

Group 2

POLICY AND REGULATORY OPTIONS FOR
INCREASING ELECTRICITY ACCESS
WHILE ENSURING FINANCIAL VIABILITY
OF ELECTRICITY DISTRIBUTION
UTILITIES

3 QUESTIONS

- HOW DO YOU RATE- Access Vs financial viability
- WHAT ARE THE POLICY OPTIONS TO BALANCE THE DUAL CHALLENGE
- WHAT WOULD BE THE REGULATORY MEASURES TO FACILITATE THE ABOVE

POLICY OPTIONS

- Provision of electricity at commercial and community load centres first-Zimbabwe
- Social tariffs- Mozambique
- Promotion of mini-grids based on local resources- Tanzania
- Electrifying district centres first- Tanzania
- Creation of REA (to extend subsidies to ESCOs)- Tanzania

POLICY OPTIONS

- Cost-recovery based tariffs, surplus ploughed back into RE funds, given on competitive bidding- Uganda
- Generation levy to fund RE- Uganda, Kenya
- Locally developed and aggressively marketed low-cost electrical appliances, facilitates demand creation- Zimbabwe
- Parallel lines (HT, LT) for the same village, HT for agriculture and LT for domestic, small enterprises- India
- Franchisee, for billing and revenue collection as well as bulk purchaser and hence participating in up gradation of distribution network- India
- Flat rate tariffs- India (drawbacks)

POLICY OPTIONS

- Maintaining of data-base
- Financing (or subsidising) internal wiring to ensure recovery on otherwise dead investment
- Credit to consumers to pay connection fee in instalments
- Bankable projects to attract financing

REGULATORY MECHANISMS

- Auditing/ monitoring of activities of distcoms by regulators
- Ensuring Ring fencing of RE funds
- Mechanisms for cross-border sale of electricity with tariff harmonisation
- Not to regulate small scale generation/ distribution projects