

Report on State Level Inception Workshop under the Project 'Capacity Building on Electricity Reforms in Bangladesh, India and Nepal (RESA)' April 17, 2008, Jaipur, India

Introduction

CUTS Centre for Consumer Action Research and Training (CUTS CART), Jaipur, in association with CUTS Centre for Competition, Investment & Economic Regulation (CUTS C-CIER), Jaipur, organised a one-day State Level Inception Workshop under the project entitled, 'Capacity Building on Electricity Reforms in Bangladesh, India and Nepal (RESA)' in Jaipur, on April 17, 2008. CUTS CART has been working in Rajasthan for more than 20 years on governance and consumer rights' issues and has strong networking with hundreds of organisations at the grassroots level.

Background

In the new regulatory environment, consumers are supposed to play a proactive role to protect their rights and interest. They need to actively participate in the policy formulation and regulatory decision-making process. However, public participation is inadequate. One important reason is the poor capacity of the civil society organisations (CSOs) to intervene in the regulatory process. Needless to say the electricity sector is a very complex sector; CSOs need some basic training to participate effectively. In most of the South Asian countries, there is a lack of formal arrangements to enhance the capacity building of CSOs. Therefore, the involvement of CSOs is highly desirable to promote the role of consumers in the electricity reforms process.

The RESA project seeks to enhance the long-term capacity of CSOs, so that they can play the required role in the policy formulation and regulatory decision-making process in the electricity sector. Once CSOs are trained and are made aware of the process, they can protect consumers' interest in the reform process over time.

Project Area and Partners

The project will be implemented for a period of two years in four territories: two states of India (Rajasthan and West Bengal), Bangladesh and Nepal. CUTS C-CIER, Jaipur will implement the project in co-ordination with four project partners, viz. South Asia Watch on Trade, Economics & Environment (SAWTEE) Nepal; Unnayan Shamannay, Bangladesh; CUTS CART, Rajasthan; and CUTS Calcutta Resource Centre (CUTS CRC), West Bengal, India.

Objective

The overall objective of the inception workshop was to launch the project in State of Rajasthan and share its objective and activities with local CSOs, so that it could be implemented effectively at the State-level. It also aimed to impart the necessary information about the project to the local CSOs, who would assist the project partners in conducting activities at the grassroots level.

Participants

In all, 49 participants comprising various CSOs working on the issues related to power sector reforms and consumer protection, media, policy makers, government officials, subject experts etc., participated in the workshop.

Proceedings

INAUGURAL SESSION

Deepak Saxena, CUTS CART, Jaipur

In his welcome address, **Deepak Saxena** stated that general level of awareness about the power sector reforms is very low among the CSOs and common public, especially among the rural population. He pointed out that the role of CSOs in bringing the voice of the consumers to the policy makers, regulators, etc., is very crucial in the electricity reform process. RESA project has been launched to enhance the capacity of CSOs and common consumers, so that they can play an active and effective role in the ongoing power sector reforms.

R K Sharma, Secretary, Rajasthan Electricity Regulation Commission (RERC), Jaipur

While delivering the inaugural address, **R K Sharma** stated that by year 2012, Rajasthan will be in a position to meet the increasing 12-15 percent annual demand of energy and generate surplus power. He said that the CSOs will have to play a pivotal role in the reform process, as the said target cannot be achieved without their support. However, CSOs and common consumers lack proper awareness and capability to intervene effectively and participate in the on-going reform process and policy formulation, he argued. RESA project is important as it envisages building the capacity of consumers which is the need of the hour, he added.



Sharma further added that before reforms were undertaken in India, electricity was deemed as the core sector in which private or public participation was not allowed. However, with the on-going electricity reforms, the perspectives have changed and with the increase in the requirement of investments in the electricity sector, private participation is taking place and is inevitable. The RERC is trying to regulate the power sector to protect the interests of consumers by issuing various guidelines and norms for the service providers, for example, lowering of tariff rates despite increasing cost, so that consumers are able to get better services at affordable rates, he informed. The RERC is authorised to issue policy guidelines but it is not the right platform to deal with individual consumer complaints. Complaints Redressal Forums have been created by distribution companies to address individual consumer complaints.

Sharma pointed out that RERC is promoting more power generation, especially from renewable sources, as there is huge potential of wind and bio-mass energy in Rajasthan and it is also environment friendly and cost effective. At present, Rajasthan has 6090 MW power generation capacity, and according to a recent survey up to year 2012 there will be demand of 8492 MW. In order to meet the ever-increasing demand, private participation along with public participation is necessary, he argued. RERC and CSOs need to work together to protect interests of consumers and to accelerate the reform process, he added.

Shanti Prasad, Ex-Chairperson, RERC, Jaipur

In his opening remarks, **Shanti Prasad** stressed the need for capacity building of consumers and CSOs on power sector reforms so that they can be able to monitor the process as watchdogs. Community monitoring is essential to protect consumer interests and ensure quality service, he added.

Udai Mehta, CUTS International, Jaipur

Udai Mehta made a presentation on *Project Overview: Objectives, Activities and Outcomes* and explained that the main objective of this project is to build the capacity of CSOs as well as consumers, so that they can participate in the policy and regulatory decision-making process effectively. He added that during the course of the project, a network would be established between policy makers and consumers to share their views.

Mehta mentioned that the issues of individual consumer complaints, rural electrification and availability of power, subsidy, environmental and social issues would not be dealt under the project. He informed that base line consumer survey/field research, meeting of project reference group in two phases, i.e. Phase I & II, territorial trainings, grassroots interface meetings (Phase I & II), advocacy seminar, final consumer survey and regional conference to showcase the findings of the project are the key activities under this project. He also spoke about the project outputs, major challenges and the way forward.

Deepak Saxena, CUTS CART, Jaipur

Deepak Saxena, the nodal person for the project in Rajasthan delivered a presentation on *Power Sector Reforms: Rajasthan Scenario* in which he elaborated the scenario of power sector reforms in Rajasthan State. He pointed out the start of power sector reforms in the state and policy statement issued by government, including the consumption scenario giving details about the per capita consumption and installed capacity of electricity in the state. **Saxena** also touched upon important aspects in the electricity sector, such as the financial and technical losses of distribution companies, performance of generation, transmission and distribution (T&D) companies, and outcome of electricity reforms.

TECHNICAL SESSIONS

Power Theft and its Impact on Tariff: Consumers' Role and Responsibility in Combating the Social Evil

P N Bhandari, Ex-Chairperson, RSEB, Jaipur and Shanti Prasad, Ex-Chairperson, RERC, Jaipur

The session on *Power Theft and its Impact on Tariff: Consumers' Role and Responsibility in Combating the Social Evil* was jointly chaired by **P N Bhandari and Shanti Prasad**. **Bhandari** said that various steps have been taken by companies and government to stop theft of electricity. As a result, T&D losses have been reduced in the State of Rajasthan. Unfortunately, consumers still continue to find new ways of stealing electricity.



Shanti Prasad stated that in Rajasthan there is annual loss of Rs 2,400 crore due to electricity theft, which costs around Rs 1.2 per unit. Distribution companies are burdened by huge debts, which are bound to be passed on to the consumers sooner or later. As a result, genuine consumers will have to pay on account of stealing electricity, he argued. Loss due to power theft is a big obstacle in the reform process, as it has been declared non-bailable and cognisable offence after the amendments in the Electricity Act in the year 2006. However, theft cannot be stopped only with legal sanctions, it is a social evil, so social awareness and sensitisation is required to understand its implications. It should be declared as a social evil, he said. Role of CSOs is important in creating awareness on the disadvantages of theft of electricity, and as a result help in curbing the act of theft. There is a need to change the mind-set of consumers. He suggested that this project might be very helpful in making the consumers aware about their rights and responsibilities.

Quality of Service: Complaint and Redressal Procedure

B L Agarwal, Chief Engineer (Commercial), Jaipur Discom and K C Modi, Ex-Chief Engineer, Ajmer Discom

B L Agarwal said that service providers are doing their best to provide good quality service, and forums are created for grievance redressal, but it is on the consumers to monitor, observe and submit complaints regarding poor quality of service. If they raise their voice, then only it can be addressed otherwise service is deemed to be good and satisfactory, he reasoned. There

are settlement committees and redressal forums at block, district and state level, and divisional commissioners are appointed as ombudsman. But most of the consumers are unaware of such forums, and as a result of lack of awareness there are only a few consumer complaints being submitted before the ombudsman, he informed.

Agarwal informed the audience that Jaipur Discom has initiated the process of spot billing, consumer call centers and feeder renovation programmes to improve the quality of service but there are limitations, challenges and internal or external oppositions to such new initiatives.

K C Modi presented detailed information on complaint and redressal procedure and said that according to the new rules effective from March 01, 2008, it has been prescribed for utility providers to dispose off consumer complaints within 30 days of the submission. He said that keeping in mind the ambiguity of jurisdiction in appeal from settlement committee and redressal forum; both the said forums have been merged into one, as the Grievance Redressal cum Settlement Forum. He further pointed out that in disputes of monetary nature jurisdiction of forums include: (1) block level – Rs 10,000; (2) district level – Rs 25,000-300,000; and (3) corporate level – above Rs 300,000.

In disputes of non-monetary nature, **Modi** explained, divisional level, i.e. low tension and high tension line consumers can approach any forum according to its jurisdiction and then directly appeal against its order to the ombudsman. Provision of departmental appeals has been removed according to new rules.

However, consumers are unaware of these provisions, thus the RESA project could create a platform for dissemination of information to the consumers, he concluded.

CLOSING SESSION

Deepak Saxena delivered vote of thanks to all the participants and resource persons and mentioned the names of ten local partners (Please see Annexure II), who are going to be involved in the project for a closed-door meeting to discuss the project activities, responsibilities and roles. **Deepak** then mentioned about the perception survey of the local CSOs, wherein a questionnaire was sent to the identified local partners in advance and were asked to submit the same during the workshop. (Please see Annexure I)



Discussion on the Base Line Consumer Survey and Methodology

This session was restricted to the ten selected CSOs partners and representatives of CUTS CART and CUTS C-CIER. At the start, **Deepak Saxena** read out and explained questionnaire to all the local partners with which the baseline survey would be conducted targeting 700 respondents (semi-urban and urban-level). After that, **Udai Mehta** and **Deepak Saxena** explained the methodology of conducting the base line survey. There were relevant suggestions by the local partners on both the questionnaire and the methodology, which were discussed and finalised. At the end of the meeting, the respective local CSOs were comfortable with the task of undertaking the baseline survey within the stipulated deadlines provided to them.

Key Points and Recommendations Emerged from the Workshop:

- Constitution of electricity committees at village level to create awareness about implication of power theft and grievance redressal procedure.
- Restarting the system of consumer cards, in which metre reader would personally visit the house of the consumer to record the metre reading. It was a good measure to check whether metre reader visited the consumer or not, and the consumers were made aware on the spot how much electricity did he/she consume.
- Research should be carried out to find out exact data of the loss due to theft and loss during transmission for better transparency on the part of the utility companies.
- Capacity building of consumers and CSOs on power sector reforms is necessary so that they could act as watchdogs on the functioning of the service providers.
- CSOs should approach RERC, if service providers do not comply with its orders and demand to impose fine on them.

Highlights

- Resource persons as selected had in-depth knowledge on electricity issues and were exposed to grassroots realities.
- Participation of delegates and representative of CSOs were very active. All sessions were informative and interactive.
- Presence of higher government officials proved the importance of the project.

Lowlights

- CSOs were invited from 33 districts, but representatives from only 21 districts were present during the workshop.
- Power cut during the meeting caused interruption.

Annexure I: Analysis of the Perception Survey of the Project Partners

The local partners possess varied experience in different areas, as 50 percent of them have experience in working in the area of women and child development, while 70 percent have the experience of working on environment and governance issues. Only 10 percent have reported working in the area of micro-credit. Majority of the local partners have a network in almost all the blocks of their respective districts. Some have even shared that they work in several blocks of the adjoining districts.

With regard to the engagement in electricity reforms and capacity building programmes for consumers in the area of electricity, 70 percent of local partners have the experience of working in the electricity sector, though in a limited way. The remaining 30 percent were in agreement that electricity is an important issue but not getting adequate financial support could be one of the reasons for their non-involvement in the electricity sector.

80 percent of the partners have been involved in consumer education work, whereas 20 percent declined to have been involved. However, all the local partners have been agreed to work on the project and are looking forward to engaging with the consumers at the grassroots level.

Reflecting on the question regarding important consumer issues in the electricity sector, most of the local partners opined that quality of service, electricity theft, tariff setting, metering and billing are the issues of consumer concern. Adding to that, only 20 percent of the local partners reflected that consumers in their districts are aware of mentioned issues, while the remaining 80 percent felt that the consumers are unaware of the ongoing reforms and they view the RESA project as an important platform for information dissemination.

On the question of possible ways of holding hearing by RERC, most of them agreed that public hearings, inviting written comments from consumers on proposals and nominating consumer organisations or its representatives in advisory committees are important mechanisms. On the same hand, on being asked about the measures to increase consumer awareness, 60 percent of them felt that organising workshops and seminars and grassroots meetings could be a good and effective tool, whereas remaining 40 percent suggested media involvement in the loop by writing regular articles on the issue.

Annexure II: List of Local CSOs in Rajasthan

S. No.	District	Name of the Partner and the Coordinates of CSO
1	Bikaner	Suresh Vyas, Upbhokta Sanrankshan Samiti, 38/86 Karmchary Colony, Post Nokha, Distt. Bikaner
2	Banswara	Avdesh Malot, Vagad Vikas Sansthan, 3/108, Ratti Talai, Banswara
3	Chittorgarh	Amit Choudhary/Mr. Madan Giri CHD, Chittorgarh
4	Dholpur	Rakesh Kumar Parmar Samajik Vikas Sansthan, , Attarsuma, Post Dholpur
5	Sirohi	Kamla Panjwani, Arawali Sewa Samiti, 25 Sindhi Colony, Post Abu Road, Sirohi.
6	Jodhpur	Liyakat Ali Upbhokta Margdarshan Samiti, 12-E-10, Chopasani Housing Board, Jodhpur
7.	Jhunjhunu	Rajendra Sen Saarthi Sansthan, Post Surajgarh mandi, Via- Chirawa, Disst. Jhunjhunu
8	Udaipur	Parmod Jhanwar, Maruti Sewa Samiti, 173/12 Ashok Nagar, Udaipur.
9.	Sawai Madhopur	Hari Prasad Yogi, Consumer Legal Help Society, Post Alanpur (Opposite Girl School), Distt. Sawaimadhapur
10	Kota	Anwar Ahmed Khan, Desh Sevak Welfare Society, House of Munshi Mohmad Yasin, Hiran Bazar, Chander Ghanta 31, Post Kota