

Demand Side Management and Renewable Energy Capacity Building Programme for CSO's in India - DREC Project

Background and Context

Energy is one of the critical ingredients for infrastructure development and economic growth. The growing energy needs of the Indian economy must be met to facilitate its unchartered growth potentials. As it is being recognised globally, a sustainable way forward for responsible growth is by ensuring minimal impact on the environment. This can be achieved through a low carbon power sector planning process by increasing end use energy efficiency, and greater utilisation of renewable energy resources. Thus, it is necessary for the energy sector to enhance its focus on DSM & RE.

Recognising this importance, CUTS with support from Shakti Sustainable Energy Foundation, India initiated a pilot project entitled, 'Demand Side Management and Renewable Energy Capacity Building Programme for CSO's in India – DREC Project' in two states (West Bengal & Gujarat) focusing on capacity building measures for consumer groups so as to better prepare them to carry out need based advocacy and participate in associated policy and regulatory processes on the issues pertaining to DSM & RE. The idea was to create demand from the consumer end, which would potentially result in appropriate actions being implemented by policy makers at the top level.

At the beginning of the assignment, the project implementation team first assessed the current scenario through literature review, baseline consumer survey, and then identified barriers that constrain greater consumer participation in the discourse on policy issues pertaining to RE/DSM. Based on preliminary research finding, CUTS devised advocacy/capacity building strategies such as state level training workshops, consumer interface meetings etc to overcome the identified barriers. In planning and executing these activities CUTS engaged credible consumer groups through National Seminar, Policy Advocacy Meetings, and other similar interventions.

Objectives

To build long-term capacity/awareness among consumer groups to be able to demand and help mainstream demand side management (DSM) and renewable energy (RE) initiatives in two states in India i.e. West Bengal and Gujarat. The aim was to understand, document and communicate the specific needs of the concerned stakeholders to the relevant policymakers in the mentioned states, so that consumer's perspective is taken into consideration, while making policy related decisions.

Project Partners

Gujarat: *Vikram Sarabhai Centre for Development Interaction (VIKSAT), Ahmedabad, Gujarat*

West Bengal: CUTS Calcutta Resource Centre (CRC), Kolkata, West Bengal

Major Findings

1. Consumers are willing to pay extra (between 1-5 percent) for clean energy sources on their current bill, provided they are assured supply of reliable energy.

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2. Need for sound regulations to ensure sustainability of off-grid projects. Community participation and ownership are some of the critical factors.
3. Need to address institutional and systemic issues like access to finance, clean energy products, after sale services etc to ensure greater uptake of clean energy technology.
4. Political will and vision is also one of the vital components for uptake of clean energy.
5. Ensuring energy supply is becoming critically important for sustaining India's economic growth. While energy generation is important, more important is how efficiently energy is used by the end consumers.

- Need for financial incentives (viz. soft loan, tax rebate, tariff benefit, subsidy etc.) either to the consumers or to the manufacturers of equipment that run on RE sources to facilitate greater uptake of RE

Gujarat

- Focus on energy efficiency
- Need for greater emphasis on the agriculture sector – popularise energy efficient pump sets

Central

- Need for Regulations to ensure long term sustainability of off-grid clean energy generation projects
- Need for active CSO representation in the regulatory process in the electricity sector

Policy Recommendations

West Bengal

- Effective implementation of renewable energy policy in West Bengal

