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 gird 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

