

F. No. 27/5/2017-IPDS  
Government of India  
Ministry of Power  
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Shram Shakti Bhawan, Rafi Marg  
New Delhi, the 26<sup>th</sup> October, 2017

To,


The CMD  
Power Finance Corporation Ltd.  
Urjanidhi, 1, Barakhamba Lane  
New Delhi-110001  
[Fax: 23456945]

**Subject: Providing support to UDAY States for Smart Metering Projects under IPDS.**

The Monitoring Committee, in its 10<sup>th</sup> Meeting held on 13<sup>th</sup> June, 2017 has decided to allocate Rs.750 crore for installation of smart metering solutions for the UDAY participating states from likely balance outlay of IPDS.

2. The above outlay of Rs.750 crore for smart metering solutions can be shared amongst the well performing States. The criteria for eligibility would be on the basis of improvement in UDAY Performance Parameters. The general guidelines under which the cases could be processed are enclosed.
3. PFC is requested to coordinate with UDAY participating states for time bound online submission of DPRs for Smart Metering solutions as per scheme modalities. The cut-off date of online DPR submission should be reasonably set so that the cases can be deliberated by the next IPDS Monitoring committee.

Yours faithfully

  
(G. Swan Za Lian)

Under Secretary to the Government of India  
Tele Fax: 23708051

Encl: As above.

## SMART METERS FOR UDAY STATES UNDER IPDS

1. Government approved the "Integrated Power Development Scheme" (IPDS) on 20.11.2014 with a total outlay of Rs 32,612 crore, which comprise of Rs. 31,902 crore, towards Project cost and Rs.710 crore for missing links of NOFN. Capacity building, PMA charges, fee and enabling components etc.
2. Under IPDS, so far projects worth Rs.26,597 crore (excluding PMA cost) have been approved for distribution strengthening and IT enablement projects and Rs.1840 crore is balance for the sanction of IT enablement/ERP projects and is awaiting DPRs from the States, thus the projects for Rs.3465 crore are yet to be sanctioned.
3. The issue regarding Roadmap for likely balance outlay under IPDS was deliberated in the 10<sup>th</sup> Monitoring Committee Meeting held on 13<sup>th</sup> June, 2017 and it was decided to allocate Rs. 872 crore for addition sanction of distribution strengthening works for 13 states, Rs.750 crore for installation of smart meters, in UDAY states and Rs.1843 crore for underground cabling.
4. UDAY provides, that States participating in UDAY and meeting operational milestones would be eligible for additional/priority funding under schemes of Ministry of Power.
5. The above outlay of Rs.750 crore for smart metering solutions can be shared amongst the well performing States by the Monitoring committee, basis their performance under UDAY and the quality of their proposals/business plans. For this, all UDAY States may be asked to submit their concrete DPRs on smart meters to PFC, within one month of issue of a notification from this Ministry.
6. Only those States would be considered which would upload their DPRs on the PFC portal before the designated cut-off date.
7. The criteria for eligibility would be on the basis of improvement in UDAY Performance Parameters.
8. States could make DPRs on either on CAPEX model or revenue recovery models with deferred payment liabilities, to be serviced through improved efficiency gains arising out of Smart metering. However, IPDS funding to the extent of 60% (85% for special category states) would be **admissible only for the CAPEX portion** (i.e cost of procurement of smart meters, head end system and communication equipment) **limited to a maximum of Rs 2000/- per node**. Thus, the GBS liability under IPDS would lie to a maximum of Rs 1200/- per node.

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9. IPDS is a CAPEX oriented scheme. Thus, an undertaking would be given by the States at the time of submission of the DPR that the ownership of Smart meters would be transferred to the DISCOM upon the expiry of the Contracts entered into for the revenue models.
10. States may leverage the services of EESL and other CPSUs such as RECPDCL and RECTPCL for the smart metering solutions.
11. The payments from the GOI budgetary grant would follow the same pattern as in IPDS, subject to the condition that installation of the meters, head end system and communication systems, once completed and accepted by the Utility would be identified as the milestone for completion of the project for the purpose of final tranche of IPDS disbursements.