Ministry of Power

Power Ministry mandates energy accounting of DISCOMs with a view to reduce electricity losses

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As an important step under the ongoing power sector reforms, Ministry of Power today mandated electricity distribution companies to undertake energy accounting on periodic basis. The regulation in this regard was issued by Bureau of Energy Efficiency (BEE) with the approval of Ministry of Power, under the provisions of Energy Conservation (EC) Act, 2001. The notification stipulates quarterly energy accounting by DISCOMs, through a certified Energy Manager, within 60 days. There will also be Annual energy audit by an independent Accredited Energy Auditor. Both these reports will be published in the public domain. Energy accounting reports will provide detailed information about electricity consumption by different categories of consumers & the transmission and distribution losses in various areas. It will identify areas of high loses and theft and enable corrective action. This measure will also enable fixation of responsibility on officers for losses and theft. The data will enable the DISCOMS to take appropriate measure for reducing their electricity losses. The DISCOMs will be able to plan for suitable infrastructure up-gradation as well as demand side management (DSM) efforts in an effective manner. This initiative will further contribute towards India’s climate actions in meeting our Paris Agreement Goals.

These regulations have been issued under the ambit of Energy Conservation Act, 2001, with an overall objective to reduce distribution sector in-efficiency and losses thereby moving towards economic viability of DISCOMs. BEE has certified a pool of National Accredited Energy Auditors and Energy Managers who possess expertise in preparing energy accounting and audit reports, duly providing recommendations for loss reduction and other technical measures. The aforesaid regulations were pre-published in April 2021 for seeking public comments and thereafter Ministry of Power held detailed discussions with various stakeholders before finally issuing these regulations.

In September 2020, through a separate notification, all the Electricity Distribution Companies were notified as Designated Consumers (DCs) under the EC Act. Owing to the potential benefits of energy auditing on the entire distribution system and retail supply business, it was imperative to develop a set of comprehensive guidelines and framework such that all Distribution utilities across India can adhere to and formulate actions.

Energy Accounting prescribes accounting of all energy inflows at various voltage levels in the distribution periphery of the network, including renewable energy generation and open access consumers, as well as energy consumption by the end consumers. Energy accounting on periodic basic and subsequent annual energy audit, would help to identify areas of high loss and pilferage, and thereafter focussed efforts to take corrective action. The Regulations issued today provides much awaited broad framework for Electricity Distribution Companies to carry out Annual Energy Audit and Quarterly Periodic Energy Accounting with necessary Pre-requisites and reporting requirements to be fulfilled.

Objectives to be achieved through periodic energy accounting are:

- Development of a comprehensive energy accounting system to quantify and determine actual losses in the power distribution system, segregated across technical and commercial losses.
- Identify areas of leakage, theft, wastage or inefficient use, thereby paving the way for tackling the present challenges of high Transmission and Distribution (T&D) losses.
- Enable and ensure an independent 3rd party energy audit of the distribution system to arrive at a true and fair picture of T&D losses.
- To enable the Distribution utilities to undertake targeted efficiency improvement activities to reduce T&D losses in priority areas / customer segments.

- Providing a basis for prioritizing energy capital investments and help budget more accurately to achieve maximum results.
- Identification of overloaded segments of the network for necessary capacity additions.

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