# Rural Electrification: How Policy Mitigates and Compounds Risks to Private Sector Development of Energy Services in India

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# Objectives & Methodology

## Objectives

- Identify business challenges
- Illustrate how policy can address these business challenges
- Highlight opportunities and point out ways to further align existing incentives

## Methodology

- Secondary Research
- Primary Research
  - In-Person Interviews
  - Questionnaire
  - World Bank Group's Collaboration for Development Platform
  - UN Foundation Practitioner's Network

**Key Business** 

Challenges

## Regulatory and Policy Environment

- Central Grid Expansion
- Business Registration
- Tariff Policy

## Technology

- Natural resource endowment
- Demand forecasting
- Balance of cost and quality

#### Finance

- Access to finance: 'Missing Middle'
- Consumer finance
- Subsidization

## Capacity Building

- Institutional
- Individual



# Policy as a Way to Address Key Business Challenges

## Policy Challenges

# Investment and Subsidy Policy

- National and State Financing
- Bank-Led Financing

# Capacity Building

- Enhance and Build Institutions
- Community Engagement

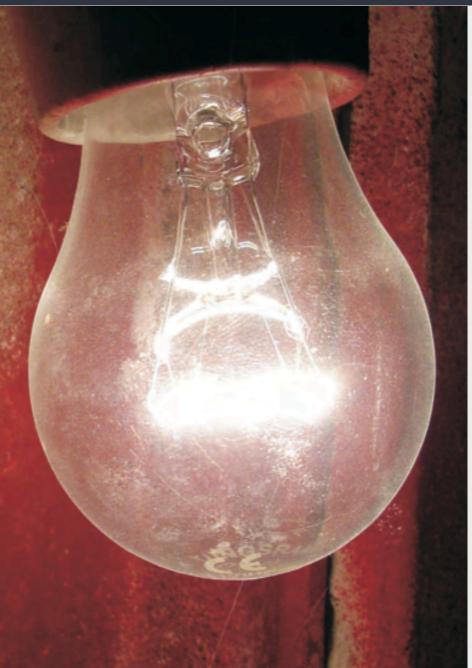
# Central Grid Expansion

- A Roadmap
- Interconnection
- Feed-in-Tariffs

## State Policy Coordination

- Business Registration
- Quality Standards
- Tariff Policy

# Opportunities

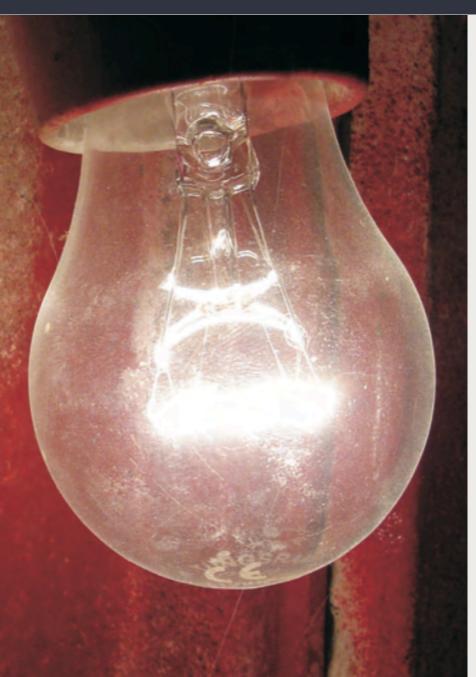


- National Policy Support
  - National Electrification Programs
  - Renewable Portfolio Obligation
  - 2013 Companies Act
- State Government Support
  - MNRE Nodal Agency Support
- Key Industry Support
  - Telecommunications
  - Mobile Banking

# Recommendations

**Objectives &** 

Methodology



- Close the Implementation Gap Between National and State Policy
- Improve Coordination Between Ministries
- Transparency Over Central Grid Expansion
- Focus on Results-Based Financing
- Minimize Bureaucracy
- Light-Handed Regulation