

GRAM UJALA

March 20, 2021

In news : Ministry of Power launched the GRAM UJALA programme in Arrah, Bihar recently

Need for the programme

India's rural population was still unable to afford discounted LEDs. This is why the Ministry has now created GRAM UJALA a customized program for rural India, based uniquely and innovatively on carbon finance.

Key features of the programme

- **LEDs:** Under GRAM UJALA, LEDs will be available for only Rs 10 each for each household, in exchange for working condition old incandescent lamps. Each household will get up to 5 LEDs.
- Under the programme, 7 watt and 12-Watt LED bulbs with 3 years warranty will be given to rural consumers against submission of working Incandescent bulbs.
- **Targeted Implementation:** It will be implemented in villages of the 5 districts only and consumers can exchange a maximum of 5 LED bulbs. **These rural households will also have metres** installed in their houses to account for usage.
- **In the first phase of this programme,** 15 million (1.5 crore) LED bulbs will be distributed across villages of Aarah (Bihar), Varanasi (Uttar Pradesh), Vijaywada (Andhra Pradesh), Nagpur (Maharashtra), and village in western Gujarat.
- **Carbon credits:**
 - Further on, carbon credit documentation will be sent to UN accredited validators for inclusion into the Shine Program of activities.
 - Carbon credits will be prepared under the Shine

Program of Activities with an option for verifying under the Voluntary Carbon Standard, depending on the needs of buyers.

- Carbon Credit Buyers will also be sought through an open process based on initial discussions with the market.
- The balance cost and margin on the LED cost will be recouped through the carbon credits earned.
- Under the GRAM UJALA programme, Convergence Energy Services Limited (CESL) will distribute high quality LED bulbs, at an affordable cost of 10 rupees per bulb in rural areas.
- **Finance: This programme will be financed entirely through carbon credits and will be the first such programme in India.**

Impact of the programme

- The GRAM UJALA programme will have a significant impact on India's climate change action.
- If all 300 million lights in India were replaced, the total energy savings would be 40,743 million kWh/year, avoided peak demand of 22,743 MW/year and CO₂ reductions of 37 million tons per year.
- **Gram Ujala will not only give a fillip to our fight against climate change by increasing energy efficiency, but also usher in a better standard of life, financial savings, and better safety for the citizens in rural areas.**
- It will have a significant impact on India's climate change action energy savings of 2025 million kWh/year and CO₂ reductions of 1.65 million T CO₂/year.
- The programme will enable better illumination, at an affordable price of INR 10/bulb. This will usher in a better standard of life, financial savings, more economic activity, better safety for rural citizens and help in achieving a sustainable future.

Significance

- With price being one of the principal barriers, the GRAM UJALA programme has been designed to support widespread distribution by removing the chief barrier for rural consumers.
- In addition, the energy savings garnered will reduce a household's energy outlay, enabling higher disposable income and savings.
- The programme will provide clean energy access and make a significant contribution towards mitigating climate change and achieving a sustainable future

Convergence Energy Services Limited (CESL)

- It is a newly established subsidiary of state-owned Energy Efficiency Services Limited, itself a joint venture of public sector companies under the Ministry of Power, Government of India.
- CESL is focused on delivering clean, affordable and reliable energy.
- Convergence focuses on energy solutions that lie at the confluence of renewable energy, electric mobility and climate change.
- It builds upon the decentralized solar development experience in under-served rural communities in India, and over time, using battery energy storage, will deliver renewable energy solutions to power agricultural pumps, street lighting, domestic lighting and cooking appliances in villages.
- CESL will also work to enable battery powered electric mobility and its infrastructure and design business models to increase the uptake of electric vehicles in India.
- To enable commercialization of these solutions at scale, Convergence will employ business models that utilize a blend of concessional and commercial capital, carbon finance and grants as appropriate.