# Addressing the Shortcomings in Compensating Policy

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## What is the issue?

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- Delhi government has laid down a policy to provide compensation for power cuts.
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- The policy has few practical shortcomings which need to be addressed with respective reforms.
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## What is the compensation policy about?

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- The policy of compensating consumers for power cut is based on the provisions of the Electricity Act, 2003.
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- It mandates the discoms to pay Rs.50 for power cuts lasting more than 2 hours and the service providers to pay Rs.100 for each hour following the initial 2 hours of blackout.
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- The policy also enables consumers to complain with the Delhi Electricity Regulatory Commission (DERC) in case they are not paid the due commission by the discoms.
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- The amount of compensation in such cases will be Rs 5,000 or five times the compensation payable, whichever is higher.
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## What are few shortcomings in this policy?

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- The policy has lack of clear definition of terms such as blackout, unscheduled power cut, and there is no proper mechanism to monitor real-time data on electricity supply.
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- Defects in power infrastructure, human error, and Grid interruptions which affect power supply are major concerns while implementing this policy.
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- There is no clear information from the regulator on how power disruption due to vagaries of nature will be handled.
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## What measures are needed in this regard?

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- The regulator has to clarify the different terminologies being used while reporting power cuts.
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- Digital setup to monitor real time data on supply of electricity has to be set up.
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- Clarification on compensation of power cuts during heavy rainfall or disruptions due to improper infrastructure has to be made.
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- Information regarding power cuts has to be communicated to the consumer as quick as possible, with the possible cause of the blackout.
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### Source: The Indian Express

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