

## UJALA – UNNAT JYOTI BY AFFORDABLE LEDS FOR ALL

(Ministry of Power)

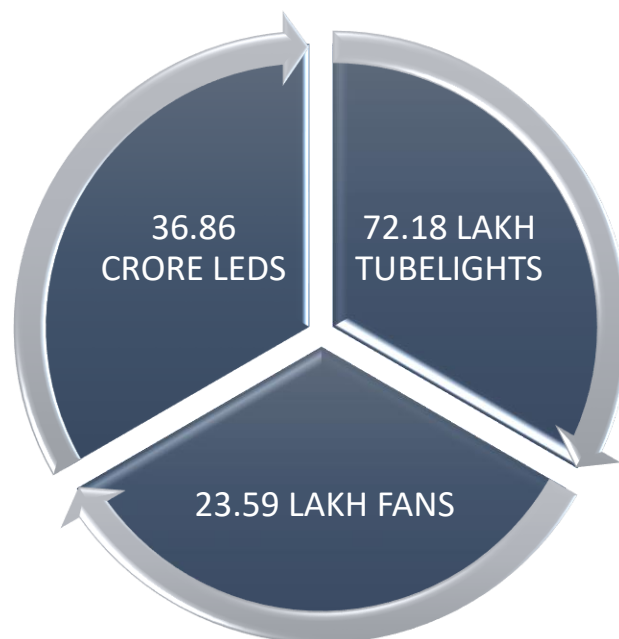
January 05, 2023

### INTRODUCTION

UJALA (Unnat Jyoti by Affordable LEDs for All) is part of the Government of India's efforts to spread the message of energy efficiency in the country. It was launched on January 05, 2015 by Prime Minister Narendra Modi.

It aims to promote efficient use of energy at the residential level, enhance the awareness of consumers about the efficacy of using energy-efficient appliances and aggregate demand to reduce the high initial costs thus facilitating higher uptake of LED lights by residential users.

Under this scheme, **LED bulbs, LED tube lights and energy-efficient fans** are being provided to domestic consumers for replacement of the conventional and inefficient variants.



### NEED

A 7W LED bulb provides same amount of light as a 14W Compact Fluorescent Lamp (CFL) and a 60W Incandescent Lamp (ICL) and thereby saves almost 90 per cent energy as compared to ICLs and 50 per cent in case of CFLs. LED bulb consumes one unit of electricity when it is used for 140 hours as compared to two units by CFL and nine units by ICL.

### BARRIERS AND CHALLENGES THAT PREVENTED LARGE SCALE ADOPTION OF LEDS

- High initial cost of LEDs as compared to ICLs and CFLs
- Lack of awareness about the reduction of electricity bills by the use of LEDs

- Low appreciation of policymakers at the state and DISCOM level about the benefit of incentivizing efficient lighting
- No incentives to consumers

In 2014, the retail price of LED was about Rs 450-500 each in comparison to CFL at Rs 100-150 and ICLs at Rs 10-15. The share of LEDs in the lighting market was less than one per cent in the year 2013-14.

### **SOLUTION: PAY-AS-YOU-SAVE (PAYS) – A NEW BUSINESS MODEL**

- Providing LED bulbs to households at Rs 10 each
- Balance amount included in electricity bill as Equated Monthly Installment (EMI) over a 5–10-year period
- During the period of EMI, all defective LEDs were replaced
- Information and outreach programme launched to spread awareness amongst consumers

### **LAUNCH:**

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#### **PHASE ONE:**

Pilot project was implemented in Puducherry in 2014, covering two lakh households by selling six lakh LEDs. The procured price of LEDs was Rs 310 each and consumers paid it in monthly installments of Rs. 10 for 8 years.

Andhra Pradesh became the next state to implement the scheme in four districts initially with an overall coverage of 60 lakhs LEDs. The procurement of 60 lakhs LEDs reduced the cost to Rs 204 and PAYS model was implemented with EMI spread over five years.

The success of the programme and simplicity of the PAYS model attracted other states like Delhi & Rajasthan, while Andhra Pradesh implemented it in all 11 districts.

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#### **PHASE TWO:**

In view of the successful implementation of the scheme, Prime Minister Narendra Modi launched the National LED Programme on [January 05, 2015](#).

Local level awareness programmes were launched to inform consumers of the benefit of LEDs and locations in their neighbourhood where the bulbs were being sold.

A public [UJALA dashboard](#) was created that captured the distribution of every bulb, fan and tube light.

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#### **PHASE THREE:**

The procured price reduced by almost 90 per cent between 2014 and 2017; from Rs. 310 to Rs. 38. This took UJALA to the third stage, where LEDs were priced at Rs. 70 each and consumers, knowing the benefits of energy and cost savings and with the prices becoming lower than CFLs, started to buy LEDs paying upfront instead of EMIs.

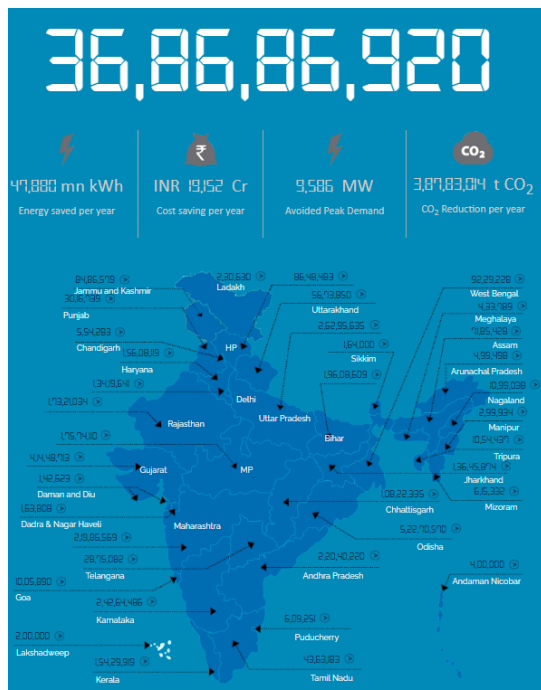
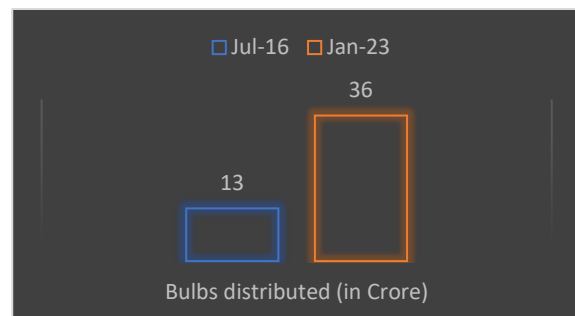
## STREET LIGHTING NATIONAL PROGRAMME:

Traditional street lights have been replaced with smart LED street lights.

- EESL has enrolled 1601 Urban Local bodies and work has been completed in 1060 Urban Local Bodies.
- Entire upfront investment by EESL and repayment through deemed savings model.
- 7-year contract with municipalities guaranteeing minimum energy saving (of typically 50%) and free maintenance of lights.

## FACTS AND FIGURES

- As per the data of UJALA dashboard, 13,31,79,689 LEDs bulbs were distributed as on July 19, 2016, the number increased to 36,86,86,920 as on January 04, 2023.
- The procured price of LED bulbs reduced by almost 90 per cent between 2014 to 2017; from Rs. 310 to Rs. 38.
- India became the largest driver of global LED demand. In 2013-14 India's contribution to global demand for LED was 0.1 per cent which increased to 12 per cent in 2015-16.
- UJALA programme has also caught global attention. International Energy Agency (IEA) has published a case study on same. IEA, in its report, published that UJALA is reducing annual household electricity bills by about 5 per cent, saving consumers over 16 billion rupees every year.
- The UJALA programme has also attracted the attention of Management Schools and entire programme is now a Leadership case study in Indian Institute of Management (IIM), Ahmedabad and is under consideration of being included in Harvard Business School.



**LEDs distributed**  
(as on January 05, 2023)

**Tubelights distributed**  
(as on January 05, 2023)

