NITI Aayog's Climate Index

What is the issue?

The weights attached to the six parameters of the index have skewed the rankings of States and need to be reworked.

What is SECI?

- **Objective**- State Energy and Climate Index (SECI) is released by Niti Aayog to encourage healthy competition among states on different dimensions of the energy and climate sector.
- **Parameters**- The State performance is evaluated on the basis of 27 key performing indicators covered under 6 broad parameters.
    - Discom performance
    - Access, affordability and reliability
    - Clean energy initiatives
    - Energy efficiency
    - Environmental sustainability
    - New initiatives
- **Ranking**- SECI (Round I) ranks the States' performance on these parameters and based on the composite SECI Round I score, the States and UTs are categorised into Front Runners, Achievers, and Aspirants.
- The country-level scores of each parameter are calculated as an average of the State-wise score for their respective parameters.
- The overall score for India works out to be 40.6.
- **Larger states**- Gujarat, Kerala and Punjab are the top three performers, while the bottom three performers are Jharkhand, Madhya Pradesh and Chhattisgarh.
- **Smaller states**- Goa, Tripura, and Manipur are the top performers, while Meghalaya, Nagaland and Arunachal Pradesh are the bottom three states.
- **Union Territories**- Chandigarh, Delhi, and Dadra and Nagar Haveli and Daman and Diu are the top performers, whereas Andaman and Nicobar, Jammu and Kashmir, and Lakshadweep are the bottom three performers.

What are the lacunae in the index?

- **Conflict between SECI's current design and core philosophy**- Among the different parameters, Discoms performance is assigned a disproportionate weight (40%) compared to the other efforts made by States and UTs.
- As a result, Gujarat tops the overall score among large States in SECI Round I list but it is not even among the top six for four out of six parameters.
- It is imperative that the construction of the index is based on an objective rationale rather than motivated by subjective and extraneous considerations.
- **Revising the weights-** There is an urgent need to rethink and revise the weights assigned to

other parameters critical to reforming the current energy value chain.

- The adoption of smart meters is the solution for reducing AT&C losses and for better targeting DBT schemes for reducing deadweight losses of Discoms.
- **Status quoist approach in energy management-** States have exhibited low inertia in transitioning towards such futuristic Clean Power Purchase Agreements (PPAs).
- Including indicators such as the State's progress in implementing clean PPAs' and their efforts to develop a battery ecosystem can nudge States to adopt them and help drive policy certainty.
- **Non-progressive nature**- SECI is not progressive and fair to States' making real contributions to the net-zero emissions goal.
- The building sector consumes approximately 38% of India's total annual primary energy demand but states that are forefront in implementing the Energy Conservation and Building Code 2017, do not even figure in the top 10 of the SECI list.
- **No consideration of "Just Transition"-** SECI rankings indicate, that coal-rich States are the worst performers but international experience suggests that implementing Just Transition policies require long-term planning, implementation and engagement.

References

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