

## Stakeholder Consultation on ‘Urban Peri-Urban Energy Access’

11<sup>th</sup> April, 2012, 10:30 AM to 12:30 PM

Video Conference Room, 5<sup>th</sup> Floor, Darbari Seth Block, India Habitat Centre, Lodhi Road,  
New Delhi - 110003

Stakeholder consultation on ‘Urban Peri-Urban Energy Access’ was held at TERI, New Delhi on 11<sup>th</sup> April, 2012 from 10:30 AM to 12:30 PM. This was the second in the series of ‘Policy Panel Dialogues’ organized under the thematic study of Urban Peri-Urban Energy Access (UPEA) being carried out by TERI with support from GNESD (Global Network on Energy for Sustainable Development)<sup>1</sup>.



The aim of the dialogue was to bring together key stakeholders associated with energy access issues in the study area i.e. New Delhi, provide a brief on the efforts being undertaken through the UPEA study to address these issues and to discuss TERI’s recommendations to address energy access barriers for urban poor. The dialogue was an effort to bring on board key stakeholders through discussion and consultation and solicit their views on the recommendations made to address the barriers to energy access.

The dialogue was attended by representatives of electricity and LPG supply agencies in New Delhi, external sectoral experts, experts from TERI, and members of the study team.

The dialogue was initiated by **Ms Mili Majumdar, Director**, Sustainable Habitat Division, TERI. Ms Majumdar welcomed the participants and introduced them to the objective of the study and the policy dialogue.

TERI presented the identified barriers to energy access for urban poor in Delhi and the potential solutions to these barriers. TERI invited suggestions of the stakeholders on the proposed solutions so as to identify a package of measures that are acceptable by the policy makers and practitioners. Discussions were moderated by **Dr P K Agarwal**, Director, HR, TERI.



### Key highlights of the opinions of stakeholders:

**Mr Arup Ghosh, Chief Technical Officer, TATA Power Delhi Distribution Limited (Electricity supply agency for North Delhi)**

- With respect to the issue of lack of access to clean energy for urban poor, urban poor should pay for realistic cost of energy.

<sup>1</sup> GNESD is a UNEP facilitated network

- There is a need to provide focused and direct subsidy to the poor consumers. Due to inequality of markets, the subsidies are generally mis-targeted. Targeted subsidies along with social reforms (against wastage of electricity) should be provided to the urban poor to alleviate them from energy poverty.
- The existing bi-monthly billing cycle, if reduced to monthly, or even fortnightly, would allow for fewer defaults by making payment of bills affordable.
- There is misconception that energy services are unaffordable for urban poor. As per a survey conducted by TPDDL, average male slum dwellers spend much more money in buying intoxicants but are unwilling to pay electricity bills. Social reforms are needed parallel to address energy access issues.
- On TERI's recommendation to use pre-paid cards, Mr Ghosh highlighted the problems related to installation of vending machines, mechanisms for recharge of the cards, etc.
- TPDDL caters to about 100,000 slum dwellers in North Delhi, with no load shedding record and 96% collection efficiency. He suggested that this could be taken up as a case study by TERI to document various measures taken by NDPL for this segment of society.
- He also suggested making collection of bills easy/flexible considering long working hours in case of urban poor community.

#### **Mr Ramesh Narayanan, Chief Executive Officer, BSES Yamuna Power Limited**

- Mr Narayanan highlighted the challenges faced in service delivery to urban poor. He narrated the bad experience of BSES with one of its model where a local agent was appointed to provide electricity connection to the slums. The arrangement did not work because the appointed agent started exploiting the situation.
- The procedure to get a connection should be made easier.
- The Indian Electricity Act of 1956 is a dated Act and it needs to be changed to ease the supplying agency to provide for connections to all categories of consumers. For example, the Act stipulates some safety-related clearance criteria for provision of electricity, which the slum settlements can never meet. However, with improvement in technology, safety can be ensured even without meeting the clearance criteria and electricity connections can be provided.
- Voter's ID and documents like an affidavit from a local ward councillor, etc. should be recognized as address proofs for getting electricity connection.
- On the question of a separate category for slum consumers, Mr Narayanan suggested that instead of categories of consumers based on income, categories of electricity connections should be based on the usage of electricity, for example pumping, lighting, heating and cooling, traction and driving. Also, a separate category may not be acceptable to the consumers.
- Billing and collection - BSES' approach: BSES appoints housewives/women without jobs for this purpose. An amount of Rs 3 per bill distributed is given. This has proved to be a successful initiative because it helps women to earn while also giving them the flexibility to carry out the job.
- Incentives - BSES' approach: BSES provides an incentive (subsidy of Rs 1 per unit) to its consumers who do not consume beyond 200 units in peak season and beyond 150 units in off-peak season. Free health check-ups are provided in slums as incentives for paying bills.

- Mr Narayanan also opined that the slum dwellers do not essentially look for concessions but they look for convenience, ease of getting connections and receiving bills, ease of payment, etc. Affordability is not an issue with urban poor in Delhi.

**Mr Ramesh Kumar Jalan, Resource Person & Moderator, Climate Change Community, UNDP**

- On the issue of promoting use of energy efficient appliances like CFL bulbs, Mr Jalan opined that CFLs are costlier than conventional bulbs, hence not affordable to urban poor. Also, the environmental impacts of energy efficient appliances are not understood fully. According to a study conducted by UNDP, there are no standards that control the quality of such appliances in India.
- Mr. Jalan suggested that the study should not only look at electricity for lighting purpose, but should look at it as a means for providing opportunities for engaging in productive activities. The study could also look at issues of livelihood improvement.
- He also suggested that the study should look at peri-urban poor in much more detail as the issues faced by them are very different from the slum settlements within the urban areas.

**Mr K Ramanathan, Distinguished Fellow, TERI**

- Giving example of community involvement in states of Andhra Pradesh and Kerala, Mr Ramanathan opined that such measures could be very beneficial for working out billing logistics in slum settlements.

**Ms Mani Khurana, Energy Economist, South Asia Sustainable Development, The World Bank**

- Ms Khurana pointed out that it is important to educate slum dwellers through innovative initiatives like street plays, etc. She suggested that it is better to get in touch with the local leaders to initiate communications between the suppliers and the slum community in case it seems difficult to communicate individually.
- She also observed that it is important to provide legal and safe access to the urban poor.
- She stated that paying monthly bills is not an issue for the slum dwellers; rather it is the initial cost of connection. Quoting a case in Mumbai, she said that the connections were provided and one time connection charges were taken in instalments by including the pending amount in subsequent bills.
- On the issue of targeted subsidy, she opined that targeting becomes difficult in case of recurring subsidy.
- She observed that the study was intermingling energy efficiency and access issues and according to her these two should be dealt with separately. When access to energy is talked about one should first look at legal and safe connections. Energy efficiency measures should then follow.

**Mr. Manish Grover, Chief Area Manager, Delhi Area Office, Indian Oil (LPG supply agency)**

- While Mr. Grover agreed with TERI's suggestions to address barriers in provision of LPG to urban poor, he told that soon the universal subsidy will be removed from LPG. Mr. Grover opined that this is important in the transition phase as an immediate

step. He also told that the Government of India is in the process of taking initiatives to facilitate targeting the subsidies to the right user groups.

### **Concluding Remarks**

The dialogue was concluded by **Mr. P.K. Agarwal** , who told that the minutes of the meeting along with the recommendations made in the study would be circulated to all the participants for their further comments and suggestions. He also said that the study team would contact the participants for receiving details of the case studies mentioned during the meeting.

