

Event Report  
**Webinar on**  
**Transforming Power Distribution**  
**Consumers, Governance & Technology**  
Thursday | November 26, 2020 | 16:00– 17:45 hours (IST)

## BACKGROUND

CUTS International and Bask Research Foundation organised a webinar entitled “Transforming Power Distribution: Consumers, Governance and Technology” on November 26, 2020. The webinar marked the end of the project titled ‘Consumer Awareness Programme for Improvement of the Overall Standard of Performance in the Electricity Distribution Sector in Rajasthan’<sup>1</sup> implemented by CUTS International and Bask Research Foundation with support from Shakti Sustainable Energy Foundation.

The key objective of the webinar was to deliberate on the key insights received during the implementation of the project and discuss ways to ensure that the impending reforms and interventions in the electricity sector come together as a coherent strategy for the benefit of consumers.

The webinar was structured in two sessions as enumerated below:

- Opening Session: Power Sector Reforms: Are we standing at a tipping point
- Panel Discussion: Making sense of Power Distribution Reforms

The webinar attracted participation from diverse stakeholder groups, including industry experts, academia, policy influencers, think tanks, and media.<sup>2</sup> More than 70 participants attended the webinar. The video recording of the webinar is available [here](#).

## KEY SPEAKERS

### I. Opening Session

- *Welcome Remarks:* **Pradeep S Mehta**, Secretary General, CUTS International
- *Opening Remarks:* **Anshu Bharadwaj**, CEO, Shakti Sustainable Energy Foundation
- *Key Note Address:* **Arvind Mayaram**, Economic Advisor to Chief Minister and Vice-Chairman, CM’s Rajasthan Economic Transformation Advisory Council

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<sup>1</sup> For more information, please visit: <https://cuts-ccier.org/capacity-building-of-electricity-consumers-in-rajasthan-cbec/>

<sup>2</sup> Some media coverage of the webinar is available at [www.energetica-india.net/news/power-sector-needs-bold--strong-business-conducive-consumer-friendly-reforms-pradeep-mehta](http://www.energetica-india.net/news/power-sector-needs-bold--strong-business-conducive-consumer-friendly-reforms-pradeep-mehta), [www.pnnews.com/indian-power-sector-needs-bold-and-strong-business-conducive-consumer-friendly-reformspradeep-s-mehta](http://www.pnnews.com/indian-power-sector-needs-bold-and-strong-business-conducive-consumer-friendly-reformspradeep-s-mehta), <https://pageoneasia.com/business/indian-power-sector-needs-consumer-friendly-reforms-cuts-international-secretary-general>

- *Presentation:* **Anshuman Gothwal**, Executive Director, Bask Research Foundation

## II. Panel Discussion

The discussion was moderated by **Simran Grover**, CEO, Bask Research Foundation. The panelists were:

- **Geeta Gouri**, Former Member, Competition Commission of India
- **Anoop Singh**, Professor, Indian Institute of Technology Kanpur
- **Rahul Tongia**, Senior Fellow, Centre for Social and Economic Progress
- **G Ganesh Das**, Head – Collaborations, Innovations and R&D, TATA Power DDL

## SUMMARY OF DISCUSSIONS

- The discussion began by highlighting the issues and problems which has led to the dismal state of the Indian power sector. Although the sector underwent a major reform in the 1990s, it is still plagued with numerous issues. Thus, there is a need to rethink our approach towards reforms, which should be more targeted towards optimising the governance at the Discoms level.
- It further discussed the role of consumers in the power sector. The new technological disruptions, such as Solar Photo-Voltaic (PV) cells and Electric Vehicles (EVs), have highlighted the importance of consumer centricity in the decision-making process. Hence, there is a growing need to capacitate consumers about their rights and responsibilities so that they can understand and support or oppose the new reforms judiciously. Citing the examples of states, such as Andhra Pradesh, where consumers are quite pro-active and political, similar types of roles need to be envisaged for consumers in the state of Rajasthan.
- Furthermore, Technological interventions, such as Smart metre should be looked at with requirements of the future and comprehensively for all stakeholders, i.e. Discoms, Consumers, etc. The deployment of smart metres should not be limited to billing but also bring value to overall services by Discoms. Moreover, smart metres should be simplistic and incentivise consumers in such a way that they can retain control over their electricity demand.
- The direct transfer of subsidies to consumers promotes the conservation of electricity but there are also some possible pitfalls of the Direct-Benefit Transfer (DBT) mechanism on consumers. It was quoted that around one-seventh of the revenue of Discoms was through subsidies which are not disbursed on time by the state governments. If the consumer does not get a subsidy through DBT timely, it might create problems for both consumers & Discom. Hence, a suitable framework should be in place to tackle potential challenges in implementation.
- It was discussed that the regulatory commissions have limited independence in their functioning and different commissions operate with different levels of autonomy. The lack of specific disciplines and courses on regulatory studies and economics also limits the capacity of these institutions.

- Tariff rationalisation across all types of consumers is difficult due to the intervention of the government and the limited autonomy of the regulatory commissions. In most cases, the revenue realised by Discoms from operations is almost equal to the cost of power purchase and commercial consumers in some states are paying more than 20 percent of the average cost of supply. Therefore, a new set of instruments and interventions are needed to rationalise tariffs.
- Consumer awareness is of paramount importance in the sector, but it varies significantly from big cities, such as Delhi to small cities. The information is also not available as easily as it is available in other sectors, such as Telecom. Consumers are also not concerned about issues, such as quality of supply, compliance of regulations, etc. and the majority of their grievances pertain to billing issues. The term 'consumer' as used in general vogue and acts/regulations does not differentiate between the category and types of consumers in the sector and their varying requirements.