

## Evaluating the Nature and Impact of Public Participation in the Electricity Sector Regulation Process since Electricity Act 2003

### Background & Rationale

Enactment of the Indian Electricity Act (EA), 2003, reflects a huge breakthrough from the past, proposing to reform and restructure the entire sector with model of increased private-participation in supply (generation, transmission and distribution sectors) and public-participation in regulatory process, the legislation intended to provide better services to consumers and incentives to investor, to participate in the growth of the infrastructure sector.

One of the fundamental tenets of the EA 2003 was establishment of an elaborate regulatory framework in India, with different levels of regulators at the National and State levels. These regulators are supposed to be neutral arbiters between producers, consumers and the state entrusted to determine the most economically efficient tariffs and create operating rules, to meet the above stated goals of regulation.

Several research reports have notified inadequate implementation of this law. It has also been noted that regulatory shortcomings centre on lack of commercial orientation of state government-owned utilities and inadequate consumer participation in the regulatory process. Unlike other shortcomings, there is huge dearth of research in consumer participation aspect and its benefits in India specific case. Thus, the reason for this lack of participation needs to be examined with reference to the constitution of consumer participation through the act, the process of participation and nature of outcomes.

### Objective

The objective of the project is to assess the quality and impact of public participation in the process of Electricity sector regulation in five states (Rajasthan, Haryana, Maharashtra, Karnataka and Delhi) under the EA 2003. Furthermore, provide a methodology to strengthen public participation in the regulatory process and recommend a need for amendment or revision in the specific section to encourage effective public participation, if needed.

### Methodology

The methodology can be classified into four phases:

- Phase I includes extensive desk research which will include study of Act, regulations, policies, thorough analysis of SERC websites etc. to formulate a literature review and generation of “voice index”. A meeting with experts in the relevant field will be organised

to finalise the methodology and tools to analyse selected SERC’s of 5 states

- Phase II includes mapping of relevant regulatory decisions, assessment of the proceedings, development of questionnaire and appropriate survey methodology
- In Phase III, information gathered will be analysed using appropriate survey tool and a matrix will be constructed which will help identifying the most effective tool that is successful in achieving the public participation goal of EA 2003. In order to strategise the future discourse of effective public participation process a comparative analysis of non-regulatory public discourse with impact of regulatory discourse on public participation will be studied
- The last phase is of information dissemination through a research report that comprise of Recommendations evolved from literature review and survey analysis.

## Outputs

- Detailed research report evaluating consumer participation in policy making process
- Design a methodology to ascertain extent of public participation in regulatory process in India
- Event reports

## Expected Outcomes

- Create a platform to enhance awareness among consumers about significance of their participation in regulatory process. Henceforth, encourage legitimate consumer involvement in regulatory process
- Capacity building of policy makers through consultation with consumers and other interest groups as a valuable source of advice to inform regulatory process

