Unified Ministry for Energy Sector

What is the issue?

A single unified ministry for the energy sector is necessary to ensure energy security, sustainability and accessibility.

How is the energy sector currently managed?

- Five different ministries along with a multitude of regulators govern India's energy sector.
- Petroleum and natural gas, coal, renewable energy and nuclear energy have separate ministries or departments.
- There is the Ministry of Power, along with State-level bodies that regulate electricity distribution companies (DISCOMS).
- Moreover, there are different regulators for each type of fuel and energy source.
- This makes it cumbersome for businesses operating in the energy sector.
- Further, the petroleum and natural gas sector has two regulators:
    i. Directorate General of Hydrocarbons for upstream activities
    ii. Petroleum and Natural Gas Regulatory Board for downstream activities

What are the constraints in data management?

- No single agency collects energy data in a wholesome and integrated manner.
- Data pertaining to consumption are barely available.
- There are also shortcomings in the supply side data collected by agencies of respective ministries.
- The Ministry of Statistics and Programme Implementation collates data available from various ministries.
- It also conducts surveys at sporadic intervals.

How is the governance model?

- On the energy efficiency front, the Bureau of Energy Efficiency is the sole statutory authority.
- Its mandate is to regulate energy efficiency on the consumption side.
- There is no agency or body for the same purpose on the supply side.
- This stands in stark contrast to most other nations with their varied energy

governance models.
- Developed countries such as the U.S., U.K., Germany, and France have their energy sectors administered by a single ministry or department.
- There are also instances where the energy ministry is in conjunction with other portfolios such as environment, climate change, mines and industry.
- E.g., the U.K. - “Department for Business, Energy & Industrial Strategy”, France - the “Ministry of the Environment, Energy and Marine Affairs”

How will a unified ministry help?

- A single unified ministry of energy would help India to have an integrated outlook on energy.
- This would enable India optimise the limited resources to meet the goals of energy security, sustainability and accessibility.
- A single energy ministry would also allow for a quicker policy response.

What are the recommendations in place?

- The Kelkar Committee has highlighted the issue in its report “Roadmap for Reduction in Import Dependency in the Hydrocarbon Sector by 2030” (2013).
- It says that presence of multiple ministries and agencies present challenges of coordination and optimal resource utilization.
- These drawbacks undermine the efforts to increase energy security in India.
- In the Draft National Energy Policy (NEP), the NITI Aayog has advocated that a Unified Ministry of Energy be created.
- This is suggested by merging the Ministries of Petroleum and Natural Gas (MoPNG), Coal (MoC), New and Renewable Energy (MNRE) and Power (MoP).
- The Department of Atomic Energy (DAE) has been left out as it has implications beyond the scope of energy, involving national security issues.
- The proposed ministry would have 6 agencies under it to handle various aspects of the energy sector.
- These are the agencies of Energy Regulatory, Energy Data, Energy Efficiency, Energy Planning and Technical agency, Energy Schemes Implementation and Energy R&D.

What are the measures taken?

- The present government has already taken some steps towards unifying the governance structure of the energy sector.
- It has appointed a single minister for both MNRE and MoP.
- Having the same person heading both of these ministries will help resolve issues such as power balancing and transmission infrastructure planning.

- The debated issue of non-payment of dues by DISCOMS to the generators might also be resolved with such synergy in administration.

What is the way ahead?

- There has to be a quick and holistic decision-making mechanism as well as a level playing field for various fuels.
- A unified Ministry of Energy will go a long way in ensuring this.
- This will enable India to keep up with the global energy transition as well as continue to be a leader in adopting cleaner energy sources.

Source: The Hindu

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