

Power Sector Transformation

Enabling Civil Society Participation for Inclusive Reforms

Electricity supply is an essential public good service that impacts living comfort, productivity, livelihood opportunities, and access to other critical services such as healthcare. The need for effective consumer participation in the electricity sector arises from the fact that, while being a critical public good service, the performance and efficiency of distribution companies are intricately linked to its relationship with consumers. In Indian society, wherein electricity supply is inherently a subject of complex political economy, civil society's role for addressing problems and developing solutions 'with the people' becomes pertinent.

Sections 5, 79, 80, 86, and 87 of the Electricity Act lay down the provisions for civil society engagement in power sector decision making. However, studies suggest that the participation of consumers and civil society is sub-optimal across India, and varies significantly across states and consumer categories.¹

This Policy Brief explores key barriers for civil society to engage in power sector decision-making in Rajasthan actively and suggests policy measures to enhance the participation of civil society.

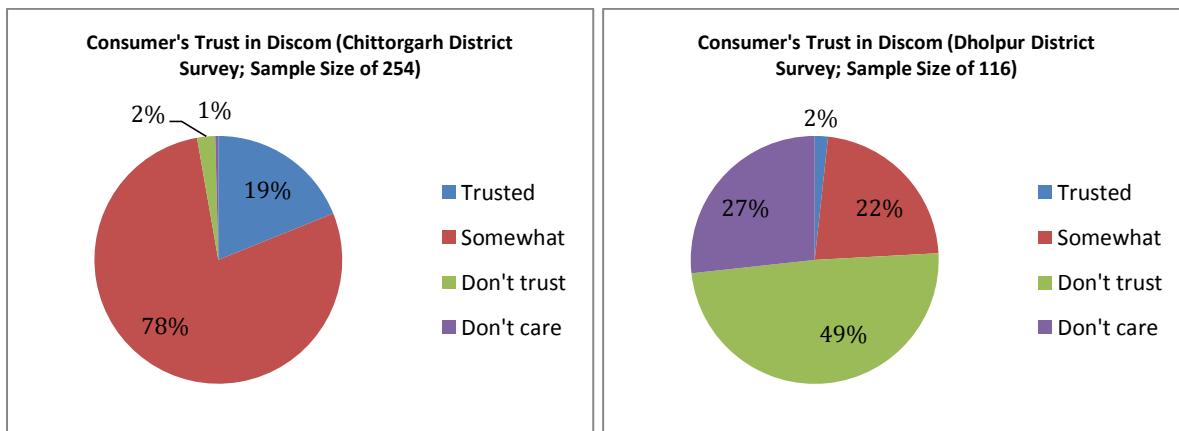
Civil Society in Rajasthan

Rajasthan is a diverse state with varying geographical terrains, climatic zones and demography. The state has significant presence of tribal and marginal communities, which veils a challenging canvas for governance and inclusion. In this challenging social-geographical landscape, development institutions have played a pivotal role in Rajasthan for ensuring access to education, healthcare, and other critical services to the last mile communities. As per NITI Aayog's portal 'NGO Darpan,' 3758 NGOs are registered in Rajasthan, working on various social, economic and political issues.² Still, inclusivity and equitable access to electricity supply and services is a key challenge for electricity governance in Rajasthan. For example, a consumer survey conducted by Bask Research and CUTS International across four districts in Rajasthan suggests that while consumer awareness about their rights and responsibilities is low, their trust in their distribution licensee is also poor (Figure 1).

Poor techno-commercial performance of public distribution companies in Rajasthan is also reflective of the quality of electricity supply services for majority of the consumers. Issues, such as anomalies in billing and metering (Figure 2), electricity-related accidents, extremely poor grievance redressal ecosystem, and harassment of consumers by vigilance committees

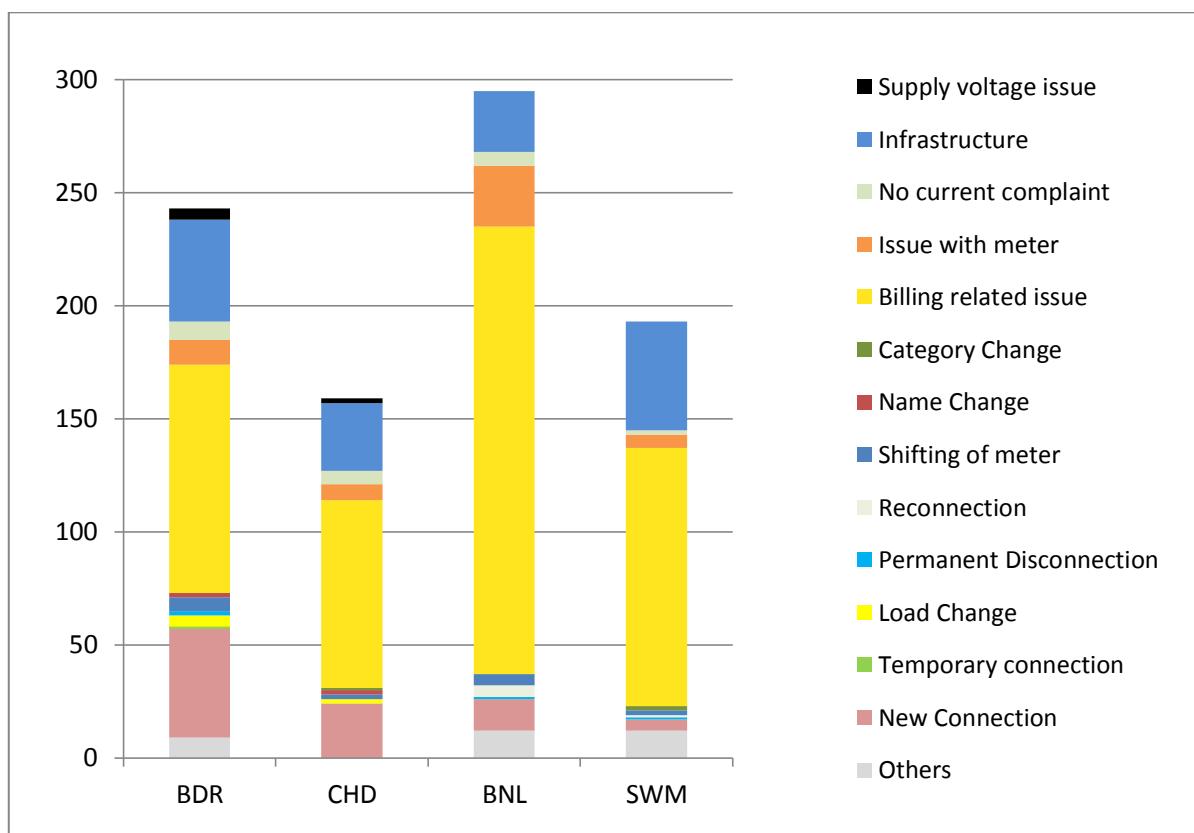
are quite common. Inter-regional disparity in quality of electricity is clearly indicated by SAIDI³ and SAIFI⁴ data of AVVNL, JVVNL and JdVVNL – the three public distribution companies in Rajasthan (Figure 3 and 4).

Figure 1: Snapshot of Feeder Survey in Chittorgarh⁵ and Dholpur District⁶



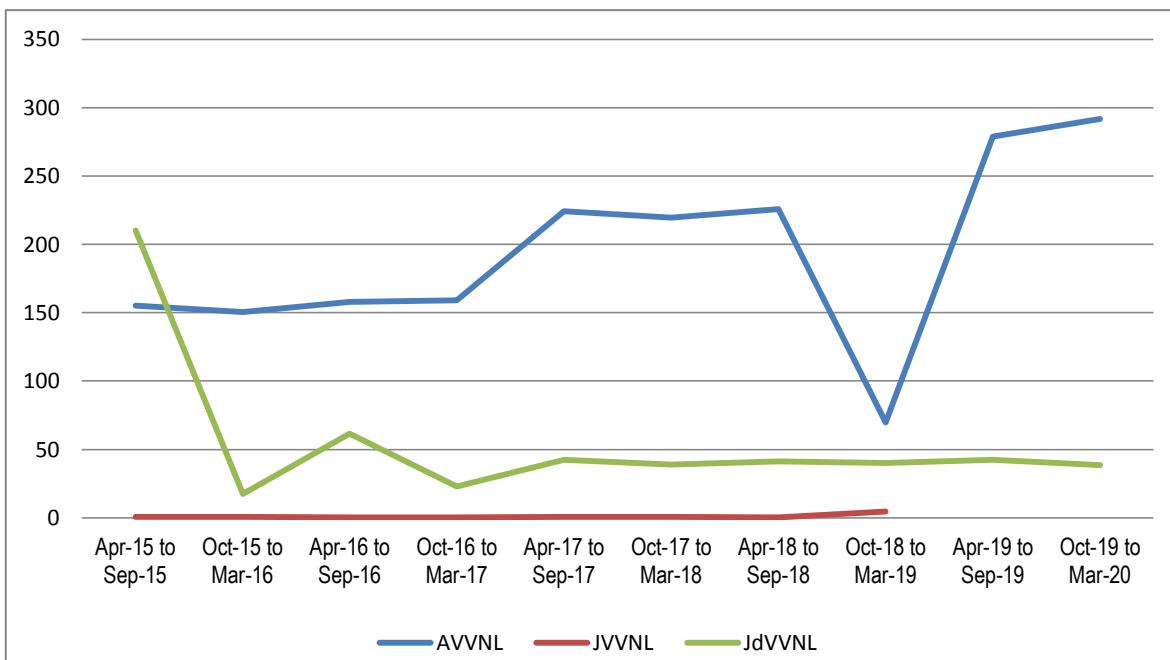
Source: Authors Analysis

Figure 2: Analysis of Complaints Received at Consumer Assistance Cell in Bhadesar (BDR), Chittorgarh (CHD), Bonli (BNL), and Sawai Madhopur (SWM) blocks of Rajasthan



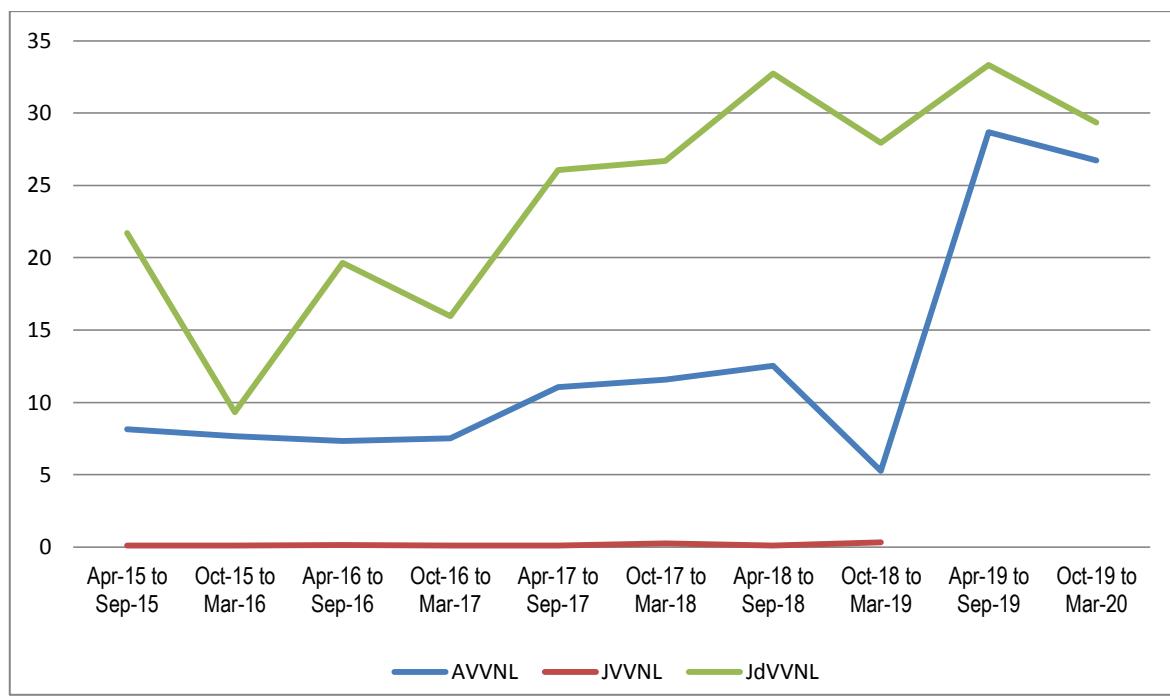
Source: Authors Analysis

Figure 3: SAIDI Data for AVVNL, JdVVNL, and JVVNL (April 01, 2015-March 31, 2020)



Source: Rajasthan Energy Department⁷

Figure 4: SAIFI Data for AVVNL, JdVVNL, and JVVNL (April 01, 2015-March 31, 2020)



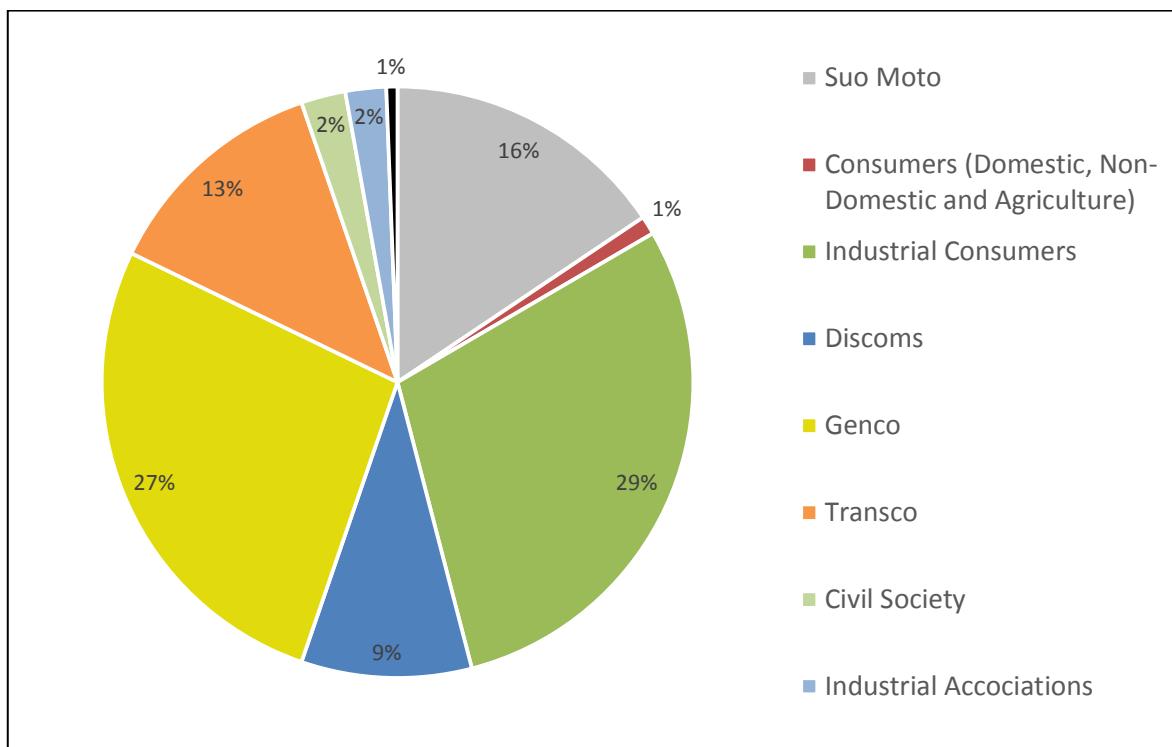
Source: Rajasthan Energy Department⁵

Grassroots organisations are well-positioned to abridge this gap between consumers and electricity distribution companies. Such organisations are naturally attuned to local challenges, political economy, and social dynamics. They can actively contribute to the formulation of prudent policy that is receptive to communities' socio-economic conditions.

Consumer Participation in Rajasthan's Power Sector

Consumer advocates and civil society organisations (CSOs) in Rajasthan play an active role in ensuring accountability in the governance of the power sector and preserving the interests of electricity consumers. Despite low representation (Figure 5), civil society has actively engaged Rajasthan Electricity Regulatory Commission (RERC) on varied subjects, such as electrical safety, compliance with Standards of Performance, tariff orders, and other regulatory matters. It plays a constructive role within the power sector through participatory governance as it provides rare channels for evaluating the last-mile performance of distribution licensees. It also facilitates the convergence of research, analytical, and technical skills to improve the sector's performance and efficiency.

Figure 5: Analysis of RERC Orders since its inception until October 2018



Source: Author's Analysis

Barriers to Civil Society Participation

The power sector is inherently complex and challenging as it encompasses technical, financial, and regulatory subjects. Experience and consultation in Rajasthan suggest that systemic issues inhibit consumer and civil society participation in the power sector along with technical capacity.⁸ Suppose the full potential of participatory governance in Rajasthan's power sector is to be realised. In that case, a conscious effort is needed on key governance institutions to address the issues discussed below.

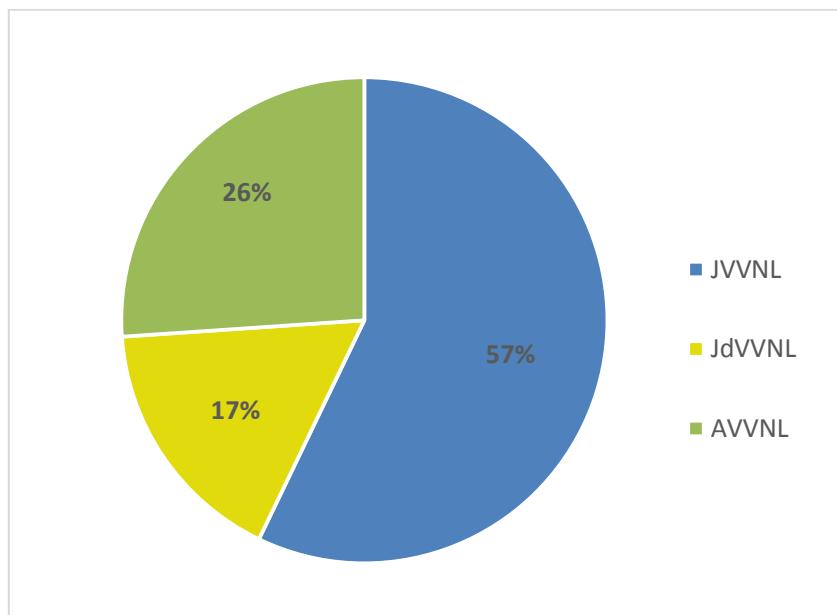
Access to Information: For civil society to actively engage in power sector governance, access to information regarding performance and regulatory compliance of distribution utilities clearly and concisely is very important. It is a matter of key concern as, despite budgetary approvals to invest in information technology infrastructure in tariff orders, public distribution licensees are not even maintaining independent websites. Portals currently maintained by the Department of Energy, Government of Rajasthan for distribution utilities are extremely difficult to traverse. Poor site map, infrequently updated databases, and data authenticity are key challenges that limit the access to information for consumers and consumer organisations.

Further, the implementation of the Right to Information (RTI) Act also remains a concern as information is often denied on a frivolous basis, or else no response is provided to first application requests.⁹

Centralisation: Geographically, Rajasthan is the largest state of India. Despite this, power sector governance in the state is completely centralised to the city of Jaipur. Along with the Department of Energy, the office of RERC, the office of Electricity Ombudsman, and public sector electricity utilities are solely situated in Jaipur without any satellite offices. The only exception to this is the distribution licensees headquartered in Ajmer and Jodhpur, i.e. AVVNL and JdVVNL, respectively. Further, no efforts are made to provide access to online platforms that may enable consumers and consumer organisations to access remote access.

Centralisation of governance institutions discourages consumers and CSOs outside Jaipur from actively engaging in regulatory affairs and other key matters. This is evident from a significant difference in the filing of cases in the office of Electricity Ombudsman between the distribution regions of AVVNL, JVNL, and JdVVNL (Figure 6).

Figure 6: Respondent Discoms for appeals filed with Electricity Ombudsman (Rajasthan) since inception until October 2018



Source: Author's Analysis

Monetary Barriers: Consumer advocates and CSOs often take up public interest issues without monetary incentives. Such engagement is rarely recognised by governance institutions, while independent advocates and consumer organisations bear costs out of their own pockets. High application fees (Table 1) and associated costs for filing petitions serve as prohibitive measures, especially for small not-for-profit organisations.

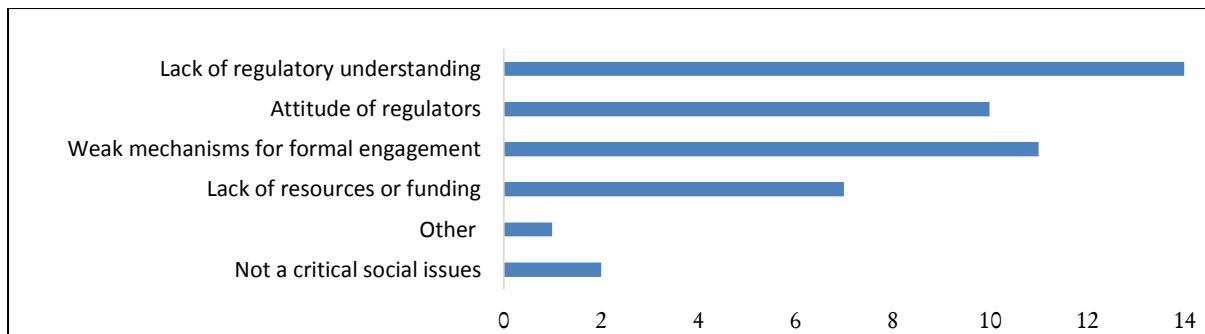
Table 1: Fee for Filing Petitions with Rajasthan Electricity Regulatory Commission

Fee for filing petitions with Rajasthan¹⁰ Electricity Regulatory Commission	
Petition or application or Review petition or Interlocutory Application by Institution/Organisation/Company (Limited, Private Limited, Partnership, Proprietorship)	INR 10,000
Petition or application or Review petition or Interlocutory Application by Individual Consumer	INR 1,000

Source: Rajasthan Electricity Regulatory Commission (Fee) Regulations, 2018

Capacity Building of Civil Society: Constructive civic engagement in power sector decision-making demands expertise in technical, financial, environmental, and regulatory subjects. This serves as a major barrier to civil society participation. It was also reflected in a survey of 14 CSOs working in various districts in Rajasthan (Figure 7).

Figure 7: Key Barriers to Active Participation of Consumers and CSOs
(No. represent participants)



Source: Author's Analysis

Policy Recommendations and the Way Forward

Improving civil society participation for better governance in the power sector is a low hanging fruit. Basic measures to address the barriers to better participation shall also improve consumer awareness, trust in distribution utilities, and confidence in power sector governance institutions. Some measures are suggested below to address the barriers to consumer participation.

Access to Information

- Mandate all electricity utilities (public and private) to provide access to information to consumers through appropriate user-friendly digital platforms (websites, applications, etc.).
- Mandate public data to be updated regularly in standard formats. This shall include data regarding applications, forms, grievance redressal, performance metrics, and other data sets as mandated by various regulations and policies.
- Wherever applicable, compliance to Statistics and Return Standards¹¹ notified by Central Electricity Authority (CEA) shall be ensured.
- Notify dedicated 'information officers' at all physical offices of distribution utilities.
- Provide online platforms to submit a request for information and filing of RTI applications.
- Ensure response to RTI applications in stipulated time frames as mandated by the Right to Information Act, 2005.¹²

Access to Governance Institutions

- Notify satellite offices for the Office of Electricity Ombudsman and RERC, with full functionality for filing petitions, appeals, participation in hearings, etc.
- Mandate all documents (regulations, policies, etc.) to be made available in vernacular languages

Active Consultation and Consumer Representation

- RERC and/or Department of Energy, Government of Rajasthan may constitute 'Special Task Force (STF)' at Division and Sub-division level to periodically monitor distribution performance licensee and consumer satisfaction and execute strategic initiatives for the same. STF shall include representatives from civil society and appropriate Discom officials, while the former may chair the Task Force.
- Electricity utilities and governance institutions shall periodically engage civil society to dialogue on critical issues and disseminate information regarding performance, challenges, and key trends (industry, technology, regulations) in the sector.
- Similar to the initiative of the Telecom Regulatory Authority of India (TRAI)¹³ RERC and the Department of Energy, the Government of Rajasthan may institute a State-level Civil Society Forum to discuss, debate, and present their consumer interests issues.¹⁴ The forum shall be voluntary, and its membership shall be subject to renewal every three years based on performance parameters, such as participation and quality of inputs. The forum shall ensure representations across different regions, communities, interests, and domains. The RERC Chairman shall chair the forum. Civil society representation to State Advisory Council and Grievance Redressal Forums, which shall be made mandatory, may also be elected via the forum, ensuing a democratic process for civil society participation.
- The proposed Civil Society Forum may be allotted an annual budget that shall be used for objectives such as encouraging participation from under-represented areas and capacity building. Additionally, the forum may also initiate and coordinate research initiatives in line with its objectives with the fiscal and administrative support of RERC. RERC may engage independent consultants or agencies for the same. In case such a consultant or agency is a member of the forum, permission shall be sought from the forum through democratic voting.
- The Civil Society Forum may also be mandated to represent the consumers' interest during a regulatory proceeding under Section 94(3) of the Electricity Act 2003.

Other Interventions

- While avoiding frivolous petitions is necessary, genuine cases should not be discouraged. Hence, it is suggested that based on merit, RERC may forego the fee for filing petitions. It may also extend additional support to independent consumer advocates or CSOs by providing compensation on a pro-rata basis when petitions are filed in the public interest. For this purpose, financial assistance could be sought from the Department of Consumer Affairs through their Consumer Welfare Fund.¹⁵
- RERC, Office of Electricity Ombudsman, and electricity utilities may be mandated to conduct periodic training and capacity building workshops with CSOs or independent consumer advocates on relevant subjects. A nominal fee may be charged for the same.

References

- 1 CUTS International, "Consumer Participation and Protection in Electricity Regulation A Study of Five States in India." 2015 <https://cuts-ccier.org/consumer-participation-in-electricity-sector-regulation/>
- 2 <https://ngodarpan.gov.in/index.php/home/statewise>.
- 3 System Average Interruption Duration Index
- 4 System Average Interruption Frequency Index
- 5 Raj, A. & Mishra, A. "Status of Electricity Services in Netaval Garh Pachhli Village, Chittorgarh district, Rajasthan," 2020. BASK Research Foundation and CUTS International <https://cuts-ccier.org/pdf/status-of-electricity-services-key-insights-from-netaval-garh-pachhli-feeder-chittorgarh.pdf>
- 6 Grover, S. & Narula, V. "Delivery of Services to Electricity Consumers and Consumer Satisfaction: Key Insights from Bhagora Feeder Survey," 2020. BASK Research Foundation and CUTS International <https://cuts-ccier.org/pdf/report-key-insights-from-bhagora-feeder-dholpur.pdf>
- 7 https://energy.rajasthan.gov.in/content/raj/energy-department/en/departments/jodhpurvn/ConsumerCorner/Ease_of_Doing_Business/SAIFI-SAIDI.html#
- 8 <https://cuts-ccier.org/capacity-building-of-electricity-consumers-in-rajasthan-cbec/>
- 9 Out of 20 RTIs filed with public distribution licensees in Rajasthan by Bask Research and CUTS International between November 2019 and September 2020, only five have received appropriate information while others have not received any response despite crossing the stipulated timeframe.
- 10 Schedule of Fee Structure, *Rajasthan Electricity Regulatory Commission (Fee) Regulations*, 2018. Page 3-5
- 11 Annexure-II, *Central Electricity Authority (Furnishing of Statistics, Returns, and Information) Regulations*, 2007.
- 12 Section 7 (1). *Right to Information Act*, 2005.
- 13 Telecom Regulatory Authority of India, Registration of Consumer Organisations Regulations (2013) <https://trai.gov.in/sites/default/files/201302210758166133991Regulation%20-%201%20of%202013%20-%20English1.pdf>
- 14 The TRAI set the precedence for formal civil society consultations to protect consumer interests when it notified 'Registration of Consumer Organisation Regulation, 2013' to constitute a Consumer Action Group.
- 15 Rule 97 (Consumer Welfare Fund) of the Central Goods and Service Tax (CGST) Rules, 2017. <https://consumeraffairs.nic.in/sites/default/files/file-uploads/the-consumer-welfare-fund-rule/Rule%2097%20%28Consumer%20Welfare%20Fund%29%20of%20the%20CGST%20Rules.pdf>

This Policy Brief has been published as a part of CUTS project entitled, 'Capacity Building of Electricity Consumers in Rajasthan' undertaken with the support of the Shakti Sustainable Energy Foundation and in partnership with Bask Research Foundation.

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