



A Pilot Project on Capacity Building on Electricity Reforms In Bangladesh, India and Nepal (RESA Project)

**Report of the Territorial
Training Workshop**

September 2008

Nepal



South Asia Watch on Trade, Economics & Environment
A partnership for capacity building in the context of liberalisation and globalisation

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EXECUTIVE SUMMARY

A territorial training programme was organised from 21 to 24 September, 2008, at Nagarkot, Bhaktapur, Nepal, under the project ‘Capacity Building on Electricity Reforms in Bangladesh, India and Nepal (RESA Project - <http://www.cuts-ccier.org/RESA/index.htm>)’. The main objective of the territorial training (TT) programme was to build the capacity of local community-based organisations (CBOs)/activists to make them intervene and effectively participate in the electricity reforms and regulatory process in Nepal.

The trainees were familiarised with the basic concepts, reforms process, decision-making process, complaint handling procedure and consumer participation in electricity issues. The trainees were also exposed to technical issues relating to policy formulation and regulatory decision-making process. Participants comprised members from the partner CBOs. A total of six experts enriched the deliberations in different sessions. The four-day training programme was divided into twelve technical sessions. A total of six simulation exercises were conducted. Positive feedback was received from the participants, who enthusiastically looked forward to working at the grass-roots level.

Across the project territories, the TT was conducted in 2 phases. However, given the flood situation in Nepal, the TT was conducted in one phase only.

I. INTRODUCTION

1.1 CUTS Centre for Competition, Investment & Economic Regulation (CUTS C-CIER), along with its project partners in Bangladesh, India and Nepal, is undertaking a project, entitled ‘A pilot Project on Capacity Building on Electricity Reforms in Bangladesh, India and Nepal’. In Nepal, the project is being implemented by the South Asia Watch on Trade, Economics and Environment (SAWTEE), in collaboration with partner CBOs at the local level. The partner CBOs are located in 10 different districts of the country.

1.2 A baseline consumer survey, undertaken under the project, revealed that a majority of the surveyed CBOs are not involved in issues relating to electricity reforms. A territorial training programme was organised to increase the level of the awareness of the CBOs of electricity issues. A territorial training manual (TTM) was developed and used for conducting the training. The training programme was organised from 21 to 24 September, 2008 at Nagarkot, Bhaktapur, Nepal.

II. OBJECTIVES OF THE TERRITORIAL TRAINING

2.1 The main objective of the territorial training programme was to build the capacity of local CBOs/activists so that they can intervene and effectively participate in the electricity reforms and regulatory process in Nepal. These CBOs will be interacting with the Government and the distribution company, in order to protect the interest of consumers, by acting as the watchdogs to the system.

2.2 The specific objectives of the programme were to:

- familiarise the trainees with electricity reforms and regulatory process in Nepal;

- empower the trainees to be involved as resource persons for the grassroots meetings to be organised in association with the project partners; and
- create a forum for sharing ideas, views and experiences of the partner organisations.

III. SCOPE

- 3.1 During the training programme, the participants were exposed to basic issues related to the electricity sector. This enabled them to build an overall understanding of the sector. They were familiarised with the various procedures that are being followed by the electricity utility as well as the regulatory reform that is being undertaken in Nepal. In general, it covered the basic concepts, reforms process, decision-making process, complaint handling procedure and consumer participation in these spheres.
- 3.2 During the training programme, the participants were exposed to technical issues relating to policy formulation and regulatory decision-making process. It included sessions on Annual Revenue Requirement (ARR), tariff filing, open access, power purchase agreement, energy audit and labelling and quality of service monitoring.

IV. PARTICIPANTS

- 4.1 The participants of the training comprised members from the partner CBOs. A total of 20 participants, two from each of the 10 partner organisations, participated in the training programme. The programme was also attended by two media persons.

V. RESOURCE PERSONS AND FACILITATOR

- 5.1 A total of six experts enriched the deliberations of different sessions. The whole programme was facilitated by Er. Rama Kant Gauro Tharu (See Annexure I for brief profile of the resource persons and Annexure II for agenda of the TT).

VI. FORMAT OF THE TRAINING WORKSHOP

- 6.1 The four-day training programme was divided into an introductory session and twelve technical sessions. The introductory session was of one-hour duration. In the technical session, two hours were allocated for sessions wherein simulation exercise was conducted and one-and-a-half-hours for the remaining sessions. A total of six simulation exercises were conducted, which benefited the participants and made the sessions more participatory.

VII. BRIEF SUMMARY OF THE RESPECTIVE SESSIONS

7.1 Introductory Session

The first round of TT started with an inaugural session, which was attended by a number of distinguished guests. Dhrubesh Regmi, Programme Director, South Asia Watch on Trade, Economics & Environment (SAWTEE) and Nodal Person, RESA Project, in his welcome address, spoke at length about the project. Elaborating on the rationale behind organising the TT, he explained the content of the training programme and its relevance in conducting grassroots interface meeting (GIM) at the local level, in collaboration with partner CBOs.

Asish Subedi, Programme Associate, SAWTEE, followed by Regmi, highlighted the various findings of the baseline consumer survey conducted during the first semester of the project. Most of the participants supported SAWTEE in undertaking the survey at the local level.

Posh Raj Pandey, President, SAWTEE, chaired the inaugural session and put forth his views on the importance of consumer awareness on the electricity reform process in Nepal. Explaining the importance of electricity as an important input for the economy, he highlighted the existence of monopoly in the electricity market in Nepal and the fact that the interests of the consumers are being overlooked. He explained that this situation calls for the proactive participation on the part of the consumers to establish legal and institutional mechanisms that could safeguard their interests.

Pandey emphasised that the RESA project is one such endeavour towards this end. He expressed his best wishes to the participants and the training programme as a whole.

7.2 Introduction to the electricity sector – Er. Rama Kant Gauro

Chair: Posh Raj Pandey

Er. Gauro started the session with an introduction to the structure of the electricity sector. He introduced the concepts of generation, transmission and distribution (T&D) functions of the sector. Highlighting Nepal's energy demand-and-supply scenario, he explained the current power deficit situation. He shed light on the currently used and available sources of energy in Nepal. He further explained the suitability of different types of schemes to meet power demand in different regions of Nepal. He explained the importance of the Hydropower Development Policy, 2001, and the National Water Policy, 2005, for Nepal's energy sector. He also dealt with the Three Year Interim Plan (TYIP) and the provisions that the plan envisions.

Er. Gauro mentioned the bitter reality of more than half the population being deprived of electricity. He focused on the Government's plan of generating 4000 MW electricity by 2027 and the pros and cons associated with the plan. He also introduced the power development map and the transmission lines within Nepal. He concluded the session in an optimistic note, mentioning that Nepal is capable of building power plants on its own in terms of its civil and electromechanical capacity. However, the

present pace and trend of power development can in no way withstand the ever-increasing demand for power. All that is needed is commitment and team effort from every segment of the nation to make the country self-sufficient in power generation. He also stressed the need for curbing power leakage and fixation of different tariff rates for off and peak hours.

During the open discussion, most of the questions were related to electricity theft and issues in electricity export. Participants expressed their anguish with the concept of electricity export, when the country itself is suffering from power deficit.

Er. Gauro addressed their queries and the general consensus was arrived at, that Nepal should first become self-sufficient in meeting its power demand and then it should explore the possibility for exporting surplus power in the foreign market, particularly to India.

Posh Raj Pandey, chaired the session and highlighted the importance of the session to make the participants aware of the general dynamics of the sector. He added that electricity is always taken as the political commodity that has created hindrances in harnessing Nepal's huge water resources. In the given situation, consumers and CBOs have an important role to play in maintaining checks and balances in the system.

7.3 Electricity Reforms and Regulation – Ranjan Krishna Aryal

Chair: Posh Raj Pandey

Aryal at the start of the session gave an overview of Nepal's electricity sector. He portrayed the current power deficit scenario as a managerial crisis that exists in the sector. He pointed out the lack of effective regulating and legislative mechanisms to govern the sector as the factors responsible for this scenario. Explaining the historical evolution of Nepal's electricity market, he shed light on government's initiatives to liberalise the sector post 1990. He explained the fact that, despite one-and-a-half decade of the reforms process, the sector remains non-lucrative to the private sector. He pointed out to the low level of foreign direct investment (FDI) in the sector as evidence of his point.

Among various factors, he put forth the monopoly of the Nepal Electricity Authority (NEA) as the impeding factor to power sector development in Nepal. He suggested that measures should be taken to un-bundle the sole utility that dominates the electricity market in Nepal. Explaining the concept of unbundling, he quizzed the participants whether the NEA should carry out the production, (T&D) functions as a single entity or not? The participants supported his view that NEA should be unbundled.

Aryal further stressed the need for adoption and implementation of a regulatory body. According to his understanding, the regulatory body should be placed to do the following:

- promote electricity export, while keeping the balance between demand and supply in the internal market;

- make the licensee transparent and accountable;
- make the electricity supply reliable, safe and accessible to all;
- regulate the electricity tariff and electricity tariff fixation process; and
- develop a competitive electricity market.

He further stressed the need for a proactive electricity tariff determination commission to:

- determine the wholesale and retail electricity tariff on the basis of the rate of returns;
- re-evaluate the power purchase agreements;
- determine the T&D wheeling charges; and
- determine the electricity system expansion.

Talking about the issues of consumer rights protection, Aryal was of the view that the NEA, responsible for protecting its consumers' rights, is ineffective in doing so. Consumers face a number of problems, from quality and regularity of the electricity service to the handling of consumer grievances. He stressed on the need for a regulatory body to protect the rights of the consumers and the licensee.

Concluding the session, he shed light on the global energy crisis and the importance of electricity as the backbone of economic development. He pointed out that there should be a timely move towards reforming the sector, so that there is an adequate power supply for the expansion of economic activities.

Participants put forth their queries and views regarding unbundling, good governance, quality of service, compensation and meter reading.

Speaking as the Chair, Posh Raj Pandey concluded the session by summarising the historical evolution of the electricity supply industry. He highlighted the dynamics of liberalisation and privatisation *vis-à-vis* unbundling of the NEA. He further stressed the role that consumers should play in the overall reform of the sector, so as to safeguard their own interests.

7.4 Understanding Electricity Consumption and the Bill – Guna Raj Bhatta

Chair: Ranjan Krishna Aryal

Bhatta started the session by explaining some important electricity-related terms, such as meter, meter reader, tariff and consumer. He explained the ways of reading the consumption reported by the electricity meter and to check its accuracy. Similarly, he also made the participants understand different aspects related to the electricity bill. He explained the procedure for submission of complaints. Further, he shed light on the benefits resulting from keeping record of consumption and bills.

Bhatta had also designed the simulation exercise for the session to impart some practical experiences to the participants. Participants were individually asked to undertake two different exercises. In the first exercise, the participants were asked to prepare the electricity bill for the month of Bhadra, on the basis of the given meter reading. Similarly, in the second exercise, the participants were asked to calculate the bill amount to be paid by an office, on the basis of the number of appliances used and the duration of their use. Participants actively participated in the exercises.

During the discussion round, the participants raised two important issues:

- First, in case of defaulters, since the consumers are paying for the meter, the NEA should be given the authority to only cut the line, but they should not have the right to seize the meter.
- NEA receipts are almost illegible; as a result the consumers face difficulties in understanding their electricity bills.

Ranjan Krishna Aryal chaired the session and mentioned that the consumers should keep themselves aware of the NEA regulations, tariff rates, concessions and other important information. Such information could prove beneficial to them.

7.5 Energy Conservation: Role of Consumers – Dilli Prasad Ghimire

Chair: Rama Kant Gauro

This session focused on the importance and the role of consumers in energy conservation. Ghimire started the session by explaining the meaning of energy conservation. He reflected the power deficit situation of Nepal, in which a large number of the population is deprived of electricity. He compared the past and current scenario of the electricity market, to reflect the power deficit situation in Nepal. He made it clear to the participants that the notion of power saving and energy-efficient appliances is very important for Nepal.

Given that Nepal faces the problem of power deficiency, there is a need to increase the production capacity. Load management and use of energy efficient equipments are two major aspects of energy conservation. Among the various aspects of load management, measures such as reducing and shifting of the peak load, using only the required amount of electricity, reducing the leakage and raising consumer awareness, etc should be adopted to address the power deficit scenario in Nepal. Making use of efficient devices could be the solution to addressing power deficiency. Besides using energy efficient equipments, using natural light to the maximum extent could help reduce the use of artificial light, i.e., light energy, he suggested.

He also shed light on the energy efficient devices such as energy efficient bulb, thin tube and electric choke, by comparing them with the currently used apparatus vis-à-vis energy consumption and the cost. Finally, Ghimire explained the hindrances to electricity reforms in Nepal.

Participants put forth their queries and views. Some of the important issues raised by the participants were:

- How to find out the quality of CFL bulb, as different kinds of bulbs with different prices are available in the market?
- Even energy efficient devices like CFL harm human body and harm the environment.
- Does earthing increase power consumption?

Er. Gauro, chair of the session summed up the session by mentioning that increasing the production is the best solution to Nepal's power deficiency. However, given the limitations in terms of investments, reducing power demand by making use of energy efficient devices is the need of the hour. Hence, consumers have an important role to play towards achieving this objective.

7.6 Reduction of Power Theft: Role of Consumers – Ranjan Krishna Aryal

Chair: Rama Kant Gauro

Aryal started with the introduction of loopholes that exist in the electricity transmission system. He introduced power theft as the non-technical leakage. He explained that electricity theft is a crime. He further explained the various relevant provisions of the Electricity Theft Control Act, 2058 which defines the act of electricity theft as a crime, etc. He stated that electricity leakage of the NEA is about 25 percent — technical leakage being 10 percent and electricity theft being as high as 15 percent. He pointed out that electricity theft, if stopped, could result in great amount of power being saved and help distribute the same to the consumers who are deprived of electricity.

Talking about the mechanism of reporting theft, he said that theft can be reported by any Nepali national. The name of the reporter is kept confidential and the reporter is rewarded if the crime is established. The investigation of the theft is carried out by the Utility providing the service. Local bodies, officials and police should help the Investigation Officer. He stressed on the point that anyone causing hindrances in the investigation process could be fined up to Rs 2000 by the Investigation Officer.

Aryal highlighted the reality that despite the existence of law prohibiting this crime, the problem of electricity theft, exists even in the Kathmandu valley. Bhaktapur, a town adjacent to Kathmandu, has been reported to have a massive amount of power theft. However, the NEA is not able to check the same. He further elaborated on the role of the CBOs and the general public to curb this serious crime.

Participants expressed their dissatisfaction over the existence of power theft and urged strong NEA intervention to check the same.

Er. Gauro, chair for the session added that since the consumers have to pay for the power theft, they need to be made aware of their role in controlling this malpractice. It is the consumer right and duty to help the NEA in keeping a check on the power theft problem in Nepal. However, in the end it was emphasised that political commitment is a must to ensure the possibility of curbing of electricity theft in Nepal.

7.7 Complaint Redressal Mechanism – Jyoti Baniya

Chair: Rama Kant Gauro

Baniya started the session by explaining the international and national - legal and institutional mechanisms that safeguard consumer rights. He explained the right to redressal as one of the major consumer rights. He highlighted the weak enforcement of the said right in Nepal in all the sectors, including electricity. He also dealt with the dynamics that exists in the electricity sector. He pointed out that there are several factors responsible for the quality and regularity of the electricity service. He also made clear that since there are several components involved in the electricity market, there is always scope for low quality of service. This is why the need for complaint arises.

He highlighted the laws that are important for facilitating the consumers to make complaints. He mentioned the legal provisions for electricity-related complaint redressal, along with the other laws that govern the sector. He highlighted the compensation provisions in the Consumer Protection Act that can be applicable to the electricity sector as well as an umbrella act.

He then explained the institutional setup within the NEA that handles consumer complaints. Highlighting the nature of electricity complaint in Nepal, he explained the complaint redressal process and precautions to be taken while making complaints. He concluded the session with some of the frequently used abbreviations related to the electricity sector.

The presentation was followed by a simulation exercise. Participants were divided into two groups. Each group was given a question to discuss. One group was asked to discuss the changes that are needed in the existing complaint redressal mechanism and the application form for new connections, while the other group was asked to suggest the provisions that should be included in the electricity reform process, so as to protect the consumer interests. Participants actively participated in the group work and presented their suggestions.

Er. Gauro summarised the session and mentioned that the participants should be actively working towards making sure that the consumer interests are reflected in the decisions taken by the policy makers in Nepal.

7.8 Competition Issues in Electricity Supply Industry – Ranjan Krishna Aryal

Chair: Rama Kant Gauro

Aryal began the session with the historical development of Nepal's power sector. He said that the production, T&D functions were carried out by the Government. A law was formulated in 1985 to create the NEA, in order to supply good quality and reliable electricity to the people. He added that now the scenario is different and experts urge unbundling of the NEA. He shed light on the liberalisation of the sector after the dawn of democracy in 1990. He further added that though the sector was opened for the private sector, the sector does not offer the right incentives to attract

the private players. He stressed on the need for attracting private investment, including FDI.

He highlighted the Government's overriding plan of increasing electricity production and the problems related with the plan. He mentioned about the Hydropower Development Policy, 2001, as an important tool for harnessing Nepal's water resources. He said that integration of hydropower with the rural economic activities; development of electricity as an exportable commodity; strengthening and expanding of the production, T&D system; making tariff rate practical, by keeping it in line with the purchasing power of the people, can help Nepal's economy and the overall developmental process. He added that policy is important particularly because it envisages the development of a long term electricity production plan to keep a balance between the demand and supply of electricity.

He spoke about the various hindrances to competition in the sector and urged for the timely formation of an independent electricity regulatory commission. He concluded the session by highlighting the possibility of trading of electricity with India. Participants put forth their views and queries regarding issues such as monopoly, cartel, unbundling, etc.

Er. Gauro stressed upon the need for having perfect competition in the electricity market. He spoke about the benefits of introduction of competition would have for the consumers in Nepal.

7.9 Quality of Service – Guna Raj Bhatta

Chair: Rama Kant Gauro

Bhatta started by defining the term quality of service. He said that tariff and the quality of service are two important issues relevant to the consumers and also relevant to the electricity reforms in different countries. He stressed the need for people's participation in the reform process. He said that service providers should provide vital information to the consumers, so that consumers can intervene to protect their interests. He highlighted Nepal's case, where there is a sole service provider, i.e., the NEA. He said that the issue of quality of service is an affair between the NEA and the consumers.

He shed light on the important issue of quality of service. He particularly dealt with quality of service relevant at the time of making an application for a new connection, meter reading and disconnection and reconnection of electricity line.

A simulation exercise was carried out during the session. Participants were divided into two groups. Each group was asked to list down the problems, along with the possible solutions, regarding the quality of electricity service in their local areas. They pointed out inadequate power supply, irregularity in meter reading, frequent power cuts, etc., as their major problems. They were of the view that, among other things, unbundling the NEA and creation of a regulatory body would help ease the problems prevailing in Nepal's electricity supply industry.

Er. Gauro at the close of the session emphasised on the role of consumers to pressurise the NEA to improve its quality of service.

7.10 Tariff Determination Process – Dilli Prasad Ghimire

Chair: Rama Kant Gauro

Ghimire began the session by highlighting the need for consumer participation in electricity tariff determination process. He then explained the different aspects of the electricity tariff determination process. Proceeding with the definition of the tariff, he explained why a tariff is charged and what the tariff should be like. He explained two basic types of tariffs, i.e. energy-based tariff and power-based tariff.

He shed light on cost analysis and tariff determination. He explained the different types of costs associated with electricity production. He then explained the data to be analysed for tariff determination. He elaborated on the general process of tariff determination by the service providers. He shed light on the process of electricity tariff determination in Nepal. He also explained the functions of the Electricity Tariff Fixation Commission.

He concluded the session by familiarising the participants with the concept of electricity leakage. He said that electricity tariff is an important issue for the consumers. It is a complicated and multi-faceted issue. There is a need for consumer awareness and participation to make it transparent and consumer-friendly. Above all, it should be a win-win situation for the service providers and the consumers.

A simulation exercise was carried out in this session. The participants were divided into two groups. Each group was asked to determine the tariff rate for a certain village, on the basis of given information. In the beginning, the resource person had explained the method of calculation of tariff.

Er. Gauro concluded the session by saying that tariff determination should be transparent and accessible to all, so that malpractices are avoided and consumers get electricity at affordable rates.

7.11 Tariff Regulation: Key Issues – Jyoti Baniya

Chair: Rama Kant Gauro

The session started with the government's assumptions regarding electricity production made in the Three Year Interim Plan (TYIP). Baniya said that, among other things, the plan envisages the expansion of electricity facility to rural areas at an affordable rate.. He also pointed out the risks regarding the assumptions. He shed light on the institutional mechanism—existing and to be formed—to implement the plan.

Explaining the laws relating to tariff determination, he said that it is the right of the people to participate in the tariff-setting process. He also highlighted other basic consumer rights.

He explained the various cost components of the tariff determination process. He said that the electricity tariff can be changed only once in a year and a hike should not exceed 5 percent of the current price. He further said that different factors such as the category of consumers, social responsibility, cross-subsidy and the potential for demand-side management are important issues that should be taken into account while determining tariff rates. He explained the documents that are needed while submitting the application for determination of tariff. He also shed light on the procedure to be followed while determining the tariff rate. He also explained that consumers have a right to complain if they have any concerns with the new tariff.

He also put forth his views regarding the hearing process for tariff fixation. He said that hearing process is an effective tool to ensure maximum consumer participation. He shed light on subsidy provisions in Nepal and India. He concluded the session by saying that laws should be formulated for the benefit of consumers, rather than that of service providers.

The presentation was followed by the simulation exercise. Participants were divided into two groups. Each group was given separate set of questions. The first group was asked to discuss the issue of who should bear the subsidy, cross-subsidy and T&D losses and answer the question on the basis of the given data. Similarly, the other group was asked to discuss what changes are important in the new law regarding the electricity tariff fixation provisions.

The participants were of the view that the service provider should bear the T&D losses, while the government should bear the subsidy and cross-subsidy for the needy sections of the society. Similarly, they put forth the view that the electricity tariff fixation provisions in the coming laws should be more consumer-friendly.

Er. Gauro concluded the session and mentioned that consumers should be involved in the tariff making process, so as to ensure affordable electricity to them.

7.12 Regulatory Decision-making Process - Rama Kant Gauro

Chair: Jyoti Baniya

Er. Gauro summarised the existing decision-making processes in the electricity sector. He explained the features of an effective decision-making process. He highlighted the role that consumers could play in making the sector effective and efficient.

He focused on the Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) processes that need to be carried out during the construction of power projects. This is in accordance with the Environment Protection Act (EPA) of Nepal.

He explained the role of different institutions in decision-making in the power sector in Nepal. He then highlighted the need for the right process for taking the right decisions, by drawing examples from a couple of cases. He further explained about carbon trading and its importance in environment protection. Finally, he made an appeal to the participants to play a decisive role in the power sector regulatory reforms in Nepal.

Baniya stressed the need for pro-consumer decision-making process, with an active participation of the consumer representatives.

7.13 Energy Efficiency and Electrical Equipment Rating - Rajesh Kumar

Chair: Rama Kant Gauro

Kumar started the session with the concept of energy efficiency and demand-side management (DSM). He explained its importance for large as well as small consumers. He explained the basic concepts of tariff and efficiency. He also shed light on the issues in DSM and product labelling. He drew examples from India and other countries.

Focusing on Nepal's scenario, Kumar put forward the view that DSM has a huge scope for energy saving, given the power deficit situation of Nepal. He said that, until now, DSM is not a much talked and followed strategy in Nepal. He urged the need for an action plan for materialising the DSM strategy in Nepal.

The participants put forward their queries on energy-efficient equipments, labelling, CFL bulbs, etc.

The presentation was followed by a simulation exercise. The participants were divided into three different groups and were provided with the different questions for discussion and practice. The exercises helped the participants further their understanding of the use of electricity and product labelling and awareness. The exercises also made them clear about the issues of consumption and estimation of energy.

Er. Gauro thanked Kumar for making a comprehensive presentation including cases from Nepal. He suggested the participants to make use of energy efficient equipments.

7.14 Closing Session

During the closing session, Rajesh Kumar, representative of the implementing organisation (CUTS International), urged the participants to act proactively in order to make the proposed electricity law consumer-friendly. He urged the need for consumer participation at the decision-making level. He expressed his gratitude for the successful completion of the programme.

Dhrubesh Regmi, SAWTEE thanked the participants for their kind co-operation and active participation in the programme. He highlighted their important role in organising meetings at the grassroots level. He expressed his sincere gratitude to the resource persons for their enlightening sessions.

Er. Gauro thanked SAWTEE and CUTS for undertaking the RESA Project and all the participants for actively participating over the four days.

VIII. SUMMARY OF PARTICIPANTS' FEEDBACK

Participants were asked a wide range of questions, through a structured questionnaire, to understand their feedback on the training.

Regarding the usefulness of the training, a majority (55 percent) found the training very useful. Similarly, 45 percent found the training to be quite relevant. Regarding the contents/topics of the training programme, 35 percent of the participants found it very relevant, whereas 65 percent of the participants found it relevant and suggested that it could have been better.

Most of the participants found the time allocated for each session to be insufficient and pointed out the need for more time allocation. Regarding the quality of the presentations, half of the participants were satisfied with the presentations. Whereas, the remaining half suggested fine tuning of the presentations to make it specific to the problems faced in Nepal.

Regarding the logistics and other facilities, close to 85 percent participants found it very satisfactory, whereas the remaining participants suggested that it could have been better. In terms of effectiveness of the training, most of the participants benefited from the training. In fact, almost 93 percent agreed that they benefited from attending the TTs. A majority (55 percent) of the participants said that the interactions and discussions among the participants were extremely beneficial.

Recommendations

The following are the recommendations for the training programme:

- Allocation of sufficient time for discussion
- Presentations should be made more interesting
- Organising field visits
- Follow up trainings required

IX. LIST OF PARTICIPANTS

S.N	Participants	Organisation/Contact Number
1	Ajay Adhikari	Forum for Protection of Consumer Rights, Parsa 9855020114
2	Amay Kumar Das	Forum for Protection of Consumer Rights, Parsa 9845039984 babluwbile@yahoo.com
3	Basanta Shrestha	Forum for Community Sector Support Programme, Dailekh 984806275 bashrestha@gmail.com
4	Basudev Lamichhane	Banke UNESCO Club, Nepalgunj
5	Rishi Prasad Shrestha	Ilam Chamber of Commerce and Industry 9852680070 shrestha-rishi99@yahoo.com
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20	Pawan Pradhan	Consumer Forum, Lalitpur 9841276189 darkstar_pawan@hotmail.com
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Annexure I: Brief Profile of the Resource Persons

S.N.	Name	Present Position	Affiliation	Experience
1.	Er. Rama Kant Gauro Tharu	Immediate past member, Infrastructure Sector	National Planning Commission	Working in the field of Nepal's infrastructure sector including power sector for the last 30 years
2.	Dilli Prasad Ghimire	Chairperson	National Association of Community Electricity Users-Nepal	Working in the field of power development, electricity reform and consumer awareness since last 20 years
4.	Advocate Jyoti Baniya	General Secretary Co-ordinator Member Secretary	Forum for Protection of Consumer Rights Consumer education and awareness committee (Formed under the Consumer protection act, 1998) Consumer law committee, Nepal Bar Association	Nepal's prominent consumer rights activist, pioneer in consumer rights advocacy in Nepal, working in the field for the past 20 years
5.	Guna Raj Bhatta	Former Government Official	Ministry of Industry, Commerce and Supplies, Department of Nepal Standards and Metrology	Working as the Standard and Metrology Specialist for the last 30 years
6.	Rajesh Kumar	Asst. Policy Analyst	CUTS-Centre for Competition, Investment & Economic Regulation (CUTS C-CIER)	His current responsibilities include research on policy and regulatory issues in electricity, telecom & gas sectors and co-ordination of national as well as international projects on electricity as well as capacity building of consumers.

Annexure II: Programme Agenda

Territorial Training "Electricity Reforms and Consumer Awareness"

Organised by South Asia Watch on Trade, Economics and Environment (SAWTEE)

Hotel Country Villa, Nagarkot 21-24 September, 2008

Day 1: 21 September (Sunday)

8:00 – 9:30 *Breakfast and Registration*

9:30 – 10:30 *Introductory Session*

- Chair and Introductory Remarks: Dr. Posh Raj Pandey, President, SAWTEE
- Introduction to the Project and the TT: Dr. Dhruvesh Regmi, Programme Director, SAWTEE
- Introduction of Participants and Resource Persons

10:30 – 12:00 *First Session General Introduction*

- Structure of the Electricity Sector – Generation, T&D
- Energy Demand and Supply Scenario

Resource Person: **Er. Rama Kant Gauro, Former Member, Infrastructure Sector, NPC**

12:00 - 12:15 *Tea*

12:15 - 1:45 *Second Session Electricity Reforms and Regulation*

- Historical Evaluation of the Electricity Supply Industry (major structural changes through various legislations)
- Unbundling, Corporatisation and Privatisation
- Electricity Regulatory Commission
- Consumer Participation – Importance and Status

Resource Person: **Ranjan Krishna Aryal, Joint Secretary, Nepal Law Commission**

1:45 – 2:45 *Lunch*

2:45 – 4:45 *Third Session: Understanding Electricity Consumption & Bill*

- How to Read the Consumption Reported by Electricity Meter
- How to Check the Accuracy of Electricity Meter
- How to Read Electricity Bill and Submit Bill Complaints
- Benefits Resulting from Keeping Record for Consumption and Bills

Resource Person: **Guna Raj Bhatta, Standard and Metrology Specialist, Former Government Official**

4:45 *Tea*

Day 2: 22 September (Monday)

8:00 – 9:30 *Breakfast*

9:30 – 10:00 *Recap of Day 1*

10:00 – 11:30 *Fourth Session: Energy Conservation: Role of Consumers*

- Importance of Conservation of Electricity
- Saving of Electricity at Consumption End
- Introduction to the Use of CFL, Energy-efficient Equipments

Resource Person: **Dilli Prasad Ghimire, Chairman, National Association of Community Electricity Users-Nepal**

11:30 – 11:45 *Tea*

11:45 – 1:15 *Fifth Session: Reduction of Power Theft: Role of Consumers*

- What Is Power Theft, Un-authorized Use of Power?
- Who Pays for Theft of Power
- Disincentives/Penalties to Discourage Power Theft
- How Consumers Can Support Utility in Reducing Theft of Power

Resource Person: **Ranjan Krishna Aryal**

1:15 – 2:15 *Lunch*

2:15 – 4:15 *Sixth Session: Complaint Redressal Mechanism*

- Existing Mechanism for the Redressal of Consumer Complaints (bottom to top level institutions available to consumers for grievance redressal)- Filing of Complaints and Follow-up by the Consumers
- Time Frame for Redressal of Complaints
- Various Precautions to Be Taken while Making Complaints

Resource Person: **Advocate Jyoti Baniya, General Secretary, Forum for Protection of Consumer Rights**

4:15 *Tea*

Day 3: 23 September (Tuesday)

8:00 – 9:00 *Breakfast*

9:00 – 9:30 *Recap of Day 2*

9:30 – 10:45 *Seventh Session: Competition Issues in Electricity Supply Industry*

- Need of Competition in Electricity; Relevance in Shortage Situation
- Need to Explain Limited Competition Possibilities
- Role of Trading and Power Exchanges and Benefit to Consumers
- Key Factors: Trading, Captive Generation, Implications of Open Access
- Barriers to Competition

Resource Person: **Ranjan Krishna Aryal**

10:45 – 11:00 *Lunch*

11:00 – 1:00 ***Eighth Session: Quality of Service***

- Issues in Quality of Service - Technical such as voltage and frequency, outages, etc., and consumer services like complaint redressal status, consumer safety, etc.
- Standards of Performance and Issues in Monitoring and Enforcing

Resource Person: **Guna Raj Bhatta**

1:00 – 1:45 ***Lunch***

1:45 – 3:45 ***Ninth Session: Tariff Determination Process***

- Tariff Determination Process
- Role of Consumers in Tariff Determination Process
- Understanding the Annual Revenue Requirement (ARR), Assumptions to Be Examined and Its Various Components (power purchase cost, employee cost, capital cost, etc.)
- How to Analyse Electricity Data Contained in ARR/Tariff Application

Resource Person: **Dilli Prasad Ghimire**

3:45–4:00 ***Tea***

4:00 – 6:00 ***Tenth Session: Tariff Regulation: Key Issues***

- Allocation of Cost among Consumers
- Various Factors Affecting Cost of Supply at Consumer End
- Justification for Subsidies
- Optimal Level of Subsidy as well as Cross-subsidy
- Who Should Pay for Subsidies

Resource Person: **Jyoti Baniya**

6:00 ***Tea***

Day 4: 24 September (Wednesday)

8:00 – 9:30 ***Breakfast***

9:30 – 10:00 ***Recap of Day 3***

10:00 – 11:30 ***Eleventh Session: Regulatory Decision-making Process***

- Features of an Effective Decision-making Process
- Existing Decision-making Processes and Role of Consumers
- Tools for Consumer Consultation - Inviting Comments, Holding Public Hearing, etc
- Petitions, Appearances before ERC, Appeal Process, Access to Records, etc.
- Introduction to Some of the Important Regulations - Conduct of Business Regulation, Standard of Performance, etc.

Resource Person: **Rama Kant Gauro**

11:30 – 11:45 ***Tea***

11:45 – 1:45 ***Twelfth Session: Energy Efficiency and Electrical Equipment Rating***

- Concept of Energy Efficiency/Demand-side Management (DSM), Importance for Larger as well as Small Consumers
- Incentives/Disincentives Taken on Behalf of Government
- Introduction to Energy-efficiency Rating, Experiences from India
- Role of CSOs in Promoting DSM

Resource Person: **Rajesh Kumar, CUTS-CCIER, India**

1:45 – 2:15 ***Closing Session***

- Ways Ahead
- Feedbacks from Participants
- Vote of Thanks

2:15 ***Lunch***