

“UDAY” – UJJWAL DISCOM ASSURANCE YOJANA



GOVERNMENT OF SIKKIM SIGNS MOU ON “UDAY”

New Delhi

23rd February 2017

U D A Y - S I K K I M

The Government of Sikkim signed a Memorandum of Understanding (MOU) under the Scheme UDAY – “Ujjwal Discom Assurance Yojana” at New Delhi on 23rd of February 2017. The Bi-Partite MoU was signed by Shri N.T Bhutia, Principal Chief Engineer –cum- Secretary, Energy & Power Department, Government of Sikkim and Dr. A.K Verma, Joint Secretary, Ministry of Power, Government of India in presence of Shri P.K Pujari, Secretary, Ministry of Power, Government of India and other Officials of Ministry of Power, GoI, and Shri. P.T Bhutia, Chief Engineer –cum- State Nodal Officer (DDUGJY), Energy & Power Department, Government of Sikkim. Signing of this MoU heralds the onset of major Distribution reforms in the State under UDAY.

- ~ Sustainability of operational performance is at the CORE of UDAY. Through UDAY, the State of Sikkim would bring about Operational Efficiencies through compulsory feeder, Distribution Transformer and Consumer metering, consumer indexing & GIS mapping of losses, upgrade / change transformers, meters etc., smart metering of all consumers consuming above 200 units / month, and increased power supplies in areas with reduced AT&C losses. The reduction of AT&C losses itself is likely to bring additional revenues to the State.
- ~ Demand Side interventions in UDAY such as usage of energy-efficient LED bulbs, fans & 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 of Sikkim.
- ~ The MoU envisages that the State of Sikkim would adhere to a designated AT&C loss trajectory to reduce the AT & C

losses from the current levels of almost 37% to 15% by the year 2019. To this effect, the State of Sikkim has committed to improve Billing Efficiency from 68% in FY 15-16 to 87% in FY 19 and Collection Efficiencies from 91.78% in FY 15-16 to 97% in FY 19. Similarly, the gap between Average Cost of Supply (ACS) and Average Revenue Realized (ARR) would be reduced from Rs. 2.58 per unit in FY 15-16 to Zero in FY 19.

- ~ The people of State would be the biggest beneficiaries of this MoU. The scheme would allow speedy achievement of power to around 14,000 households that are still without electricity. Availability of 24x7 power in turn, would improve quality of life for the consumers.
- ~ The Central Government would provide incentives to the State Government aimed at increased Power infrastructure growth and lowering the cost of Power to the State. The State of Sikkim would get additional / priority funding through the Central schemes such as DDUGJY, IPDS, Power Sector Development Fund or such other schemes of MOP and MNRE, if the operational milestones outlined in the scheme are met.







