To
CMD's/MD's & Heads of Power Deptts. of NE States

Subject: Capacity Building proposal for North-Eastern States – reg.

Sir,

This has reference to MoP’s letter No.20/3/2017-IPDS-Part(2) dated 16.04.3028 on the subject alongside a proposal for capacity building in Distribution Sector to NER States (copy enclosed as Annexure-I). In this regard, it is to inform you that the Ministry of Power intends to provide capacity building support to North Eastern States for a period of two years for strengthening institutional capacity of the Discoms/Power Deptts.in NER.

With a view to take the issue forward, you are requested to share with us your observation on the proposal by 26/04/2018, before taking it up with you for further consultation and agreement among stakeholders, as may be required. Thereafter, a TOR will be drafted for consideration of MoP/ Monitoring Committee, before bidding out the entire work.

Thanking you,

Yours faithfully,

(Subir Saha)
ED (IPDS)

Encl: As above
Letter reg. Capacity Building Proposal for NER States

Chairman cum Managing Director,
Tripura State Electricity Corporation Ltd.
Vidhyut Bhawan, North Banamalipur,
Agartala-799001 (Tripura)

PCE cum Secretary
Energy & Power Department
Govt. of Sikkim,
Power Secretariat Building, Kazi Road
Gangtok-737101.

Secretary (Power)
Power & Electricity Deptt.
Govt. of Mizoram,
New Secretariat,
Aizwal, Mizoram-796001

Commissioner & Secretary (Power)
Govt. of Nagaland,
Deptt. of Power,
Kohima-797 004.

Executive Director (Tech),
Manipur State Power Dist. Co. Ltd.
3rd Floor,New Directorate Building
(Near Hotel Imphal), North AOC,
Distt. Imphal-East,
Manipur-795 001

Chairman and Managing Director
Meghalaya Power Distribution Corporation Ltd. (MePDCL)
Lum Jingshai, Short Round Road,
Shillong – 793 001.

Commissioner & Secretary (Power)
Govt. of Arunachal Pradesh
Jal Vidyut Bhawan, Dist. Papumpare
Itanagar-7911111.

Managing Director
Assam Power Distribution Co. Ltd.
Bijul Bhawān
IV Floor, Paltan Bazar
Guwahati-781 001.
No.20/3/2017-IPDS-Part(2)
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi – 110001

Dated: 16/04/2018

To

The CMD
Power Finance Corporation Ltd.,
Urjanidhi 1, Ba’ahkamba Lane
New Delhi-110001.

Subject: Capacity Building proposal for North Eastern States-reg.

Sir,

I am directed to forward herewith a copy of the scope of work for capacity building proposal of North Eastern (NE) States on aspects related to Distribution Sector.

2. In this regard, PFC is requested to consult a few North Eastern States before finalising the ToR for bidding. After agreement with States, PFC may like to bid out the said work, duly bringing the estimate and the proposal for consideration of the Monitoring committee of IPDS.

Yours faithfully,

(G. Swan Za Lian)
Under Secretary (IPDS)
Tele Fax: 23708051
CAPACITY BUILDING PROPOSAL FOR NORTH EASTERN STATES ON ASPECTS RELATED TO DISTRIBUTION SECTOR

BACKGROUND
The Ministry of Power, Government of India have been supporting state governments or UT administration through targeted schemes and programs for improving distribution of electricity in the country. These schemes have certain critical objectives, appropriate fund allocation and time-bound targets. The Ministry of Power, Government of India endeavors to design the schemes, in agreement with participants, such that the contours of plan of action, corresponding responsibilities and governance mechanism are clearly laid out. Evidently, various schemes such as Saubhagyta, Deen Dayal Upadhyay Gram Jyoti Yojana, Integrated Power Development Scheme, Ujjwala DISCOM Assurance Yojana and Power for All are being successfully implemented by states / UTs across the country.

It is to be noted that a few participating states / UTs may foresee or are not able to meet the ambitious targets they have set for themselves. They may face or envisage difficulties in execution due to multitude of reasons including special geographical characteristics, lack of exposure to advanced technology, lack of technical resources, lack of economy of scale, unavailability of suitable vendors or simply because of improper understanding of their context and having unfair expectations from them, etc.

The problem is more prevalent in North Eastern States due to tardy rate of project execution. While difficult terrain and other issues are also identified as a cause, one of the main reasons for tardy execution of projects as well as performance of State utilities is the inadequate capacity of these States to manage their Distribution Sector. The State Government of Meghalaya having recently expressed their desire for availing Project Management Support from Ministry of Power, Government of India for achieving targets set by their respective Power Distribution Company / Department (DISCOMs) is one of the pointers to the same. It is with this intent that the Ministry of Power has decided to provide capacity building support to the North Eastern States for a period of two years, the objective of the same being that the States, in the intervening period, would build their capacities in managing the Distribution Sector.

SCOPE OF WORK
The scope of work shall include the following:

1. CAPACITY BUILDING SUPPORT IN FACILITATING THE IMPLEMENTATION OF GOVERNMENT OF INDIA'S SCHEMES/PROGRAMS, AND PROJECT IMPLEMENTATION

This support vertical shall handhold the States/ DISCOMs in achieving the following objectives.

- Assistance in setting-up the Project Management Unit(s) for Saubhagyta, 24x7 Power For All and UDAY
- Assistance in data validations, data-sharing and data analysis including data from ERP
- Development of roles and responsibilities of the PMU and its KPIs
• Identifying red-flags for pre-empting failures in execution of action plans
• Monitoring progress and debottlenecking the issues emerging during execution
• Performance measurement and governance frameworks including meeting calendars, escalation matrix, etc.
• Schedule review meetings, tracking meeting action points using an MIS dashboard
• Assistance in developing reports, presentations, notes as per the reporting requirement
• Root cause analysis—for key problems of utilities, deviations and suggest remedial measures
• Review the key initiatives of the DISCOMs such as prepaid metering, smart-metering, consumer awareness drives, etc. and recommend adjustments, wherever felt necessary

The States/DISCOMs on their part would nominate a team on their behalf to work in liaison with the Capacity building team, and as a part of the project deliverables at the end of the program, would be able to spearhead such future initiatives for project implementation.

2. SUPPORT IN STREAMLINING THE FLOW OF INFORMATION

This support vertical shall handhold the States/ DISCOMs in achieving the following objectives.

• Assess the existing data collection, management and reporting system and suggest improvement in line with those in vogue in the country and help its implementation.
• Recommendations for collating and making available field-level data to senior management with minimal time-lag or error
• Data checks and validations: Ability to check data sanctity as per the business logic
• Customized MIS dashboards for MD, SES, XENs, AEN levels
• MIS dashboards shall contain Key Performance Indicators (KPIs) such as AT&C loss (with drill down up to feeder level), ACS – ARR Gap (Overall), Supply hours (Average tripping, average supply hours), Transformer failure rate, Exception reports (defective meters, premises locked, unpaid cases etc.), Complaint resolution, Vigilance parameters such as cases assessed, FIRs lodged, etc., Ranking of Sub-divisions, divisions according to performance, Monitoring of schemes such as DDUGVY, IPDS, UDAY, etc.
• MIS report formats including Executive Summary Reports, Individual parameter reports, Consolidated Key parameter reports, Drill down the office hierarchy on any key parameter, Graphical representation of performance, Comparison with Base values and Targets
• Review data management practices including IT tools such as ERP, its requirement specification, implementation, integration with billing systems, prioritization of important ERP modules such as accounting management system, etc.

The States/DISCOMs on their part would nominate a team on their behalf to work in liaison with the Capacity building team, and as a part of the project deliverables at the end of the program, would be able to spearhead such future needs for altering the flow of information, as and when required.
3. **SUPPORT IN MONITORING THE DISTRIBUTION OPERATIONS AND IMPROVEMENT PLAN**

- Review of action-plan for improvement of distribution operations improvement
- Support in identifying root-causes for challenges such as low billing efficiency, high power purchase cost, slow-rate of household electrification, etc.
- Identify remedies for each of the identified root-causes
- Map responsibilities, resource requirement and timelines with each of the remedies
- Support in terms of setting up IT infrastructure management unit in each of the Distribution Utilities.
- Assistance in development of processes and formats to ensure data capture and monitoring on regular basis

4. **CAPACITY BUILDING OF DISCOM PERSONNEL IN SPECIAL AREAS**

- Training and handholding of personnel in good practices through workshops, exposure visits or others means in AT&C loss reduction, power portfolio optimization, revenue protection, IT implementation (use of SCADA, DMS, AMS, WFMS, Smart Meters, etc.), manpower resource planning, etc.
- Explanation and join-preparation of action-plan and analysis reports
- Imparting training on use of KPIs and MIS reports
- Assist MD, senior officers during performance reviews and planning

**TEAM**

The consultant should provide a team comprising one Team Leader, two power distribution utility experts and team members of highest suitability satisfying at least following criteria:

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| 1.     | One Team Leader (to provide guidance and direction to the team from time to time, and participation in key meetings) | Degree in Electrical / Mechanical Engineering and Master's in Business Administration | At least 10 years of experience of working with electricity utilities.  
S/he must have at least 5 years of experience in managing consulting projects within the electricity utility business.  
S/he must have experience in organization design, strategic planning, and capacity building.  
Must possess knowledge of handling project management software for planning, scheduling, monitoring and control of projects.  
S/he would be required to participate in all trainings and important meetings. |
| 2.     | Two Power Distribution utility experts         | Degree in Electrical / Mechanical Engineering, and / or Master's in Business Administration | At least 20 years of experience of working with power distribution utilities in India.  
At least 10 years of experience of working with one or more power distribution utilities of aforementioned states of North-Eastern region.  
S/he must have experience in annual budget preparation, tariff petition filing, working capital management, and annual account preparations.  
S/he must have experience in developing power system plans, system expansion plans, power system studies, load flow studies etc.  
S/he would be required to participate in all trainings and important meetings. |
| 3.     | Eleven analysts / team members (1 each for Manipur, Mizoram, Nagaland, Sikkim and Arunachal Pradesh; 2 each for Assam, Tripura and Meghalaya) | Master's in Business Administration or other relevant degrees such as engineering or economics | At least 5 years of experience of working with power sector projects.  
Must have experience of data research, data analysis, report writing, preparing and delivering presentations  
Analysts / team-members must be stationed at state / DISCOM through the duration of project. |