

Indicative List of Reforms under PART-'A'

An indicative list of reforms / activities to be covered under the Scheme:

- (i) Putting in place a mechanism to ensure that the Government Departments pay for the for electricity consumed, promptly
- (ii) Putting in place a mechanism for ensuring that the consumption by the subsidized categories is accounted for properly and released to the DISCOM in advance as mandated by Section 65 of the Electricity Act 2003, which will be credited to the consumer account maintained by the DISCOM. Subsidy delivery must be targeted via Direct Benefit Transfer (DBT) for improvement in accountability
- (iii) Annual Tariff Fixation, Tariff to reflect prudent costs; costs not reflected in Tariff shown separately, to be funded by the DISCOM/State Govt.; no Regulatory assets to be created, Multi Year Tariff (MYT).
- (iv) Preparation of and adherence to a roadmap for funding accumulated and current financial losses, if any, through clearance of part or whole of regulatory assets and state funding.
- (v) Energy Accounting with 100% feeder and transformer metering on OPEX model.
- (vi) Corporate Governance reforms, Operation of part or whole area of supply of DISCOM through private participation or through CPSUs/JVs of CPSUs
- (vii) Distribution Franchisee arrangements in some areas of DISCOM
- (viii) Setting up electricity police stations in line with the provisions of the Electricity Act, 2003
- (ix) Training and Capacity Building of existing manpower, Creation of IT cadre for management of IT/OT services or engaging knowledge partners / consultants for the same.
- (x) Compliance of RPO trajectories
- (xi) Publication of quarterly audited/unaudited reports in a standardized format circulated by PFC. Quarterly and Annual Accounts of DISCOMs need to explicitly include details of subsidy and Govt. Department dues. The annual accounts of the previous year would be published by DISCOMs latest by September 30th of the current year.
- (xii) Initiation of performance linked transfer policy for DISCOM staff
- (xiii) Any other activity which serves to achieve the objective of the Scheme.

Results Evaluation Framework

The Results evaluation framework would have two components (i) Prequalifying criteria; and, (ii) Result evaluation matrix.

Pre-Qualification Conditions:

- I. DISCOMs would publish quarterly un-audited accounts within 60 days of the end of each quarter during first two years of operation of the Scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited quarterly accounts within 45 days from 3rd year onwards.
- II. Further, DISCOMs would publish audited annual accounts by end of December of the following year during first two years of operation of the Scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited annual accounts by end of September of the following year from 3rd year onwards.
- III. DISCOMs will have ensured that no new Regulatory Assets have been created in latest tariff determination cycle.
- IV. State Government to ensure 100% payment of subsidy for the previous year and advance payment of subsidy up to current period in line with section 65 of EA2003 and wipe out the remaining subsidy amount by the end of the project period.
- V. All Government Department/ Attached Offices/ Local Bodies have made 100% payment of current electricity dues for the year under evaluation.
- VI. Progress commensurate to commitment in putting Govt. Offices on prepaid meters.
- VII. No. of days Payables to Creditors / suppliers for the year under evaluation is equal to or less than the projected trajectory as per results evaluation framework.
- VIII. Tariff order for the current year in which evaluation is being done and true up of penultimate year has been issued and implemented w.e.f. 1st April of current FY.

Utilities clearing the pre-qualifying criteria would be eligible for evaluation against the result evaluation matrix, which would determine their eligibility for release of funds for a particular year. The result evaluation framework would be different for each DISCOM and would be fixed for each year depending on the cumulative performance as well as the annual performance.

Four basic categories of Results Parameters have been identified and weightage has been assigned to each of the category as under:

Sr. No.	Category	Weightage for Evaluation
1.	Financial Sustainability	60
2.	Outcome of infrastructure Works	20
3.	Infrastructure Works	10
4.	Policy & Structural Reforms, Capacity Building and IT/OT Enablement	10
	Total	100

While the weightage of Financial sustainability would remain static at 60%, Monitoring Committee of the Scheme may make variations specific to the needs of the States/DISCOMs for other weightages

Under each of the categories above, there would be result parameters in the matrix, which will be assigned maximum marks on the basis of agreed priority/ significance towards achieving the objectives of the Scheme. The maximum marks and targets for individual parameters may differ for each of the evaluation years.

The funds for a particular year will be released only if the Utility clears the pre-qualifying criteria and the total weighted score is more than 60 marks on the evaluation matrix. Evaluation of parameters relating to financial accounts shall be based on audited quarterly/annual accounts.

Recognising that the year-wise emphasis on desired outcomes could be different, the Monitoring committee will reserve the right to allocate the maximum marks to individual result parameters for every year of evaluation. Result Evaluation Framework may be modified, if required, to include a smaller number of parameters and to exclude those included in the pre-qualifying criteria to avoid duplication and to make the Result Evaluation Framework simplistic.

RESULTS EVALUATION MATRIX (ILLUSTRATIVE)

Name of DISCOM:

SN	Result Parameters	Weightage	Unit of Measurement	Base Year [2020-21] (Values)	Evaluation of Cumulative Improvement from Base Year up to Year under evaluation	
					Max. Marks	Target Achievement Score
A.	Financial Sustainability					
1	ACS-ARR gap		Rs./kWh		25	
2	AT&C Loss - Increase in Billing and Collection Efficiency - Reduction in theft / line losses		%		25	
3	Outstanding/ Overdue Subsidy Payment by State Government		Rs. Crore		15	
4	Outstanding/ Overdue Government Dues	60	No. of Days Receivable		10	
5	Progress in putting Govt. Offices on prepaid meters		%		10	
6	No. of Creditor Days (including payment to Gencos for supply of power)		No. of days payable		5	
7	No. of Debtor Days		No. of days receivables		5	
8	Unliquidated Regulatory Assets		Rs. Crore		5	
Sub Total (A)					Σ Max. Marks	Σ Score
Weighted Score (A) = (Weightage x ΣScore)/ ΣMaximum Marks						
B	Outcomes of Infrastructure works					
1	Hours of supply (Rural)		Avg. Hours/ Day		20	
2	Hours of supply (Urban)		Avg. Hours/ Day		20	
3	Accurate Energy Accounts	20	%		20	
4	Reliability of power supply - SAIFI (System Average Interruption Frequency Index)		Nos. / year		20	
5	Reliability of power supply - SAIDI (System Average Interruption Duration Index)		Hours or minutes/ year		20	