

CUTS-FES Project
‘Involvement of Consumers in Power Sector Reforms in Rajasthan’

Brief Report (Phase I & II)

1. Background

1.1 The reforms were introduced to the power sector in Rajasthan in year 2000. The erstwhile Rajasthan State Electricity Board (RSEB) was unbundled into five separate corporations, one for generation, one for transmission, three for distribution. The broader objective of reforms were to curb operational inefficiencies; maintain judicious balance among interests of various stakeholders; ensuring commercial viability of the sector; improving the service delivery in terms of quality and quantity and so on.

1.2 While reforms were introduced it was realised that there was no institutional mechanism in place to represent the consumers at large, and their concerns, in organised and professional manner. This was particularly the case for rural and agriculture consumers. In fact there was not enough advocacy efforts from consumers and they were not aware of their rights and responsibilities. It was also realised that there was a clear communication gap and a feeling of mistrust between the consumers and service providers, since no provision for multi-stakeholder dialogue was exists.

2. What happened so far

2.1 This is the context, in which CUTS and FES jointly conceptualised and initiated the programme ‘Involvement of consumers in power sector reforms in Rajasthan’ in six districts of Rajasthan in August 2001. The major objective of the programme, among others, was to facilitate active involvement of consumers in power sector reforms. It was decided to test the effectiveness of the approach by implementing this programme on pilot scale and based upon the feedback and learning to scale up to the state level.

2.2 Under the first phase (August 2001 to March 2004), CUTS and FES has created awareness among the consumers in rural areas about the ongoing reform process; their legitimate rights and responsibilities; building network of Civil Society Organisations (CSOs) till grassroots; to help common consumers understand the involved complex issues. The purpose of this exercise was to help the CSOs in particular, and consumers at large, capable enough to intervene in the reform process to safeguard the interests of common consumers, particularly that of rural poor.

2.3 Two and half year later, in March 2004, key stakeholders i.e. concerned government officials, regulator, service provider, media, and consumer groups from entire Rajasthan and other states gathered at Jaipur to critically analyse and assessing the approach and effectiveness of the programme.

2.4 The ‘model’ has widely recognised as innovative and comprehensive approach towards enhancing the effectiveness of common consumers’ voice and improving their participation in the reform process, qualitative and quantitatively both. Rajasthan Electricity Regulatory Commission; Government of Rajasthan; Utilities; and the Consumer groups in the state have acknowledged the CUTS-FES initiative. The participants of the evaluation workshop strongly recommended to scale up the initiative to cover the entire Rajasthan and subsequently other states.

2.5 All the stakeholders described first phase of the programme as quite effective, not just for Rajasthan but it was recommended to follow a similar approach in other states as

well. The programme is now better recognised as ‘CUTS-FES Model’ for enhancing the consumer participation in regulatory reforms in electricity sector in Rajasthan.

2.6 The second phase (May 2005 to June 2006) of the programme was initiated in year 2005 and specific emphasis given on providing training to CSOs to facilitate their effective participation in the regulatory processes by enhancing their capacity. To that effect, twelve circle-level workshops were organised. Senior officials of the Rajasthan Electricity Regulatory Commission and those of the Utilities participated in these workshops, as resource persons.

2.7 One of the important outcomes of the second-phase of the programme was increased awareness about the role of the regulatory commission and its functioning. Further, as admitted by officials of the RERC during the workshops, the number of consumers/CSOs approaching the RERC on several issues related to electricity regulation has increased.

3. Achievements

3.1 The CUTS-FES programme resulted into several pro-people changes in the electricity policy and regulation and consumer participation was increased substantially. Following are few specific mentions of success parameters for the programme, separately at policy and grassroots level:-

At the Policy level

- As result of consistent advocacy campaign, the Ministry of Power, Government of India has recognised ‘*Sensitising the Consumers*’ as one of the strategic action-point into its six-point blueprint to reform the electricity distribution.
- The Regulatory Commission has released guidelines to all three Distribution Companies to resolve the consumer complains in time bound manner and report back on periodic basis and has implemented service standards.
- Recognising all the efforts of the entire network of the consumer groups/activists across the State, the regulatory commission has nominated CUTS to the Commission’s Advisory Committee to represent the genuine consumer concerns more effectively. In 2005, CUTS was appointed as a member of the CERC.
- It is quite evident that, now greater institutional space exists for consumer movement in electricity reform process.

At the Consumers’ end

- The most important achievement of this programme is that consumers at grassroots finding it extremely unusual and excited to observe that senior officials of distribution companies coming out in public and have face-to-face through CUTS-FES programme.
 - A galvanised & responsive consumer organisations/activists network has been formed at the grassroots level (by creating informal organisation called *Vidhyut Sudhar Samities* at village level) particularly in the select target districts.
 - These organisations are working to mould the society’s opinion against mal practices such as electricity theft, wastage of energy and so on in rural areas.
 - These grassroots consumer organisations/activists are better informed about the role of regulator and obligations of utilities in terms of deliverables to common consumers.
 - *Jan-Sunvais* (public-hearings) organized by CUTS-FES at selected villages of Sawai Madhopur, Alwar and Chittorgarh districts have achieved the goal of building a constructive partnership between consumers and local utility staff. As result of that, coordination between them is substantially improving.

- There are examples where the consumers in entire village have collectively decided not to allow electricity theft, for instance village *Piplod*. Such examples are being highlighted and presented while organising CUTS-FES programme so that such examples could be emulated at other places too.
- The interaction between CSOs and utilities resulted in getting the information about ground realities such as instances of electricity theft, status of safety measures, equal distribution of electricity among different feeders and so on, through this informal channel so that can verify the same received from the staff.

3.2 In February 2005, the World Bank's Water and Sanitation Programme-South Asia [WSP-SA] has identified the 'CUTS-FES Model' as one of the best practice in the entire country to enhance the consumer voice and strengthen client power to ensure better service delivery to people. Independent research and documentation of this initiative was done for wide scale dissemination. (*Please see the attached document*)

4. Highlights of Interventions in Phase I

- 4.1 The 'CUTS-FES Model' was considered quite effective in enhancing the consumer voice and client power by focusing upon (i) Capacity building of consumer groups/civil society organisations and (ii) Policy advocacy for consumer-centric reforms to acquire greater institutional space for consumer concerns.
- 4.2 Repetitive training/exposures and resource references are required for grassroots groups to achieve the desired outcome. That requires sustaining with the needed capacity building efforts for identified consumer groups/CSOs to deal with the issues and institutionalise the consumer representation in the entire state. The required training inputs and resource material support must be provided to these consumer groups/CSOs and the intervention must be scaled up in the entire state of Rajasthan.
- 4.3 Achieving the 'critical-mass' of capable and well-equipped CSOs across the state is extremely important for attaining the objective of the programme. Therefore, at least one capable organisation in each zone of Rajasthan must be created and strengthened to work as Regional Nodal Link to expand and strengthen the network base till the block/village level in their respective area.
- 4.4 Effectiveness and quality of interventions/representation by the consumer groups/CSO in regulatory proceedings need to be substantially enhanced. This requires consistent efforts for adequately train them to deal with the involved complex techno-commercial-legal aspects. Strengthening the 'watchdog' role of local CSOs is extremely crucial to ensure effective delivery of services to the people particularly in rural areas, in addition to equip them to intervene in tariff hearings; compliance of standard of performance; and other advocacy efforts.
- 4.5 Increased participation of women was also strongly recommended while implementing the second phase of the programme.
- 4.6 The recommendations emerged out of the 'Evaluation Workshop' and the feedback received from key stakeholders i.e. Regulator; Utility; Consumer groups; shall be incorporated while implementing the second phase of the CUTS-FES joint programme. The primary objective of the phase 2 activities is to scale up this initiative from current pilot phase and makes a state wide programme to ensure effective consumer participation in the reform process and implementation.

4.7 In fact, effective consumer participation can potentially enhance and strengthen the perceived regulatory effectiveness. Similarly, effective compliance of service & supply standards by the utilities can be ensured by building capacities of the consumer groups/CSOs to help them in becoming capable; informed; and vigilant across the state and encourage to play the watchdog role.

4.8 Adequate training of consumer groups/CSOs about basic advocacy skills; provisions and procedures of regulatory hearings; primary knowledge of technical terminology; analysing technical documents is essential to help them effectively playing the watchdog role across the state to ensure effective delivery of services at the grassroots.

5. Highlights of Interventions in Phase II

5.1 The CUTS-FES programme has so far made a significant impact in terms of inclusion of the voice of rural and poor consumers in the policy and regulatory processes. As a result of this programme, the government, utility staff and the regulatory commission have recognised the importance of involving the CSOs in the reform process. The programme has brought credibility and recognition to the peoples' movement in electricity sector in Rajasthan and provided a common platform to the stakeholders for mutual debate and discussions.

5.2 Though many CSOs in Rajasthan have started representing consumers in electricity sector, constant efforts are required to build their capacities. The CUTS-FES programme has been imparting basic skills & knowledge to CSOs that has been helping in represent common consumers in policy and regulatory arena effectively. However, the activities need to be implemented more intensively as well as at wider canvass so that a critical mass of capable CSOs could be created to bring in desired changes in the policies and regulatory approaches.

5.3 Given the complex nature of the subject, in-depth knowledge on techno-commercial-legal aspects is required to enable CSOs making effective intervention in the policy and regulatory processes. The CUTS-FES programme aims at social change and intends to bring out desirable changes in behaviours of consumers and utility staff. This by its nature is a rather slow process therefore persistent effort and consistent engagement with the beneficiaries is imperative.

5.4 The programme should be scaled-up to cover other states. Issues such as energy conservation and promotion of renewable should also get prominence in the agenda of the third phase of the CUTS-FES programme.

5.5 Reader friendly reference material should be published in simple language so that complicated issues could be simplified and comprehended by the CSOs and consumers.

5.6 CUTS and FES have formed considerable social capital through implementation of the programme, which need to be leveraged upon through strengthen capacity of '*Vidhut Sudhar Samities*' at local level and facilitate their replication. The next phase should have provisions or extensive training to the members of the *Samities*, in particular to equip them to get involve into electricity distribution at local level.

5.7 Constructive co-operation extended by the CSOs to the utility staff at grassroots has substantially improved the situations in some of the project districts. However, attitude of utility staff at large is not so encouraging. Therefore a similar programmes

could be launched either by the government or any other agency to sensitise utility staff as well.

5.8 Inclusion of more women and retired utility staff would add value to the programme.

6. Highlights of Phase III

6.1 Recommendations from districts:

- The programme should be implemented in other areas/districts
- The participation from all consumer categories should be ensured in the events
- There should be more representation on behalf of distribution companies during the events.
- Activating Vidyut Sudhaar Samities by way of involving local NGOs, Gram Samities and local area development societies.
- Distribution of pamphlets and other material related to energy conservation and power theft through these samities in order to create awareness.
- Awareness on the above through regular trainings, meetings, workshops and even through local methods like street plays and chopal (village) meetings.
- Regular feedback of the performance of Vidyut Sudhaar Samities to Gram Sabha of the Gram Panchayat and Ward Sabha of the local municipal councils.
- A regular dialogue between consumers and regulator.
- Awareness through rallies and talks in schools and colleges.
- Regular dialogues between Vidyut Sudhaar Samities and regulator and service providers.
- Involving *e-mitra* centres through advocacy.
- A constant trainings and feedback for franchisee work and involving Vidyut Sudhaar Samities in the feeder renovation programme.
- Role of NGOs and consumers need to be strengthened and be made more participative through regular trainings
- Regular feedback and inspiration is required to overcome the general problems in functioning of Vidyut Sudhaar Samities like finance crunches, lack of support from trade unions, control over power theft, competition and improper infrastructure.
- To overcome the above situation, bank guarantee, public support, insurance, information system and quality supply needs to be worked out for proper functioning of samities.
- The samities have to work with the objectives of giving better services, creating confidence, establishing direct dialogue, providing employment opportunities and taking grievance handling effectively.
- To consolidate the Vidyut Sudhaar Samities by way of reorganizing them.
- To bring more and more NGOs into the samities.
- Special course for the members of Vidyut Sudhaar Samities regarding feeder renovation programme.
- To take the CUTS-FES model at the panchayat level through samities
- Special course for the members regarding controlling power theft and energy conservation.
- Regular interaction of samiti members with the regulator.
- A regular dialogue between consumers and regulator.
- Awareness through rallies and talks in schools and colleges.

- Regular dialogues between Vidyut Sudhaar Samities and regulator and service providers

6.2 Overall Recommendations

- Taking power as a micro issue, an extensive work exclusively on the power conservation and the change in the whole system needs to be done, considering the fact that it is a basic need now.
- A repeated and extensive efforts to bring about the desired attitudinal and behavioral changes among the masses, since the issue is complex.
- Having ‘critical mass’ of capable consumer groups/CSOs is must to achieve the stated objectives of consumer representation and participation both at state and national level.
- To further strengthen the three-fold approach adopted into ‘CUTS-FES Modal’; information flow & capacity building (top-to-bottom); representation of consumer concerns & watchdog role (bottom-up); and co-ordinating with utilities at different levels (horizontal reach-out). Atleast one such competent organisation needs to be established at each district, that could work as a capable nodal agency to concentrate the efforts.
- The objectives of the programmes can be achieved only if adequate advocacy efforts at policy level are consistently made by CUTS and the entire network and to align these efforts till the grassroots. This is important since the fall outs of policy matters (rural electrification, cost of power, tariff policy) are huge on common consumers. The crux is that consumer organisations still have to involve and become capable enough to intervene at the policy level.
- Effective representation district/block level CSOs in regulatory proceedings has to be enhanced in qualitative and quantitative terms. However to achieve the same, consistent nurturing and capacity building exercise is required to adequately equipped them to deal with techno-commercial-legal issues involved.
- Compilation and documentation of the approach & process followed by ‘CUTS-FES Model’ is recommended so that this experience could be disseminated at wide scale.
- Publishing reader friendly informative documents on relevant issues is must for supporting such initiatives.
- To achieve the stated objectives it is very important to have ‘critical mass’ and that can be done through spreading out the ‘CUTS-FES Model’ to other parts of the country. This should be done based upon availability of capable partner organisations at local level.
- Another outcome of critical analysis of CUTS-FES programme; major stakeholders including grassroots net-workers, regulators, service providers were of the opinion that ‘CUTS-FES Model’ is very effective however to achieve the desired outcome it must be executed at larger scale.
- It was also realised that strengthening ‘watchdog’ role CSOs is crucial for mainstreaming the consumer concerns at the time of decision making. It is necessary to have effective representation at regulatory commission to arrive at acceptable & equitable decisions. However this can only be done through building capacities of grassroots CSOs to deal with such techno-commercial-legal matters.
- Constructive co-operation with utility staff at grassroots has substantially improved in some parts of project areas however the response from utility staff is of mixed nature so far. Therefore running similar programmes for sensitising utility staff may help in achieving better results.
- Promotion of solar energy in select rural areas must be considered as one of action point.

- To incorporate creating awareness about energy conservation and efficiency aspects into the programme.
- To associate more and more women and retired employees of utilities into the programme, at grassroots.
- To nurture and develop nodal organisations at every district level and build their capacities to serve as resource centre on these issues for all grassroots (block/village level) organisations of the district.

7. Schedule of Events (Phase I, II and III)

S.No	Event	Date & Place
	Phase I	
1	Involvement of Consumers in Power Sector Reforms in Rajasthan: Design and Launch Workshop	August 20-21, 2001, Jaipur
2	1st Division Level Workshop, "Involvement of Consumers in Power Sector Reforms in Rajasthan"	October 06, 2001, Chittorgarh
3	2nd Division Level Workshop, "Involvement of Consumers in Power Sector Reforms in Rajasthan"	Nov. 20, 2001, Abu Road, Sirohi
4	3rd Division Level Workshop, "Involvement of Consumers in Power Sector Reforms in Rajasthan"	December 27, 2001, Alwar
5	First of the Series of Focussed Workshop under the project 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	August 19-20, 2002, Alwar
6	Second of the Series of Focussed Workshop under the project 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	September 28-29, 2002, Chittorgarh
7	Third of the Series of Focussed Workshop under the project 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	Nov. 26-27, 2002, Jalore
8	First training seminar under third phase of the CUTS-FES joint programme 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	September 01, 2003, Chittorgarh
9	Second training seminar of the CUTS-FES joint programme 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	September 24, 2003, Jalore
10	Third training seminar of the CUTS-FES joint programme 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	October 22, 2003, Bhilwara
11	Fourth training seminar of the CUTS-FES joint programme 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	November 23, 2003, Sawai Madhopur
12	Fifth training seminar of the CUTS-FES joint programme 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	January 13, 2004, Alwar
13	Sixth training seminar of the CUTS-FES joint programme 'Involvement of Consumers in Power Sector Reforms in Rajasthan'	February 16, 2004, Abu Road, Sirohi
14	Involvement of Consumers in Power Sector Reforms in Rajasthan: Evaluation & Design Workshop	March 18-19, 2004, Jaipur India
	Phase II	
15	State level Orientation Workshop in Power Sector Reforms in Jaipur	27-28 May 2005, Jaipur
16	Circle level Training Workshop on Power Sector	20 June 2005,

	Reforms	Sawaimadhopur
17	Circle level Training Workshop on Power Sector Reforms	16 July 2005, Kota
18	Circle level Training Workshop on Power Sector Reforms	23 July 2005, Alwar
19	Circle level Training Workshop on Power Sector Reforms	13 August 2005, Phagi, Jaipur
20	Circle level Training Workshop on Power Sector Reforms	10 Sept 2005, Jalore
21	Circle level Training Workshop on Power Sector Reforms	15 October 2005, Jodhpur
22	Circle level Training Workshop on Power Sector Reforms	9 November 2005, Churu
23	Circle level Training Workshop on Power Sector Reforms	27 January 2006, Jhunjhunu
24	Circle level Training Workshop on Power Sector Reforms	10 February 2006, Barmer
25	Circle level Training Workshop on Power Sector Reforms	21 March 2006, Chittorgarh
26	Circle level Training Workshop on Power Sector Reforms	7 April 2006, Ajmer
27	Circle level Training Workshop on Power Sector Reforms	17 May 2006, Udaipur
28	State level Evaluation Workshop on Power Sector Reforms	23-24 June 2006, Jaipur
	Phase III	
29	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	22 May 2007, Bharatpur
30	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	22 June 2007, Bundi
31	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	20 July 2007, Jhalawar
32	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	14 August 2007, Tonk
33	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	26 September 2007, Pali
34	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	23 October 2007, Sirohi
35	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	20 November 2007, Banswara
36	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	29 November 2007, Nagour
37	District Level Training Workshop on Power Reforms with focus on people's participation in 'Feeder Reforms Process'	30 November, Sikar

8. The Way Forward

Based on the experience and learning from the phase I, II and III of CUTS-FES interventions, now there is felt need to consolidate these efforts and expand these interventions to whole of Rajasthan and also to replicate this model to other selected states in India, for making effective interventions in the process of power sector reform.

Feeder Renovation Programme

In a bid to connect rural areas vigorously with the ongoing power sector reforms, Rajasthan Chief Minister Vasundhara Raje will address a conference of Sarpanches here on October 1 to initiate a “direct dialogue” with them on the change in the quality of life in villages brought about by the feeder renovation programme.

Sarpanches of nearly 1,000 villages where power feeders were renovated to supply round-the-clock electricity have been invited to the conference. They will share their experiences with Ms. Raje on the positive outcome of availability of power for the rural households and farming activities.

The 1,000 feeders, renovated by the public sector Jaipur Vidyut Vitaran Nigam (JVVN), are situated in the villages where the transmission and distribution losses were to the tune of 60 to 70 per cent. Nigam’s Chairman and Managing Director R.G. Gupta told reporters here on Sunday that T&D losses were reduced to 15 per cent, making it possible to provide 24-hour power supply to these villages.

Mr. Gupta said the Sarpanches’ conference would help speed up the feeder renovation programme and involve more panchayats in the drive, besides generating awareness among the elected representatives of Panchayati Raj institutions about saving electricity and its potential for rural development.

As many as 5,005 villages falling in the jurisdiction of JVVN are getting electricity round the clock as in August this year, with the maximum number of 849 villages situated in Jhalawar district and 809 in Jaipur. Mr. Gupta said the JVVN had set the target of supplying 24-hour power to 13,000 villages till March 2008, while half of the target would be achieved by this month-end.

The JVVN, which spent Rs.550 crore on renovating 1,000 power feeders, now intends to rectify the remaining 1,300 feeders at an additional expenditure of Rs.650 crore. The T&D losses, which reduced by 4.25 per cent last year, have registered 5 per cent decline this year.

Mr. Gupta said the JVVN saved Rs.320 crore as a result of reduction in T&D losses, which also led to a total end to load shedding in the cities during summer this year. The availability of constant and better quality of electricity has also improved social, educational and economic scenario in the villages.

The JVVN chief affirmed that the technical separation of domestic and agricultural circuits in the rural areas had led to a significant improvement in the power supply, avoiding heavy load during the peak hours of consumption.

Referring to the vigilance activities to control theft of power, Mr. Gupta said special drives launched in Bharatpur-Dholpur region as well as in several towns had resulted in 27,071 such cases registered during the first four months of the current financial year, against 15,837 cases registered during the entire 2006-07.

The Rajiv Gandhi Rural Electrification Programme undertaken in Kota, Jhalawar, Bundi, Dausa and Alwar districts has yielded positive results with a large number of domestic connections being released. Mr. Gupta said the JVVN would release as many as 13,000 power connections to farmers this year.

‘Total installed capacity in Rajasthan has reached 6,199.41 MW’

This would facilitate supply of 12-crore units of electricity a day during the rabi crop season

Rajasthan Chief Minister Vasundhara Raje has said an increase in the power production capacity by 1,215.19 MW in Rajasthan during the past four years had not only ensured round-the-clock electric supply to 11,384 villages but also helped strengthen the power infrastructure for the benefit of rural and agricultural consumers.

Addressing a conference of sarpanches on the feeder renovation programme here earlier this week, Ms. Raje said the total installed power production capacity in the State had reached 6,199.41 MW. This would facilitate the supply of 12-crore units of electricity a day during the rabi crop season.

The sarpanches’ conference was organised to connect the rural areas vigorously with the ongoing power sector reforms in the State and initiate a dialogue with the village heads on the change in the quality of life brought about by the 24-hour electricity supply. Sarpanches of nearly 1,000 villages, where power feeders were renovated recently, attended the conference.

As the elected representatives of village panchayats gave a positive feedback on transformation in the quality of life in the rural households as well as the favourable impact of feeder renovation on farming activities, Ms. Raje said the State Government had set the target of supplying round-the-clock electricity to 36,000 villages by next year. Ms. Raje gave away cash prizes of Rs.1 lakh each to the Sarpanches of panchayats in 12 districts covered by Jaipur Vidyut Vitaran Nigam, where the transmission and distribution losses had reduced from about 60 per cent to 15 per cent.

The Chief Minister pointed out that the State Government had been bearing the burden of increase in power production costs to the tune of Rs.74 crore annually without transferring it to consumers. She said there would be no power tariff hike for agricultural consumers in the State till 2010.

Ms. Raje said Rs.1,000 crore would be spent on giving domestic power connections to rural households under the rural electrification programme till March next year. The T&D losses would be reduced to 20 per cent all over the State by renovating 8,475 feeders at a cost of Rs.4,000 crore, she added.

The sarpanches attending the conference felt that the availability of electricity round the clock at proper voltage would speed up rural development and check the migration of rural youths to cities in search of employment.