



DISTRIBUTION UTILITY MEET 2019

(ORGANISED BY INDIA SMART GRID FORUM) **07 NOVEMBER 2019, New Delhi, INDIA**

Sustainability of DISCOMs Dr. A K Verma



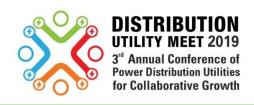














Sustainability of Discoms

- Higher AT&C losses & ACS-ARR gaps
- Increasing dues of Gencos/ government consumption
- Financial health- debt, tariff, cost of supply, consumer interest
- Quality of service- duration, interruption, voltage
- Affordability of service Ease of doing business, ease of living
- Monopoly vs Competition vs Privatization
- Carrier & content separation vs Franchises
- Do we need to make structural changes in business model?



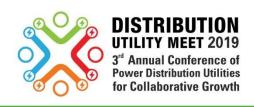














Remunerative tariff

- Cost of Supply is higher than average revenue realized
- More than 80% cost towards Power Purchase
- Long term PPAs- inefficient market
- Shift to cleaner energy- cost, grid balance, intermittency, forecasting
- Socialization of transmission cost
- Irregularity in tariff revision
- Tariff shocks in short term-Regulatory assets
- RoE Generator, Transmission & Distribution Companies

Host Utilities

Category/voltage dependent tariff



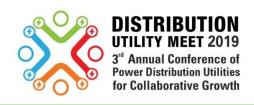














Cross subsidy

- Open cast vs underground mining
- Freight vs railway fare
- Coal vs clean energy(FGD)
- Industrial & Commercial Vs agriculture & domestic consumers
- Consumer composition
- Elimination of cross-subsidy- method, timeline
- Subsidy administration- DBT vs energy security
- Risk & Reward to be distributed along entire value chain

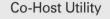
Host Utilities



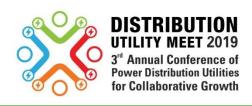














Governance of Discoms

- Government, Regulators & Utilities
- Data deficiency
- Staff strength
- Skill, attitude & accountability
- Infrastructure
- Traditional methodology Vs Modernization
- Structure and role requirement
- Remuneration & Incentive
- Internal Operator Model Framework for DISCOM Turnaround

Host Utilities











