4.1.1 Two-hundred (200) divisions spread across eight (8) states have at least 25% of India’s AT&C losses. The graphic presentation showed the break-up of high loss making divisions in various categories from 40% to 70% AT&C losses. Cutting losses in these divisions to half, through focused monitoring, from ~50,000 MUs to ~25,000 MUs may save more than Rs.10,000 crore/annum.

4.1.2 UP alone had highest 71 such divisions. Principal Secretary of UP mentioned that they have identified around 40 highly critical divisions for focused interventions.

4.1.3 The graphical representation of States with AT&C losses >20% and still increasing for FY17 and for H1FY18 were portrayed.

4.1.4 Secretary, Power MoP advised the DISCOMs to identify and work on the top loss making Divisions to reduce the losses in a mission mode.

4.2 15 high variable-cost generating stations for handholding were presented as a case study. Following points were highlighted:

4.2.1 Average variable cost of these 15 stations is Rs.3.81 per unit as against overall average of Rs.2.39 per unit. Potential savings for these 15 stations could be in the range of Rs.2,500-3,000 crore per annum.
4.2.3 CMD, NTPC informed that the NTPC team visited 18 TPS in 12 States for handholding of State owned power plants for improvement. Chhabra TPS in Rajasthan reported benefit of Rs.700 crore in one year through various measures. CMD, NTPC expressed apprehensions that running less efficient State GENCO plants with higher coal consumption may affect the availability of coal and more efficient NTPC plants may starve on account of coal supply constraints.

4.2.4 Principal Secretary UP informed that the State has been able to reduce cost of generation by 54 paise/unit. UP has closed down two TPS due to high cost of generation, NTPC to take up two TPS for further improvement in UP.

4.2.5 Secretary, Power MoP requested each state to take-up study to identify costly power plants for operational improvements. One of the participants highlighted that any R&M would result in additional fixed cost, hence both fixed and variable cost to be considered in analysis.

4.3 Possibility of reducing long-term borrowing costs of GENCO / TRANSCO can be explored

4.3.1 UDAY interventions pan across the Distribution, Transmission and Generation Sectors. Therefore inefficiencies at all levels, including Generation and transmission leading to costs, have to be addressed. In this connection, a few loans at high costs taken by State TRANSCOs and GENCOs were presented in the meeting as an example. States were requested that GENCOs and TRANSCOs to approach lenders with Govt. Guarantee and avail the lower interest rate to reduce the Power Purchase Cost.

4.3.2 Secretary, Power Orissa informed that they have negotiated the interest rates with lenders and the average interest rate of 10.69% has been reduced to 8.55% with guarantee from State resulting into a total saving of Rs.154 crore in one year.

4.3.3 CMD-PFC mentioned that they have reduced interest cost by more than 2% on portfolio of more than Rs.1,50,000 crore.

4.3.4 The discussions also revealed that approximately 1% reduction in interest cost of GENCO translates to about 10 paise per unit reduction in tariff.

4.3.5 Joint Secretary underlined that refinancing option should be explored so as to replace costlier loans by cheaper loans.

4.4 Concern: How are DISCOMs funding losses?

4.4.1 It was emphasized that during the course of interactions with NITI Aayog, concerns have been expressed on loss financing of DISCOMs. While the Ministry has sought data from the States, there have been cases whereby the data provided has not been able to address the loss financing issue completely, which could be a result of lack of sanitized data, or lack of complete information at the DISCOM level.

4.4.2 As per a preliminary analysis by the Ministry, after UDAY, additional debt raised by DISCOMs has been approx. Rs.1.09 lakh crore, out of which non CAPEX debt has been to the tune of almost Rs.74,000 crore, which is almost 25% of the annual DISCOMs revenue. Therefore, there may not be a further need to undertake further borrowing from
banks, unless a clear-cut distinction is not made between working capital financing and loss financing. Therefore, there is a case for DISCOMs to exhibit prudence in non-CAPEX financing. States were also requested to monitor the same at their level.

4.4.3 Principal Secretary, UP raised that non CAPEX debt may continue to be required to fund losses as per the required loss reduction trajectory till such time the turnaround happens. References were cited from the provisions of UDAY whereby loss financing has to be undertaken only through State issued or DISCOM issued Bonds.

4.4.4 Several other States also requested that a detailed discussion on non-CAPEX financing under UDAY is required. While the Ministry accepted the request to further discuss the matter, the States were advised to make detailed references indicating how the provisions of UDAY are inadequate to meet the Loss financing and Working capital requirements.

4.4.5 Principal Secretary of Uttarakhand requested financial assistance for good performing states so that incentives can be shared with outstanding personnel. It was advised that under IPDS, allocation of Smart meters under a Monitoring committee approved outlay would be done keeping in view the performance under UDAY.

4.5 Case-study competitions on loss reduction initiatives: It was indicated that rewarding loss reduction initiatives to individual employees is under active consideration. States may share their ideas with the Ministry in this regard.

4.6 During the discussions on power demand projections for coming months, states were of the view that demand is expected to increase further.

5.0 Promotion of Digital Payment-onboarding of BBPS/BHIM

Director (RE & IT), MoP made a presentation on Promotion of Digital Payment-onboarding of BBPS/BHIM and shared the progress of digital payment as given to power sector. Against a target of 101cr transactions, only 17cr transactions have been achieved by Jan2018. Importance and utility of onboarding BBPS/BHIM, Incentive for Digital Payment, Cashback/Discount and Waiver of MDR charges were reiterated. As informed by NPCI, 24 Utilities in the country are yet to start the process of onboarding. States like Arunachal Pradesh, J&K, Lakhsdweep, Mizoram, Nagaland, Andaman & Nicobar Islands, Odisha, Jharkhand, HP, Tripura, Bihar, Puducherry, Kerala, Gujarat, Assam, Rajasthan, Uttarakhand, WB, Chhatisgarh, MP, Punjab, TN, Haryana, Meghalaya, UP, Daman & Diu and Karnataka have achieved less than 20% of their yearly target of digital transactions so far.

States were again requested to ensure onboarding on BBPS, Use of Bharat QR code/Bhim App and printing of them on the electricity bill. Mr Ashish Mohan Saxena Senior Manager NPCI (ashish.saxena@npci.org.in 9821300213) is the contact person from NPCI for any issue of BBPS/BHIM App. It was also requested to ensure digital payment facility at Discom office and Portal, Promotion and wide publicity and indication on the bill. States were requested to provide monthly update on number of digital transactions to ministry on it-mop@nic.in

The meeting ended with vote of thanks to the Chair.

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Annex-I

List of Participants in the RPM Meeting held on 12.02.2018 at PFC, New Delhi

In Chair: Shri R K Singh, Hon’ble Minister of Power & NRE

- **Mop**
  1. Shri Ajay Kumar Bhalla, Secretary
  2. Ms. Shalini Prasad, Addl. Secretary
  3. Dr. A.K Verma, Joint Secretary
  4. Shri Vishal Kapoor, Director
  5. Shri K. K. Mishra, Director

- **REC**
  1. Dr. P V Ramesh, CMD
  2. Dr. Shakil P Ahamed, Sr. ED
  3. Shri T.S.C. Bosh, ED
  4. Shri Fuzailrehmed, GM

- **PFC**
  1. Shri Rajeev Sharma, CMD
  2. Shri Avkash Saxena, ED
  3. Shri Subir Saha, GM
  4. Shri S. Rudra, GM

- **NTPC**
  1. Shri Gurdeep Singh, CMD
  2. Shri Parmod Kumar, ED (Comml)
  3. Shri Shyam Kumar, AGM, NTPC

- **PGCIL**
  1. Shri Rajesh Kumar, ED
  2. Shri S.K. Palit, GM

- **DVC**
  1. Shri R.P Tripathi, Member(Tech.)
  2. Shri B.K. Rai, RD, DVC

- **Andhra Pradesh**
  1. Shri M MNayak, CMD, APSPDCL
  2. Shri H Y Dora, MD, APEPDCL
  3. Shri K Ranganathan, Advisor, Energy
  4. Smt. T. Vana, ED, APSPDCL

- **Arunachal Pradesh**
  1. Shri O.N. Fermi, OSD Power, AP

- **Assam**
  1. Shri Puru Gupta, IAS, MD,
2. Shri K.C. Sharma, GM, APDCL
3. Shri Sanjeev Goswami, GM, APDCL

- **Bihar**
  1. Shri Pratyaya Amrit, Pr. Secy & CMD
  2. Shri R Lakshmanan, MD, SBPDCCL

- **Chhattisgarh**
  1. Shri Siddhartha Pardeshi, Secy (Energy)

- **Gujarat**
  1. Shri B.A. Shah, MD, UGVCL
  2. Shri K.M. Bhuva, Director, GUVNL

- **Haryana**
  1. Shri Shatrujeet Kapur, CMD Discos
  2. Shri R.K. Batra, Director, DHBVN

- **Himachal Pradesh**
  1. Shri R.K. Sharma, Director, HPSEBL
  2. Shri Rajiv Awasthi, CE, HPSEBL

- **JAMMU & KASHMIR**
  1. Shri Hirdesh Kumar Singh, Commissioner cum Secretary (Energy)

- **Jharkhand**
  1. Dr. N.M. Kulkarni, Secretary (Energy)

- **Karnataka**
  1. Shri P. Ravi Kumar, Secy Energy

- **Kerala**
  1. Shri N.S. Pillai, CMD, KSEB
  2. Shri Kesauadas, CE, KSEB

- **Madhya Pradesh**
  1. Dr. Sanjay Goyal, MD, MPMKV VCL
  2. Shri D.K. Pandey, CGM (IPDS)

- **Maharashtra**
  1. Shri Arvind Singh, Pr. Secy
  2. Shri Sanjeev Kumar, CMD, MSEDCL
  3. Shri P. Pathak, ED, MESDCL

- **Meghalaya**
  1. Shri M.S. Rao, Addl. Chief Secy,
  2. Shri K.N. War, CE (Dist.), MEPDCL
• **Odisha**
  1. Shri Hemant Sharma, Secy Energy
  2. Shri J.P. Das, Head, PMU, OPTCL
  3. Shri S. R. Sanji, AGM, Gridco

• **Punjab**
  1. Shri A. Venu Prasad, CMD, PSPCL
  2. Shri N.K. Sharma, Director, PSPCL

• **Puducherry**
  1. Dr. R.Murali, SE, Puducherry

• **Rajasthan**
  1. Smt. Arti Dogra, MD, Jodhpur
  2. Shri T.S. Sharma, SE, JVNL

• **Sikkim**
  1. Shri K.B. Kunwar, Principal CE,

• **Tamil Nadu**
  1. Shri Vikram Kapoor, Pr.Secy, TANGEDCO
  2. Shri P. Muthiah, JD, TANGEDCO
  3. Shri P. Rani, CE, TANGEDCO

• **Telangana**
  1. Shri M. D. Manohar Raju, CGM, TSSPDCL
  2. Shri K. Raju Chowhan, GM, Project, TSSPDCL

• **Uttar Pradesh**
  1. Shri Alok Kumar, Pr. Secy (Energy)
  2. Ms Arpna, MD, UPPCL

• **Uttarakhand**
  3. Smt. Radhika Jha, Secretary (Power)
  4. Shri BCK Mishra, MD, UPCL

• **West Bengal**
  1. Shri S.K. Gupta, Addl. Chief Secy,