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Electricity for all — villages or households?

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Switch on: The reality check K Ananthan

Even as village after village in India is 'electrified', many households within them, equal to the US population, are not

The Prime Minister in his Independence Day speech reaffirmed the goal of “power for all” and said 18,500 villages which still have no electricity would be electrified within the next 1,000 days. The goal of complete electrification was first stated by the Rajadhyaksha committee on power in 1978 and noted that by 1994-95 all villages should be targeted to be electrified and all households by 2000. Thereafter this goal was reiterated in 2002 by the NDA to provide power for all by 2009, and then by the UPA to provide electricity to all by 2012 under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY).

The key issue that remains ambiguous is what defines “power for all” — Is it just electrification of villages or to provide quality and adequate electricity to all households? While the NDA government is talking of 24x7 power to households, no blueprint has yet been prepared. Statistics from the Central Electricity Authority indicate that the central grid has reached 97 per cent of the villages. Yet, policies and institutions that contributed to this achievement still could not bring electricity to approximately 300 million people. While nearly all rural households in Andhra Pradesh, Punjab, Tamil Nadu and Kerala have electricity, almost 73.5 per cent of rural households in Bihar still use kerosene for lighting, followed by Uttar Pradesh (58.5 per cent) and Assam (36.8 per cent).

The task on hand

Where are these large numbers of unconnected households located? Definitely not in the 18,500 villages that are planned to be electrified within 1,000 days. These households fall into three categories: households in remote villages where extending the grid may be technically-economically infeasible; households in unconnected hamlets of grid connected villages; and unelectrified households in electrified villages. Estimates show that of the total unelectrified population, roughly 10 million may be in completely unelectrified villages. The other 290 million are in villages that already have electric grid or in unelectrified hamlets of electrified villages.

Therefore, an the important task is also to connect households that are in unelectrified hamlets of electrified villages. To achieve the goal, the Rural Electrification Corporation is focusing on these habitations, although there is no clarity on the numbers or norms for providing electricity. The definition of village electrification still says that only 10 per cent of the households in a village need to have electricity for it to be recognised as electrified. While the onus of taking a connection could lie with households, the definition clearly misses the point that all habitations in villages should have electric poles and distribution lines for households to take connections. Incidentally, most of these unelectrified hamlets are in Assam, Bihar, Jharkhand, Odisha and Uttar Pradesh.

Evaluation studies on RGGVY indicate that most below-poverty line households in electrified villages are not taking the connection; government policies should address this issue. Discoms could tie up with MFIs/banks to microlend connection cost; repayment could be made monthly.

Smarter discoms

Many households in unelectrified hamlets, especially in Bihar and Uttar Pradesh, are served by diesel generators or solar micro-grids and home systems. These households pay a higher price on per kWh basis. While the Electricity Act 2003 allows off-grid models without licences, the sector is still hindered by non-uniform technical approaches, undeveloped non-technical processes and poor access to sufficient long-term low-cost capital to scale up. Subsidised kerosene is another hurdle. The segment can scale up only when services are offered at or below the cost of kerosene. Another important aspect is to improve the governance in discoms, especially in metering, billing and collection (MBC) practises. While many franchisees improved revenue collection and reduced distribution losses, the scheme was not implemented properly by many discoms. There appeared to be no clear understanding of the concept and franchisee's role.

The government should reactivate the franchisee scheme by involving youths, who could be trained under the Skill India mission. Banks can provide them initial capital under the Startup India programme. Franchisees will streamline MBC practices and generate employment.

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