



Nagaland, Andaman & Nicobar Islands, Dadra & Nagar Haveli & Daman & Diu sign MoU with Government of India under UDAY Scheme

27 States and 4 UTs have joined UDAY till date

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On the 2nd Anniversary of **Ujwal DISCOM Assurance Yojana (UDAY)** today, the Government of India signed **four** Memorandum of Understanding (MoU) under the Scheme with the State of **Nagaland** and with Union Territories (UTs) of **Andaman & Nicobar Islands, Dadra & Nagar Haveli & Daman & Diu** for operational improvements. These State/UTs have joined only for operational improvement and shall not undergo financial restructuring/issue of bonds under the scheme. With the above, UDAY club has now grown to 27 states and 4 UTs.

An overall net benefit of approximately Rs. 551 crores, Rs. 18 crores, Rs. 13 crores and Rs. 10 crores respectively would accrue to the State of Nagaland & UTs of Andaman & Nicobar, Dadra & Nagar Haveli and Daman & Diu by opting to participate in UDAY, by way of cheaper funds for capex, reduction in AT&C and Transmission losses, interventions in energy efficiency, etc. during the period of turnaround.

The MoU paves way for improving operational efficiency of the Electricity Departments/DISCOM of the State/Union Territory. Through compulsory distribution transformer metering, consumer indexing & GIS mapping of losses, upgrade/change transformers, meters etc., smart metering of high-end consumers, feeder audit etc. AT&C losses and transmission losses would be brought down, besides eliminating the gap between cost of supply of power and realisation.

While efforts will be made by the States/UTs to improve their operational efficiency, and thereby reduce the cost of supply of power, the Central Government would also provide incentives to the State/UTs for improving power infrastructure and for further lowering the cost of power. The Central schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS), Power Sector Development Fund or such other schemes of Ministry of Power (MoP) and Ministry of New & Renewable Energy (MNRE) are already providing funds for improving power infrastructure and additional/priority funding would be considered under these schemes, if the State/UTs meets the operational milestones outlined in the scheme.

Demand Side interventions in UDAY such as usage of energy-efficient LED bulbs, agricultural pumps, fans & air-conditioners and efficient industrial equipment through PAT (Perform, Achieve, Trade) would help in reducing peak load, flatten load curve and thus help in reducing energy consumption in the State/UTs. Further, with improved efficiency, they would be in a better position to fund their capex at cheaper rates for Power infrastructure development/improvement in the State/UTs.

The ultimate benefit of signing the MOU would go to the people of these state/UTs. Reduced levels of AT&C losses would mean lesser cost per unit of electricity to consumers. Further, an operationally healthy DISCOM/Electricity Department would be in a position to supply more power. The scheme would also allow speedy availability of cheaper power to households in the State/UTs that are still without electricity. Availability of 24*7 cheaper, round the clock power would boost the economy, promote industries/tourism, thereby improving employment opportunities for the people of these State/UTs.

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