



**DISTRIBUTION  
UTILITY MEET 2019**  
3<sup>rd</sup> Annual Conference of  
Power Distribution Utilities  
for Collaborative Growth

**ISGF**  
India Smart Grid Forum

# DISTRIBUTION UTILITY MEET 2019

(ORGANISED BY INDIA SMART GRID FORUM)

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*Sustainability of DISCOMs*

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Host Utilities

**BSES**  
BSES Rajdhani Power Limited

**BSES**  
BSES Yamuna Power Limited

  
**TATA POWER-DDL**

  
**TATA POWER**

Co-Host Utility

 **CESC**  
LIMITED



# Discussion Points

## 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?

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# Discussion Points

## 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
- Category/voltage dependent tariff

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# Discussion Points

## 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

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## 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

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