

POLICY BRIEF

POWER SECTOR TRANSFORMATION

Enabling Civil Society Participation for Inclusive Reforms

November 2020



CENTRE FOR ENERGY, ENVIRONMENT & PEOPLE

Electricity supply is an essential public service that impacts living comfort, productivity, livelihood opportunities, and access to critical services, such as healthcare. The need for effective consumer participation in the electricity sector arises from the fact that, while electricity is a critical public service, the performance and the efficiency of distribution companies are intricately linked to their relationship with consumers. In Indian society, where electricity supply is inherently a subject of complex political economy, civil society's role in 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 suboptimal across India, varying significantly across states and consumer categories¹.

This Policy Brief explores key barriers to civil society engagement in Rajasthan's power sector decision-making and suggests policy measures to enhance their participation.

Civil Society in Rajasthan

Rajasthan is a diverse state with varying geographical terrains, climatic zones and demographics. It has a significant presence of tribal and marginal communities, which unveils a challenging canvas for governance and inclusion. In this critical social-geographical landscape, development institutions have played a pivotal role in ensuring access to education, healthcare, and other critical services for last-mile communities. As per NITI Aayog's portal 'NGO Darpan,' 3,758 NGOs are registered in Rajasthan, working on various social, economic and political issues.² Still, ensuring inclusivity and equitable access to electricity supply and services remains a major challenge in electricity governance across Rajasthan. For example, a consumer survey conducted by Centre for Energy, Environment & People (CEEP) and CUTS International across the state's four districts suggests that consumers' awareness about their rights and responsibilities is low, and their trust in the distribution licensee is also poor (Figure 1).

The poor techno-commercial performance of public distribution companies in Rajasthan further reflects the quality of electricity supply services for the majority of consumers. Issues, such as anomalies in billing and metering (Figure 2), electricity-related accidents, an extremely poor grievance redressal ecosystem, and cases of consumer harassment by vigilance committees are quite common. Inter-regional disparity in the quality of electricity is clearly indicated in the SAIDI³ and SAIFI⁴ data of AVVNL, JVVNL and JdVVNL – the three public distribution companies in Rajasthan (Figures 3 and 4).

Grassroots organisations are well-positioned to bridge the gap between consumers and electricity distribution companies. Deeply embedded in local contexts, they are 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.

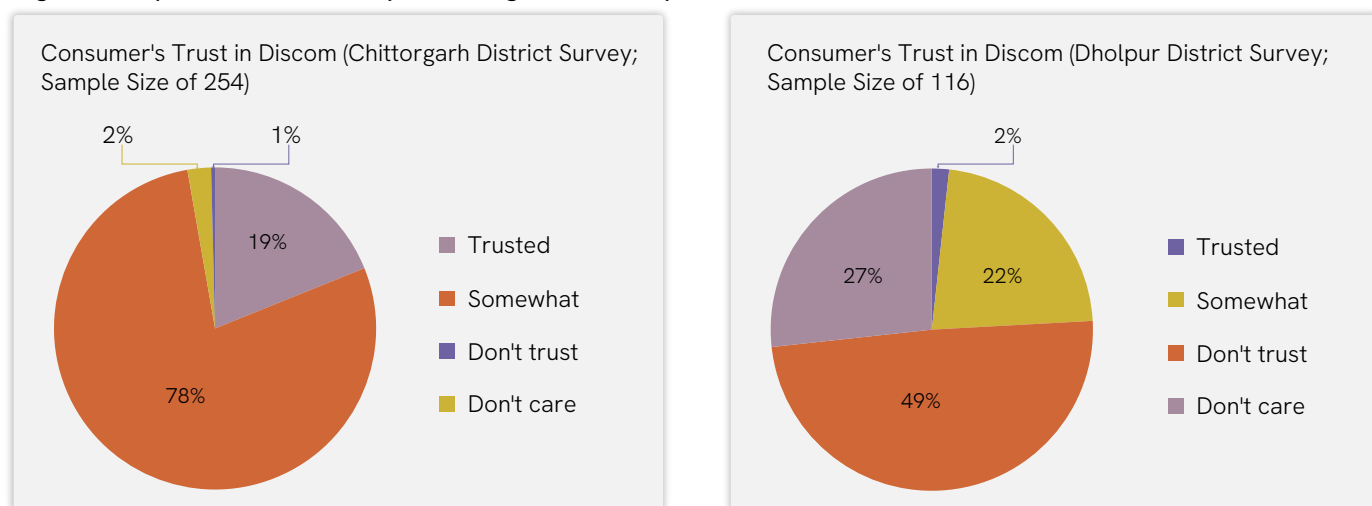
¹ CUTS International, "Consumer Participation and Protection in Electricity Regulation A Study of Five States in India." 2015 <https://cuts-ccier.org/consumer-participation-in-electricity-sector-regulation/>

² <https://ngodarpan.gov.in/index.php/home/statewise>

³ System Average Interruption Duration Index

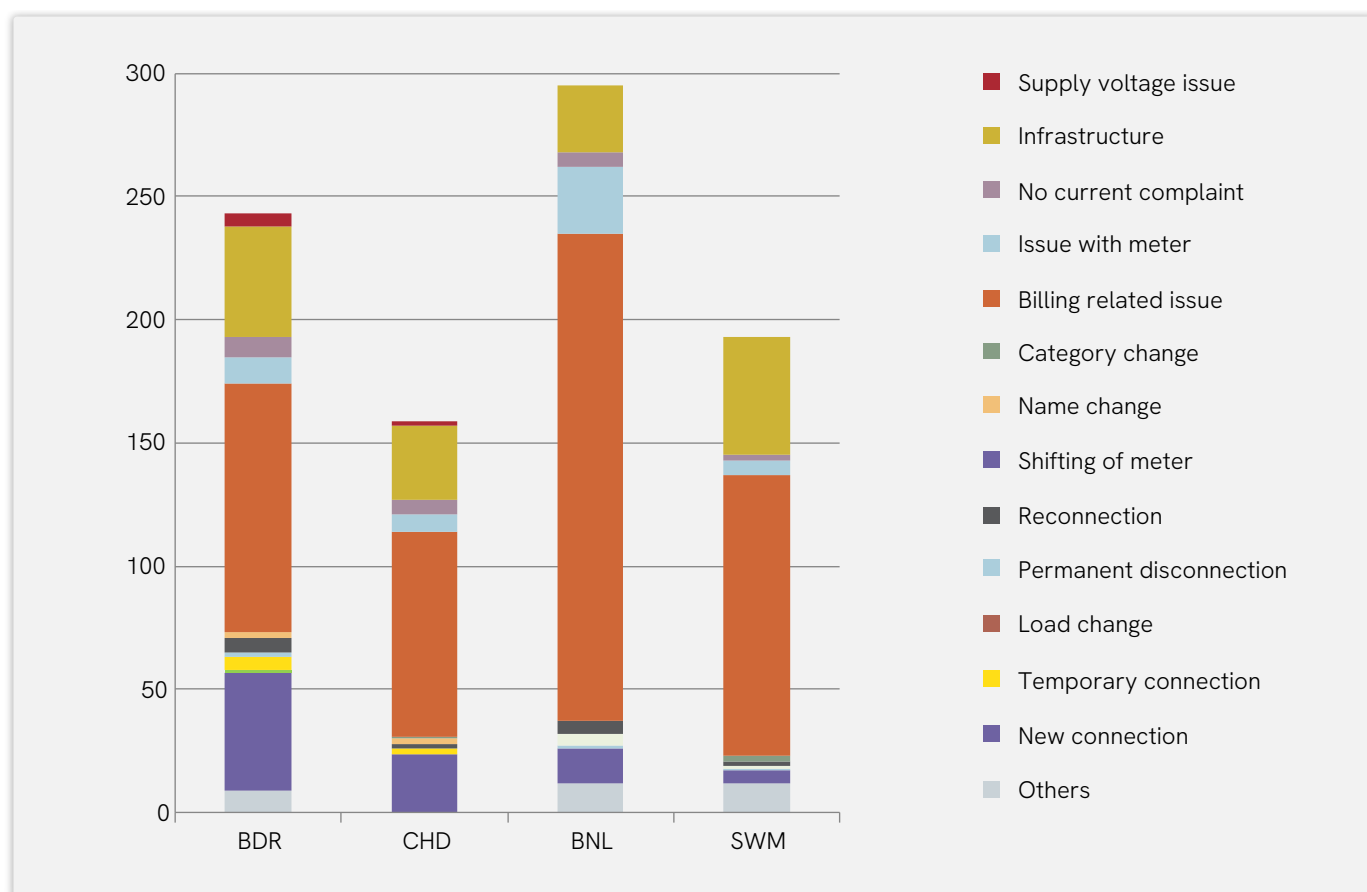
⁴ System Average Interruption Frequency Index

Figure 1: Snapshot of feeder survey in Chittorgarh⁵ and Dholpur⁶ districts



Source: Authors' analysis

Figure 2: Analysis of complaints received at the consumer assistance cell in Bhadesar (BDR), Chittorgarh (CHD), Bonli (BNL), and Sawai Madhopur (SWM) blocks of Rajasthan

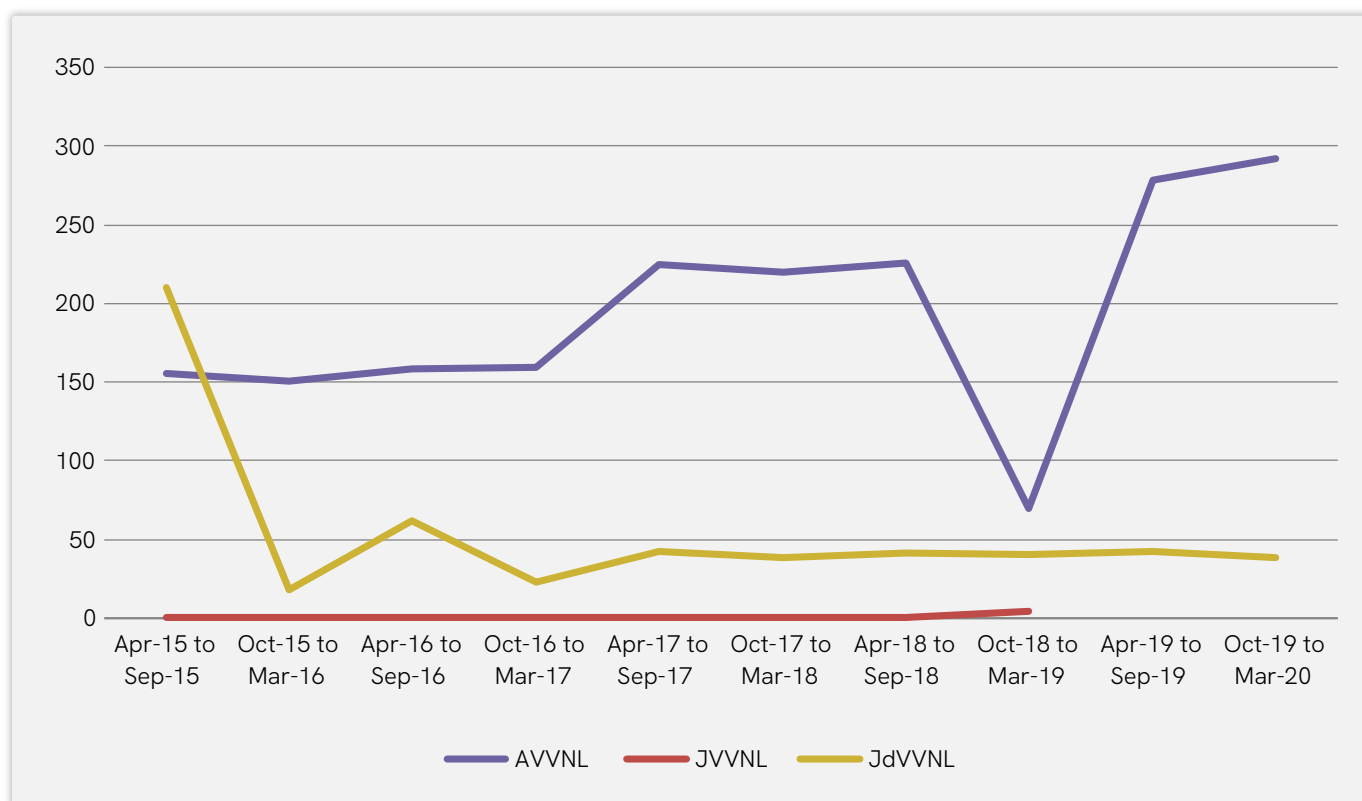


Source: Authors' analysis

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>

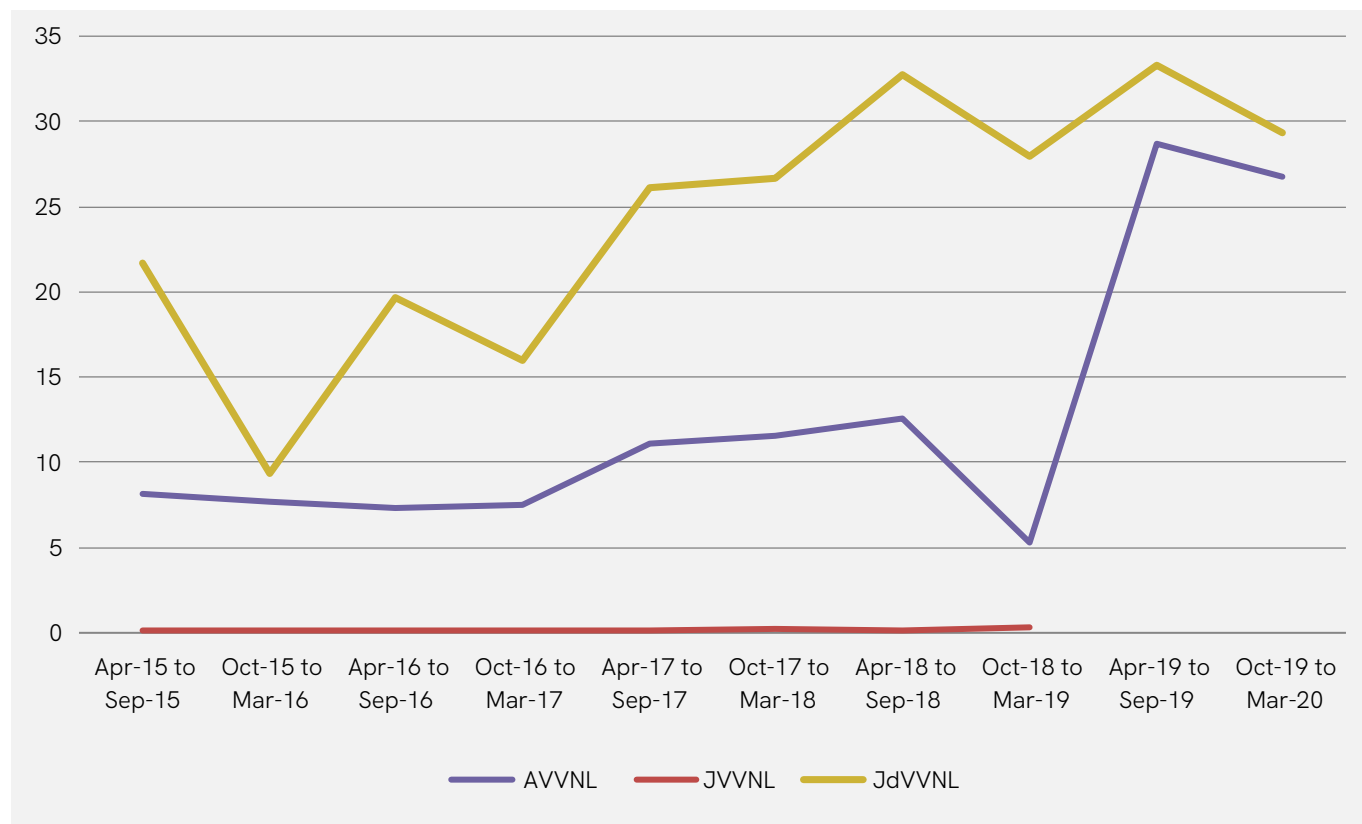
⁶ Grover, S. & Narula, V. "Delivery of Services to Electricity Consumers and Consumer Satisfaction: Key Insights from Bhagora Feeder Survey," 2020. BASK Research Foundation and CUTS International <https://cuts-ccier.org/pdf/report-key-insights-from-bhagora-feeder-dholpur.pdf>

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)



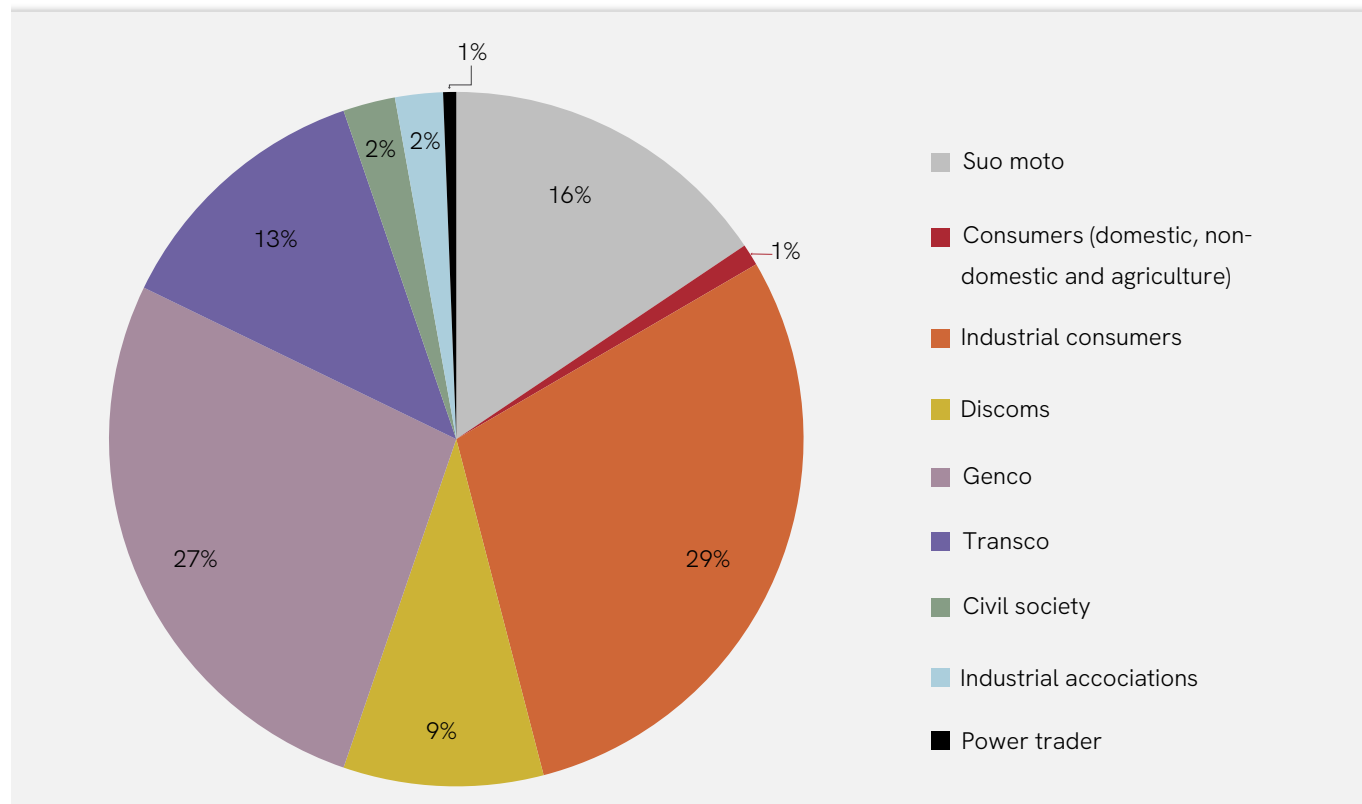
Source: Rajasthan Energy Department

⁷ https://energy.rajabsthan.gov.in/content/raj/energy-department/en/departments/jodhpurvnl/ConsumerCorner/Ease_of_Doing_Business/SAIFI-SAIDI.html#

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 with the Rajasthan Electricity Regulatory Commission (RERC) on varied subjects, such as electrical safety, compliance with Standards of Performance, tariff orders, and other regulatory matters. CSOs play a constructive role within the power sector through participatory governance as they provide rare channels for evaluating the last-mile performance of distribution licensees. They also facilitate 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: Authors' 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 limitations in technical capacity.⁸ To unlock the full potential of participatory governance in Rajasthan's power sector, a conscious effort is needed by key governance institutions to address the following issues.

i. Access to Information

For civil society to actively engage in power sector governance, access to information regarding the 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 access to information for consumers and consumer organisations.

⁸ <https://cuts-ccier.org/capacity-building-of-electricity-consumers-in-rajasthan-cbec/>

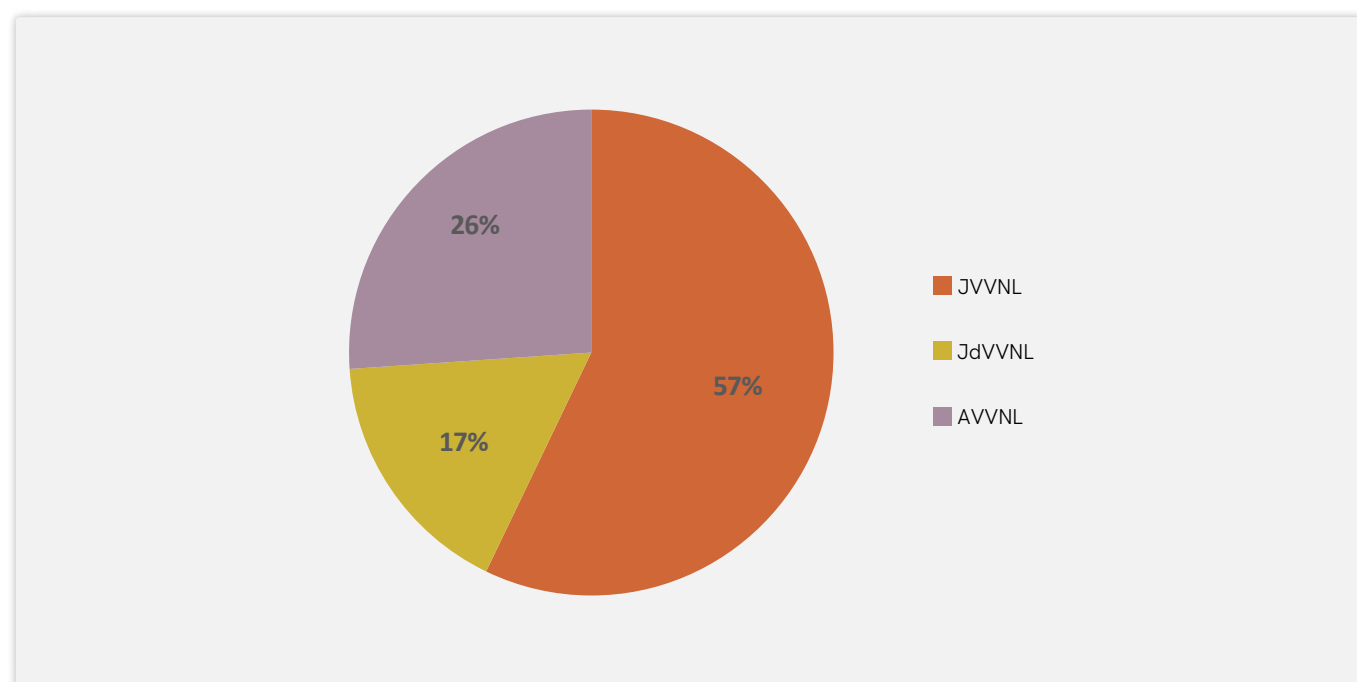
Further, the implementation of the Right to Information (RTI) Act also remains a concern as information is often denied on a frivolous basis, or else no response is provided to first application requests.⁹

ii. Centralisation

Geographically, Rajasthan is the largest state of India. Despite this, power sector governance in the state is completely centralised in 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, JVVNL, and JdVVNL (Figure 6).

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



Source: Authors' analysis

iii. 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.

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.

Table 1: Fee for filing petitions with Rajasthan Electricity Regulatory Commission (RERC)

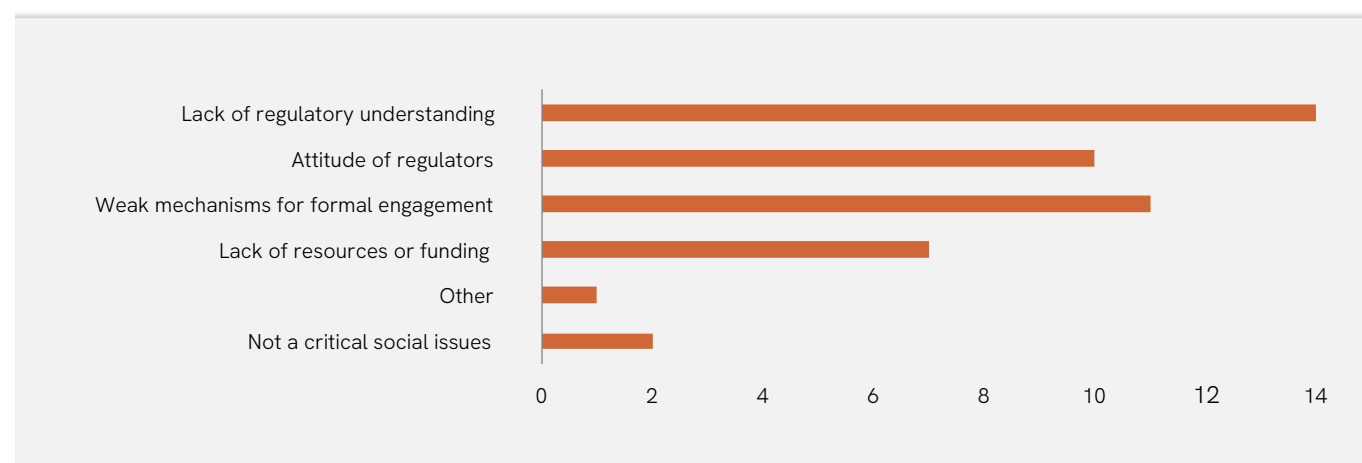
Fee for filing petitions with Rajasthan Electricity Regulatory Commission ¹⁰	
Petition or application or Review petition or Interlocutory Application by Institution-Organisation/Company (Limited, Private Limited, Partnership, Proprietorship)	INR 10,000
Petition or application or Review petition or Interlocutory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

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

iv. 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. represents participants)



Source: Authors' 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.

i. 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 with Statistics and Return Standards¹¹ notified by the Central Electricity Authority (CEA) shall be ensured.
- Notify dedicated 'information officers' at all physical offices of distribution utilities.

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*.

- 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

ii. 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.

iii. Active Consultation and Consumer Representation

- RERC and/or Department of Energy, Government of Rajasthan may constitute 'Special Task Force (STF)' at the 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 interest 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 the State Advisory Council and Grievance Redressal Forums, which shall be made mandatory, may also be elected via the forum, ensuring 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 underrepresented 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' interests during a regulatory proceeding under Section 94(3) of the Electricity Act 2003.

iv. 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 its 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.

¹² Section 7 (1). *Right to Information Act*, 2005.

¹³ Telecom Regulatory Authority of India, Registration of Consumer Organisations Regulations (2013) <https://traai.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>