

**REPORT OF THE STATE REFERENCE  
GROUP MEETING**

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

**(DREC Project)**



**KOLKATA, FEBRUARY 06, 2012**



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## 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 OF THE MEETING

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 CUTS International, Jaipur representatives from partner organisations, i.e. CUTS Calcutta Resource Centre (CUTS CRC), Vikram Sarabhai Centre for Development Interaction (VIKSAT), Shakti Sustainable Energy Foundation (SSEF), subject experts, government officials, local CSOs and media (*refer to Annexure I for list of participants*).

## IV. OPENING SESSION

### **Keya Ghosh, CUTS CRC**

Keya welcomed all the participants and mentioned that the purpose of the meetings was to share the findings from the baseline consumer survey and brainstorm on the messages that can be taken from the survey to translate into policy advocacy.

### **Udai S Mehta, CUTS**

National Coordinator for DREC Project & Assistant Director, CUTS International, presenting the overview of the project emphasised on its key objective, 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 the concerns of consumers should reach policymakers for favourable policy on RE/EE.

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.

### **Sunil Mitra, WBSEDCL**

Mitra noted that the points that will emerge out of the meeting will be very useful to decide the way forward. He highlighted that in West Bengal health of the power sector is deteriorating day by day. Distribution companies are running into huge losses and are not able to achieve the target decided by the 12<sup>th</sup> Five Year Plan. In such conditions with proper financial assistance RE and EE can play a crucial role to revive power sector. Thus, it is important to advocate for actions by the policymakers keeping in view the grim situation of the power sector.

## **V. PRESENTATIONS**

### Key Findings of the Baseline Consumer Survey

#### **Arnab Ganguly, CRC**

Arnab presented findings from the baseline survey in West Bengal and the methodology adopted for undertaking the study. He mentioned that stratified random sampling was applied for primary data collection in the study and that a total of 1000 samples (500 from each state) comprising households, farmers, industry, government institution and NGO/CSO belonging to different income categories and educational background were covered.

Arnab noted that awareness related to global warming and climate change is significantly high, although there is significant gap between awareness and practice. The two major barriers in RE and EE development is the poor quality of after sales service and high initial investment. Agriculture sector is also a major concern area as most of the farmers are dependent on fossil fuel based irrigation pump-sets. A significant finding has been the lack of awareness and experience among CSOs on various regulatory issues in the electricity sector.

### Key Advocacy Messages

#### **Udai S Mehta, CUTS**

Udai underlining the evidence-based policy making mentioned that CSOs can bridge the gap between the policy makers and electricity consumers and facilitate a two-way communication between the stakeholders. He highlighted few issues pertaining to West Bengal based on baseline consumer survey and the ways of intervention envisaged in the project, as mentioned below:

- Need of regulations for long-term sustainability of off-grid plants
- Regulations & Policies for DSM/RE

- Need to increase awareness of EE among consumers
- Generate awareness among farmers on the availability of Solar Pump sets for irrigation
- Ensure CSO representation in the Regulatory Commission

## **VI. INPUTS FROM REFERENCE GROUP**

### **Maloy Kumar De, Power & NES Department Government of West Bengal**

De underlining that number of consumers has increased three fold within few years, whereas load is not increasing in a same proportion. It makes EE significantly important in order to improve the health of power sector. He also highlighted that now-a-days lots of household consumers are buying EE products and it has reduced the load to a certain extent, but lot more needs to be done to achieve desired outcomes. Even notification of several industries for EE practices and Tariff of Day scheme for farmers has also contributed in shifting the load from peak hours to the off-peak hours.

He also informed that West Bengal is coming up with several robust DDG projects to make electricity available for all. He further mentioned that the State has identified number of remote villages in Sundarban where 24 hours electricity will be available on commercial basis through DDG mode. Rural Electrification Corporation has agreed in principle to support the project.

Electrification is a significant step towards poverty alleviation, income generation, health and other developmental objectives. Electrification has a major impact on rural society by bringing in higher productivity through electrical machinery, higher number of productive hours in the day through electric lighting and better access to affordable education, health, and entertainment. It enhances the quality of life of the rural populace and holds out hope for a better future. Later when the grid will reach those places then the same off-grid will supply the electricity to the grid. There are several other steps taken by the Power Ministry to promote EE/RE.

### **Sunil Mitra, West Bengal State Electricity Distribution Company Limited (WBSEDCL)**

Mitra suggested that first line promotion approach can be very helpful in promoting EE. Retailers could be provided with more profit margins in EE products, which will be an incentive for them to promote EE products, as they are the key contact point for the consumers buying electrical products. Similarly door-to-door awareness generation can be done by disseminating information related to EE/RE through electricity bills.

### **S P Gon Chaudhuri, Institute for Rural Technology (NBIRT)**

Dr. Gon Chaudhuri informed that in India there is immense scope for technology improvement in the EE products. He stated that focus should be on raising quality standards for such products. He further added that ambit of EE should cover those equipment's that do not necessarily use electricity but also fossil fuel. He also emphasised that there is also a need for developing revenue-based viable business model for off grid and a regulation to make it sustainable even when grid reaches.

### **Natasha Bhan, SSEF**

Natasha informed that SSEF has suggested a business model to connect off-grid consumers to the grid; they have presented it before the Forum of Regulators. She mentioned that by the end of this year, they are hopeful that relevant regulations should be put in place.

## VII. CONCLUDING REMARKS

**Mitra** in his concluding remarks noted that CSOs has a significant role to play for the betterment of energy sector and address the concerns of consumers. Several regulatory commissions have CSO representation in their advisory committee but they hardly conduct any meeting and address concerns of the consumers. The advisory committee needs to be made more effective by including CSO representatives and provisions should be made for mandatory meetings.

## VIII. KEY FINDINGS/SUGGESTIONS

- Energy Efficiency (EE) is very significant in terms of improving the health of the power sector
- Effective policy for RE/EE
- Standardisation of EE products can increase power savings
- Incentive-based EE promotion with the retailer can increase the EE awareness
- Revenue-based business model for off-grid power plant along with regulation for sustainability of the off-grid will promote RE generation
- Government interference should be minimal in the business models
- Good practices from other states need to be localised before implementation

### Annexure I – List of Participants

S. no.	Name	Organisation	Phone / E-mail
1.	A. K. Mukherjee	V.I.B NIMPITH	9007828942/06218-226003
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11.	Prithviraj Nath	CUTS	9830481370
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13.	Sumanta Biswas	CUTS	9735621680
14.	Sunil Mitra	WBSEDCL	9903952611
15.	Susanta Banerjee	CUTS	8296444234
16.	Udai S Mehta	CUTS	09829285926