

PHD CHAMBER OF COMMERCE AND INDUSTRY: DISCOM CONCLAVE 2022

**Knowledge Report: Timely implementation
of revamped reforms scheme by states key
to improving Discoms' finances**

JULY, 2022



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Revamped DISOM Scheme

Mr. Pradeep Multani
President, PHDCCI



MESSAGE

“ I am happy to note that the Power, RE & AE Committee of PHDCCI is organizing a DISCOM Conclave on June 24, 2022 and a Knowledge Report is being released on this occasion.

India has made significant strides over the last few years in the power sector, in terms of capacity addition and deficit reduction. India now has an installed capacity of 3,99,497 MW (as of March 2022). Going forward, the vision for the Indian Power Sector is even more ambitious and looks to support the Government initiatives in providing 24X7 Power for All; balanced energy mix with 175 GW of clean energy capacity targeted by 2022; financially viable and self-sustaining DISCOMs, along with significantly reduced AT&C losses.

The Government of India has introduced and refurbished a series of schemes and policies to strengthen the Power Sector. Indian Industry has been strongly supporting and further adding to the successful implementation of these different schemes. With continued focus on generation of renewable energy, smart grids, smart meters and digitisation, India's power sector is going from strength to strength.

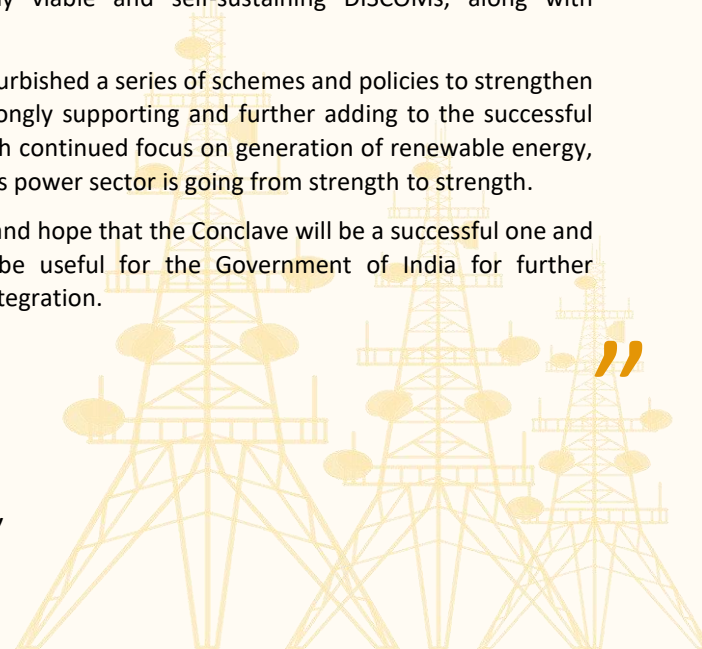
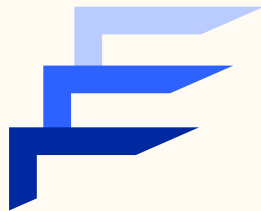
I wish to thank our Knowledge Partner – ICRA – and hope that the Conclave will be a successful one and the recommendations coming out of it will be useful for the Government of India for further strengthening our DISCOMs and increasing RE integration.

Jai Hind !!

Mr. Pradeep Multani

President

PHD Chamber of Commerce and Industry



Mr. Salil Gupta

Chair – Power, RE, AE Committee
PHDCCI



MESSAGE

“ The Distribution Sector in India is termed as the most important but also the weakest link in the Power Sector value chain. However, the sector is also witnessing tell-tale signs of improvement in performance and increase in efficiencies due to a multitude of initiatives made by the Central & state Governments and the DISCOMs themselves. The Government of India has been taking significant steps to improve the operational efficiencies and financial viability of DISCOMs. To tide over the liquidity problems of increasing DISCOM payables to Gencos, arising out of the COVID-19 lockdowns, the Government of India has launched a Liquidity Infusion scheme under which DISCOMs are already availing benefits tied to reforms.

The Government has also incentivised the DISCOMs to transform, reform and perform by linking 0.5% of the additional borrowings linked to power sector reforms from FY2022 to FY2024. Apart from the above, the Government of India has also launched the Revamped Reforms-Based Results-Linked Scheme, which allows the states to create infrastructure tied to initiation of reforms and achieve results for improving their financial sustainability and operational efficiencies.

This scheme would be in operation till FY2025-26, and includes a major component of prepaid smart metering to consumers, out of which almost 10 crore smart meters have been prioritised for installation in all UTs; all electricity divisions of 500 AMRUT cities with AT&C losses of more than 15%; all Industrial and commercial establishments; all Government offices at the Block level and above, and other high loss urban and rural areas by December, 2023.

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