Govt's 'Power for All' promise

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Union finance minister Arun Jaitley made a commitment to provide the nation with round the clock electricity in his budgetary proposal for financial year 2017–18. He stated that India will achieve 100% village electrification by 1 May 2018, and also proposed an allocation of Rs.4,814 crore under the Deendayal Upadhyaya Gram Jyoti Yojana in 2017–18. The story of the government of India's (GoI's) 'Power for All' initiative started with its launch in June 2014, with the objective of providing 24×7 power throughout the country by 2019. A committee of the forum of regulators was setup to prepare a national roadmap for this initiative. According to the committee, 'Power for All' implies reliable 24×7 power supply to domestic, industrial, and commercial consumers; power supply to pump sets for 8-10 hours for irrigation purposes; and access to electricity to all connected households by 2018–19.

The ministry of power has undertaken a joint initiative between GoI and state governments under the initiative. Under 'Power for All', a roadmap has been created by every state and Union Territory to meet the objectives of providing 24×7 power supply throughout the year.

Let us first understand how 'Power for All' is defined. In a recent inaugural address by power minister Piyush Goyal, the definition of Power for All stated as 'the availability of quality, reliable and affordable power that helps in the rapid socio-economic growth of the country, especially the backward region'. The statement can be broken into several components, namely, quality, reliability and affordability. The quality of power supply can be defined as uniform universal access to electricity for all. It directly impacts the standard of living and improves the human development index (HDI) by a significant amount. According to Census 2011 data, only 55% of Indians have access to electricity for lighting purpose. Though several villages might be termed as electrified, the government needs to ensure access to electricity at the household level. No outages or power cuts at peak hours and accounting for increased demand would truly fulfil the meaning of reliable power supply. The current energy deficit reduced to 2.1% last year. Providing electricity at reasonable prices and creating an environment that it becomes profitable to generate electricity takes care of the affordability aspect. Moreover, it should also be profitable for generating companies (gencos) and distribution companies (discoms) to provide power to everyone. It is important for all of these components to come together in perfect sync to realise the ambition of 'Power for All'.

In order to gauge the possibility of meeting the deadlines of this ambition, it is important to explore the current power scenario in India. The gross electricity generation in India during 2015–16 was 1,117 TWh, with an installed capacity of 315GW as on 31 January 2017. Twenty states and 6 Union Territories have 100% rural electrification rate. The per capita electricity consumption of an Indian crossed the thousand mark last year with 1,010 units, as opposed to developed nations averaging around 15,000 units per capita. The average aggregate Plant Load Factor for the year 2016 was 62%, which is on the lower side as compared to similar economies. The Aggregate Transmission and Distribution (AT&C) losses have been over 20% in the last few years, which is a rather high amount.

Analysing the present situation of the power sector in India, the ambition of Power for All would require heroic efforts, both by the government and private players. According to the '24×7 Power for All: Strategies for Karnataka' report published by CSTEP, two very important interventions to provide reliable, affordable and quality power supply include distributed renewable energy sources and the role of energy efficiency measures, which unfortunately do not get much traction among policy makers. Distributed renewable energy solutions such as rooftop solar PV installations can play a significant role in providing last-mile connectivity and reducing the capital investment needed for large-scale projects. Promotion of energy efficiency measures would help reduce the gap between demand and supply of energy. The government's initiatives such as Agricultural Demand-Side Management through efficient irrigation pump sets and adoption of energy efficient appliances can help reduce India's end-use consumption. It is rightly said that 'energy saved is energy generated'.

The government needs to create an enabling environment to ensure the adoption of distributed renewable energy solutions by providing VAT and GST relief for renewable energy devices and spare parts, encouraging short term PPAs for small enterprises, adoption of solar pump sets to reduce peak demand and create skilled workforce to maintain these systems. Energy efficiency on the other hand has a strong case of adoption by consumers since the payback period has significantly reduced for energy efficient appliances and direct benefit can be seen in reduced electricity bills. Awareness campaigns for adopting energy efficient appliances and energy saving techniques, coupled with incentives by the government to reduce upfront costs can help achieve the target of ‘Power for All’ at a faster pace.