

Oppose the anti-worker anti-people Smart Electricity Meters

Kamgar Ekta Committee Presentation

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Privatisation of Power Sector

- The anti-people privatisation program began in the 1990s in the sphere of power generation.
- **By now more than half of power generation is carried out by big private corporates** like Tata, Adani, Jindal, Torrent and others and their share of generation is steadily growing.
- **The renewable energy generation – solar, wind, etc. – is completely in the hands of private monopolies.**
- Private generation companies are guaranteed profit of 14 to 15.5%.

Demands of the corporates

- The private power monopolies now want to own and control the complete power supply chain – generation, transmission and distribution – Nearly Rs. 12 lakh crore business
- **Want distribution sector to be made attractive for privatisation** by address various problems affecting the finances of the Discoms.
- Create mechanisms to ensure that money for the power supplied is **fully** and **promptly recovered** and given to them.

Response of Government

- Launch of Revamped Distribution Sector Scheme (RDSS) on 20 July 2021 with an outlay of Rs. 3,03,758 crores.
- Part 1: Installation of 25 crore smart meters for consumers, other than agricultural.
- Part 2: Modernisation of distribution infrastructure to bring down AT&C losses to 12-15% at the all-India level by 2024-25.

Response of Government (contd.)

- The prepaid smart metering scheme along with the other components of the RDSS addresses all the demands of the corporates.
- The Central government will provide 60% of funds for infrastructure upgradation projects only after t the DISCOM has satisfied many conditions.
- **Thus, public money would be used to upgrade distribution infrastructure that will be used by private companies.**

Conditions of RDSS for Smart Meters

- **All smart meters have to operate in pre-paid mode.**
- **All smart meter installations have to be private corporates or in PPP mode.**
- **Smart meter system from supply, installation, maintenance and operation for 8-10 years has to be done by private company, i.e. DBFOOT Model and TOTEX = CAPEX+OPEX**

The installation of smart meters is being done to pave the way for privatisation of the most lucrative operations of the Discoms.

- By making the consumer pay before consuming power, tens of thousands of crores of rupees will be available for use of private power monopolies once the pre-paid system is enforced.
- Generating companies will be able to even demand Discoms to pay in advance before power is supplied to them!
- ***We should remember that about 50% of electricity generation is already in the hands of private companies!***

RDSS envisages the following actions by Discoms

- Creating a mechanism to ensure that the **government departments pay** for electricity consumed **promptly**.
- Creating a mechanism to ensure that the consumption by the subsidized categories is properly accounted and the payment is released to the DISCOM **in advance**. Further the **subsidy must be provided via direct Benefit Transfer (DBT)** mechanism.

Actions to be taken by Discoms

- **Electricity rate must be fixed annually; it must reflect prudent costs and costs not reflected and which are to be funded by the DISCOM/State Government must be shown separately.**
- **Preparation and adherence to a plan for funding accumulated and current financial losses.**
- **Distribution franchisee arrangement in some areas of DISCOM.**
- **Initiation of performance linked transfer policy for Discom staff.**

How smart meters will hurt consumers:

- Payment in advance
- ToD tariff system
- Increase in electricity rates
- Cost of smart meter and limited life
- Complaint redressal

The smart metering scheme will deprive many people of our country of electricity, a basic necessity in today's life. Electricity will become a means of profiteering once it is fully privatised.

Smart Meter Scheme

1. Smart meters will also be installed on power feeder lines and lines to and from transformers, as a part of the Scheme, to analyse where the power losses and thefts are taking place.
2. As per the bid, the private player will be paid a fee per meter per month by the DISCOM for the duration of the contract in lieu of the capital expenditure and operating expenses incurred by the private player.
3. The total monthly payment to be made to the private player will be automatically transferred to the private player's bank account from the DISCOM's bank account.

Smart Meter Scheme (contd.)

- Under the Scheme, the Central government will provide funds to the DISCOM up to 15% of the cost of meter or Rs. 900 per meter, whichever is lower.
- For North East and hill states and union territories, it will give up to 22.5% of Rs. 1350 per meter, whichever is lower.
- This is an incentive to DISCOMs to implement the Prepaid Smart Metering scheme.

RDSS – Agricultural Consumers

- Separation of agriculture feeders (power supply lines) from other power lines
- Solarisation of agriculture feeders for providing electricity during daytime to farmers.
- Solarisation means farmers will be supplied power generated through solar energy.

Privatisation of electricity sector is not in the interest of people and workers

- Access to electric supply is an essential need of all human beings in this day and age. It is a universal right. Hence it is the duty of the government to ensure adequate and reliable supply of electricity at affordable rates to all.
- Privatisation of the electricity sector makes electricity a source of profiteering, leading to unaffordable power rates for many in our country.
- It amounts to the abrogation of duty by the State. It is a violation of the fundamental right of all households to have access to reliable electric supply at affordable rates.

Privatisation of electricity sector is not in the interest of people and workers (contd.)

- Private corporates prefer to supply electricity to only those areas which are most profitable (cherry picking of customers).
- Not interested in serving small consumers or consumers in far flung areas or socially essential consumers like water supply, etc. They want these consumers to continue to be serviced by Discoms.
- If all profitable consumers are taken away by private corporates and expensive-to-serve consumers are left with Discoms, the losses of Discoms will soar and will have to be made up through higher taxes on people.

Privatisation of electricity sector is not in the interest of people and workers (contd.)

- Discoms are presently obliged to supply electricity to anybody who wants it, irrespective of the place and distance.
- Private players have no such obligation.
- Privatisation will negate the progress made so far in this regard.

Privatisation of electricity sector is not in the interest of people and workers (contd.)

- Privatisation has invariably led to many workers being thrown out of jobs.
- Permanent jobs get replaced by contract workers at one-third to one-fourth salary. Safety is compromised.
- Job security is lost.
- Privatisation thus hurts not only the current workforce but also future generations.
- **That is why privatisation of the electricity sector is anti- people, anti-worker and anti-social.**

Experience of people where smart meters have been installed

- Faulty disconnection even when there was enough money in account
- Meters running fast
- Delay in restoration after recharging of meter account
- Experience from Britain

Experience of people where electricity distribution has been privatised or franchised

- Meters run fast
- Wrong disconnection of power even when their money in account
- Delay in power restoration after money is put in account
- Delay in attending complaints

Conclusions

- 1. The Smart Meter Project has been launched to satisfy the demands of big corporates.**
- 2. Whether electricity distribution is already privatised or not, smart meters are against the interests of consumers and workers.**
3. The Smart Meter Project is a step to further privatise the most profitable parts of the electricity sector.
4. This project is in tune with the policy of globalisation through privatisation and liberalisation that the Congress government introduced in 1991, which all central governments have implemented since then.

Conclusions

5. As in earlier cases, the government is trying to fool the workers and consumers by claiming that smart meters will benefit them.

6. In actual fact, they are planning to spend people's money in creating infrastructure for the big corporates to use and make super profits from.

7. Instead of benefitting from the project, both workers and consumers will suffer in a number of ways and that is why it is necessary to unite and oppose it!

Electricity should not be a source of profiteering!

- Consumers and workers should challenge the thinking that electricity should be a source of profiting.
- **Basic services like electricity, transport, supply of water, health, education and sanitation services cannot be regarded as a source of profit!**
- The government is giving up its responsibility to ensure basic services to everyone at **affordable rates.**

- ***The government collects taxes only because it has the duty of ensuring a good life for all. Indirect taxes are paid by all, no matter how poor they are. They form the largest fraction of taxes.***
- **We workers and toilers must insist on policies which would ensure that no citizen of the country is deprived of electricity.**
- The smart metering scheme will deprive many people of our country of electricity, a basic necessity in today's life.
- **“An Attack on One is an Attack on All!” - we workers must uphold the interests of our fellow Indians.**

Conclusion

- Repeated attempts of privatisation by different means
- Agenda of big monopoly capitalists – real rulers of our country.
- Every political party in power has implemented their agenda.
- What is the way forward?

Oppose privatisation and in any form and by any means.

Work to prepare the workers and peasants to be rulers of the country.

Thank you