

REPORT OF THE STATE REFERENCE GROUP MEETING

DEMAND SIDE MANAGEMENT & RENEWABLE ENERGY IN INDIA
CAPACITY BUILDING OF CIVIL SOCIETY ORGANISATIONS

DREC PROJECT



AHMEDABAD, JANUARY 24, 2012

VIKSAT



I. BACKGROUND

Consumer Unity & Trust Society (CUTS) International, with the support of Shakti Sustainable Energy Foundation (SSEF) has implemented a project entitled 'Demand Side Management & Renewable Energy in India: Capacity Building of CSOs (DREC Project)' in two states of India, i.e. West Bengal & Gujarat.

The aim of the project is build capacity of consumer groups so as to better prepare them to carry out need-based advocacy and participate in associated policy and regulatory processes. Further, the project aims to create awareness about the benefit of using renewable sources and as result of increase in awareness, it is expected to result in creating demand from the consumer end for using electrical appliances using RE sources, which would potentially result in appropriate actions being implemented by policy makers at the top level.

II. OBJECTIVE

The objective of the meeting was to present the findings of the consumer perception survey undertaken as part of this project before the State Reference Group Committee and identify relevant issues for the purpose of policy advocacy. Thus, it is a CUTS bottom-up approach, which is focussing on building capacity of CSOs on issues pertaining to DSM and RE. The CSOs, in turn, will work as a link between consumers and policymakers. The inputs received during the meeting helped identifying key issues to be undertaken for advocating with the policymakers.

III. PARTICIPANTS

The meeting was attended by representatives from partner organisations, i.e. CUTS Calcutta Resource Centre (CUTS CRC) & Vikram Sarabhai Centre for Development Interaction (VIKSAT), subject experts, government officials, local CSOs and media (*refer to Annexure I for list of participants*).

IV. OPENING SESSION

Chander Mohan, Department of Science and Technology

Appreciating the initiative taken by CUTS, Chander Mohan highlighted that it is a very timely initiative as coal reserves are depleting day by day and most of the coal based power generation plants are running with a day or two days stock. He also mentioned that Gujarat which is about to come with its new solar tariff is facing problems due to reverse bidding suggested by Ministry of New and Renewable Energy (MNRE).

Dilip Surkar, VIKSAT

Surkar provided a brief introduction of VIKSAT and its thrust areas, institution and capacity building being one of them. While talking about the project he highlighted that the two broad objectives to be achieved through this project is policy change in which consumer should also be given voice in the regulatory process and practice change in which consumers need to be made more aware and informed about RE & EE. One of the ways to achieve this can be a push by the suppliers and regulators through better policies and products and pull by consumers by adopting RE products and EE practices. Surkar raised a concern that creating demand for RE, in energy surplus state will be a challenging task, as it will also has to compete with the conventional power generation companies.

V. PRESENTATIONS

Presentation on Overview of DREC Project and Role of SRG

Udai S Mehta, CUTS

National Coordinator for DREC Project & Assistant Director, CUTS International, presenting the overview of the project emphasised on its key objectives, i.e. to touch the base with consumers through CSOs by understanding their concerns and infuse them at the policy level in the state of Gujarat and West Bengal. In order to bridge the gap between consumers at the grassroots and policymakers at the top, it is important to raise long term capacity of CSOs on issues pertaining to RE, DSM and the overall regulatory process for the electricity sector so that they could effectively participate in the regulatory process.

Mehta continued that the DREC project though will be focussing more on the consumers of RE but will also look at the constraints facing the producers in the RE sector. This project will also try to understand the perspective of producers and the challenges faced by them in increasing the generation of the RE resources. Udai also underlined the vital role of CSOs in building capacity of consumers for the demand of RE & DSM. As the key outcome of this project concerns of consumers should reach policymakers.

On the constitution and the role of SRG, Udai underlined that SRG members are the torch-bearer for the project and need to play a vital role in the intervention at State level. They are expected to participate in the policy advocacy intervention within State and guide the implementing team to ensure effective outreach of the project.

Presentation on Survey Findings

Ankur Baruah, VIKSAT

Ankur presented findings from the baseline survey in Gujarat and the methodology adopted for undertaking the study. He noted that awareness related to global warming and climate change is significantly high, although the general response of consumers was that 'living today is more important than doing something for tomorrow'. There is a significant gap noted between the awareness and practice. The poor quality of after sales service and high initial investment are two major reasons why consumers are not willing to adopt RE and EE equipment's. Awareness about star labelling is also found to be significantly lower in Gujarat. The willingness to use solar equipment's is found to be much less in urban areas as compare to rural. A significant finding has been the lack of awareness among CSOs on various regulatory issues in the electricity sector.

Presentation on Policy Advocacy

Arnab Ganguly, CRC

Arnab started by emphasising CUTS' ethos that believes in evidence-based policy advocacy. In this context he mentioned the role of CSOs to bridge the gap between policy makers and electricity consumers and facilitate a two-way communication between stakeholders. He pointed out the need for consumer representation in the Consumer Grievance Redressal Forum constituted by the distribution licensee in line with the regulations framed by Gujarat Electricity Regulatory Commission (GERC) and further stressed on the need to develop off grid electricity generation projects using RE, especially in Patan and Kachchh to make the quality of service more reliable in those areas.

Indicating to the poor quality of after sales service he told that either the manufacturers of RE run equipment must take the onus to provide the after sales service to the consumers or, the

manufacturers should train local community to do it on the manufacturers' behalf. There is a need for greater awareness and capacity building of stakeholders on issues pertaining to EE. He concluded by highlighting the role of RG for making effective intervention in policies concerning RE and DSM.

VI. INPUTS FROM REFERENCE GROUP

Omkar Jani, Gujarat Energy Research and Management Institute (GERMI)

Omkar told that a solar park is coming up in Patan that will supplement the electricity generation in Gujarat. He further emphasised that an ITI is also coming up with an integrated course on solar equipment's that aims at training local communities to repair these.

Ketan Shukla, Gujarat Electricity Regulatory Commission (GERC)

Shukla emphasised on the need for standardisation especially for equipment's that run on RE and hence pointed out the need for an appropriate certifying agency. He further suggested involving *Panchayati Raj Institutions* and building their capacity for maintenance of RE equipment's. Alongside policy advocacy, he also stressed on the need for awareness generation among consumers on issues viz. cost, maintenance and effectiveness of RE and EE equipment's.

R N Pandya, Gujarat Energy Development Authority (GEDA)

Pandya pointed out some of the initiatives undertaken by GEDA in the past and also highlighted reasons why those efforts were not successful. In this context he advised CUTS and VIKSAT to go through GEDA's website and other resource materials and learn from its failure. He further added that EE being the easiest way to ensure energy secure yet greater awareness needs to be created among stakeholders.

Parth Shastri, Times of India

Parth emphasised on the need to highlight future issues rather than present gains as part of DRECs communication strategy. With regard to communicating with the media, he stressed on the need to demystify issues before expecting media to disseminate it.

Atul Pandya, Centre for Environment Education (CEE)

Atul pointed out that most of the CSOs stay away from the electricity sector owing to its complexities. In this regard he stressed on the need for communicating key issues and messages to the CSOs in the way that are easy to understand.

Mayank Joshi, CSO Representative

Joshi highlighted the need of CSOs in communicating simple and specific messages to the consumers to make dissemination exercise effective. In this regard he also suggested developing a communication matrix for different category of stakeholders and developing dissemination strategy accordingly.

VII. CONCLUDING REMARKS

Chander Mohan highlighted that to create a demand pull at consumers end requires their capacity building and increasing their awareness about RE and EE. Thus, according to him, the biggest challenge is to communicate with the commoners in easy understandable language. He further stressed on the need to develop an integrated approach to RE and DSM such that they do not add to the cost of replacement on the part of consumers.

VIII. KEY FINDINGS/SUGGESTIONS

- Institutionalisation presence of regulatory body at all levels can play a vital role in the development of RE/EE
- Cost of importing diesel is much higher than the RE equipment technology
- CUTS should prepare a list of easily available RE products
- A proper business model providing generation based incentive is more beneficial and successful as compare to other models
- Solar is more cost effective as compare to diesel
- Government should identify the potential of CSOs to reach the grassroot consumers
- It is difficult to popularise RE at large scale, as long as cheaper options are available
- Sensitising media is important
- Gujarat does not have surplus electricity all the time; therefore RE can play a vital role in its development
- EE and RE initiative should run parallel; where EE should be focused to reduce the consumption and focus of RE should be on generation

Annexure I – List of Participants

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