✧ 第三工作小組

AESIEAP WG 3

Business Outlook and Strategy for ESI

Electricity Pricing, Cost Structure and Design Mechanism for Various ESI Models.

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Objective

- To compile and analyze the information on the various ESI models, pricing and cost structure (as well as tariff design mechanism)

Scope

- To identify the differences:
  - in the costs of the ESI value chain (i.e. G,T & D - including Retail),
  - pricing structure and design mechanism of different ESI
- To analyze the cost of primary energy of the other various ESI models.
- To identify best practices and areas of improvement/recommendation on cost and technical efficiency

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Deliverables of The Study

- **A database of:**
  - Generation, Transmission and Distribution (including Retail) costs and pricing.
  - Pricing structure and tariff design mechanism
  - Other related financial and technical data (e.g. subsidy, T&D losses, Generation Unplanned Outage Rate (UOR), Gen. Plant Efficiency, IPP price, fuel prices, regulated return, actual return, reserve margin etc.)

- **A report on:**
  - Comparative analysis of the ESI value chain (G, T, and D (include retail)) pricing and cost structure (include tariff design mechanism and country specific tariff/subsidy policy).
  - Benchmarking to understand the best practices of achieving efficient G, T and D (include retail) costs
  - Comparative analysis with and without normalization of subsidy and special features.

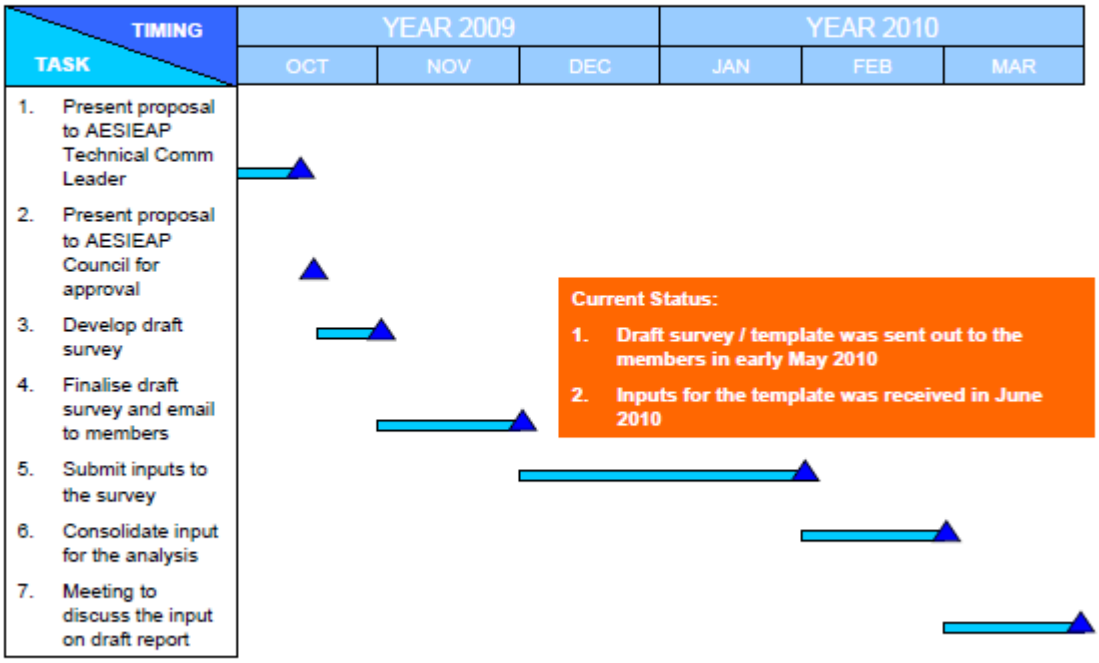
Database

- Data for the study was obtained from the participating member countries;
  - PLN - Indonesia
  - TNB - Malaysia
  - Meralco - Philippines
  - Singapore Power – Singapore
  - Taipower -Taiwan
- EGAT and MEA were not able to send the data for this study.

Methodology

- Benchmarking and comparative analysis were done on the financial and technical data of vertically integrated ESI and unbundled ESI in the region.

Proposed Project Milestone



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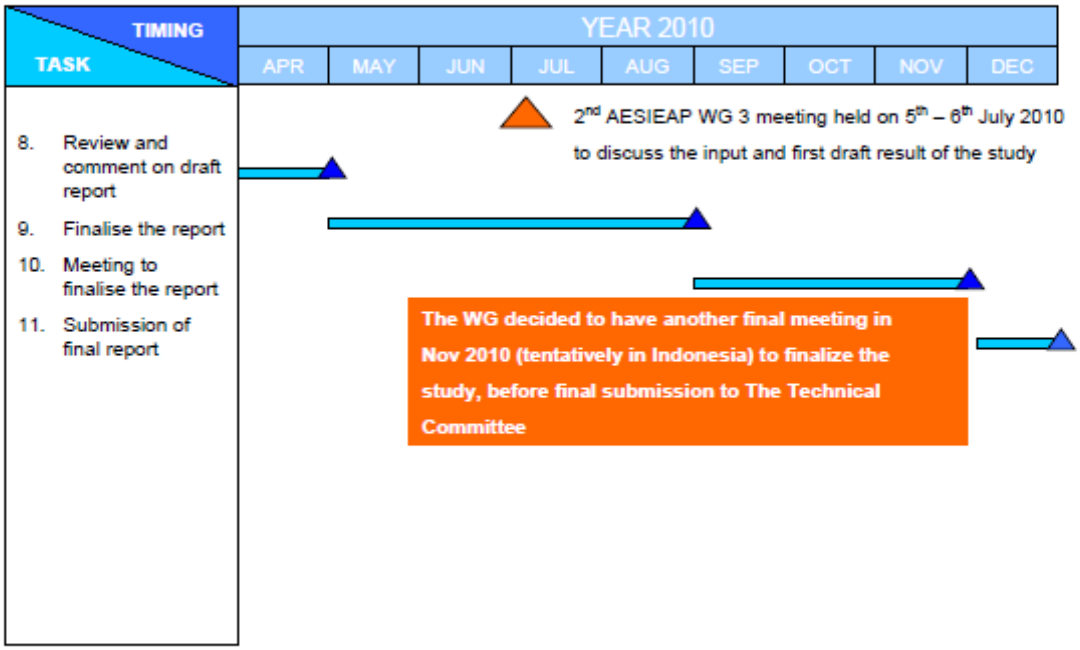
Continue ..... Proposed Project Milestone



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AESIEAP WG 3 Meetings

1st AESIEAP WG 3 Meeting

6 & 7 October 2009

Kuala Lumpur, Malaysia

2nd AESIEAP WG 3 Meeting

5 & 6 July 2010

Selangor, Malaysia

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PROGRESS / STATUS UPDATE OF THE STUDY

TASK	TIMING	ACTIVITY / REMARKS
1st AESIEAP WG 3 Meeting	6th – 7th October 2009	The first WG 3 meeting was held to discuss and finalize the TOR and work plan for the proposed study on Electricity Pricing Structure And Design Mechanism For Various ESI Models
Completion of study Template and Input Compilation	May – July 2010	• The excel template for the study was completed in early May 2010 • Inputs / data was collected and collaborated for the study in early July 2010 (1st draft study)
2nd AESIEAP WG 3 Meeting	5th – 6th July 2010	• The second WG 3 meeting was held to discuss the input and finalize the draft result of the study. • Data gap was identified. All utilities will be providing the additional required information by end July 2010. • Second draft of the study to be completed by Nov 2010, and will be discussed and finalized in the third WG 3 meeting.

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Way Forward

- It was proposed to add 2 more criteria for the benchmark i.e. asset utilisation
  - (Transformer Utilisation Factor); and
  - Productivity
    - (Sales kWh/employee)
    - Sales kWh/employee cost (including hr outsourcing & benefits)
    - No. of customers/employee
    - CPU (Cost per sales unit)
    - Operating Cost per MWh and per kWh (excluding depreciation)
- All members to fill in the gap i.e. complete the data by end July 2010
- All members shall finalise the data for benchmarking study by Nov 2010
- The best performing / stronger utility among the AESIEAP members will be identified based on the benchmark indicators.
- The relevant utility will be providing the references for best practices.

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THANK YOU

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