

## Energy democracy needs more than laws

### What is the issue?

To ensure equitable access to energy and for consumer empowerment, reforms are required beyond the electricity laws.

### What is the problem in power utilities?

- The process of harnessing, transmitting and distributing energy has multi-layered inefficiencies that add to the landed cost of energy to the consumer.
- These inefficiencies prevent equitable access to energy despite having Electricity (Rights of Consumers) Rules issued by the Power Ministry.
- But the process of **Energy Democracy** and consumer empowerment needs more than legislation.

### What is Energy Democracy?

- It is about allowing the possibilities of making choices and ensuring efficiency and empowerment of communities and consumers.
- It also requires distributed energy resources, reliable smart grids, robust utilities, efficient power markets and enabling regulations.

### What are the factors in the energy democracy?

- **Distributed energy resources (DERs):** While large grids and concentrated high-capacity generation units are ingredients of energy security for the country, energy democracy needs focus on DERs.
- The distributed energy resources are the small-scale power generation sources located close to where electricity is used, supplement or replace the need of large grid.
- They provide higher energy efficiency at much lower per capita grid cost and empower communities to operate locally and they make less than 1 per cent of the country's generation capacity.
- DERs are not only harbinger of equitable and inclusive source of energy access, but also are entrepreneurial in nature, generating livelihood and self-reliance for the communities.
- **Grid discipline** and **grid resilience** are the other key enablers of energy

democracy.

- Also **Solar roof top** ensures distributed and local generation and enable the consumers to produce and infuse in the grid the excess power as prosumers.

### **What are the other areas of focus?**

- The energy systems of the future will be highly decentralised, decarbonised, democratised and flexible.
- So the **Consumer Rights** can be one of the key pillars in democratising energy.
- Hence the rights of consumers and obligations of distribution licensees, easy release of new connections and modifying the existing , metering arrangements, billing needs to be prioritised.
- The recent Consumer Rights regulation recognises that the consumer is a prosumer and provides for regulations to promote decentralised generation of renewable energy, EVs, battery storage etc.

### **What are the other issues in power utilities?**

- India's power utilities have been facing systemic efficiency issues over last many years now.
- These continued inefficiencies have resulted in soaring debt which impacts the health of other parts of power value chain and contributed to an monopolistic energy distribution markets in the country.
- To address this, smart pre-paid meters based on Build, Own, Operate and Transfer model can be installed paving way for consumer empowerment and building efficient utilities.
- Moreover the power markets needs to be more equitable in providing opportunity to consumers since buyers has more power to influence the transactional interface between utilities and consumers.

### **What can we infer from this?**

- The success of democratised energy systems will require convergence of technological innovations, conducive policy reforms and a shift in consumption patterns and behaviour.
- It is essential to continue investing in technology to reduce costs, minimise carbon footprint and to build efficient utilities.
- Also strong policy and regulatory push is required in states to improve the quality of services and to incentivise consumers.

**Source: Business Line**

