

POWER DISTRIBUTION IN INDIA 2019

Segment Analysis and New Developments; Outlook and Projections

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The power distribution segment has seen some significant developments in the past few years with progressive policy-led changes. After almost three years of its launch in November 2015, while UDAY has brought about a difference in the state of the discoms, the two key performance parameters, AT&C losses, and the gap between the average cost of supply (ACS) and the average revenue realised (ARR), have recorded visible declines. Financial losses of discoms have also reduced considerably. Another milestone for the segment last year was the completion of village electrification. The Saubhagya scheme for household electrification is currently underway and progressing at a swift pace to ensure that the target is met by the end of this fiscal year. The other key distribution segment programmes - the IPDS and DDUGJY are also making significant headway with work now nearing the halfway mark. Distribution franchising is picking up pace with UDAY and more states are looking to opt for this route. The government also plans to install 30 million smart meters by 2019 to enable two-way communication between the utility and the consumer. Going forward, the segment is preparing itself for a transition with major policy reforms on the cards including the Electricity Act amendments and the Tariff Policy amendments. These reforms lay the groundwork for the separation of content and carriage, besides penalising faulty distributors and ensuring subsidy disbursals through direct benefit transfers, among other things which could be game changers for the sector in the years to come.

EXECUTIVE SUMMARY

SECTION 1: MARKET ANALYSIS OF THE DISTRIBUTION SEGMENT

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- ❖ Growth in Distribution Line Length
- ❖ Growth in Distribution Transformer Capacity
- ❖ Trend in Substation Additions
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- ❖ Metering Status
- ❖ Reliability Indices Performance
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- ❖ Draft Amendments to Tariff Policy 2016
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- ❖ Aggregate Medium-term Power Procurement Scheme
- ❖ Launch of PRAAPTI Web Portal
- ❖ CERC's Consultation Paper on Tariff Regulations for 2019-24
- ❖ CERC's Discussion Paper on Redesigning Real Time Electricity Market
- ❖ CERC's Discussion Paper on Redesigning the Ancillary Services Mechanism
- ❖ Clarification on Charging Infrastructure for EVs
- ❖ FAME-II Scheme for EVs and State EV Policies
- ❖ Others (Proposal for National Discom, Tightening of Lending Norms to Loss-making Discoms, etc.)

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- ❖ Updates under Smart Metering National Programme
- ❖ PPA-related Developments
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- ❖ Delhi (BRPL, BYPL, TPDDL)
- ❖ Gujarat (PGVCL, UGVCL, MGVCL, DGVCL, Torrent Power)
- ❖ Goa (Goa PD)
- ❖ Haryana (UHBVN, DHBVN)
- ❖ Himachal Pradesh (HPSEB Limited)
- ❖ Jammu & Kashmir (JKPDD)
- ❖ Jharkhand (JBVNL)
- ❖ Karnataka (BESCOM, HESCOM, GESCOM, CESCO, MESCOM)
- ❖ Kerala (KSEB Limited)
- ❖ Madhya Pradesh (MP Paschim, MP Poorv, MP Madhya)
- ❖ Maharashtra (MSEDCL, Adani Electricity, Tata Power, BEST)
- ❖ Manipur (MSPDCL)
- ❖ Meghalaya (MePDCL)
- ❖ Odisha (CESU, WESCO, NESCO, SOUTHCO)
- ❖ Punjab (PSPCL)
- ❖ Rajasthan (JVNL, AVVNL, JdVNL)
- ❖ Sikkim (Sikkim PD)
- ❖ Tamil Nadu (TANGEDCO)
- ❖ Telangana (TSNPDCL, TSPDCL)
- ❖ Tripura (TSECL)
- ❖ Uttarakhand (UPCL)
- ❖ Uttar Pradesh (DVVNL, PVNNL, PuVNL, MVVNL, KESCo, NPCL)
- ❖ West Bengal (WBSSEDCL, CESC, India Power)

Each profile would cover the following:

- Operational Area
- Network (Line Length, Transformer Capacity, Substations, etc.)
- Customer Base and Energy Sales
- AT&C Losses
- Revenue Gap
- Metering Status and Targets
- Reliability Indices (SAIFI, SAIDI)
- Planned Network Additions
- Tariffs
- Power Purchase Costs
- Key Financials
- O&M Costs
- Recent and Proposed Capex

26. Appendix

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