

Stakeholder Consultation on ‘Urban Peri-Urban Energy Access’

12th September, 2011 3:00-5:00 PM

Video Conference Room, 5th 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 12th September, 2011 from 3:00 to 5:00 PM. This was the first in the series of ‘Policy Panel Dialogues’ to be organized under the thematic study of Urban Peri-Urban Energy Access (UPEA).

The aim of the dialogue was to bring together key stakeholders associated with energy access in the study area i.e. New Delhi, introduce the issue of clean energy access for the urban poor and provide a brief on the efforts being undertaken through the UPEA study to address these issues. The dialogue was an effort to bring on board key stakeholders through discussion and consultation and solicit their recommendations on influencing policies that enable clean energy access for the urban poor.

The dialogue was attended by representatives of electricity, liquefied petroleum gases (LPG), piped natural gas (PNG) supply agencies in New Delhi, sectoral experts from TERI, and members of the study team.



The dialogue was initiated by **Dr. Akanksha Chaurey** (theme coordinator for GNESD and Director, Decentralized Electricity Solutions at TERI). Dr. Chaurey welcomed the participants and proceeded for a round of introduction. She then gave an overview of activities related to decentralized solutions being undertaken by TERI. This was followed by a detailed presentation introducing Global Network on Energy for Sustainable Development (GNESD) in terms of its objectives, method of operation, funding agencies, network centers, and outreach.

Policy Panel Dialogue held at TERI,

TERI made a thematic presentation on ‘Enabling Clean Energy Access for the Urban Poor’. The presentation explored the issue of lack of clean sources of energy for lighting and cooking in developing countries and established links between poverty alleviation and energy access. It also introduced the UPEA study, key findings so far, in terms of existing situation of clean energy access in developing countries, barriers to clean energy access and best practice case studies that address the barriers in different parts of the developing world through policy and action initiatives.

With this background, views of the participants were invited in a discussion moderated by **Ms. Akshima Ghate** (Area Convenor, Centre for Research on Sustainable Urban Development and Transport Systems).

The following is a brief overview of the discussion:

Mr. Arup Ghosh, Chief Technical Officer, North Delhi Power Limited (Electricity supply agency for north Delhi)

With respect to the existing lack of access to clean energy for urban poor, Mr. Ghosh opined that it is a fact that there is migration from neighboring rural/peri-urban areas into the urban centers. Such population has very limited access to basic facilities including electricity and the local governments should strive to facilitate provision of basic needs including needs of clean energy for cooking and lighting.



Thematic Presentation by TERI



Discussions in Progress

The first requirement is creating the infrastructure for providing electricity to these predominantly unauthorized colonies and Jhuggi-Jhopri (JJ) areas. NDPL is investing in providing such infrastructure partly out of its own funds and partly through funds made available by the Government.

The second requirement, he said, was providing an electric service connection. The barriers are requirement of legal proof of residence and proof of identity. While such requirements are fine for general population, in his view these are bureaucratic barriers which need to be relooked for this special category of consumers. Special provision needs to be done if electricity is to be provided to urban poor.

The third requirement is to provide focused and direct subsidy to these poor consumers. That has to come from the Government and be channeled directly to the consumer and not put into a larger basket where it might be mis-utilised to inadvertently provide subsidy to consumers who are economically better off. He also observed that targeted subsidies along with social reforms (against wastage of electricity) should be provided in a friendly yet firm manner to the urban poor to alleviate them from energy poverty. The existing bi-monthly billing cycle, if reduced to monthly, or even fortnightly, the same would allow for fewer defaults by making payment of bills affordable.

He further elaborated on various initiatives taken by NDPL to provide affordable electricity to the slum dwellers in North Delhi. Those initiatives incorporate all of the aforementioned solutions. NDPL has tried to address an array of issues with respect to provision of electricity; starting from understanding the roadblocks that prevent urban poor from paying bills on time, elevating the overall socio-economic conditions by vocational training, to providing incentives like life insurance policy for those who do not commit default on electricity bill payment continuously for a year.

Thus, a holistic approach helped in developing trust amongst people and discipline in payment of bills. This resulted in increased collection efficiency from 35% in the year 2007 to the existing 96%.

He recommended making use of instruments like a unique identification number (UID) to better administer and monitor subsidies. He stressed on the role of NGOs and proactive approach of the supply agencies to enable effective implementation of various government policies and schemes formulated to enable clean energy access to the urban poor.

Discussions

All the participants agreed that NGOs have a crucial role to play in terms of building awareness and developing trust between the supply agencies and urban poor. The participants also discussed that the policy makers should encourage more supply agencies to undertake such efforts of social engineering by providing them with fiscal incentives like, tax benefits, and exemptions. The need for informational campaigns like Bureau of Energy Efficiency's (BEE) 'Bachat ke Sitare' (star rating system), especially to educate urban poor about efficient electricity consumption was also expressed by the participants.

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

Mr. Grover informed that Liquefied Petroleum Gases (LPG) has always been a subsidized fuel in India. Considering that Delhi is the largest LPG market in Asia, there would be a need to increase the bottling capacity of the supply agency to meet with the ever increasing demand in the near future.

He identified lack of proof of legal address and affordability as barriers to access to LPG for the urban poor. Elaborating on these he explained that the provision of UID may solve the problem of legal identity/address proof to a great extent. For addressing the issue of affordability, he informed about the government's plans to adopt a targeted approach for LPG in the near future by discontinuing subsidies to customers other than those identified as poor. The implementation of UID may greatly assist in implementation of this plan. He also expressed his consensus with the government's plan to provide a subsidy of Rs. 1400 directly to urban poor and slum dwellers having UID cards.

He also voiced his concerns regarding safety with respect to handling of LPG in urban poor households. The hot plate utilized for cooking is often placed on the ground level in these

households, this is not advisable because, LPG being heavier than air settles down and may cause an accident. He too stressed on the need for an information and communication campaign led by NGOs to educate urban poor households about safe practices to be followed while using LPG for cooking.

Discussions

Many suggestions to deal with the affordability barrier for LPG were provided by participants like, provision of small (5 kg) cylinders instead of the current (14.2 kg) cylinders. Also, linking the refill supply with ration card would ensure targeted subsidy.

It was also noted that, the fuel used by urban poor as a substitute to legal LPG is usually kerosene, firewood, packaging material, etc. High percentages of urban poor also depend on black market for their fuel requirements. All these substitutes eventually cost much more than LPG. It was also acknowledged that for an urban poor household, it is much easier to pay in piecemeal than to pay high one time lump sum costs. Thus, provision of small LPG cylinders was accepted by all as a pragmatic solution to address the issue of affordability of LPG.

Mr. Amandeep Singh, General Manager, Corporate Communication, Indraprastha Gas Limited (PNG supply agency)

According to Mr. Singh, providing piped gas connection to many locations, irrespective of the class/income group of people is a logistically a difficult task given the congested layout of housing colonies in Delhi. Further, provision of piped natural gas (PNG) in slums and squatter settlements wherein there is prevalence of 'kutcha'¹ or 'semi-pucca'² houses is rather challenging, as PNG requires construction of underground pipe lines and installation on the walls of the house.

Apart from the technical difficulty, provision of PNG has many cost components attached to it, like cost of, infrastructure, road restoration, etc. Stringent safety standards have to be maintained for these connections which are difficult to be followed in a 'kutcha' or a 'semi-pucca' type of housing.

He suggested that, if a community kitchen is provided for slum pockets, then supply agency could try providing PNG to the community kitchen premises.

Discussions

It was pointed out that, whereas, community kitchens have been successfully implemented at many places, there are social, cultural and attitudinal barriers that often hinder wider applicability of this practice.

¹ A house wherein the walls and/or roof are not made of traditional/pucca building material (burnt bricks, RCC, timber, G.I. sheets, asbestos cement sheets etc), but uses other materials like, un-burnt bricks, bamboos, mud, grass, reeds, thatch, loosely packed stones, etc.

² A house that has fixed walls made up of pucca material but roof is made up of the material other than those used for pucca house.

Participants observed that the current supply system (including acquisition of connection, provision of infrastructure, payment of bills, etc.) for electricity, LPG and PNG needs to undergo major transition if it is to cater to the urban poor population owing to legal and socio-economic constraints that they face.

Concluding Remarks

The dialogue was concluded by **Mr. P.K. Agarwal** (Director, Human Resources, TERI, New Delhi) who further stressed on the need for timely identification of barriers and efforts to address the same. He expressed his appreciation for the participants and explained that the significance of such a dialogue is to enable healthy exchange of thoughts and ideas. This is imperative to solve the multidimensional issue of access to clean energy for the urban poor. He also articulated that the dialogue shall act as a foundation for building a mutually beneficial relationship between various stakeholders trying to provide clean energy access to the urban poor.

Agenda



GNESD

GLOBAL NETWORK
ON ENERGY FOR
SUSTAINABLE
DEVELOPMENT

Facilitated by UNEP

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3:00 – 5:00 PM

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S.N.	Duration	Description
1.	3:00- 3:20 pm	Welcome and Opening Remarks by Dr. Akanksha Chaurey , Director, Decentralized Electricity Solutions, TERI, New Delhi
2.	3:20- 3:30 pm	Round of Introductions
3.	3:30- 3:45 pm	Thematic Presentation by The Energy and Resources Institute
4.	3:45- 4:30 pm	Discussions Moderated by Ms. Akshima Ghate , Area Convenor, Centre for Research on Sustainable Urban Development and Transport Systems, TERI, New Delhi
5.	4:30- 4:45 pm	Concluding Remarks by Mr. P.K. Agarwal , Director, Human Resources, TERI, New Delhi
6.	4:45 pm onwards	Tea

List of Invitees/Participants

S. N	Name	Designation Organization
1	Mr. Manish Grover	Chief Area Manager, Delhi Area Office Indian Oil
2	Mr. Arup Ghosh	Chief Technical Officer North Delhi Power Limited (NDPL)
3	Mr. Ashim Batra	Vice President, Marketing Indraprastha Gas Limited (IGL)
4	Mr. Amandeep Singh	General Manager, Corporate Communication Indraprastha Gas Limited (IGL)
5	Ms. ReevaSood*	Executive Director INDCARE Trust, New Delhi
6	Mr.Ashwini Kumar *	Chief Executive Officer Delhi Urban Shelter Improvement Board (DUSIB)
7	Mr. Ramesh Narayan*	Chief Executive Officer BSES Yamuna Power Limited
8	Dr. Khatibullah Sheikh*	Regional Co-ordinator Rajiv AwasYojana
9	Mr. AshishKhanna*	Senior Energy Specialist India Country Office, World Bank
10	Mr. SrinivasanIyer*	Assistant Country Director (Energy and Environment), UNDP
11	Dr. Akanksha Chaurey	Director, Decentralized Electricity Solution TERI, New Delhi
12	Mr. K. Ramanathan	Visiting Distinguished Fellow Resources, Regulation & Global Security TERI, New Delhi
13	Mr. P.K. Agarwal	Director, Human Resources TERI, New Delhi
14	Ms. MiliMajumdar	Director, Sustainable Habitat TERI, New Delhi
15	Ms. AkshimaTejasGhate	Fellow, Area Convenor Centre for Research on Sustainable Habitat and Transport Systems TERI, New Delhi
16	Dr. Divya Sharma	Fellow, Centre for Research on Sustainable Habitat and Transport Systems TERI, New Delhi
17	Ms. Shabana Charaniya	Research Associate, Centre for Research on Sustainable Habitat and Transport Systems TERI, New Delhi

*invited, but regretted

