

CUTS COMMENTS ON THE DRAFT NATIONAL RENEWABLE ENERGY ACT, 2015

In response to the advertisement published on Ministry of New and Renewable Energy’s website seeking inputs on the “Draft National Renewable Energy Act, 2015”, Consumer Unity and Trust Society (CUTS International), Jaipur has following submissions:

- ❖ Point 1 (iv) of Clause 19 of the Draft National Renewable Energy Act (2015) mentions about promoting the export of RE products and devices. Exploring the possibilities of RE trade between neighbouring countries including raw materials (e.g. importing/ exporting rice husk) to solve ever increasing power demand in South Asia and the need to address existing trade barriers to import/export RE have not got due attention in this draft act.
- ❖ Point 22 of Clause 3 of the draft act has defined the RE Sources which includes Mini Hydro (Point iii), but has not mentioned anything about Small Hydro Plants (2001 kW to 25000 kW) and Micro Hydro Plants (upto 100 kW). These two categories should also be included in act.
- ❖ Point 5 (v) of Clause 5 of the draft act mentions that the state governments may develop policies and plans with a particular focus on Development of Transmission Infrastructure. However, further coherence is required on the capacity of a state, sharing an international border (e.g. West Bengal), to lay down transmission infrastructure in case of inter-country RE trade.
- ❖ Point 2 of Clause 12 lacks clarity on the possible roles of Civil Society Organizations (CSOs). It mentions six non-government entities namely - producers/ users of RE sources, distribution utilities, academia, research institute and think tanks as members of National Renewable Energy Advisory Group (NREAG). However, this needs to be modified. There should be at-least one representative from the Civil Society Organizations (which have been working on RE issues) among the stakeholder-members. The same organization may or may not necessarily be a think tank/research institution. In case it is difficult to include such CSOs as a member of NREAG a directive towards how the CSOs can promote RE in a broader context, beyond the given capacity of becoming a NREAG member needs to be provided.
- ❖ Point 3 of Clause 18 needs to be modified. “The Ministry may also consider setting up/ notifying labs for testing of renewable energy equipment” should be modified as “The

Ministry shall also consider setting up/ notifying labs for testing of renewable energy equipment. **It should be made mandatory that all renewable energy equipment prior to usage have obtained clearance certificates from these certified labs**".

- ❖ Point 4 of clause 23 needs to be rephrased as "The Fund may be used for supporting all the objectives of this Act, such as but not limited to R&D, resource assessment, demonstrations and pilot projects, low cost financing, investments for skills development, supporting RE technology manufacturing, **monitoring and evaluation of existing projects**, infrastructure development, promoting all forms of decentralised renewable energy etc. provided such activities are selected in a transparent manner, and in line with the provisions of the National RE Policy/Plan".
- ❖ Clause 26 needs to be modified. An additional point vii needs to be added under the clause: The Fund may be used also for providing adequate **Training and Capacity Building exercises** along with **organizing awareness generation activities** which will facilitate faster growth of Renewable Energy and its better acceptance among the civilians.
- ❖ The Draft Act lacks clarity on whether the same seller could be entitled to enjoy both the benefits:
 - obtained from Renewable Energy Certificate (REC)
 - those derived from having Net Metering/Gross Metering
- ❖ Point 1 of clause 39 of the Draft Act lacks any clear directive towards having PPAs between eligible sellers and the Distribution utilities. It is important that a person who intends to generate and supply electricity from RE sources and feed the same into the grid signs a PPA with the utility.
- ❖ The Composition of National Renewable Energy Committee (NREC) does not have representation of all stakeholders - Industry, Civil society, Think tanks and RE user's representatives.
- ❖ It is not clear how NREC will ensure and enable inter-ministerial coordination, which is going to be crucial in the successful implementation of this Act. Just meeting four or more times in a financial year will not ensure it. Some more clear-cut measures need to be explicitly included in the Act
- ❖ Under Clause 13, option 2 is preferable and appointment of retired or ex-officio members should be barred.
- ❖ RE Advisory Groups at State levels too should be formed with scope for representation of all stakeholders.

- ❖ At the State level also, explicit mention of parallel Institutional structures should find place in the Act to avoid over dependence on State Nodal Agency.
- ❖ States with international borders should be designated with Powers to do cross-border RE trade with neighbouring countries.
- ❖ Under Part III & VI, separate budgetary allocation should find place for education and awareness generation of local governments, implementation agencies, consumers, all stakeholders to make the energy transition participatory.
- ❖ In its current form, like all other policies, it is heavily tilted towards role and involvement of Governments only. Other stakeholders have very little scope for contribution and participation. This Act should break away from the traditional approach and take a more innovative, modern and participatory approach.
