Rajiv Gandhi Grameen Vidyutikaran Yojana

A new scheme for creating rural electricity infrastructure and completing household electrification named as "Rajiv Gandhi Grameen Vidyutikaran Yojana – Scheme of Rural Electricity Infrastructure and Household Electrification" was launched by Hon'ble Prime Minister Dr. Manmohan Singh today in a nation-wide function. Smt. Sonia Gandhi, Chairperson, National Advisory Council graced the occasion as Guest of Honour. Shri P.M. Sayeed, Union Power Minister presided over the function.

The Chief Ministers of 12 States (Assam, J&K, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, Andhra Pradesh, Karnataka, Kerala, Maharashtra and West Bengal) and Governor of Bihar participated in the programme through video-conferencing. Union Territory of Lakshadweep was also on the national network during the programme.

The scheme has been launched to fulfill the commitment of the National Common Minimum Programme (NCMP) of completing the household electrification in next 5 years and modernizing the rural electricity infrastructure.

Since independence so far only about 44% rural households could be given access to electricity and more than one lakh villages are still to be electrified. The new programme involves providing access for electricity to 7.8 crore rural households in five years. Accomplishing this task in a period of 5 years is going to be an unprecedented event in our endeavour to develop India.

The scheme, to be implemented through Rural Electrification Corporation, will provide Ninety per cent of the capital cost of the programme by the Central Government as grant for creating:-

- o Rural Electricity Distribution Backbone (REDB) with at least one 33/11 KV (or 66/11 KV) substation in each block.
- o Village Electrification Infrastructure (VEI) with at least one distribution transformer in each village/habitation.
- o Decentralised Distributed Generation (DDG) Systems where grid supply is not feasible or cost-effective.

The scheme provides for free of cost connection to all rural households living below poverty line. Further, there will no discrimination in the hours of supply between rural and urban areas.

The earlier focus of electrification in rural areas had been primarily for irrigation and it has been done generally by extending the LT lines in a piecemeal manner resulting in unreliable and limited hours of power supply. The new programme aims at a qualitative transformation of the rural electricity infrastructure. It envisages that there will no discrimination between urban and rural areas in respect of hours of supply. 24 hours supply of good quality power would also enable dispersal of small industries, khadi and village industries in the rural areas. It will also facilitate delivery of modern health care, education and application of information technologies. This is aimed at accelerated rural development, employment generation and poverty alleviation.

The scheme also lays special emphasis on sustainability of rural supply through collection of the cost of electricity from the beneficiaries. To achieve this objective, it is proposed that franchisees like NGOs, consumer associations etc. will be deployed with appropriate involvement of Panchayati Raj institutions. The State Governments will be free to provide appropriate targetted subsidy to poor households.

The Central Government has also offered the project implementation and management expertise of its Central Power Sector Undertakings like NTPC, NHPC, PGCIL and DVC to the States who are willing to make use of these services for ensuring timely completion of the project in this scheme.

The scheme has a target of electrifying 1,25,000 un-electrified villages and giving access to 7.8 crore uncovered rural households in next 5 years. The Central Government has already approved Rs.5000 crore for providing capital subsidy for this scheme in the remaining period of 10th Five Year Plan. Total estimated cost of the scheme is Rs.16000 crore which will also continue during the 11th Plan period.

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