

Urgent Actions for better electricity service delivery

A joint statement by consumer groups and researchers in the electricity sector

Hyderabad, September 4, 2018

A two day experience sharing workshop was organised at Hyderabad on September 3rd and 4th 2018, where more than 50 participants from 12 states were present. The participants included consumer groups, civil society organisations, researchers and policy think-tanks working in the state electricity sectors with diverse and rich experiences in regulatory and policy engagements.

At the workshop, there were in-depth discussions on relevant and pertinent issues of:

- Power procurement planning and practices
- AT&C losses, subsidies and agricultural consumption
- Quality of supply and service
- Improving effectiveness of regulatory processes
- Future of the distribution companies given the increasing viability of renewable energy, storage etc.

Considering the challenges before the sector, drawing from the lessons and insights from the past engagement by various organisations, groups and individuals and based on the deliberations at the workshop, the concerned consumer groups and researchers would like to highlight urgent actions which are essential to be taken by key stakeholders to improve supply and service quality, increase public participation, and to meet the growing aspirations of the people in India.

These urgent steps focus on ideas and actions required to address issues which can be implemented immediately within the existing framework in the electricity sectors in multiple states.

- Ensure appointment of consumer representatives under Section 94 (3) of the Electricity Act, 2003 by all the State and Joint Electricity Regulatory Commissions (ERCs), and making such appointed representatives party to all cases which impact tariffs, performance of the licensees, and supply and service quality.
- Change the Consumer Grievance Redressal Forum (CGRF) regulations to ensure appointment of non-utility persons in the CGRFs and to ensure that no member of the CGRF is a serving/current employee of the licensee or has been an employee in the previous two years.
- Ensure annual public hearings on supply and service quality before the concerned ERCs.
- All state and joint ERCs should undertake independent, third party audits of metering (inter-face, feeder, and DT metering), consumer billing systems and compliance with standards of performance. Such audits should take place before the proposed hearing on supply and service quality.

- Forum of Regulators/ Ministry of Power should propose a standard format for determination and reporting of Aggregate Technical & Commercial (AT&C) losses and methodologies to be utilised for estimation of unmetered consumption which is to be adopted by all ERCs and distribution companies (DISCOMs).
- State and Joint ERCs should mandate DISCOMs to report status of payment of subsidies by state governments on respective websites, on a monthly basis with estimation of interest payments due to payment delays/shortfall.
- State and Joint ERCs should initiate a separate regulatory process to review capacity in the pipeline along with demand forecasting to ensure timely and economic power procurement, to prevent build-up of stranded assets, and limit tariff burden on consumers. Such a process can be repeated every two years.
- Improve access to the Appellate Tribunal for Electricity for small consumers and consumer organisations by charging nominal fees for such consumers, ensuring functioning of the circuit benches and introducing e-filing for appeals, and enabling remote participation in the hearing using video-conferencing facilities.
- Ensure regulatory independence by timely appointments of Chairperson and Members, and mandate a minimum two-year gap for appointment of any government or electricity company employee as Chairperson or Member or Secretary of the Commission.
- State and Joint ERCs should undertake public hearings on major issues, such as tariff and supply and service quality at multiple locations in the state and should also promote consumer groups' participation in all regulatory proceedings.
- Considering the rapidly changing technology, cost of generation from different sources, and uncertainty in demand, Governments or ERCs should prepare consultation papers regarding future of distribution sector and its implications for the consumers and the public at large.

We believe that the above steps will definitely help in improving electricity service delivery as well as enable greater public participation. We therefore urge the Ministry of Power, concerned Electricity Regulatory Commissions, Central Electricity Authority, State Governments, utilities and other concerned stakeholders to initiate steps to implement such actions to benefit the consumers in multiple states in India.

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Signatories to Urgent Action for better electricity service delivery

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