

MSEB's DSM Proposal Comments and Suggestions

Before MERC,

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AG and Municipal Water Pumping Schemes

- MSEB proposals are in the right direction
 - End use, technology, and implementation approach
- AG scheme
 - Structurally a good scheme
 - Suggest wider coverage – 7-10 Substations
 - Incremental cost in small
 - Enable learning from diverse settings
 - Third party audit is important
- Municipal water pumping scheme
 - Independent third party audit is important

Lighting DSM scheme ...1

- Economics of CFLs is highly attractive
 - For utility as well as
 - For consumers
- Work till now
 - Studies and research
 - Small scale experiments
 - Lack of utility support (administrative and financial)

Lighting DSM scheme ...2

- What is needed ?
 - Large pilot program – to gain implementation experience as precursor to full scale roll-out
 - Time-bound ‘Mission’ mode implementation
- ➔ We suggest commissioning of 10 MW Conservation Power Plant (CPP) by end 2005

10 MW CPP by end 2005 ..1

- MSEB should procure and distribute ~ 3 lakh CFLs → cost less than Rs. 3 Cr.
- Consumer contribution Rs. 5 / month / lamp for 12 months (~ 50 % of consumer saving) → MSEB revenue Rs. 1.8 Cr.
- Intensive promotion and distribution
- Program in **three** clusters for wider experience

10 MW CPP by end 2005 ..2

- Key challenges
 - Effective procurement – Cost and quality of CFLs
 - High penetration
 - Consumer awareness and selling
 - Distribution
 - Effective monitoring – learning and accountability
 - Time bound actions

10 MW CPP by end 2005 ..3

- Effective Procurement (ensure low cost and good quality CFLs)
 - Procurement committee consisting of
 - Independent Lighting / DSM experts from agencies such as IIT Mumbai
 - Transparent bidding process
 - Outright purchase by MSEB
 - Manufacturer to give quality guarantee and delivery at Division level.

10 MW CPP by end 2005 ..4

- High Penetration / Distribution of CFLs ...1
 - Promotion, marketing and distribution agents (to be appointed at division level)
 - SHGs, NGOs, Unemployed youth, Meter reading agents etc.
 - Agents to collect lamps from division HO of MSEB
 - Agents to distribute CFLs at cash collection centers
 - Promotion of the scheme
 - Handing over CFLs to consumers across the counter after signing documentation

10 MW CPP by end 2005 ..5

- High Penetration / Distribution of CFLs ...2
 - Empower agents for convincing consumers
 - E.g. a ready kit for CFL promotion, Posters, Audio kit
 - Incentive for promotion and distribution say Rs. 10 / lamp sold
 - Support this with a focused communication and advertisement campaign

10 MW CPP by end 2005 ..6

- Other aspects

- Distribution of ‘coupons’, brochures etc. along with bills
- Use of barcode on CFLs / coupons for tracking
- MSEB logo on the CFL

➔ Total MSEB Exposure ~ Rs. 5 Cr.

10 MW CPP by end 2005 ..7

- Time Line
 - Distribution agents should start selling CFLs on 1st Oct 2005 ('Phase 1' – 10 MW CPP)
 - It is the next peak demand season
 - 'Phase 2' (100 MW CPP) with much wider coverage should start by 1st April 2006
 - It should stand on tested parameters of 'Phase 1'
 - Work backwards to identify intermediate milestones and timeline

10 MW CPP by end 2005 ..8

- Key MESB tasks and responsibilities
 - Appointment of project consultants
 - Procurement of CFLs
 - Changes in billing software
 - Financial commitment

= **Managerial & administrative task (no field work)**
- Project Monitoring Committee – Monthly Review Meeting
 - ➔ Online suggestions for fine-tuning / improvements
 - ➔ Adherence to time-lines and results