

CUTS INTERNATIONAL

MEMORANDUM TO

“Ensure Effective Implementation of Renewable Energy Policy in West Bengal”

As Emerged from the Roundtable Discussion on the Renewable Energy Policy for West Bengal

*Organised by CUTS International with West Bengal Electricity Regulatory Commission
(WBERC)*

22nd August, 2012, Kolkata

CUTS International through its local office in Kolkata is implementing a two-year project, “Demand Side Management (DSM) & Renewable Energy (RE) in India: Capacity Building of CSOs (DREC Project) in two States of India, viz. West Bengal and Gujarat. As part of the project activities, CUTS Calcutta Resource Centre organised a Policy Advocacy meeting to engage with the Policymakers and disseminate the findings of the project, the voice of the consumers, to the policymakers, i.e. a Bottom Up Approach. The timing of the meeting was quite appropriate, as the State of West Bengal recently adopted a Renewable Energy Policy, which CUTS has also been advocating, as part of the DREC Project¹. Given this, the focus of the meeting was to identify challenges in effective implementation of RE Policy and suggest solutions to overcome the challenges. Given below are key issues/recommendations that emerged from the discussion during the meeting:

- 1) **As the State is heavily depended on implementation of effective regulations to attract investments in the sector, synergy between RE Policy and the subsequent regulations published by WBREC is absolutely essential to ensure effective implementation of the RE policy.**
 - a) The draft regulations have set a Solar Purchase Obligation (SPO) of 0.6% by 2017-18. To achieve this SPO target, West Bengal would require solar power much more than the set target of 100 MW. So to avoid lack of synergy between policy and regulations, CUTS recommends the Government to analyse the matter and remove the anomalies, if any.

¹<http://www.cuts-ccier.org/DREC/>

- b) The RE Policy clearly mentions that all existing and upcoming commercial and business establishments having more than 1.5 MW of consumption of electricity will be required to install solar rooftop systems to meet at least 2% of their total electrical load. However, there is no mention about commercial/business establishments in the draft regulation although private health centres, hospitals, schools/ academic institutions and housing complexes have been covered. It is quite ironical that the huge commercial sector including entities like malls, supermarkets, etc. have been left out. CUTS recommends the Government to amend the regulations to also cover commercial/business establishments.

Therefore CUTS urges WBERC to look into such gaps to ensure synergy between the Policy and the draft regulations.

2) The net metering system for grid-connected rooftop solar PV installations needs to be revised and changed to a system based on net energy charges.

Rationale with an example: If a household is using grid connected rooftop solar and he sells 35 units of electricity to the grid while he consumed 100 units from the grid, then the household will pay for $100-35=65$ units. However this model is not recommended as the cost of 1 unit of solar power generated at consumer's end is higher than the cost of production of the same unit of conventional electricity being supplied by the distribution utility. The consumer therefore is exchanging costlier energy for a cheaper substitute and is losing out. This might act as a disincentive to opt for solar rooftop PV systems.

- 3) **The State should harness the potential in Solar PV through mass scale rooftop programmes.** For this the criterion of having a minimum of 5 kW connected load should be lowered to 1 kW so that the grid connected average households too could go for rooftop solar PV installations.
- 4) Utilities should be given a mandate of putting up a certain fixed number of rooftop solar PVs to generate a percentage of MW electricity as is being done in Karnataka.
- 5) Need for financial incentives (viz. soft loans, rebates on electricity bills, etc.) to motivate grid-connected consumers to use Renewable Energy Targets (RETs).
- 6) There is an urgent need to strengthen the capacities of the nodal state institutions of West Bengal Renewable Energy Development Agency (WBREDA) and West Bengal Green Energy Development Corporation Limited (WBGEDCL) -- as the onus of implementing the policy heavily rests on them, especially during the initial and preparatory stages. Till such time, they should collaborate with capable Civil Society Organisations to undertake various resource assessment studies mentioned in the policy and in facilitating coordination between different departments of the State government so that integrated energy programmes could be undertaken.
- 7) The policy provides very limited space and scope for participation of Consumers and Community in the successful implementation of the policy. However, for successful commissioning and operation of

RE projects, starting from acquiring of land to long-term management of off-grid projects, community awareness, capacity building and participation are crucial.

Therefore, CUTS urges Department of Power to create such space for Civil Society participation through appropriate mechanisms, particularly in promotion of the Green Fund.

- 8) Improvement in after-sales service of solar technologies is the need of the hour. Focussed attention and greater efforts need to be directed in this regard to surpass the limited success achieved till now.
- 9) The Government of West Bengal should focus on generation-based incentives instead of incentives based on total installed capacity.
- 10) Revival and continuation of existing off-grid projects (e.g. at Gosaba) should be ensured so that they can feed into the grid.
- 11) There is a need to adopt large-scale state programmes to replace diesel- / kerosene-run pump-sets (including those used for irrigation in agriculture) with solar technologies.
- 12) There is a need to revisit the methodology used for assessing potential for RE in the State and rationalise targets mentioned in the policy.

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