

SESSION OUTLINE

REGULATION IN POWER DISTRIBUTION AND COMMERCIALIZATION OF DISTRIBUTION UTILITIES

(8th – 13th Aug. '09)

Session Outline	
Target Audience	Utility and Ministry's Officials engaged in Policy making and Management of Power Distribution Sector
Overall Learning Objectives	Understanding of the power distribution, its issues and challenges, distribution reforms, regulation, commercialization and private sector participation in power distribution sector including power distribution franchising
Day 1	
Session No. and Topic	Learning Objectives
Registration	
Session 1	
Introduction of the Participants	Getting awareness of the course and the methodology to be followed. This session will be followed by 3 sessions which aim to provide broad level understanding to the participants of the program followed by extensive coverage during the next 5 days.
Ice Breaking	
Norms Setting & Group Formation	
Course Outlining and Methodology	
Break	
Session 2:	
<u>Course Introduction</u> <ul style="list-style-type: none"> Power Sector Overview Social, Economic and Legal Rationale for Regulation Regulatory Approaches and Related International Experience Regulatory Institutions and Their Functions in India 	Broad level overview of the power sector, distribution reforms and the related issues, opportunities and challenges, rationale for regulation of power distribution sector and various approaches across the world.
Lunch Break	
Session 3	
Game/ Quiz	
<u>Course Introduction</u> <ul style="list-style-type: none"> Regulatory Responsibilities for Consumer Protection Understanding Regulatory Process and its Impact on Distribution Utility's Operations Distribution Reforms Issues, Opportunities and 	Broad level overview of the Regulatory Institutions, their functions, role in consumer protection, regulatory process and role/responsibility of distribution utilities in implementing Regulatory Commission's orders. Also, broadly touching the management, technical and commercial aspects of electricity

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<p>Challenges</p> <ul style="list-style-type: none">• Roles and Responsibilities of Junior and Middle Management of Distribution Utilities in Implementing ERC's Orders• Management, Technical, and Commercial features of electricity distribution business	<p>distribution.</p>
<p>Break</p>	
<p>Session 4</p>	
<p><u>Course Introduction</u></p> <ul style="list-style-type: none">• Management Models for private sector participation in power distribution• Roles and Responsibility of stakeholders under different models• Understanding of transaction structure• Franchisee Business Operation	<p>Broad level coverage of private sector participation models in power distribution, stakeholders and their roles, transaction structure of the private sector participation along with business model of the franchisee</p>

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Session Outline

Day 2

Session No. and Topic	Learning Objectives
Session 1	
Power Sector Overview <ul style="list-style-type: none"> • Importance of Power for sustainability • Global Power statistics including Afghanistan 	Importance of power and global power statistics including Afghanistan.
Break	
Game/Quiz	
Session 2:	
Power sector structure <ul style="list-style-type: none"> - Generation - Transmission - Distribution - Trading - Regulation <p>Issues and Challenges facing the Power Sector.</p>	Structure of the power sector and the issues and challenges relating thereto.
Lunch Break	
Session 3:	
Social, Economic, and Legal Rationale for Regulation <ul style="list-style-type: none"> • Economic rationale for regulation • Legal, and social rationale for regulation • Monopoly and competition in electricity service 	Monopoly and competition in electricity service along with rationale for Regulation, Economic, Legal and Social.
Break	
Session 4:	
Regulatory Approaches and Related International Experience <ul style="list-style-type: none"> • Theories of regulation. • International practices 	Theories and International practices in Regulation

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Session Outline :

Day 3

Session No. and Topic	Learning Objectives
Session 1	
Recap of Day 2	
Regulatory Institutions and Their Functions in India <ul style="list-style-type: none"> • History and evolution of independent regulation in India • Role and functions of Central regulator (CERC- Central Electricity Regulatory Commission) • Role and functions of State regulators • Appellate tribunals and courts – inter-linkages with regulators 	Regulatory Institutions, both Central and State, in India, roles and functions, appellate tribunals and courts and their interlinkage with regulator
Break	
Session 2:	
Regulatory Responsibilities for Consumer Protection <ul style="list-style-type: none"> • Consumer protection against poor electricity services • Rule making for customer service requirement • Redressal system • Process of involving and seeking consumers' views before and during public hearing • Creating consumer awareness about their rights 	Regulatory protection against poor service, redressing consumer grievances, consumer's participation in regulatory process and consumer awareness
Lunch	
Game/Quiz	
Session 3:	
Understanding Regulatory Process and its Impact on Distribution Utility's Operations <ul style="list-style-type: none"> • Conduct of regulatory procedures and process • Rule making for furnishing information required by Utilities / its functionaries • Timely submission of data on specified activities • Transparency of decision making such as Public hearings, Consultations with Stakeholders, etc. 	Conduct of regulatory procedures and process including rule making, transparency in decision making and publication of rules/orders, etc

<ul style="list-style-type: none"> • Publication of its Rules / Orders / Review / Approval against its orders. 	
<p>Break</p>	
<p>Session 4:</p>	
<p>Distribution Reforms Issues, Opportunities, and Challenges</p> <ul style="list-style-type: none"> • Role of state governments in distribution reforms • Role of regulators and different stakeholders during and after the reforms 	<p>Issues, Opportunities and challenges relating to distribution reforms, role of State Governments, Regulators and other stakeholders</p>

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Session Outline :

Day 4

Session No. and Topic	Learning Objectives
Session 1	
Recap of Day 3	
<ul style="list-style-type: none"> • Key problems in the power distribution sector • Key issues and challenges before the distribution utilities • Legal and administrative requirements • Electricity Act 2003 in India and its provisions 	Problems, issues and challenges facing the power distribution sector, legal and administrative requirements, Indian Electricity Act, 2003 and its provisions,
Break	
Game/Quiz	
Session 2:	
Role and Responsibilities of Junior and Middle Management of Distribution Utilities in Implementing ERCs' Orders <ul style="list-style-type: none"> • Implications and penal action against utility for non-compliance of commissions' orders, regulations, and directions • Creating awareness amongst officials about the regulatory requirements and their role in process of compliance. 	Understanding the role and responsibilities of officials of Distribution utilities in implementing Regulatory orders, implication for non-compliance and awareness towards regulatory requirements
Lunch	
Session 3:	
Management, technical and commercial features of electricity distribution business <ul style="list-style-type: none"> • Understanding the various technical aspects of distribution business 	Understanding of the various technical features of electricity distribution business
Break	
Session 4:	
Management, technical and commercial features of electricity distribution business (Continued) <ul style="list-style-type: none"> • Understanding the various commercial and management aspects of distribution business 	Understanding of the management and commercial features of electricity distribution business

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Session Outline :

Day 5

Session No. and Topic	Learning Objectives
Session 1	
Recap of Day 4	
Management models for Private Sector Participation in Power Distribution <ul style="list-style-type: none"> • PPP modes in Power Distribution <ul style="list-style-type: none"> - Revenue collection Franchisee - Operation and Maintenance Franchisee 	Understanding the various modes of private sector participation in electricity distribution sector, concept of franchising, its rationale and applicability to power distribution
Break	
Session 2:	
Management models for Private Sector Participation in Power Distribution <ul style="list-style-type: none"> • Input Energy Based Franchisee <ul style="list-style-type: none"> - Franchisee Process 	Understanding of various franchisee models, as well as understanding the franchisee process
Lunch	
Game/Quiz	
Session 3:	
Roles and Responsibility of Stakeholders under Franchisee model <ul style="list-style-type: none"> • Franchisees • Government • Regulator • Consumer 	Understanding the expectations, roles and responsibilities of various stakeholders
Break	
Session 4:	
Understanding of transaction structure <ul style="list-style-type: none"> • Bid process understanding • Due diligence of various information in the RFP and its 	Understanding of bid process, due diligence involved, formats to be filled up and contractual obligations along with familiarity with the

<p>commercial impacts</p> <ul style="list-style-type: none">• General format to completed by the franchisee• Contractual obligation• Familiarity with standard agreement format	<p>franchisee agreement</p>
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Session Outline :

Day 6

Session No. and Topic	Learning Objectives
Session 1	
Recap of Day 5	
<u>Management Information System</u> <ul style="list-style-type: none"> • Understanding the need for reporting and monitoring • Formats used for monitoring 	Understanding the need for monitoring the franchisees and devising the monitoring mechanism along with formats
Break	
Session 2:	
Franchisee Business operation <ul style="list-style-type: none"> • How to carry out various activities and their respective costs • Assess manpower requirement to carry out the business operations • Maximum price for purchase of electricity at which the operation becomes viable 	Understanding of the business plan for sustainability of the franchisee's business operations and computation of the input energy rate for viable business operations
Lunch	
Session 3:	
Franchisee Business operation <ul style="list-style-type: none"> • Fund availability and options • Identify the prospective consumers, their estimated demand, and the price they can afford to pay for electricity. • Estimate franchisee's own cost • Estimated surplus that can be generated 	Understanding of the Financial Model of the Franchisee business
Break	
Session 4:	
<u>Feedback Session and Feedback form</u> <ul style="list-style-type: none"> • To understand the expectations of people from this training and if those were met. • Any new suggestions - open discussion • Feedback Form – A Questionnaire designed for assessing the levels of understanding at the end of the workshop. 	Feedback Session