

# Reliable Data: A Prerequisite for Effective Energy Auditing



Center for Study of Science, Technology and Policy  
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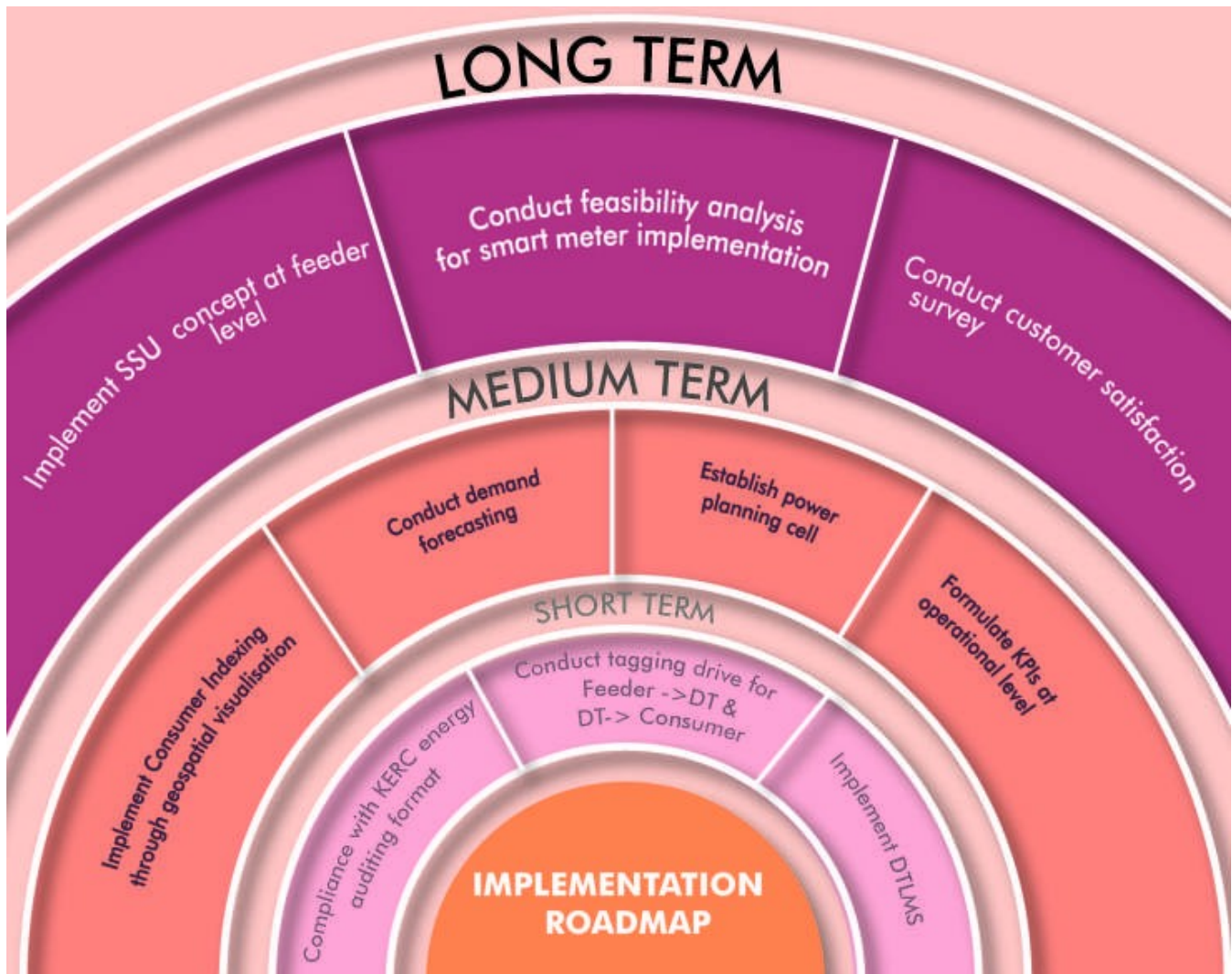
*By Rishu Garg, Senior Research Engineer*



The Ujwal DISCOM Assurance Yojana (UDAY) was launched in November 2015 to improve the operational and financial efficiencies of distribution companies (DISCOMs). CSTEP undertook a study for developing a strategic roadmap for effective implementation of the UDAY Scheme, in two DISCOMs in Karnataka. The study analysed the field-level challenges associated with the initiatives underlined in the UDAY scheme, such as Aggregate Technical and Commercial (AT&C) loss reduction, improved power purchase planning and better institutional structure.

AT&C loss reduction is one of the key elements in UDAY's strategy for making DISCOMs financially viable. Energy auditing forms an integral part of AT&C loss reduction as it helps with the identification of areas plagued with leakage and wastage of electricity in a DISCOM's jurisdiction. The prerequisite for an effective energy audit

is the availability of accurate and reliable data for energy input at the feeder and energy received at the consumer end. The study focussed on specific and dependable data collection by ensuring complete metering at both the supplier and consumer's end, along with accurate tagging of feeders, transformers and consumers.



Implementation Roadmap: Short-, medium- and long-term measures towards enhancing DISCOM efficiency

Achieving a zero gap between the Average Cost of Supply (ACS) and Average Revenue Realisation (ARR) is another important element in the UDAY scheme. While there are various measures to minimise this gap, optimised power purchase cost is one of the most talked about measures. This could be achieved by accurate sales forecasting by DISCOMs so that they can plan for their power procurement strategy accordingly.

There has been a limited focus on organisational and institutional measures in DISCOMs, although it is an important parameter for performance improvement. A process-oriented approach would help bind together DISCOMs' operational and financial measures. Our study lays emphasis on implementing a performance assessment mechanism, along with adequate incentives and penalties.

A transparent and accountable organisational structure is important for DISCOMs to ensure viable operations. At present, the commercial accountability is centralised at the corporate office level of each DISCOM. The subdivision offices are held responsible for adequate supply of electricity and maintenance of operations, but not for realising revenues commensurate with the services provided. It is important that the operational departments are made accountable for the financial viability of their operations. Based on our analyses, we suggested that 11 kV feeders be made the profit and loss centres where feeder managers are accountable for the loss and revenue of the particular feeder.

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