

Power Sector at a Glance

Understanding the Performance of Distribution Utilities & DISCOMs Performance Audit Framework



February 05, 2026

Power Sector - the foundational engine for Viksit Bharat Goals

- **Decarbonisation:** Generate over 80% of installed capacity and two-thirds of total from non-fossil fuel sources by 2047.
- **Electrification:** Double electricity's share in final energy consumption, driven by large-scale electrification of transport, industry and cooking.
- **Energy Storage:** Achieve 300 GWh storage capacity target by 2030.
- **Low carbon anchors:** Target 100 GW of nuclear power by 2047 and 100 GW of Pumped Storage capacity by 2035-36 to ensure grid stability against intermittent renewables.
- **Investments:** Require a massive capital of ₹200 lakh crore by 2047 for generation, transmission, and distribution strengthening.

DRIVING CLIMATE ACTION & ENERGY TRANSITION ACROSS INDIA

JAMMU & KASHMIR

GHG Emissions Inventory

MADHYA PRADESH

District Climate Action Plans

State EV Policy & Portal Development

Optimisation of EV Charging Infrastructure

GUJARAT

GHG Inventory and Climate Action Plans for all 33 Districts

Climate and Energy Dashboard

Resource Potential Assessment

MAHARASHTRA

District Climate Action Plans

KERALA

GHG Inventory & Dashboard

Carbon-neutral Framework

Power Sector Planning

Climate Action Plans for Gram Panchayats

UTTAR PRADESH

Scaling-up RE and Consumer Awareness

Climate Action Plans for Gram Panchayats (Villages), City & Districts

Framework for Developing Climate Smart Gram Panchayat Action Plan

Green Hydrogen Demand Creation

ASSAM

GHG Inventory and Climate Action Plans for all 35 Districts

CHHATTISGARH

Scaling-up RE

ODISHA

Climate Action Plans for Districts

GHG Inventory

Transmission Infrastructure Assessment

Scaling-up RE and Strengthening State Capacities

TAMIL NADU

District & City Decarbonisation Action Plans

Decarbonisation Pathways for Industries

Scaling-up RE and Consumer Awareness

PAN INDIA

India Climate & Energy Dashboard

Power Outlook Series

SLCP Inventorisation

GHG Platform India

India Energy Overview

Just transition

Center for Zero Emission Truck Transition Support (CZETTS)

ZET Roadmap for Small-fleet Operators

BEE National Energy Data Report

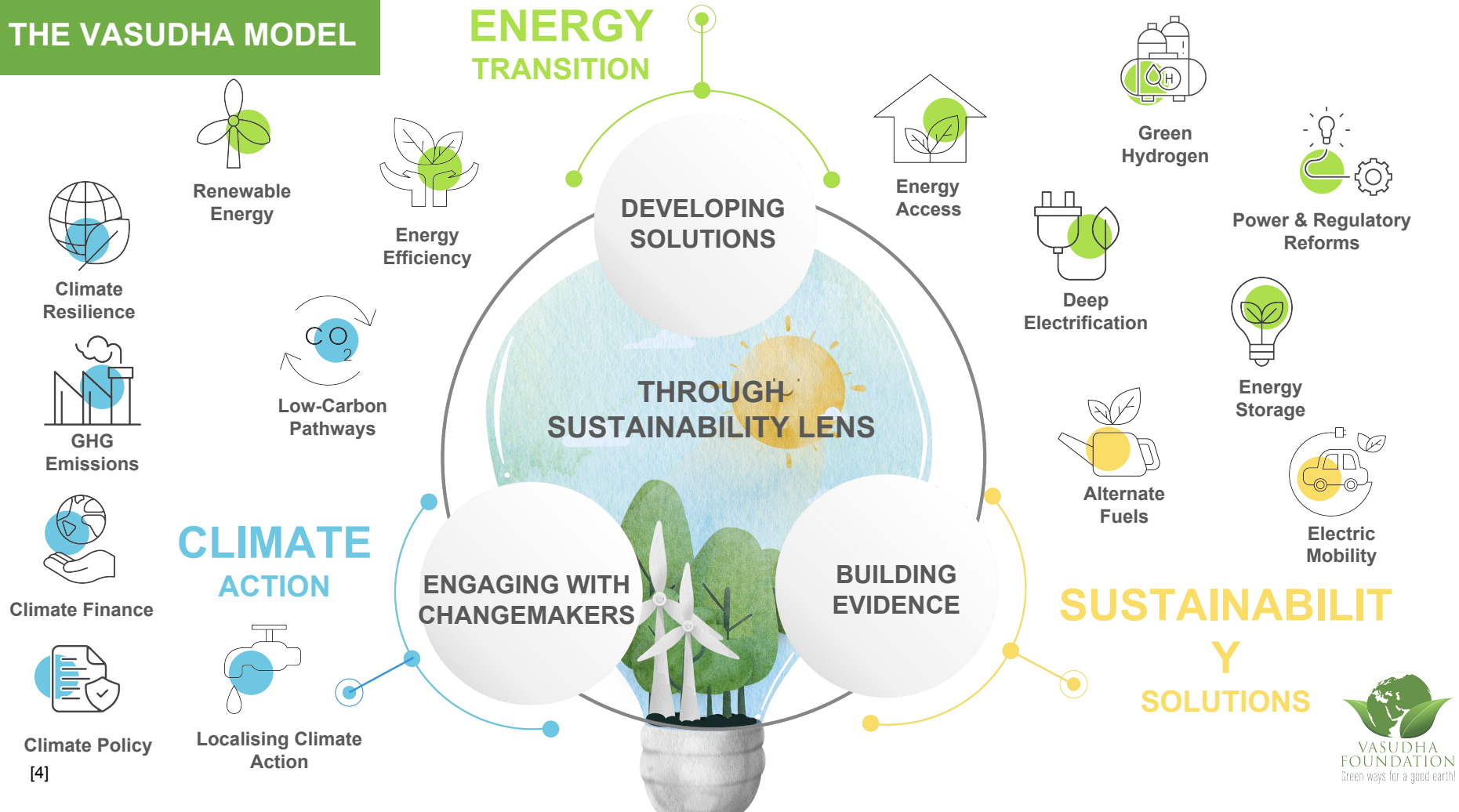
Deep Electrification Forum

NITI Aayog

Climate Smart Village Action Plans

- Gujarat
- Rajasthan
- Odisha
- Assam
- Tripura
- Meghalaya

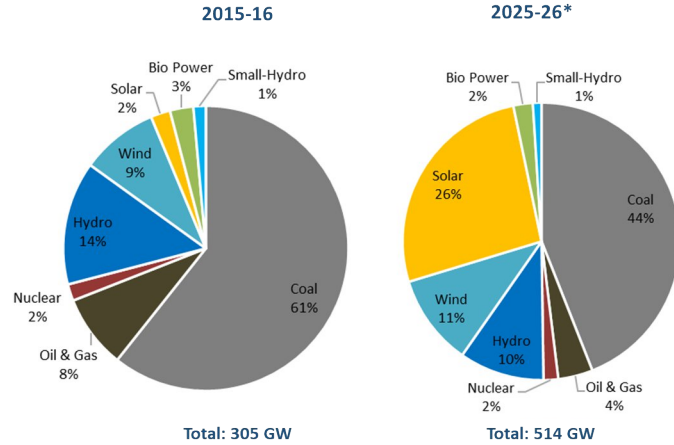
THE VASUDHA MODEL



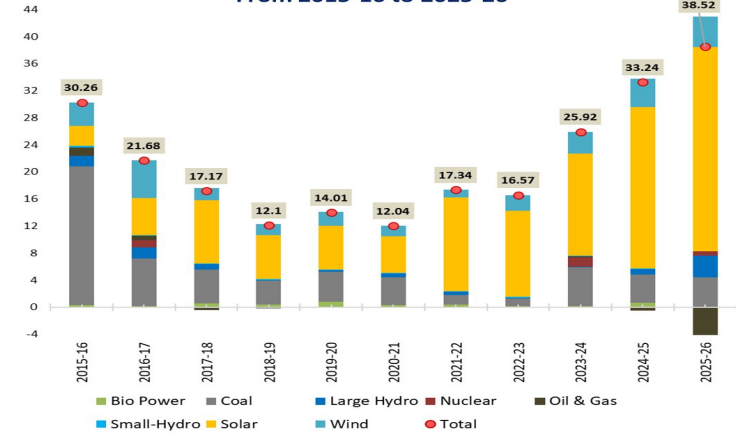
India's Electricity Transition Trends

In 2025, 49 GW of RE were added.

Source-wise Electricity Installed Capacity

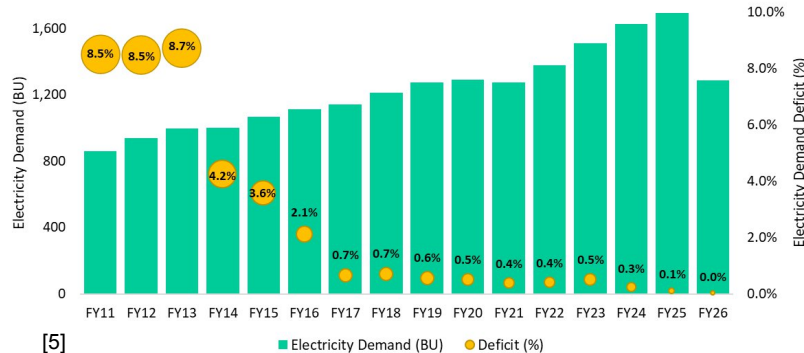


Net Capacity Addition Trend From 2015-16 to 2025-26*



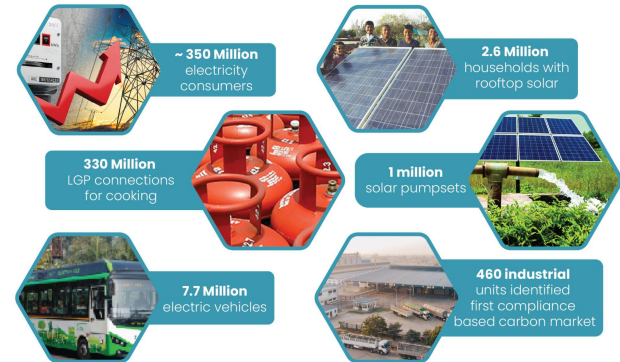
<https://iced.niti.gov.in/energy/electricity/generation/capacity>

India's Electricity Demand vs. Deficit



[5]

Mainstreaming Access and Clean Energy



Source: ICED & CEA

<https://iced.niti.gov.in/energy/electricity/distribution/national-level-consumption>

Top Performing States: RE Capacity (in GW) as of Dec'2025



Solar (incl. Solar Rooftop)

Rajasthan	36.7	Gujarat	14.8
Gujarat	25.5	Tamil Nadu	12.1
Maharashtra	18.1	Karnataka	8.4
Tamil Nadu	11.7	Maharashtra	5.8
Karnataka	10.7	Rajasthan	5.2



Wind



Large Hydro

Himachal Pradesh	11.4
Uttarakhand	4.8
Karnataka	3.7
Jammu & Kashmir	3.4
Andhra Pradesh	3.0



Biopower

Maharashtra	3.0
Uttar Pradesh	2.3
Karnataka	1.9
Tamil Nadu	1.0
Andhra Pradesh	0.6



Small Hydro

Karnataka	1.3
Himachal Pradesh	1.0
Maharashtra	0.4
Kerala	0.3
Uttarakhand	0.2



Solar Rooftop

Gujarat	6.4
Maharashtra	4.8
Rajasthan	2.0
Kerala	1.7
Tamil Nadu	1.3

Total Renewable Energy

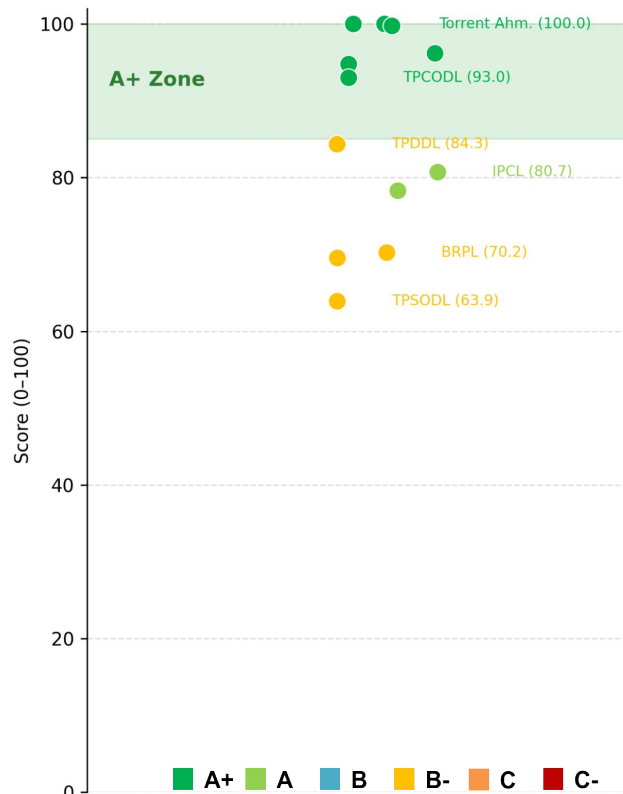
Gujarat	42.6
Rajasthan	42.5
Maharashtra	30.3
Tamil Nadu	27.1
Karnataka	26.0

Electricity Distribution Utilities Scoring and Ratings (PFC)

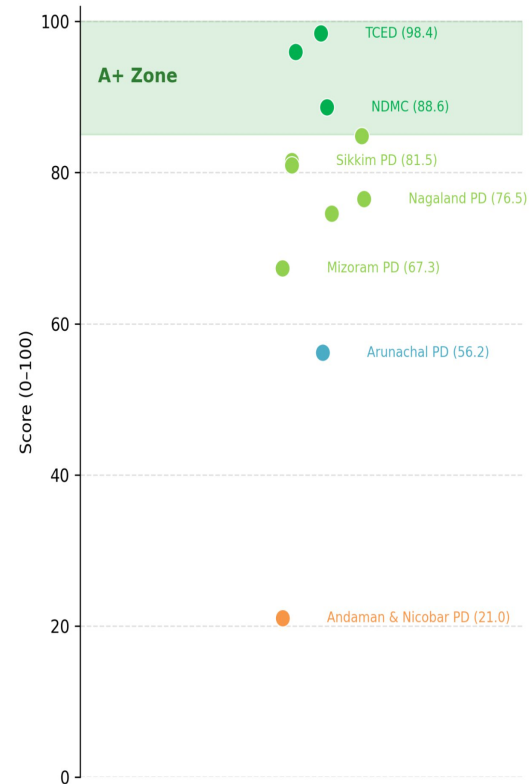
State (42 DISCOMs)



Private (12 DISCOMs)



Power Departments (11 DISCOMs)



Key Findings

Top Performance

12

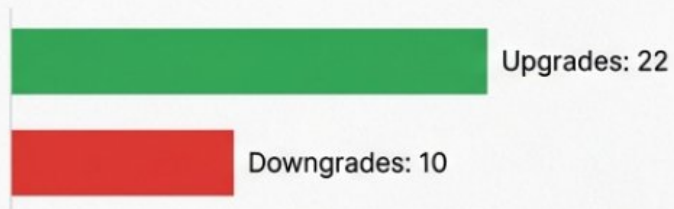
Utilities achieved a score of >90 / 100

The 'A' Cluster

31

Utilities rated A+ or A (out of 65 rated)

Positive Momentum



18 DISCOMs + 4 Power Depts improved grade.

Operational Gains

15.04% ↓

AT&C Losses (vs 15.97% FY24)

87.59% ↑

Billing Efficiency

Improving Trajectory

Trend

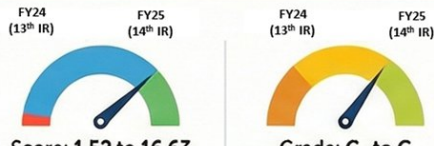
34 Utilities improved scores by >5%

Performance Review: A Spotlight on India's Most Improved DISCOMs

Top 5 Upgrades: A Year of Transformation (FY24 vs. FY25)

MSEDCL (Maharashtra)

+994% Score Growth



Despite remaining in a low grade, MSEDCL showed the most dramatic score improvement.

Key Drivers

Operational Overhaul



AT&C losses reduced from 24.35% to 18.09%.

Financial Turnaround



Governance "Red Cards"



Revenue Boost

Collection efficiency jumped from 90.46% to an impressive 97.26%

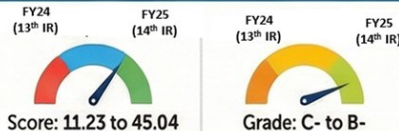


Governance Flag

Received a 'Red Card' for Auditor's Adverse Opinion.

DVVNL (Uttar Pradesh)

+301% Score Growth



DVVNL leaped two grade categories through focused operational enhancements.

Key Drivers



Efficiency Gains

Billing efficiency improved robustly from 81.56% to 84.47%.



Reduced Outstanding Debts

Lowered by 8% from ₹17,749 crore to ₹ 16,412 crore

Mizoram PD (Mizoram)

+250% Score Growth



A remarkable jump from a 'C' to an 'A' grade, driven by a massive financial correction.

Key Drivers

Financial Health Restored



ACS-ARR Gap was reversed from a gap of ₹1.31/kWh to a surplus of ₹0.34/kWh

APSPDCL (Andhra Pradesh)

+178% Score Growth



Showcased strong improvements across all key operational parameters.

Key Drivers



Loss Reduction

Slashed AT&C losses almost in half, from 13.95% down to just 7.99%.



Perfect Collections

Achieved a perfect 100% collection efficiency, up from 93.60%.



Governance Flag

Received a 'Red Card' for Auditor's Adverse Opinion.

TANGEDCO (Tamil Nadu)

+90% Score Growth



Made significant strides in improving financial stability and reducing its massive deficit.

Key Drivers



Achieved Surplus

Reversed the ACS-ARR Gap from a gap of ₹0.11/kWh to a surplus of ₹0.19/kWh.



Deficit Reduction

Shrank its accumulated deficit by over ₹47,000 Crores in one year.



Governance Flag

Received a 'Red Card' for Auditor's Adverse Opinion.

Performance Review: Key Drivers Behind Downgrades of the Bottom 5 DISCOMs

The 14th Annual Integrated Rating shows ratings for BESCOM, CHESCOM, GESCOM, AVVNL, and TGNPDCL fell due to a mix of operational, financial, and governance setbacks, as benchmarked by India's Ministry of Power.

FY24 RATING
(13th IR)

BESCOM
40.43

B-
BESCOM
(Karnataka)

CHESCOM
73.15

A
CHESCOM
(Karnataka)

GESCOM
57.28

B
GESCOM
(Karnataka)

AVVNL
62.50

B
AVVNL
(Rajasthan)

TGNPDCL
16.74

C-
TGNPDCL
(Telangana)

ACS-ARR Gap:

₹0.70/kWh → ₹1.21/kWh
Financial Gap Widened

10.23% → 12.50%
AT&C Loss Increased

Governance Red Card:
Auditor's Adverse Opinion



Financial Health Worsened:
Profit after tax plummeted from a loss of ₹347 Cr to ₹1030 Cr



ACS-ARR Gap
Shifted to Deficit:
Gap of ₹0.75/kWh



9.56% → 13.48%
AT&C Loss Worsened



Collection
Efficiency Dropped
Slipped from 100%
to 96.58%



Governance Red Card:
Auditor's Adverse Opinion



AT&C Loss Improved:
Fell sharply from 15.43% to 9.22%



ACS-ARR Gap Widened (Cash
Adjusted): Shifted from ₹0.09/kWh to
₹0.80/kWh
Despite operational gains, the widening
cost-revenue gap caused the downgrade.



Severe AT&C Loss
20.00% → 23.22%



Collection Efficiency
Dropped
88.18% → 84.23%

FY25 RATING
(14th IR)

12.44

C-
BESCOM

36.85

B-
CHESCOM

18.45

C
GESCOM

37.51

B-
AVVNL

8.48

C-
TGNPDCL

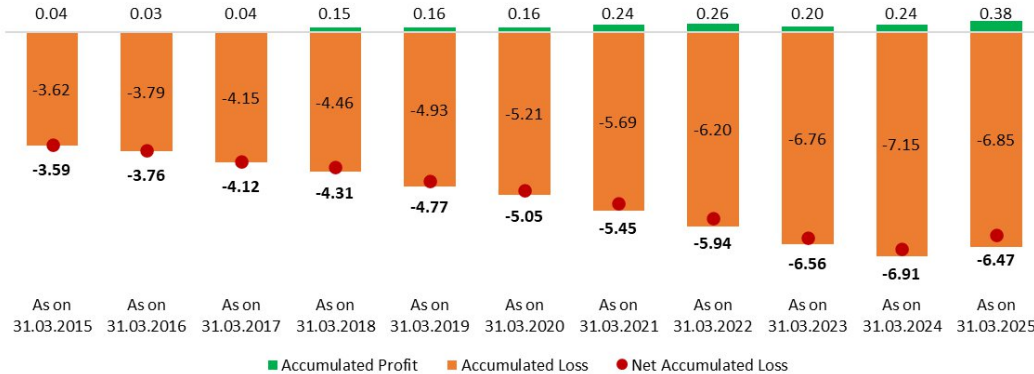
Electricity Distribution Sector: A Sneak Peek

Source: PFC Reports, ICED

<u>Net Accumulated Financial Losses</u> ₹6.47 Lakh Cr (FY25) from ₹3.59 Lakh Cr (FY15) ↑1.8x	Net Financial Profit: ₹2,701 Cr (FY25)	<u>Total Outstanding Debt</u> ₹7.26 Lakh Cr (FY25) from ₹4.04 Lakh Cr (FY 15) ↑1.8x	<u>Outstanding Debt (Discom)</u> Highest: TANGEDCO Lowest: MGVCL (FY25)	<u>State Govt. Loans</u> ₹0.30 Lakh Cr (FY24) from ₹0.60 Lakh Cr (FY 14) ↑2.0x	<u>State Govt. Loans as % of Total Outstanding Debt</u> 8% (FY24)
<u>ACS-ARR Gap</u> ₹0.06 per kWh (FY25) from ₹0.48 per kWh (FY16) ↓88%	<u>ACoS > ARR: 27 DISCOMs</u> Highest - A&N PD Lowest - MPPoKVVCL & JdVVNL (FY25)	<u>ACoS < ARR: 36 DISCOMs</u> Highest - AEML Lowest - APSPDCL (FY25)	<u>Regulatory Assets:</u> ₹0.92 Lakh Cr (FY24) from ₹0.38 Lakh Cr (FY16) ↑2.5x	<u>Regulatory Assets State DISCOM</u> Highest: MSEDCL (43%) (FY24)	<u>Regulatory Assets Private DISCOM</u> Highest: BRPL (14%) (FY24)
<u>Tariff Subsidy Received:</u> ₹2.35 Lakh Cr (FY25) from ₹0.46 Lakh Cr (FY15) ↑5.2x	<u>DISCOM with Subsidy Realised:</u> Highest: CSPDCL Lowest: HPSEB (FY25)	<u>DISCOM with Highest Subsidy (Booked):</u> MSEDCL (₹0.23 Lakh Cr) (FY25)	<u>AT&C Loss</u> 15.04% (FY25) from 23.98% (FY15) ↓8.9%	<u>AT&C Losses</u> Lowest: TPL Ahmedabad (3.24%) Highest: Nagaland PD (48.86%) (FY25)	<u>Collection Efficiency</u> 97% (FY25) DISCOMs with 100% Collection Efficiency: 17
<u>Highest Coal Power Procurement Share within State:</u> Jharkhand (88%) (FY24)	<u>Highest Power Procurement Share within State (FY24)</u> Solar: Karnataka (15%) Wind: Puducherry (13%)	<u>Highest RE (incl. Large Hydro) Power Procurement Share within State:</u> Chandigarh (88%) (FY24)	<u>Highest Industrial Load:</u> DNHDD, PD (95%) DGVCL (82%) (FY24)	<u>Highest Domestic Load:</u> DEL (71%) BRPL (64%) (FY24)	<u>Highest Agriculture Load:</u> HESCOM (61%) (FY24)

Financial Parameters: Accumulated Losses

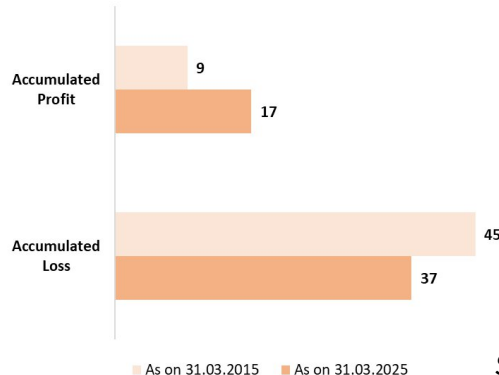
Accumulated Profit and Loss (in ₹Lakh Crore)



YoY Net Profit & Loss Snapshot :

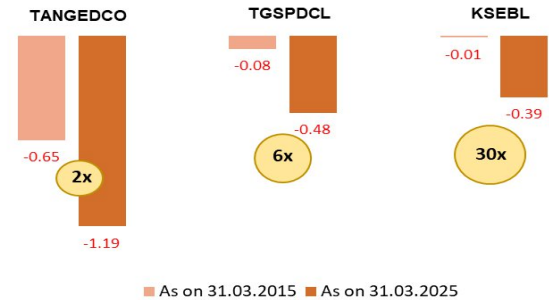
34 discoms (FY25) from 9 discoms (FY16) made profits. 20 discoms (FY25) from 46 discoms (FY16) made losses.

Number of DISCOMs with Accumulated Profit & Loss



- Gujarat DISCOMs (DGVCL, UGVCL, MGVCL, TPLA)** maintain strong surpluses driven by higher tariff realization, low subsidy dependence, and consistently high collection efficiency.
- TANGEDCO (Tamil Nadu)** alone accounts for the largest share at 17% (~₹1.19 lakh crore), followed by **TGSPDCL (Telangana)** at 7% (~₹0.48 lakh crore) and **KSEBL (Kerala)** at 6% (~₹0.39 lakh crore).

Top 3 DISCOMs with Highest Share in Accumulated Losses

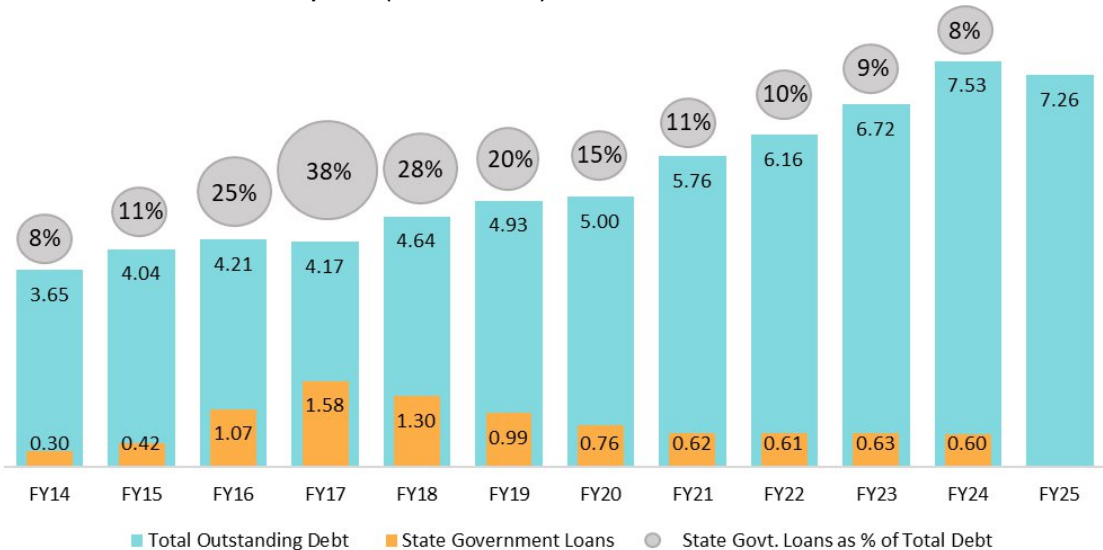


TANGEDCO: Despite three tariff hikes since Sept 2022, losses persist due to a heavy interest burden from past accumulated losses.

KSEBL: Accumulated losses increased due to unfactored long-term thermal PPAs, rising pension and employee costs, inadequate tariff recovery, absence of debt takeover under UDAY, and growing consumer arrears.

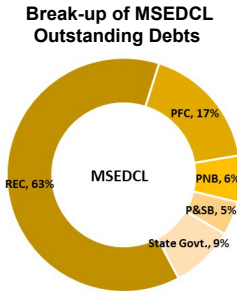
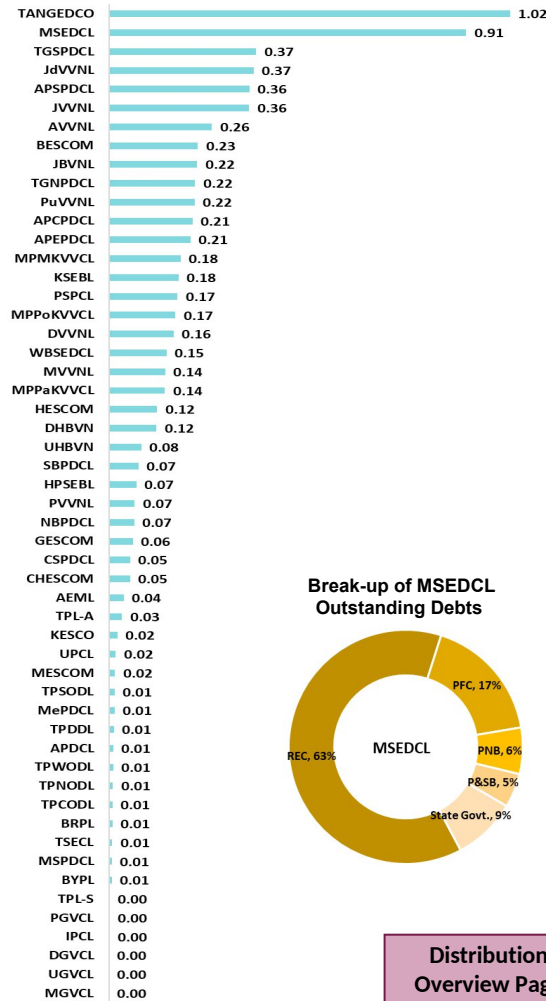
Financial Parameters: Total Outstanding Debts

Total Outstanding Debts and State Government Loans for Distribution Companies (in ₹Lakh Crore)



- Total Outstanding debts almost doubled from FY15 to FY25.
- **Gujarat DISCOMs (PGVCL, DGVCL, UGVCL, MGVCL)** have the lowest outstanding debt among all utilities, total of ₹258 crore (a mere 0.03% of the national total)
- **TANGEDCO (Tamil Nadu)** alone carries the largest share at 14% (₹1.02 lakh crore) followed by **MSEDCL (Maharashtra)** at 12% (₹0.91 lakh crore).

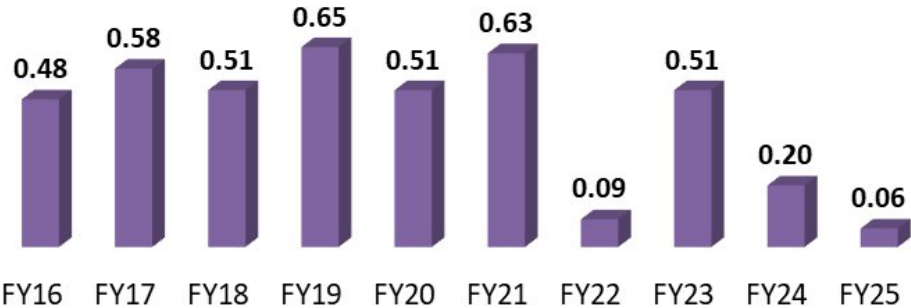
Total Outstanding Debts for Distribution Companies in FY25 (incl. State Govt. Loans) (in Lakh Crore)



Financial Parameters: ACoS and ARR Gap (Input Energy)*

- The Average Cost of Supply (ACoS) and Average Revenue Realised (ARR) Gap decreased by 88%, from ₹0.48/kWh in FY16 to ₹0.06/kWh in FY25.

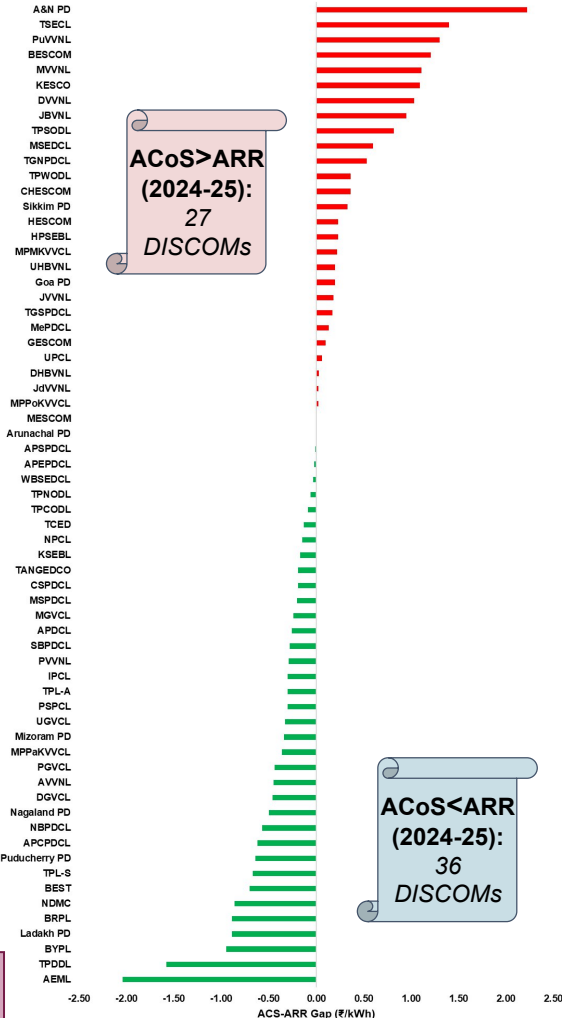
National ACS-ARR Gap (Input Energy) Trends (in ₹/kWh)



- In FY25, about 19 DISCOMs achieved an improvement of over 0.50 ₹/kWh in their ACS-ARR gap compared to the previous year (FY25).
- In FY25 Arunachal Pradesh PD and MESCOM achieved a zero ACS-ARR gap.
- Arunachal Pradesh achieved a zero ACS-ARR gap. as the state government fully covers the shortfall through explicit revenue subsidies.

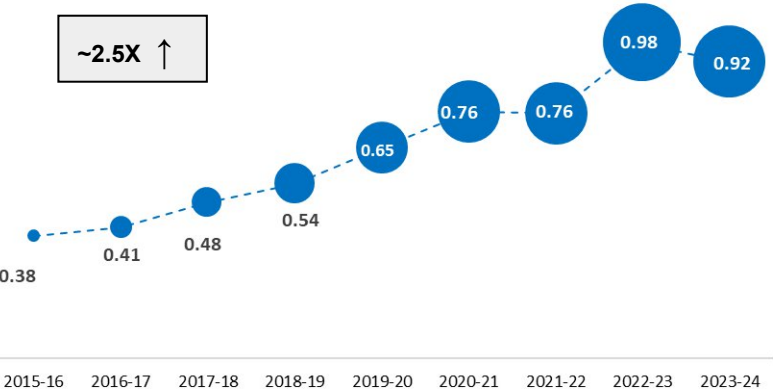
[14] NOTE: *ACoS and ARR Gap is calculated on tariff subsidy received, excluding regulatory income and UDAY grant. Source: [ICED](#) & PFC

ACS-ARR Gap across DISCOMs in FY25 (in ₹/kWh)

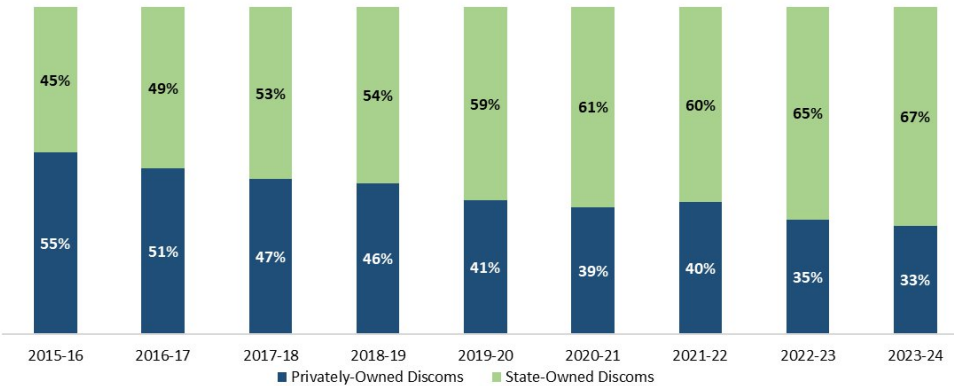


Financial Parameters: Regulatory Assets

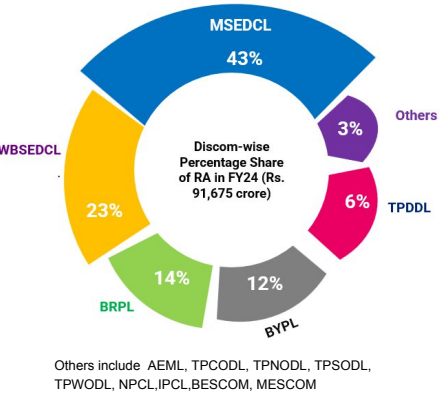
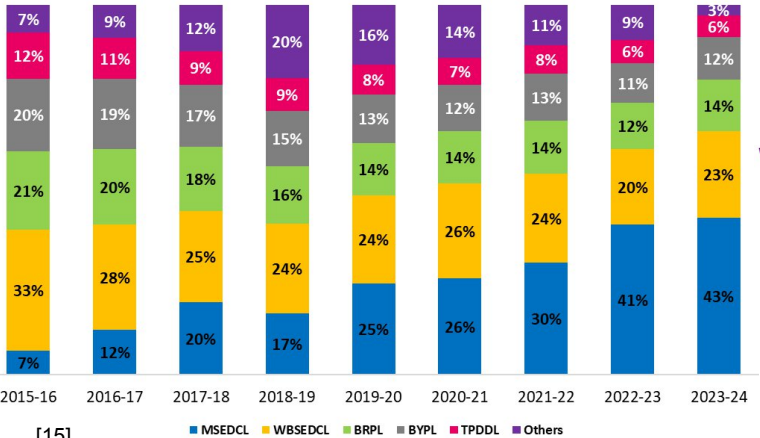
All India Regulatory Assets (in ₹ lakh Crores)



Trend of % Share of Regulatory Assets between Privately & State-Owned Discoms



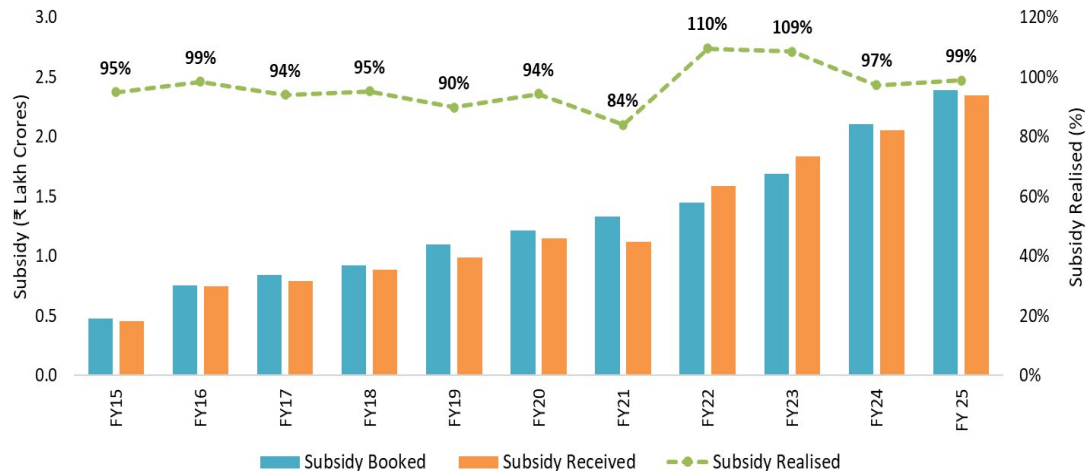
Discom-wise share of Regulatory Asset Trends



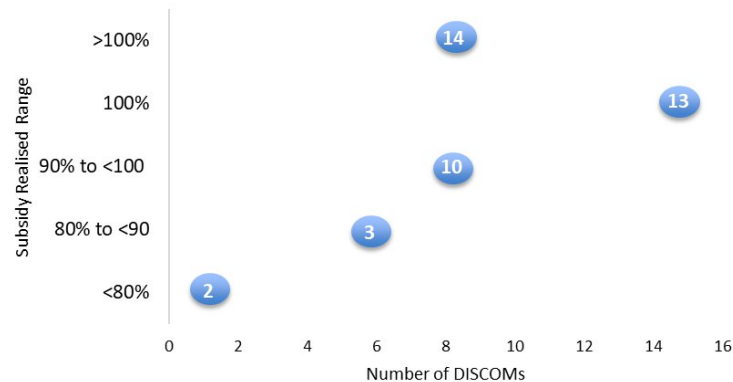
- ❖ Regulatory Assets has increased by 2.5 times from FY16 to FY24. The three major DISCOMs are MSIEDCL, Delhi Discoms and WBSEDCL .
- ❖ Over the eight years (from FY16 to FY24), the trend of Regulatory Assets in privately owned utilities has declined by 22% whereas, it increased by 12% in state-owned utilities.
- ❖ MSIEDCL regulatory assets increased at a CAGR of 41% from ₹2,524 cr in FY 2015-16 to ₹39,001 cr in FY 2023-24
- ❖ Karnataka at state level has reduced its regulatory assets by 8% from ₹2,033 in FY16 to ₹1013 in FY24.
- ❖ In FY 2023-24, MSIEDCL has the highest Regulatory Asset

Financial Parameters: Subsidy Realised

National Subsidy Realised Trends



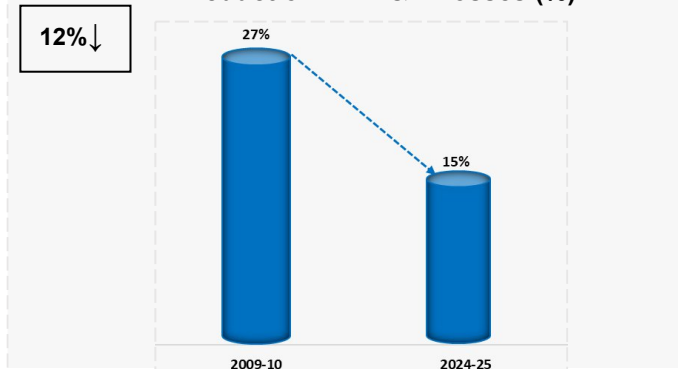
Subsidy Realised Spectrum for FY25



- **CSPDCL (Chhattisgarh):** Received **120%** of booked subsidy → Highest in India
- **HPSEB (Himachal Pradesh):** Received only **57%** of booked subsidy → Lowest in India

Operational Parameters

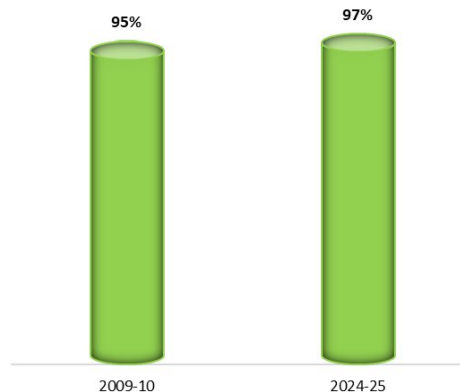
Reduction in AT&C Losses (%)



- ❖ **TANGEDCO's** AT&C losses at 10.96% in FY25 reflect strong operational efficiency, but the utility weighed down by a large financial burden
- ❖ Notably, **Manipur** has reduced its AT&C losses from 48% in FY15 to 13% in FY25, which is below the national average.
- ❖ **PuVVNL** AT&C losses increased sharply from 17% in FY 24 to 31% in FY25, an increase of 77%.
- ❖ **DISCOMs with more than 30% AT&C losses:** Nagaland DoP (49%), Arunachal Pradesh DoP (46%), Mizoram PD (32%), PuVVNL (31%).

<https://iced.niti.gov.in/energy/electricity/distribution/pages/operational-performance#aggregate-technical-and-commercial-loss>

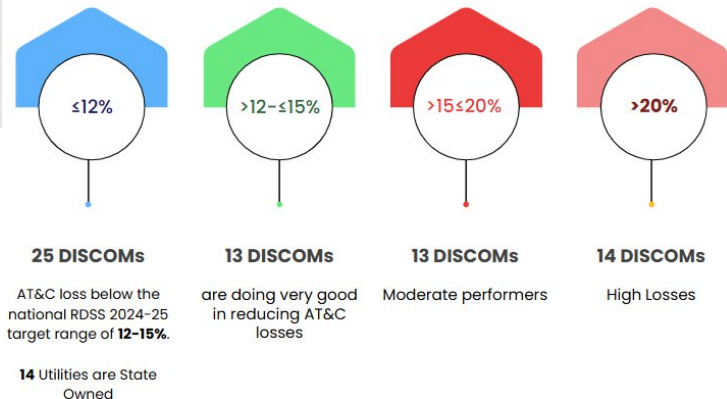
Increase in Collection Efficiency (%)



- ❖ **17 DISCOMs** achieved 100% Collection Efficiency in FY25.
- ❖ **43 DISCOMs** have achieved above 90%.
- ❖ PuVVNL (Uttar Pradesh) have Collection Efficiency **82.5%** → Lowest in India.
- ❖ **Sikkim** has improved its collection efficiency from 91% in FY24 to 100% in FY25, reflecting a 10% increase.

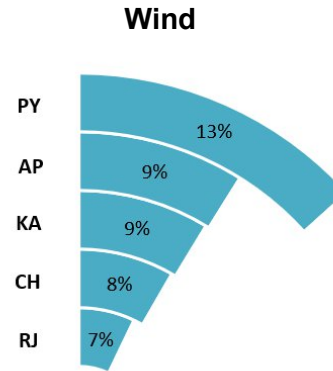
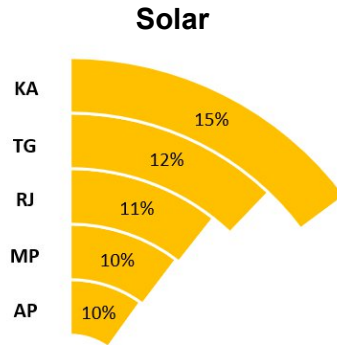
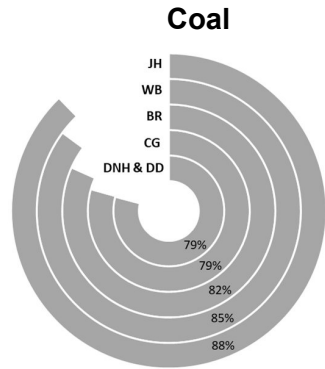
<https://iced.niti.gov.in/energy/electricity/distribution/pages/operational-performance#collection-efficiency>

Range of AT&C Losses (%)

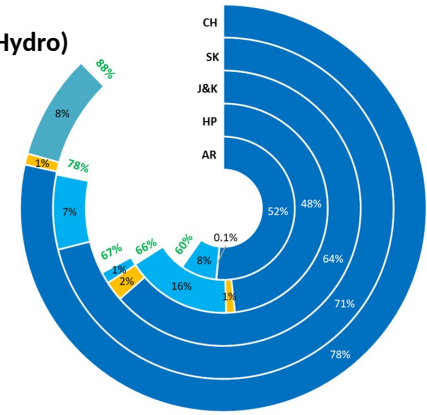


Power Procurement Portfolio of States

Leading States by Share of Coal, Solar & Wind Power Procurement, 2023-24

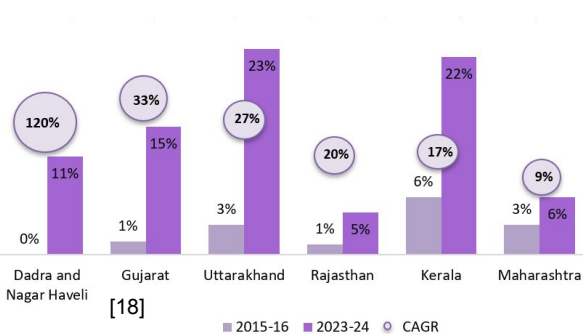


RE (incl. Large Hydro)

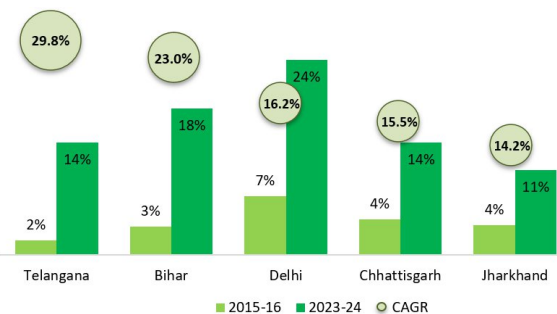


States with Highest Growth in Short-Term Power and RE Procurement Share (2015-16 to 2023-24)

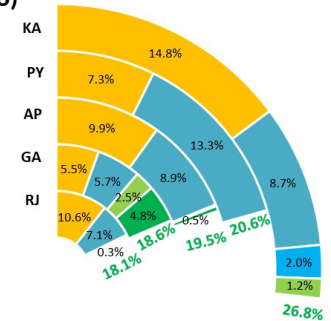
Short-Term



RE Procurement



RE (excl. Large Hydro)



■ Large Hydro ■ Solar ■ Wind
■ Small Hydro ■ Biopower ■ Other RES

Source: [ICED](#)

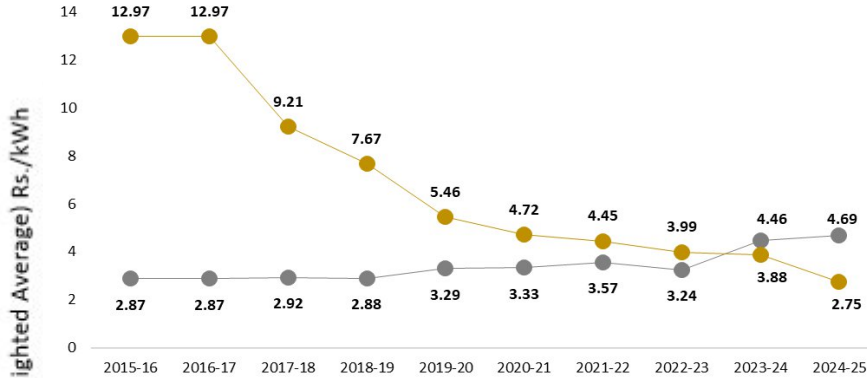
**Distribution
Overview Page**



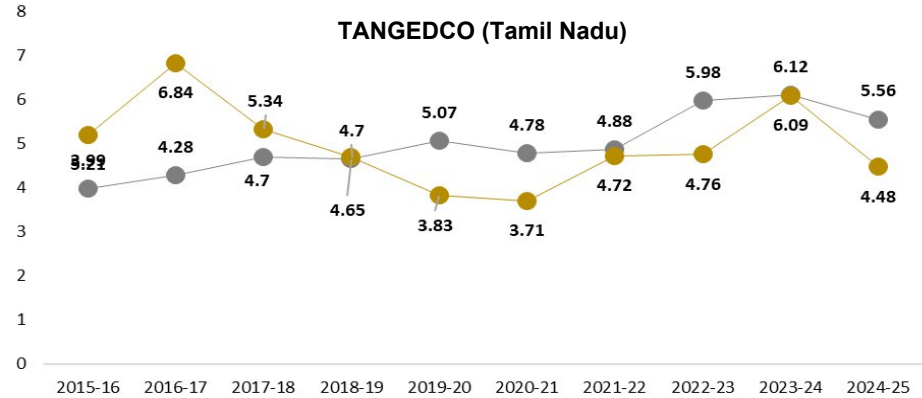
Power Procurement Portfolio of DISCOMs

Power Purchase Cost Comparison (Weighted Average) in Rs./kWh

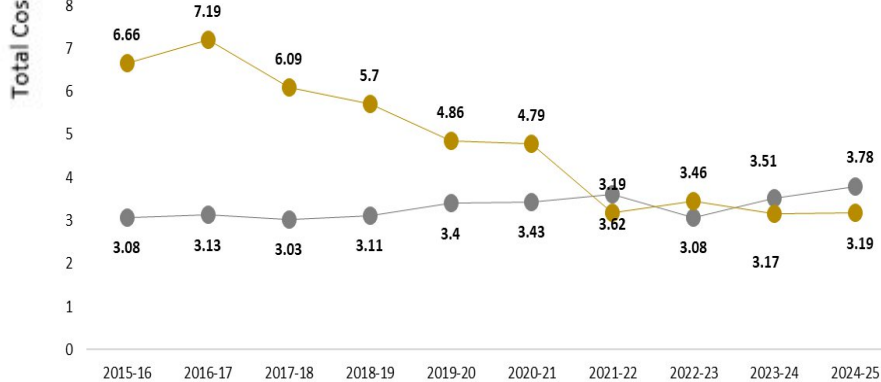
UGVCL (Gujarat)



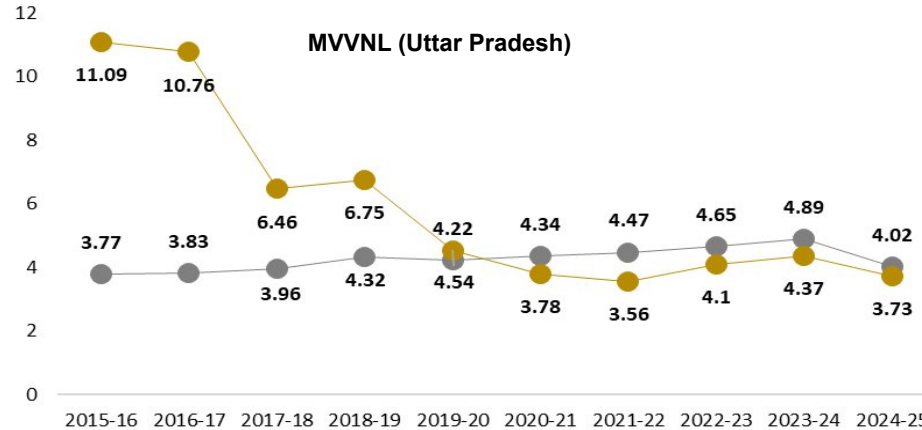
TANGEDCO (Tamil Nadu)



MPPaKVVCL (Madhya Pradesh)



MVVNL (Uttar Pradesh)

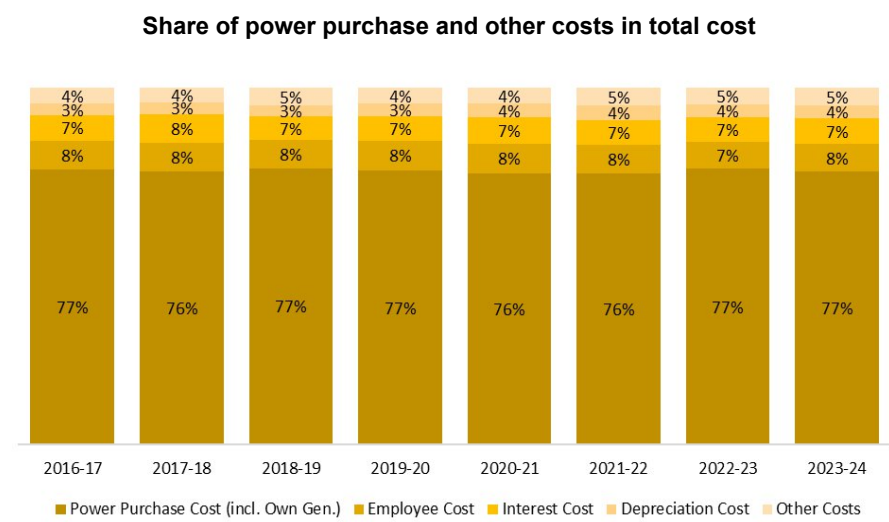
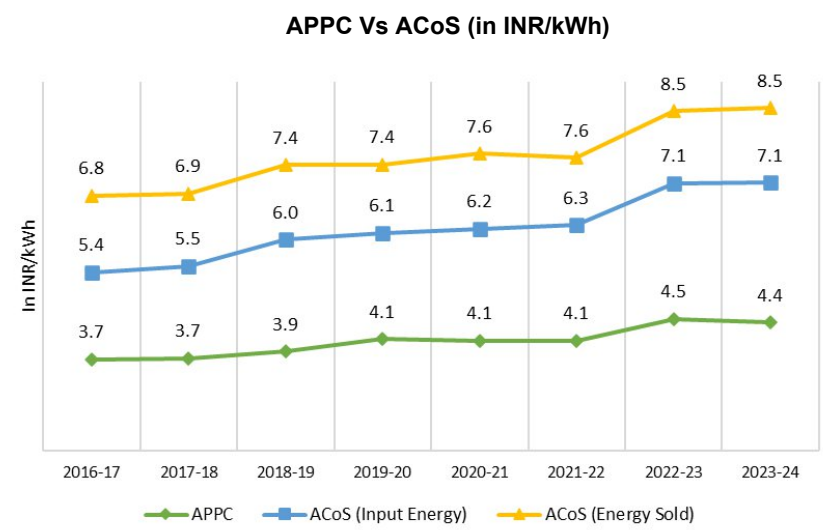


● Coal ● Solar

Source: [ICED](#)

Green ways for a good earth!

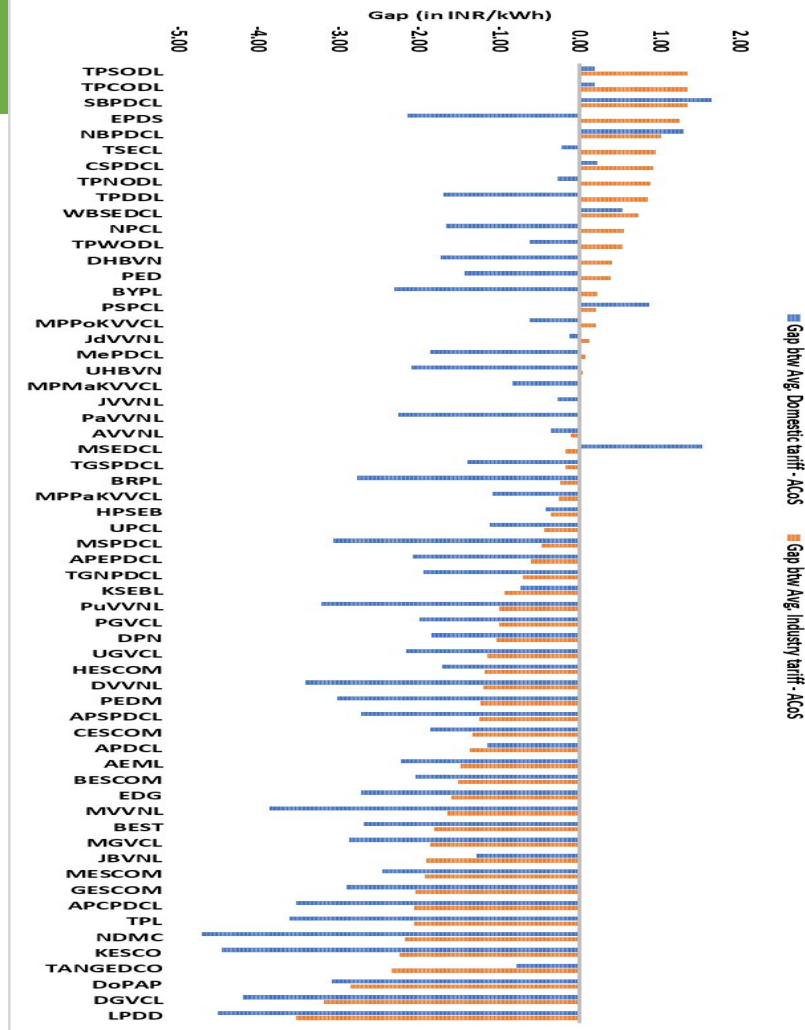
Average Power Purchase Cost (APPC) vs Average Cost of Supply (ACoS) Trends and Cost Composition Insights



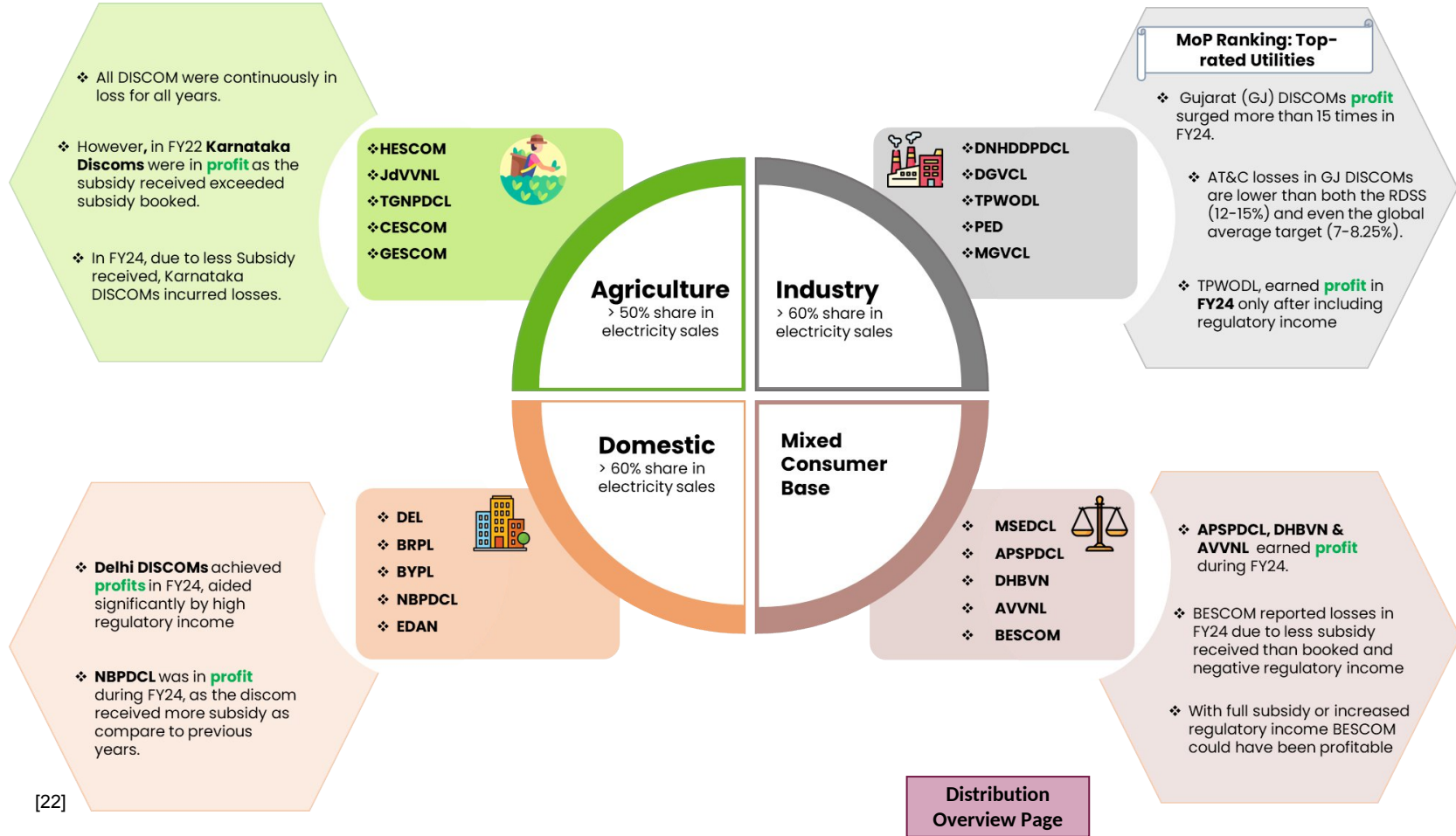
- The APPC increased at a CAGR of 2.5% from 2016-17 to 2023-24, while the ACoS (input energy) grew faster at 4% annually. This indicates losses and overheads are inflating supply costs faster than procurement costs.
- The persistent gap of ~INR 1.4/kWh between ACoS (input energy) and ACoS (energy sold) highlights the financial burden of AT&C losses.
- The share of APPC in ACoS declined from 69% to 63% over the period, underscoring the rising weight of non-power costs in the cost structure.
- Higher growth in interest, depreciation, and other costs indicates rising borrowings, capital investments, and overheads, which are pushing up the fixed cost burden on DISCOMs.

Avg. Domestic and Industrial Tariff Vs ACoS analysis for 2023-24

- The overall analysis highlights a need for tariff rationalisation, aligning consumer tariffs with the Average Cost of Supply and reducing hidden cross-subsidies to ensure financial sustainability.
- Around 20 have average. industrial tariff higher than their ACoS. In 5 of these DISCOMs, the industrial tariff exceeds ACoS by more than ₹1/kWh, showing that industries are paying significantly above cost and hence cross-subsidising.
- Only 8 DISCOMs recover more than ACoS from domestic consumers. In contrast, 53 DISCOMs have domestic tariffs below ACoS, highlighting widespread under-recovery and dependence on subsidies in the household segment.
- DISCOMs with large negative gaps in both domestic and industrial tariffs face severe financial stress and are highly subsidy-dependent.



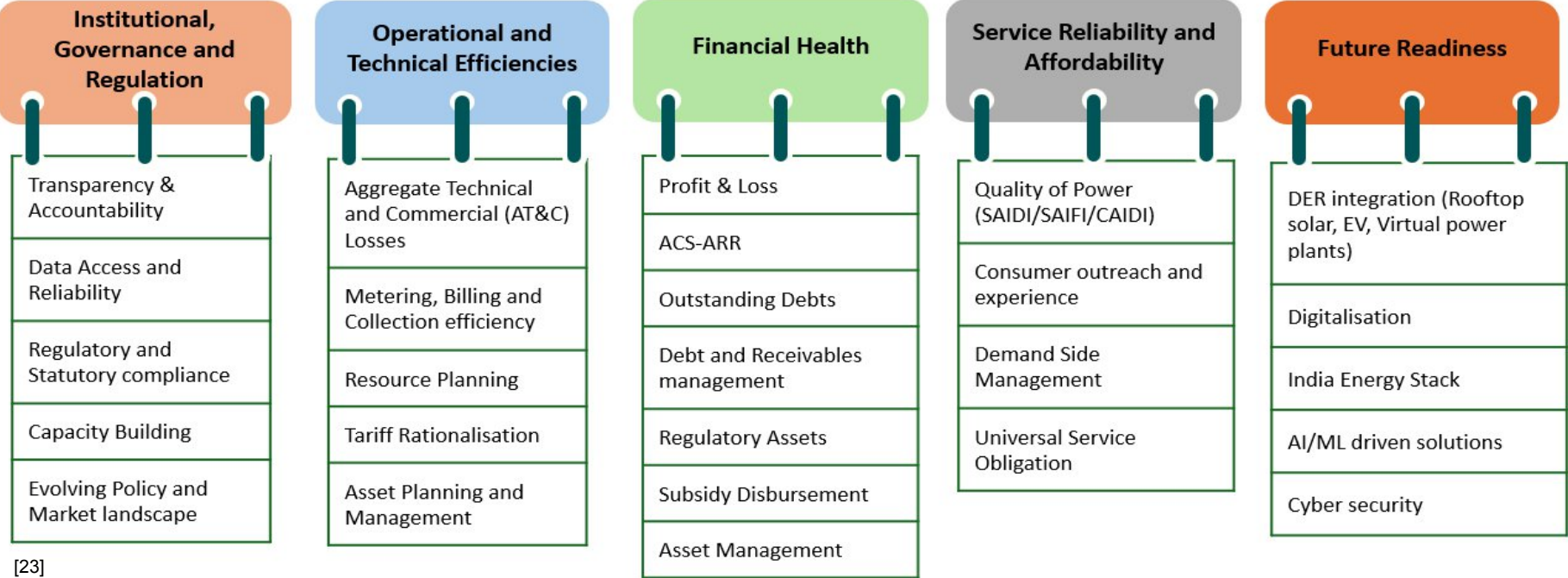
Consumer perspective for a few Discoms- A Quick Assessment



Performance Audit for Discoms Matrix

Draft NEP 2026 Vision: *Providing reliable 24x7 quality power through a financially viable and environmentally sustainable power sector furthering energy security at an affordable price.*

Proposed Framework for Performance Audits of Discoms



1. Institutional, Governance and Regulation

- Timeliness of tariff orders/true-up orders issued by DISCOMs, with clear tracking of delays and reasons.
- Periodic assessment of landscape changes (reviews of policy, market and technology developments affecting operations)
- Map and define timeframes/mechanisms for pending disputes - categorized by Procedural Delays, Change in Law and Tariff Inconsistencies
 - Procedural delays: Disputes regarding timelines and access rather than money directly. Example: PPA signing delays, Open Access delays in providing NOCs
 - Change in Law: Disputes that arise when new regulations, taxes, or judicial orders passed after the bid submission date of a PPA that alter the project's costs or revenues. Example: FGD installation to meet stricter emissions standards, underground cables to protect the endangered Great Indian bustard, mandatory blending of coal etc
 - Tariff inconsistencies: These involve disputes over how the final price of power is calculated. Example: interest rate applicable on delayed payments, curtailment claims, % increase in O&M costs etc
- Quantify incentives offered to and availed by DISCOM officials under government schemes or internal DISCOM programs, with a focus on transparency, effectiveness and outcomes
- Standardize PPA clauses to minimize interpretational differences and disputes between discoms and GENCOs.
- Assess the extent of compliance and alignment with central and state government schemes, policies and regulatory requirements.
- Availability of updated Audited accounts, Tariff orders and other reports on the utility's website in digital formats.
- Addressing the availability of data for informed/independent assessments by academia, think tanks etc
 - Verify the consistency between data reported to national portals, national schemes (like PRAAPTI or MERIT) versus the internal MIS of the DISCOM.
 - Datasets required for qualitative and quantitative assessment/impacts of various schemes/programmes of DISCOMs/States (Eg: Free electricity slabs, solar heaters, replacement of inefficient appliances with 5 star rated appliances etc)
 - Revenue share from various slabs/connected load of consumers (Industrial, agriculture, domestic Urban, Domestic Rural) – past and current trends

2. Operational and Technical Efficiencies

- Resource Planning and Power purchase
 - Evaluation of PPAs and market purchases (including evening peak procurement), with cost, source, and time-of-day optimization.
 - Power purchase strategies alignment with demand forecasts, ensuring adequacy of supply and effective planning.
- Trends of Fixed cost payments and quantum to GENCOs made without corresponding electricity supply
- Review of existing or proposed schemes to optimize load shifting, along with analysis of factors influencing their implementation or non-implementation.
- Renewable Purchase Obligation (RPO) compliance – periodic review of alignment with MoP/state targets.
- A detailed timeline for the adoption of voltage-wise cost accounting
- A comparative analysis showing the difference between current category-wise tariffs and the actual VCoS to determine the real extent of cross-subsidization.
- A sampled report for circles whether the installed smart meters are able to demonstrate improvement in Metering, Billing and Collection practices.
- Comparison of smart meter rollout versus conventional meters. Whether smart features really active such as TOD tariff, remote disconnection, hourly consumption profile or just providing for automated billing.

3. Financial Health

- Review of timeliness and adequacy of payments to GENCOs and other stakeholders, including management of outstanding dues.
 - Total Interest Liability accrued due to delayed payments
- Evaluation of planning and prioritization for new asset purchases and ongoing asset management.
 - Is the DISCOM intentionally neglecting maintenance to justify a full replacement that earns a higher return on equity?
 - What is the Benefit-to-Cost Ratio for major CAPEX projects?
 - Did the investment result in a proportionate reduction in AT&C losses or an improvement in SAIDI/SAIFI metrics?
- Discoms plan to fund the carrying cost of the assets in case the regulator denies the pass-through in the next tariff cycles
- Reasons for widening of ACS-ARR gap – technical vs commercial
- Mapping of percentage/trends of Discoms profit dependency over the years due to regulatory assets, subsidies etc.
- Time period in which subsidy payments come from Governments

4. Service Reliability and Affordability

- Consumer-centric performance – quality of supply, grievance redressal mechanisms and responsiveness to consumer complaints
 - Effectiveness of RTI response mechanisms and proactive disclosure practices.
 - Review performance against key reliability indices such as SAIFI, SAIDI, and CAIDI, including trend analysis and benchmarking against regulatory targets.
 - Compensation paid to consumers for SOP violations, complaints reaching CGRF/Ombudsman etc
- Evaluation of delays in providing new connections, load enhancements, meter installations and green energy open access (GEOA)
 - Aging analysis of pending requests for load enhancement, specifically for industrial units and EV charging stations
 - Percentage of GEOA applications rejected or delayed beyond 15 days and their reasons
- Evaluation of the infrastructure equity – performance of Rural vs Urban feeders.
- Assess whether the DISCOM is following Merit Order Despatch principles or if expensive power is being procured while cheaper options are sidelined.

5. Future Readiness

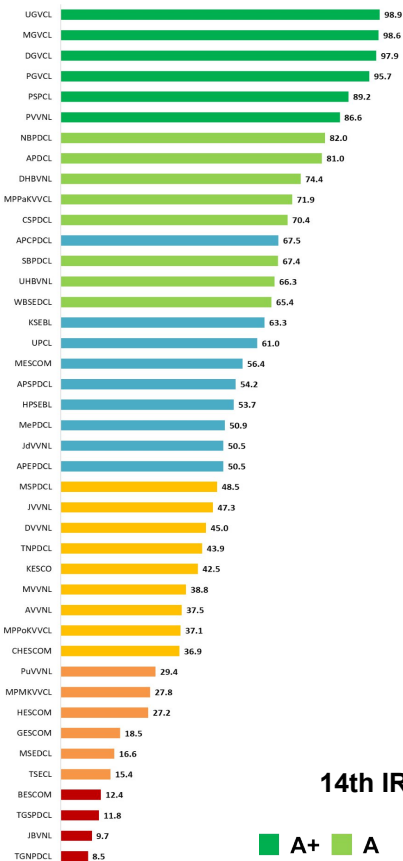
- Technology & digitalisation – assessment of IT/SCADA implementation, adoption of digital billing and collection platforms.
- A status report on the implementation of digital platforms for automated tariff filing and transparent approvals as envisioned in the Draft NEP 2026.
- Examine the preparedness and regulatory enablement for peer-to-peer trading of distributed renewable energy (DRE), including inter-state transactions, and mechanisms to enable rooftop solar, EVs, virtual power plants, and vehicle-to-grid systems. **(Future readiness- will be piloted for the first time at India AI Impact Summit)**
- Identify and map all operational and IT endpoints from a cybersecurity perspective, assessing vulnerabilities, access controls, and monitoring mechanisms.
- Policy changes –nimbleness of the organization to deal with new policies/regulation
- Mapping of new power technologies for efficiency improvements, with financial planning and prioritization for asset acquisition and deployment.

Thank You

Annexure

14th Annual Integrated Rating and Ranking (2024-25)

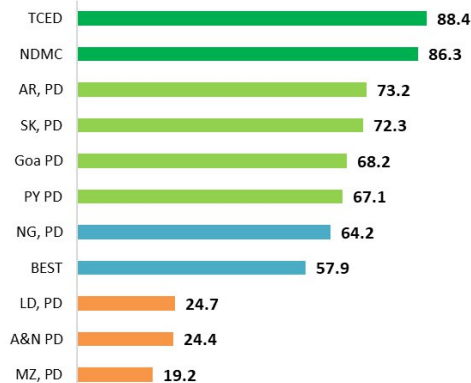
State Utilities



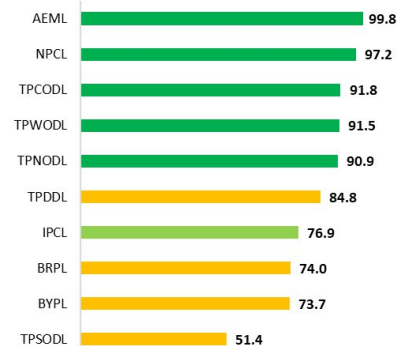
14th IR Report, Ratings

■ A+ ■ A ■ B ■ B- ■ C ■ C-

Power Departments



Private Utilities



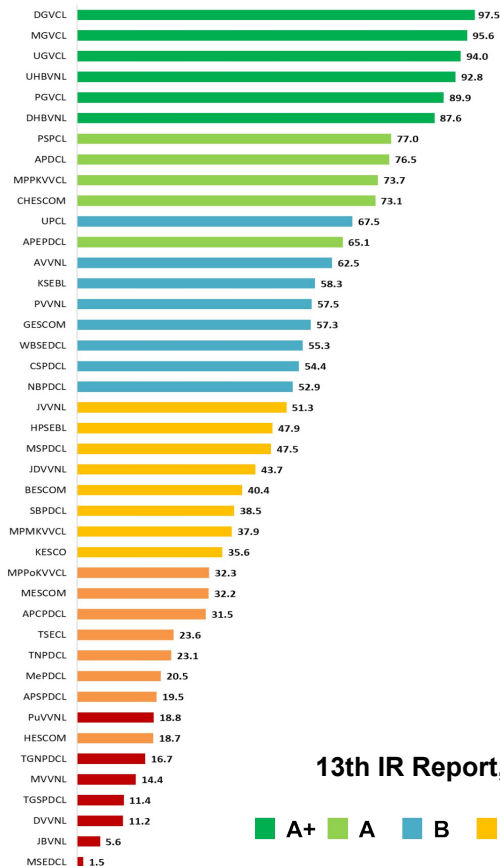
A+ Grade DISCOMs (15 total)

- 6 State-owned | 6 Private | 3 Power Departments

Source: Ministry of Power

13th Annual Integrated Rating and Ranking (2023-24)

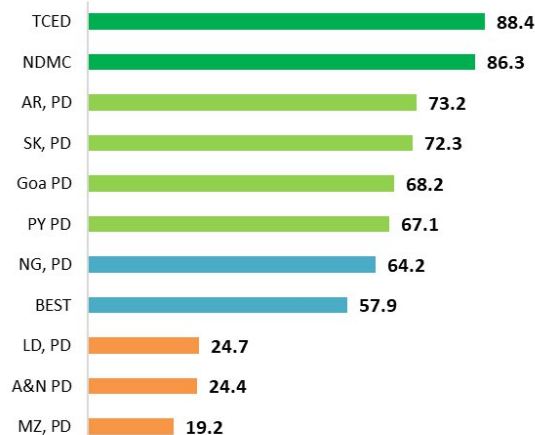
State Utilities



13th IR Report, Ratings

■ A+
 ■ A
 ■ B
 ■ B-
 ■ C
 ■ C-

Power Departments



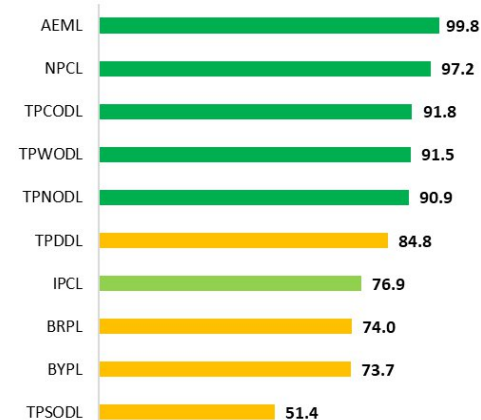
A+ Grade DISCOMs (13 total)

- 6 State-owned | 5 Private | 2 Power Departments
- 100% net profitable for the last 3 years (except TPWODL in FY24)
- All show **ACS < ARR** (negative ACS-ARR gap) → **except TPWODL**

C- Grade DISCOMs (7 total)

- All are historically loss-making in both **net profit** and **accumulated losses**.

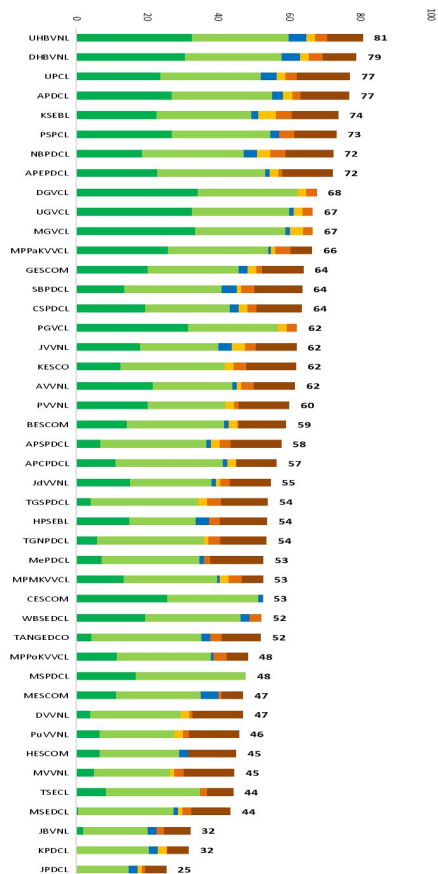
Private Utilities



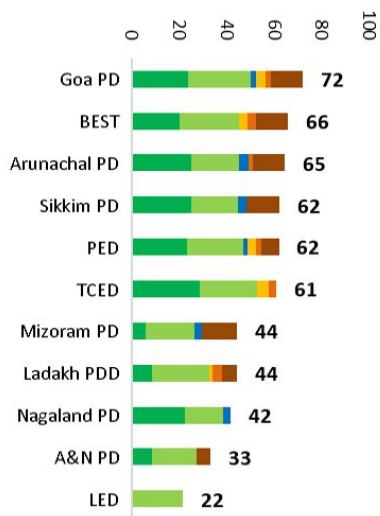
Source: Ministry of Power

Electricity Distribution Utilities Scoring (DUR)- 2023-24

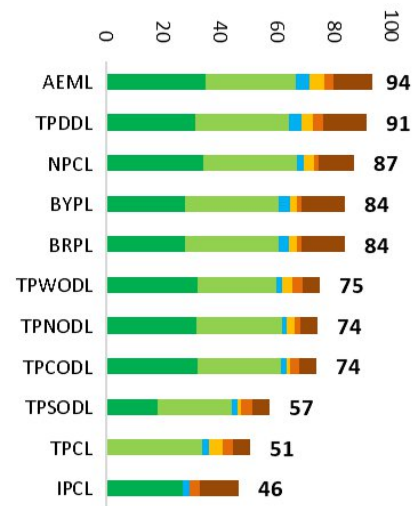
State Utilities



Power Departments



Private Utilities



IR Report

CSRD Report

RPO Achievement

Communicable system metering

Demand side response

Resource adequacy

Combined Score

**Distribution Utilities Ranking
(DUR) Report, (FY 2023-24)**

Source: Ministry of Power

Emerging Trends

- ❖ 53 Billion\$ in providing financial relief to discoms between FY 01 and FY 2020.
- ❖ Between FY 2014 and FY 2024, Discoms financial and operational situation weakened with accumulated losses, outstanding debt and state government loans doubling during that period.
- ❖ Large scale change in the technology and market that will require SERCs and Discoms to build significant capacities
- ❖ Cross-Subsidy no longer a significant percentage of the Discoms Revenue Requirement
- ❖ Most industry Tariffs at par with ACoS which means COS not competitive enough.
- ❖ Commercial and Industry consumer shifting to open access and largely RE based captives; since RE+ Storage (Rs6/unit) becoming much more cost effective than the industrial tariff .
- ❖ Digitalisation of the power system not keeping pace with Decentralisation of renewable energy - Rooftop Solar, Data centres, EVs

Going Forward

- ❖ Discoms to work towards competitive supply and shift from cost-plus tariffs to market-based pricing for supply and reliability services.
- ❖ Need for regulatory and role clarity for Discoms to provide such services and thus not hinder the process of green energy open access.
- ❖ Discom to look into better power purchase planning and promote demand side management with a higher percentage DER (demand response and TOD tariffs)
- ❖ Rationalization of Tariffs
- ❖ Open access consumers will benefit from Market based procurement and competition if deregulated.