

Enhanced emphasis upon feeder segregation post Budget 2021 in India, but will it resolve the cross-subsidy issue?

ON – POINT QUERY: The industry in unison celebrates "feeder segregation" as a touted solution to cross-subsidy woes of the discoms, but is it positioned towards addressing root cause?

Well, it might sound in stark contrast to what the industry perceives but for a country like India debunking the feeder segregation can augur positively and aid resolve the imperial issues of cross-subsidy burden on the power distribution companies. Feeder segregation is touted at large the solution which shall put to rest the legacy issue of cross-subsidies burden build up on the power distribution utilities which are yet to turn their (applicable for most of the states in India) operations profitable. As a matter of fact, feeder segregation shall require double the numbers of rural feeders with substation bays, circuit breakers, distribution transformers, switch gears etc. and coupled with a LT network to serve a similar count of consumers. This leads to duplication of the whole rural electricity distribution system which shall involve a surge in capex as well as a spurt in O&M costs.

To have an easy grasp lets understand the same through a case of a consumer who needs an electrical connection for any commercial set up bet it a shop, workshop or garage etc. or any residential set up in vicinity of an agricultural feeder. For such type of a consumer a separate non-agricultural HT feeder, transformer and LT line will have to be put in place to maintain the "feeder segregation". This shall invite the extra cost for discoms unless they reserve an "exception" to such a consumer which is inevitable sighting the extra pressure which shall augur from them with time. This means that electrical agricultural service lines located near to non-agricultural lines shall be connected to them and non-agricultural consumers shall be connected to nearby agricultural feeders eventually under the exception code. So, won't we back to square one despite putting up all the capital and efforts and on top of it the double cost of maintenance as well. It would be setting up a maze arguably with no escape!

So, what's the solution the natural follow-up question emerges. Well for solarization of the agriculture there certainly is no need to separate feeders. We need to find feasibility in using solar PV systems with as much application as possible to be connected to a mixed-use rural feeders (having both agriculture and non-agriculture). This shall lead to a same level of electricity supply cost reductions as what probably the separate agricultural feeders would have bought into effect but with an advantage of no added maintenance and capital cost. With greater application in fact this shall become more effective as this shall contribute to a cascading effect reduced distribution commercial losses. Further, the probability of locally produced solar getting consumed close to the solar PV system is much higher with the mixed load feeder.

A feeder when used exclusively for the agricultural load may remain idle for many hours in the day, especially during the nighttime wherein no pumping is observed. Further, in the rainy season the feeder shall witness no load or very limited load as the farmer will not require to irrigate the farms in those season. So, if the solar energy is generated by the agricultural feeder shall flow into the system and shall be absorbed either at incoming or outgoing feeders loads. The idea for having a separate agricultural feeder is looked upon as tenable solution for the absence of electricity meters at agricultural service connections in India has resulted in lack of reliability in electricity consumption. With dedicated agricultural feeder, a feeder wise metering can be done for sure coupled with load shedding of agricultural consumers can be done without effecting the other rural consumers. And finally, a resultant reduction in commercial losses of utilities shall go down but all this with a very high capex and opex and yet the root cause of free supply to agriculture and its impact on discoms escapes to be addressed. The process of segregation just justifies load shedding and load shedding justifies separate feeders and separate feeder in fact justify even more load shedding. In a nutshell its not a very costeffective solution and agricultural consumers deserve a much better deal and he state governments should take initiatives to compensate the discoms for actual cost of supply and encourage farmers through incentives to have lower electricity consumption. Even PM KUSUM components attribute to address the same issue but doesn't require the segregation of feeders which is a cost intensive and arguably unpragmatic resolve.

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The life of a man consists not in seeing visions and in dreaming dreams, but in active charity and in willing service

- Henry Wadsworth Longfellow

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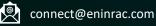
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