

DELHI ELECTRICITY REGULATORY COMMISSION

New Delhi

STATEMENT OF REASONS FOR
EXTENSION OF DELHI ELECTRICITY REGULATORY COMMISSION (BUSINESS PLAN)
REGULATIONS, 2023 TILL FY 2026-27

A. INTRODUCTION

- 1) In exercise of the powers vested under Sections 61, 86 and 181 of the Electricity Act, 2003 (Act) and all other enabling powers and in compliance of the requirement under Section 181 (3) of the Act, the Commission has uploaded the draft of Extension of *DERC (Business Plan) Regulations, 2023*, in line with Regulation 1 (3) of existing *DERC (Business Plan) Regulations 2023*, on its website <http://derc.gov.in/>
- 2) The Commission has invited comments/suggestions from stakeholders through Public Notices published in leading newspapers and also uploaded the same on Commission's website <http://derc.gov.in/>. The last date for submission of comments/suggestions from stakeholders on the said Regulations was 27/01/2026.
- 3) In order to ensure wide coverage of Public Notice, the Commission apart from uploading on DERC website, published the Public Notice in the leading newspapers of various languages like Hindi and English for enabling consumer to provide their comments/suggestions. The details of the same is as follows:

Date of Public Notice published in Newspapers	List of Newspaper in which Public Notice published
7/01/2026	a) Hindustan Times (English) b) Times of India (English) c) Navbharat Times (Hindi) d) Dainik Jagran (Hindi)

- 4) This Statement of Reasons (SOR) is being issued with the intent of explaining the rationale and objective behind finalization of extension of DERC (Business Plan) Regulations, 2023.

- 5) The comparison of actual Distribution Loss vis-à-vis Target Distribution Loss levels for Delhi DISCOMs are summarized as follows:

DISCOM	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25		FY 2025-26	
	T	A	T	A	T	A	T	A	T	A	T	A
BRPL	8.10%	7.17%	8.00%	7.50%	7.90%	7.16%	7.30%	6.86%	7.14%	6.63%	6.96%	Data Not Available
BYPL	9.00%	7.98%	8.75%	7.57%	8.50%	7.24%	7.72%	6.88%	7.54%	6.57%	7.33%	
TPDDL	7.90%	7.05%	7.80%	7.11%	7.70%	6.36%	6.91%	5.93%	6.83%	5.61%	6.74%	
NDMC	9.00%	7.57%	8.75%	8.35%	8.50%	11.84%	7.72%	5.51%	7.54%	NA	7.33%	

Note: a) T = Target Distribution Loss and A = Actual Distribution Loss

b) A = Actual Distribution Loss as per Email/True-up Petitions filed by respective DISCOMs

- 6) It is evident from the above table that the Actual Distribution Loss level achieved by the DISCOMs for FY 2024-25 is to the tune of 6.63%, 6.57% and 5.61% for BRPL, BYPL and TPDDL respectively. No data regarding the Actual Distribution Loss received from NDMC.
- 7) Delhi Power Utilities have submitted that each incremental reduction in Distribution Loss, particularly at already low loss levels, entails a proportionately higher operational and financial effort.
- 8) As the Commission has maintained the same Operational and financial parameters which were allowed for FY 2025-26, the Commission considers it prudent to maintain the actual Distribution Loss of FY 2024-25 (*already achieved by the utilities two years earlier*) for FY 2026-27 as well without any further reduction.
- 9) Accordingly, the target of Distribution Loss for FY 2026-27 for BRPL is fixed as 6.63%, BYPL as 6.57%, TPDDL as 5.61% and NDMC as 6.63%. Target for NDMC has been kept as that of BRPL, being highest among 3 DISCOMs, since NDMC has not submitted the actual data till date.
- 10) The incentive sharing mechanism for Over/Under-achievement of Distribution loss target is same as provided in Business Plan Regulations, 2023.

- 11) Targets for Renewable Purchase Obligation (RPO) have not been extended to FY 2026-27 as the same is governed by *DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2025* notified on 10/10/2025.

DERC