

Chapter I - DEENDAYAL UPADHYAYA GRAM JYOTI YOJANA (DDUGJY)

1. Background:

- 1.1 In rural areas of the country, the agricultural and non-agricultural load (domestic and non-domestic) are typically catered to through common distribution network. The availability of power supply in rural areas is inadequate and unreliable in many parts of the country. The distribution utilities resort to frequent load shedding in rural areas to mitigate the gap between supply and demand, which affects power supply to agricultural consumers as well as non-agricultural consumers owing to common distribution network.
- 1.2 Feeder separation refers to supply of electricity to agricultural consumers and to non-agricultural consumers (domestic and non-domestic) separately through dedicated feeders. This arrangement allows the distribution company to regulate power supply to agricultural consumers as and when needed for effective Demand Side Management (DSM). The separation of feeders helps in flattening of the load curve by shifting the agricultural load to off-peak hours and thus facilitates peak load management. The core objective of separation of feeders is to provide regulated supply to agricultural consumers and continuous power supply to non-agricultural consumers in rural area.
- 1.3 The demand of electricity in rural areas is increasing day by day due to increase in customer base, changes in lifestyle and consumption pattern which requires continual strengthening and augmentation of distribution network. However, the poor financial health of the distribution utilities has resulted in under-investment in the distribution network leading to poor upkeep and maintenance of assets, particularly in rural areas. Therefore, strengthening and augmentation of sub-transmission & distribution infrastructure is also considered necessary to ensure reliable and quality power supply in rural areas.
- 1.4 In order to facilitate sustainable commercial operations of electricity distribution, it is also important to focus on metering at consumer end for all categories of consumers. Apart from metering at consumer end, the metering arrangement at distribution transformers and feeders would facilitate building up a mechanism for proper energy accounting. This will help in identifying high loss pockets and initiating remedial measures towards reduction of losses.

2. Approval of the scheme

- 2.1 Govt. of India has launched Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for the rural areas with the following components:

- (i) **Separation of agriculture and non-agriculture feeders** facilitating judicious rostering of supply to agricultural & non- agricultural consumers in the rural areas;
- (ii) **Strengthening and augmentation of sub-transmission & distribution (ST&D) infrastructure** in rural areas, including metering at distribution transformers, feeders and consumers end;
- (iii) **Rural electrification**, as per CCEA approval dated 01.08.2013 for completion of the targets laid down under RGGVY for 12th and 13th Plans by subsuming RGGVY in DDUGJY and carrying forward the approved outlay for RGGVY to DDUGJY;

2.2 The approval has been accorded for components (i) and (ii) above having scheme cost of Rs. 43033 crore including a budgetary support of Rs. 33453 crore from Government of India during the entire implementation period.

2.3 The existing programme of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) as approved by CCEA for continuation in 12th and 13th Plans will get subsumed in this scheme as a separate rural electrification component [component (iii) above] for which CCEA has already approved the scheme cost of Rs. 39275 crore including a budgetary support of Rs. 35447 crore. This outlay will be carried forward to the new scheme of DDUGJY in addition to the outlay indicated in para 2.2 above.

2.4 Office Memorandum No _____ dated _____ issued by the Ministry of Power in respect of Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) is enclosed as Annexure-I.

3. These guidelines shall be applicable only for the components (i) & (ii) above of the scheme viz. feeder separation and augmentation of distribution infrastructure including metering in rural areas. The existing operational Guidelines/ Standard documents/ procedures of RGGVY shall continue to prevail for implementation of RE component of DDUGJY. The commitments already made under RGGVY shall be honoured as per the approvals and guidelines.

Chapter II Project Formulation and Implementation

1. **Project formulation:** Utilities shall identify need for feeder separation & critical gaps in sub-transmission and distribution network considering all relevant parameters such as consumer mix, consumption pattern, voltage regulation, AT&C loss level, HT & LT ratio, optimum loading of transformers & feeders / lines, reactive power management, power factor improvement, standard of performance etc. and on-going works under other schemes for efficient management of distribution system. Based on the assessment, utilities will prioritize strengthening of rural infrastructural works considering specific network requirement and will formulate district wise bankable Detailed Project Reports (DPRs) for rural areas based on detailed field survey and latest approved schedule of rates for various items of work.
2. **Scope of Works:** The projects under the scheme shall be formulated for **rural areas only** and will cover works relating to feeder separation, strengthening of sub-transmission & distribution systems including metering of distribution transformers, feeders & consumers and rural electrification component. The details of works covered under the scheme are as under:

a. Feeder Separation

(i) Physical separation of HT feeders for Agricultural and non-Agricultural consumers

- a. Erection of HT lines for drawing new feeders and reorientation/re-alignment of existing lines
- b. Installation of new distribution transformers and augmentation of existing distribution transformers
- c. Re-location of distribution transformers and associated LT lines for re-grouping of consumers (Agricultural and Non-Agricultural)

(ii) Virtual separation of feeders

- a. Installation of new distribution transformers and augmentation of existing distribution transformers
- b. Re-location of distribution transformers and associated LT lines for re-grouping of consumers (Agricultural and Non-Agricultural)
- c. Installation of rotary switch and associated hardware at sub-stations

Feeders already segregated by the States Discoms / Power Departments shall not be eligible to be covered under this scheme. However, the feeders already segregated by virtual means could be considered for undertaking physical separation under the scheme.

b. Strengthening of sub-transmission and distribution system

- (i) Creation of new sub stations along with associated 66 KV / 33 KV/ 22 KV/ 11 KV lines.
- (ii) Augmentation of existing sub-stations capacity by installation of higher capacity/additional power transformer along with associated equipment/ switchgear etc.
- (iii) Erection of HT lines for reorientation/re-alignment including augmentation of existing lines
- (iv) Installation of new distribution transformers and augmentation of existing distribution transformers along with associated LT lines, including replacement of burnt out transformers installed under RGGVY programme.
- (v) Installation of capacitors
- (vi) Renovation and Modernization of existing sub-stations and lines
- (vii) High Voltage Distribution System (HVDS)
- (viii) Arial Bunched Cable for theft prone areas
- (ix) Micro-grid and off-grid distribution network

c. Metering: The installation of meters at sub-stations, feeders, distribution transformers and consumers is important to ensure seamless accounting and auditing of energy at all levels in the distribution system. Accordingly, metering of all feeders and distribution transformers including metering at all input points to the utility shall be ensured under this scheme. The metering component under the scheme shall cover the following:

- (i) Installation of suitable static meters for feeders, distribution transformers and all categories of consumers for existing un-metered connections, replacement of faulty meters & electro-mechanical meters.
- (ii) Installation of Pillar Box for relocation of meters outside the premises of consumers including associated cables and accessories

d. Works not eligible under the scheme: The following works/ items shall not be eligible for coverage under DDUGJY scheme:

- (i) Works already covered under other schemes of Govt. of India (RGGVY, NEF etc.). The projects for which any other grant / subsidy from Government of India has already been received / proposed to be received shall not be eligible under this scheme.
- (ii) Service lines to consumer
- (iii) Under-ground cable works
- (iv) Cost of land for sub-stations
- (v) Civil works other than sub-stations
- (vi) Compensation towards right of way
- (vii) Distribution automation and IT applications
- (viii) Office equipment / fixtures
- (ix) Spares (Other than mandatory spares)
- (x) Tools and Plants (T&P)
- (xi) Vehicles

- (xii) AMR / AMI, Prepaid meters and Smart Meters
- (xiii) Salaries and Establishment Expenditure

Monitoring Committee shall have the powers to approve any changes in the scope of works under this scheme.

3. **Eligible entities:** All Discoms including private sector Discoms and State Power Departments will be eligible for financial assistance under the scheme. In case of private sector Discoms where the distribution of power supply in rural areas is with them, projects under the scheme will be implemented through a State Government Agency and the assets to be created under the scheme will be owned by the State Government / State owned companies. These assets will be handed over to the concerned Discom for their use during the license period on mutually agreed terms & conditions. The responsibility of operation and maintenance of these assets would be of the concerned Discom.
4. **Submission & Approval of DPRs:** The district wise DPRs shall be prepared by the utility and recommended by existing State Level Standing Committee (SLSC) constituted for RGGVY programme. The utility shall submit the DPR to the Nodal Agency online through web portal. One hard copy of the DPR (as printed out from web portal), duly recommended by the SLSC shall be submitted by the utility to the Nodal Agency for record and reference. The eligible projects (DPR) will be approved by the Monitoring Committee.
5. **DPR for NOFN component:** Government of India has already approved the setting up of National Optical Fiber Network (NOFN) to provide connectivity to 2,50,000 Gram Panchayats spread over 6,600 Blocks and 641 Districts of the country, which would ensure broadband connectivity with adequate bandwidth. The existing optical fiber will be extended up to the Gram Panchayats. The Programme is being implemented through Bharat Broadband Network Limited (BBNL), which is a Special Purpose Vehicle set up by Government of India with the mandate to create the National Optical Fiber Network (NOFN) in India.

The DDUGJY scheme envisages to connect all the 33 KV or 66 KV grid sub stations by extending optic fiber network being established under NOFN. Provision of 100% grant has been made under the scheme for connecting the missing links of NOFN.

A separate and consolidated DPR shall be prepared by the respective utility in consultation with BBNL or any designated agency like BSNL, RailTel, PGCIL etc. for the NOFN programme in the state. The DPR shall include the proposed implementation methodology and milestones along with the cost. DPRs recommended by the SLSC shall be submitted to the Nodal Agency.

6. **Eligible Cost for determining grant:** The project cost approved by the Monitoring Committee or Award cost of the project, whichever is less, shall be the eligible cost for determining the Grant (including additional grant) under the scheme. Any cost

overrun after approval of the project due to any reason whatsoever shall not be eligible for any grant and shall be borne by the utility / respective State Government.

In the case of cost overrun at the award stage, there is a possibility that the eligible entities may opt for reducing the scope of work and Bill of quantities (BOQ) due to financial constraints. In such cases, the Nodal agency shall have the power to approve the revised DPR in the manner so that the grant commitment is limited to the original approval.

Nodal agency can also approve any increase in the revised project cost provided that the grant portion is limited to original project cost.

Nodal agency will compile all such cases and periodically submit the same for information of the Monitoring Committee.

7. **Tripartite/ Bipartite agreement:** A Tripartite agreement will be executed between REC as the Nodal Agency on behalf of Ministry of Power, the State Government and the Discom for undertaking and agreeing to their stipulated roles/responsibilities as per provisions of the scheme guidelines. Bipartite agreement will be executed in case of State Power Departments. The format for agreement is as per chapter 6 of these guidelines.
8. **Mode of Implementation:** The projects shall be implemented on turn-key basis. The turnkey contract shall be awarded after carrying out open competitive bidding process on fixed price basis (with no provision for price variation). The projects have to be awarded within three months of date of communication of the approval by the Monitoring committee. However, in exceptional circumstances, execution on partial turnkey/departmental basis shall be permitted with the approval of the Monitoring Committee.
9. **Implementation Period:** Projects under the scheme shall be completed within a period of 24 months from the date of issue of Letter of Award (LoA) by the utility. For execution on partial turnkey/departmental basis, the project needs to be completed within 27 months (24 months for implementation and 3 months for placement of awards for supply and services i.e. erection) from date of communication of the approval of the Monitoring committee.
10. **Dedicated team for implementation of projects:** Utility shall create a dedicated team for implementation of projects at district and Utility/State level including necessary manpower and requisite infrastructure like office, logistics etc. to ensure smooth implementation, monitoring and to redress grievance of public and public representatives of the project areas.
11. **Project Management Agency (PMA):** An appropriate Project Management Agency (PMA) will be appointed by the utility for each project for monitoring and ensuring timely implementation of the project. 100% grant will be provided by Gol

towards expenditure incurred on Project Management Agency (PMA) as per provision in the scheme i.e. upto 0.5% of cost of works. The broad framework for appointment of PMA along with the indicative scope and role are indicated in chapter 5 of these guidelines.

- 12 **Rural Electrification Data Hub:** A Rural Electrification (RE) data hub shall be created at REC. This data hub shall primarily be a nodal information centre for data and information related to rural power distribution systems and will broadly collate the state wise updated status of rural electrification in the country. This will be subsequently uplinked in a seamless manner with the National Power Data Hub in CEA. Modalities and guidelines for implementation of the data hub shall be worked out by REC separately, in consultation with CEA, and shall be put up to monitoring committee for approval.

Chapter III - Stakeholders of the scheme- Roles and responsibilities

1. **Rural Electrification Corporation Limited (REC) shall be the Nodal Agency** for operationalization and implementation of the scheme under the overall guidance of MoP. The Nodal Agency will be paid 0.5% of the total project cost as their fee. The role of the Nodal agency is as below:
 - a) Notify all the guidelines and formats required for implementation of the project from time to time;
 - b) Appraise the projects before putting up to the Monitoring Committee;
 - c) Conduct all works relating to holding of the Monitoring Committee meetings for approvals;
 - d) Administer the Grant Component.
 - e) Develop a dedicated web portal for submission of DPRs and for maintaining the MIS of the projects.
 - f) Monitor physical and financial progress of the projects including quality of works.

2. **State Level Standing Committee:** The Projects shall be recommended by existing State Level Standing Committee (SLSC) constituted for RGGVY projects under the chairmanship of Chief Secretary before submitting the projects to the Nodal Agency. The roles and responsibilities of State Level Committee shall be as follows:-
 - a) Recommending DPRs (including DPRs for NOFN component) for approval of monitoring committee after vetting the physical works covered under the project and ensuring adequacy of upstream network, commensurate with the proposed distribution network and availability of adequate power supply to cater to the load demand of the project area ;
 - b) Ensuring that there is no duplication / overlapping of works with any other Gol scheme like RGGVY, NEF etc.
 - c) Monitoring progress, quality control and resolve issues relating to implementation of sanctioned projects viz. allocation of land for sub stations, right of way, forest clearance, railway clearance, safety clearance etc.

3. **Monitoring Committee:** Projects under the scheme will be approved by a Monitoring Committee to be constituted by the Ministry of Power. The Office memorandum issued in this regard is enclosed as Annexure II. The Committee will be empowered to:
 - a) Approve operational and other related guidelines for implementation of the scheme
 - b) Approve changes to the scope of works and amendments in the guidelines from time to time within the overall approval granted by CCEA.
 - c) Approve eligible projects for coverage under the scheme.
 - d) Monitor implementation of the scheme.

4. **Utility (Discom/Power Department):** The Utility shall be responsible for the following functions:
 - a) Preparation of DPRs and online submission of DPRs duly recommended by the State Level Standing Committee (SLSC) to the Nodal Agency;
 - b) Implementation of the scheme within the scheduled completion period as per guidelines;
 - c) Appointment of Project Management Agency (PMA)
 - d) Establishment of a dedicated project implementation cell at district level and a centralized cell at Head office level
 - e) Submission of updated progress of the project to the Nodal Agency including its periodic updation on the web portal;
 - f) Any other related information to the Nodal Agency to be provided, as and when required.

5. **State Government**
 - a) To extend the role of the existing SLSC for RGGVY projects to empower the committee for recommendation of projects under DDUGJY;
 - b) To make upfront payment of revenue subsidy to the utility
 - c) To provide support on policy issues on distribution of power in the state;
 - d) To provide required land for sub stations and facilitate in obtaining other statutory clearances (ROW, forest etc.)
 - e) To furnish guarantee for the loan component under the scheme in case the utility is not able to provide any other mode of security

b. Chapter IV- Funding mechanism

1. **Categorization of States:** The states have been categorized in two groups (i) Special Category States (All North Eastern States including Sikkim, J&K, Himachal Pradesh, Uttarakhand) and (ii) Other than Special Category States (all other states).
2. **Funding pattern:** The funding mechanism under the scheme shall be as under:

Agency	Nature of support	Quantum of support (Percentage of project cost)	
		Other than Special Category States	Special Category States
Govt of India	Grant	60	85
Discom Contribution	Own Fund	10	5
Lender (FIs/ Banks)	Loan	30	10
Additional Grant from GOI on achievement of prescribed milestones	Grant	50% of total loan component (30%) i.e. 15%	50% of total loan component (10%) i.e. 5%
Maximum Grant by GOI (including additional grant on achievement of prescribed milestones)	Grant	75%	90%

Minimum contribution by Discom(s) shall be 10% (5% in case of Special Category States). However, Discom(s) contribution can go up to 40%, if they do not intend to avail loan. In case the Discom(s) do not avail loan, the maximum eligible additional grant would still be 15% (5% in case of Special Category States) on achievement of prescribed milestones. The loan component would be provided by REC or by other FIs/Banks.

3. **Release of funds by GoI:** The grant support from GoI is proposed to be extended as per following milestones:

Tranche no.	Conditions for release of grant support by GoI	Release of Grant component of GOI
1	(i) Approval of projects by Monitoring Committee (ii) Bipartite / Tripartite agreement amongst Discoms, State Govt & Nodal Agency on behalf of MoP.	10%
2	Placement of Letter of Award (LoA) by the utility	20%
3	Utilisation of 90% of grant released by GOI (1st and 2nd Tranche) and 100% release of Discom contribution	60%
4	After completion of works	10%
	Total	100%

4. **Completion of works:** A Project Completion Certificate shall be furnished by the utility, signed by Director/Member in case of Utility and Chief Engineer in case of Power Department, which shall contain the information regarding date of completion, details of major items of works approved and completed, justification for non-completion or shelving of any project component, expenditure against the project with item wise breakup certified by a practicing CA etc. The project completion certificate needs to be submitted to nodal agency duly recommended by the state government regarding release of final tranche of grant component. A format for project completion certificate will be made available in the web portal for the scheme.
5. **Pre Closure/Recall of Grant:** In case the utility fails to submit the Project Completion Certificate within a period of one year from the approved project completion date (approved by Monitoring Committee), the Nodal Agency shall send a team suo moto to assess the works and expenditure and submit its recommendation to the Monitoring Committee for closure and also refund of excess grant by utility if any released against the project.

In case the utility fails to award the project within one year of release of first tranche of grant component viz 10%, the project will be deemed as closed cancelled and the grant component released shall be refunded by the utility within three months.

In case the utility fails to refund the grant as in above cases, the Nodal Agency has the right to adjust the already released grant against future releases of grant pertaining to other approved projects under the scheme. If there are no such eligible future releases, the same shall be adjusted against the Central Plan Assistance for the state by Govt. of India.

6. **Eligibility for release of final installment:** The date of completion as mentioned in the project Completion Certificate shall be within the execution period of 24 months in case of turnkey execution and 27 months in case of partial turnkey/ departmental execution, or as extended by the Monitoring Committee to become qualified for the release of final tranche of 10%. The expenditure as per the Project Completion Certificate or award cost or the cost approved by the Monitoring Committee whichever is lower shall be considered as the final cost of the project for the release of the last installment of 10%, after adjusting any excess release made earlier (to limit the subsidy amount to 60% of the completed project cost).
7. **Release of additional grant:** Additional grant (i.e. conversion of 50% of loan component i.e. 5% for special category States and 15% for other States) under the scheme will be released subject to all milestone mentioned below:
 - a. **Timely completion of the scheme**

Completion of project within 24 months of placement of LOA by the utility or 27 months from date of communication of sanction in case of non-turnkey execution. The extension of implementation schedule if any approved by the

Monitoring Committee will be applicable only for the last 10% release of grant and not for additional grant.

The evaluation of criteria (b) and (c) would be undertaken only if criterion (a) is complied with.

b. Reduction in AT&C losses as per trajectory finalized by MOP in consultation with State Governments (Discom-wise)

The trajectory finalized by MOP in consultation with State Governments (Discom-wise) is enclosed as **Annexure-II**. The AT&C loss figures after 1 year of completion of project shall be compared with the agreed trajectory as above. In case utility fails to achieve the AT&C loss level as per trajectory after 1 year of completion of project, the utility will still be permitted to achieve the level as per trajectory targets during any subsequent financial year for availing additional grant but not beyond FY 2021-22. The losses as determined by Power Finance Corporation (PFC) as per the formula of MoP shall be the source for examining the compliance of this condition.

c. Upfront release of admissible revenue subsidy by State Govt. based on metered consumption

The upfront release of subsidy by the State Govt. after 1 year of completion of project will be ensured for compliance. However same can also be complied with by the utility during any subsequent year but not beyond FY 2021-22. The amount of admissible revenue subsidy and the amount received upfront certified by the Director (Finance) of the utility shall be submitted to the Nodal Agency.

Further the compliance for criteria (b) and (c) shall be seen for the same financial year.

- 8. Designated Bank Account:** The utility shall open designated interest bearing account in nationalized bank for each district which shall be dedicated to the project, where in all the funds from lenders funding the project, equity contribution of the utility and Gol Grant shall be routed. All expenditure against the project shall be regulated through this account for the particular district. Project Management Agency (PMA) shall overview these accounts and shall submit its feedback to Nodal Agency quarterly, and at the time of demand for release of grant. The bank account should be designated as "Name of Dist. – Name of State- DDUGJY".

9. Mechanism for release of grant:

- a. Release of 10% of eligible Grant component (**1st tranche**) on achievement on of following:
- (i) Approval of the project by the Monitoring Committee
 - (ii) Execution of tripartite/bipartite agreement

- b. Release of 20% of eligible Grant component (**2nd tranche**) on achievement on of following:

- (i) Appointment of Project Management Agency (PMA) by the utility.
- (ii) Placement of Award for turnkey contract.
- (iii) Updating of web portal regarding award details.

In case the award cost is lower vis-à-vis the approved project cost, 2nd tranche shall be suitably adjusted.

- c. Release of 60% of eligible Grant component (**3rd tranche**) on submission of following:

- i. Certificate from utility regarding utilization of 90% of grant released under 1st and 2nd Tranche
- ii. Receipt of 100% of utility contribution (10% of approved project cost)
- iii. Financial sanction of lenders (FIs/Banks) for 30% of approved project cost in case utility needs to avail loan for the project.
- iv. Recommendation of PMA supported by a report on expenditure, progress with and bottlenecks for timely completion of project.

- d. Release of 10% of eligible Grant component (**final tranche**) on submission of following:

- i. Project Completion Certificate, duly recommended by the State Government, in the stipulated format.
- ii. PMA report regarding Project Completion and expenditure incurred along with recommendation.

- e. In case of timely completion of the project, utilities shall submit all the documents and information in the prescribed format for availing additional grant as per the guidelines.

10. **Supporting/ Enabling activities of Ministry of Power:** A provision of 0.5% of the total project cost has been kept for the supporting/ enabling activities of Ministry of Power relating to implementation of the scheme, such as capacity building, creating awareness through workshops, seminars, interaction with stakeholders, program publicity and promotion, quality monitoring of works, field inspections, evaluation studies, training etc.

11. Nodal Agency, REC shall be eligible for 0.5% of the approved project costs as its fee, which shall be claimed as below:

- i. **1st installment:** 40% of the nodal agency fee (i.e. 40% of 0.5% of approved project cost) in the financial years in which the projects are approved by the Monitoring Committee under DDUGJY.
- ii. **2nd installment:** 30% of the nodal agency fee (i.e. 30% of 0.5% of approved project cost) on award of approved projects.
- iii. **3rd installment:** 30% of the nodal agency fee (i.e. 30% of 0.5% of approved project cost) after one year of claiming 2nd installment.

12. PROCESS FOR FINANCIAL TRANSACTIONS

- i. All Financial transactions under the DDUGJY Scheme including payments to be made by the utility to contractors/suppliers and consultants shall be done through the electronics transfer mode (NEFT/RTGS).
- ii. All funds received from Government of India shall be kept in a separate Bank account (DDUGJY Account) of the Nodal Agency. Release of grant to the respective utilities against the approved projects shall be made from this account.

Chapter V - Broad framework for Project Management Agency - Scope & Role

Project Management Agency (PMA) needs to be appointed by the utilities for effective management of the projects to ensure timely completion. As per provisions of the scheme, 100% grant is available for expenditure against the PMA, limited to 0.5% of approved project cost.

It is advised that the utility having operations for entire state will engage one PMA for entire state. In States with multiple distribution utilities, the State Government may explore the possibility of engaging a single Consultant to optimize the implementation cost and to maintain uniformity in approach and interoperability among all the distribution utilities of the State.

The broad framework for appointment of PMA shall be as under:

1. Objectives

The objectives for appointment of PMA are to ensure smooth implementation of approved projects as per stipulated framework of timelines, quality and financial parameters.

2. Scope of works

Illustrative scope of services shall be as under:

- i. Monitoring and coordination of bidding process :
 - a) Assist utilities in preparation of tender documents for appointment of turnkey contractor.
 - b) Assist utilities in bidding process (including pre bid meetings etc) and technical evaluation of bids.
 - c) Assist the utilities for placement of Letter of Award and related activities.
- ii. Project Planning and Implementation
 - a) Assisting Discoms in preparation of detailed work implementation schedule (PERT) in association with turnkey contractor.
 - b) Coordination & monitoring of project implementation activities.
 - c) To monitor receipt and issue of materials by the contractor
 - d) Identification of anticipated bottlenecks in project implementation & preparation of remedial action plan in consultation with utilities & Contractor.
 - e) Verification of invoices raised by the contractors
 - f) Supervision of flow of funds in dedicated bank account of projects
 - g) To verify creation of assets from asset register of the utility

iii. **Quality Monitoring**

- a) To prepare a Quality Assurance (QA) Plan with the approval of the utility
- b) Field quality inspection of ongoing/ completed works
- c) Joint inspection (along with representative of state utility) of material at site on sample basis i.e. 10% of major materials (Poles, Conductor, Meters, Transformers, Cable).

iv. **MIS & Web Portal up-dation**

- a) Assisting utilities in timely updation of information on Web portal.
- b) Periodic reporting to the Project Management Cell of Discom.

v. **Coordination with Nodal Agency/ MoP and any other works as may be required to achieve the objectives of the scheme**

3. **Selection Process:**

The selection of PMA shall be preferably through competitive bidding process. It shall involve a competitive process among agencies taking into account the quality and cost of the services for selection of the successful agency.

4. **Tenure of appointment**

The term of appointment of the PMA shall be for (24+6=30) months i.e., the tenure of completion of works under the scheme plus 3 months for bidding process and 3 months for associated activities after completion of works.

In case of delay in execution of works beyond 24 months, the services of the PMA shall suitably be extended by utilities, however the grant from GoI shall be limited to 0.5% of the approved project cost and any further additional cost shall be borne by the respective utilities.

5. **Establishment and Coordination**

PMA has to establish their offices including requisite manpower, vehicles and other infrastructure at the district level to oversee the project in the entire district and ensure smooth interface with utility and contractor for day to day affairs.

6. **Payment terms for PMA**

The indicative terms of payment may be as under:

- a. Initial 10% may be released as Mobilization Advance
- b. 80% may be phased on the basis of achievement of project milestones (Max. 3 installments)

- c. Remaining 10% may be released after 3 months of completion of works and drawal of last installment of grant by the utility.
- d. Utility to suitably incorporate payment terms on account of delay for which extended services of the PMA shall be required to be endeavored.

The utility may request for reimbursement of grant to the Nodal Agency on annual basis.

7. Nodal Agency Review and Monitoring

The Nodal Agency reserves the right to review process of hiring of PMA by the Utilities to satisfy itself that the selection process is carried out in accordance with the provisions of these Guidelines. Without assuming the responsibilities of the Utility or the agency, REC shall monitor the work to ensure that it is being carried out according to appropriate standards and best practices.

(On Stamp paper of Rs. 150)

Chapter VI - Format for Tripartite/ Bipartite Agreement

AGREEMENT AMONGST RURAL ELECTRIFICATION CORPORATION LIMITED,
STATE GOVERNMENT OF _____ * AND _____ **

THIS AGREEMENT entered into on this ____ day of _____, Two
thousand _____, AMONGST

RURAL ELECTRIFICATION CORPORATION LIMITED, a company incorporated under
the Companies Act, 1956 having its registered office at Core-4, Scope Complex, 7, Lodhi
Road, New Delhi 110003 (herein after referred to as "REC" which expression shall
unless repugnant to the context or meaning thereof include its successors and
assignees) as party of the First part.

AND

GOVERNOR OF _____ *, through DEPARTMENT OF POWER, Government of
_____ * (hereinafter referred to as "Government of _____ *" which expression
shall include his successors in office") having its office
at _____ as party of the Second part.

AND

_____, a company incorporated under the Companies Act 1956 having its
registered office at _____ (hereinafter referred to as
_____**" which expression shall unless repugnant to the context or meaning
thereof include its successors and assignee) as party of the Third part.

REC, Government of _____ * and _____ ** collectively referred to as "Parties"
and singularly as a "Party".

AND WHEREAS GOVERNMENT OF _____ * AND _____ ** intend to
implement project(s) for distribution and sub transmission system strengthening of rural
areas including feeder separation and metering [(hereinafter referred to as project(s)) in
selected districts / areas of the state of _____ * in pursuance of the National
Programme, "Deendayal Upadhyaya Gram Jyoti Yojana" (DDUGJY), conveyed by the
Office Memorandum of Ministry of Power, Government of India vide letter No. _____
dated _____ and any amendments thereto;

And whereas REC is the Nodal Agency for implementation of the said Programme. The
said Office Memorandum is integral part of this agreement.

A AND WHEREAS the parties have agreed that the individual project(s), as
proposed by _____ ** and approved/to be approved by REC under the
above mentioned National Programme commencing from the financial year 2014-

15 shall be deemed to have been covered under this agreement on notification by REC. The terms and conditions of sanction by REC for a particular project, as contained in the sanction letter issued by REC, shall also form part and parcel of the present agreement. The sanction letter shall include supplemental and modifications issued by REC, if any, to sanction letter.

- B. AND WHEREAS _____* & _____** shall ensure that all project under the scheme shall only be formulated for rural areas.
- C. AND WHEREAS _____** is entrusted the responsibility for formulation, planning, design, engineering, development and implementation of the projects in accordance with the relevant guidelines/documents pertaining to the Programme, and in line with the Central Vigilance Commission (CVC) guidelines. Also, REC's guidelines, specifications and construction standards shall be adopted wherever applicable.
- D. AND WHEREAS, project-wise, separate financial accounting for implementation of projects shall be maintained by _____**.
- E. AND WHEREAS Government of _____* commits to provide support to the _____** wherever required in project implementation, especially in the areas of payment of revenue subsidy and policy issues on distribution of power in the state
- F. AND WHEREAS the Government of _____* and _____** agree to implement the eligible projects as contained in the concerned Office Memorandum No. _____ dated _____ of Ministry of Power, Government of India for implementation of "DDUGJY".
- G. AND WHEREAS the Government of _____* agrees that the mandate of the SLSC shall be extended to recommend projects under this programme and ensure non duplication of works with other Gol programmes;
- H. AND WHEREAS the Government of _____* agrees to provide required land for sub stations and facilitate in obtaining other statutory clearances (ROW, forest etc.)
- I. AND WHEREAS the Government of _____* agrees to furnish guarantee for the loan component under the scheme in case the utility is unable to provide any other mode of security;
- J. AND WHEREAS the _____** agrees to inform the State Regulatory Commission regarding the details of projects covered under this scheme and the extent of subsidy/ loan/ own fund/state contribution against each project.
- K. AND WHEREAS the Government of _____* and _____** agree that in case the utility fails to submit the Project Completion Certificate within a period of one year from the approved project completion date (approved by Monitoring

Committee), the Nodal Agency shall send a team suo moto to assess the works and expenditure and submit its recommendation to the Monitoring Committee for closure and also refund of excess grant by utility if any released against the project

- L. AND WHEREAS the Government of _____* and _____** agree that in case the utility fails to award the project within one year of release of first tranche of grant component viz 10%, the project will be deemed as closed cancelled and the grant component released shall be refunded by the utility within three months.
- M. Further the Government of _____* and _____** also agrees that in case the utility fails to refund the grant as in (K) &(L) , the Nodal Agency has the right to adjust the already released grant against future releases of grant pertaining to other approved projects under the scheme. If there are no such eligible future releases, the same shall be adjusted against the Central Plan Assistance for the state by Govt. of India.
- N. AND WHEREAS the _____** agrees that they shall be solely responsible & accountable for assuring quality in DDUGJY works and shall formulate and adhere to comprehensive Quality Assurance (QA) and Inspection Plan.

NOW, therefore, in consideration of the premises and mutual agreements, covenants and conditions set-forth herein (which shall form an integral part of this Agreement), it is hereby agreed by and amongst the parties as follows:

2. PROJECT MANAGEMENT

The _____** shall create a dedicated team for implementation of projects at district & Head Quarter level for providing all necessary information including physical & financial progress related to the projects, arrange to get relevant orders/clearances from the state Govt., enhance level of awareness and redress grievances of public & public representatives in the project areas.

3. CONSTRUCTION / IMPLEMENTATION

3.1 _____** shall make all possible efforts to complete the project(s) within the approved time frame starting from the date of award of project.

3.2 _____** shall suitably incorporate the provisions towards levy of Liquidated Damages in their agreements with contractors for delay in completion of the project(s) and also other relevant contractual provisions pertaining to the procurement of goods and works. All amount towards Liquidated Damages, if any, as may be recovered by _____** under this provision, and shall be suitably adjusted in the project cost.

4. PROJECT COMPLETION CERTIFICATE

_____** shall arrange to submit a PROJECT COMPLETION CERTIFICATE in the stipulated format .The project completion certificate needs to be submitted to nodal agency through -----*. The -----* agrees to forward the same to the nodal agency with its recommendation regarding release of final tranche of grant component

5. ARBITRATION

Any differences or dispute among the parties arising out of or in connection with this project shall be discussed and settled amicably amongst the parties. In the event of non-settlement of the difference or dispute within sixty (60) days, the same shall be referred to the Secretary to the Government of India in the Ministry of Power, as the sole arbitrator whose decision shall be final and binding on the parties to this Agreement.

6. FORCE MAJEURE

The parties shall ensure due compliance with the terms of this Agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as fire, rebellion, mutiny, civil commotion, riot, strike, lockout, forces of nature, accident, act of God and any other reason beyond the control of concerned party. But any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event and give written notice of 30 days to the other party to this effect. The services covered under this Agreement shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

7. IMPLEMENTATION OF THE AGREEMENT

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the Authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of Authorized representative(s) and/or changes in designation shall be informed likewise in writing to/by _____** and REC within one month of signing of the Agreement. Any changes in designations/ registered office address shall be intimated in writing to all concerned parties.

8. NOTICE

All notices required or referred to under this Agreement, shall be in writing and signed by the respective authorized signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered/speed post of Department of Posts to the respective heads on the addresses mentioned in the recital.

9. TERMINATION

This agreement shall remain valid unless terminated with consent of all the Parties.

10 JURISDICTION

The competent Courts of Delhi shall have exclusive jurisdiction in all matters relating to or arising out under these presents.

IN WITNESS WHEREOF the parties have executed these presents through their Authorized Representatives at _____.

For and on behalf of For and on behalf of
Rural Electrification Corporation Ltd. Governor of _____*

Through Dept. of Power
Government of _____*
For and on behalf of
_____**

Witness 1.
[.....]

Chapter VII - Quality Monitoring under DDUGJY

The utility shall be solely responsible & accountable for assuring quality in DDUGJY works. Accordingly, utility shall formulate a comprehensive Quality Assurance (QA) and Inspection Plan with an objective to build a zero defect infrastructure under DDUGJY works. The QA and Inspection Plan shall be an integral part of the contract agreement with turnkey contractor or equipment supplier/vendor and erection agency as the case may be in case of partial turnkey and departmental execution of works. Documentation with regard to Manufacturing Quality Plan (MQP), Field Quality Plan (FQP) and inspection shall be maintained by utility and kept in proper order for scrutiny during the course of project execution and for future reference.

Project Management Agency (PMA) appointed by the utility for the project shall also be made responsible to ensure that the quality of material/equipment supplied at site and field execution of works under the project is in accordance with the mutually agreed Quality Assurance & Inspection plan for supply and erection works.

Nodal Agency REC shall also formulate an appropriate quality monitoring mechanism for ensuring material/equipment and construction quality on sample basis through third party independent agency to be appointed by REC in the project areas. The expenditure on this account shall be met from MoP enabling charges under the scheme. The detailed framework and guidelines shall be circulated separately.

Chapter VIII - RE component (RGGVY)

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched in April 2005 with an objective to provide access to electricity to rural households through creation of rural electricity infrastructure. Under the scheme households belonging to Below Poverty Line (BPL) are provided electricity connections free of cost. APL households are required to obtain electricity connections from Distribution Utilities by paying connection charges as per norms of concerned utility. Ninety per cent capital subsidy is provided by Government of India for projects sanctioned under the scheme. States are required to ensure minimum daily supply of 6-8 hours in villages covered under the scheme. The total allocation of subsidy for 10th and 11th Plan projects is Rs. 39,000 Crore.

During X and XI Plan, Ministry of Power has sanctioned 648 projects involving electrification of 1,12,287 un-electrified villages, intensive electrification of 3,71,646 already electrified villages and providing electricity connections to 272.52 Lakh Below Poverty Line households with total project cost of Rs. 43519 Crore.

Cumulatively (as on 31.10.2014), electrification works in 1,08,703 (97%) un-electrified villages, intensive electrification in 3,12,452 (84%) already electrified villages has been completed and free electricity connections to 220 Lakh (81%) BPL households have been released. Cumulatively total capital subsidy of Rs. 32023 Crore has been released. CCEA approved continuation of RGGVY in the 12th and 13th Plan to complete spillover works of 10th /11th Plan projects and to cover remaining villages/habitations (population 100 & above) with total capital subsidy of Rs. 35447 Crore.

During 12th Plan, 273 projects in the state of Assam (16 nos.), Bihar (27 nos.), Chhattisgarh (4 nos.), Jammu & Kashmir (3 nos.), Jharkhand (17 nos.), Karnataka (9 nos.), Madhya Pradesh (34 nos.), Manipur (6 nos.), Mizoram (8 nos.), Nagaland (11 nos.), Odisha (31 nos.), Rajasthan (28 nos.), Tripura (8 nos.), Uttar Pradesh (64 nos.) and West Bengal (7 nos.) with total project cost of Rs.23578.29 Crore have been sanctioned. As on 31.10.2014, 103 projects have been awarded.

Out of total allocation of capital subsidy of Rs. 35447 crore (for 12th and 13th Plan), during 12th Plan subsidy of Rs. 5873 Crore has been released as on 31.10.2014. Thus an unspent budgetary support of Rs. 29574 crore is available.

RGGVY has been now subsumed in the new scheme "DDUGJY" and these guidelines shall be applicable only for the feeder separation and augmentation of distribution infrastructure including metering component in rural areas. The existing operational Guidelines/ Standard documents/ procedures of RGGVY shall continue to prevail for implementation of RE component of DDUGJY. The commitments already made under RGGVY shall be honored as per the approvals and guidelines.