

Introduction

The Indian power sector has been in the limelight since the reforms and restructuring of this sector began in earnest in the latter half of 1990s. The reforms in the sector have gradually become the issue of acrimonious debate in the academic, policy, and political circles. After the strike by employees of the Uttar Pradesh State Electricity Board (UPSEB) in March 2000 and stalling of sector reforms (mainly privatization) in Haryana, the theatre of action shifted to the southern part of the country. In Andhra Pradesh, electricity tariff hike and, hence, power sector reforms have become major issues even in the mainstream electoral politics resulting in widespread political turmoil and even loss of life. In Maharashtra, after the five-day long strike in July 2000, trade unions of the employees of Maharashtra State Electricity Board (MSEB) were successful in eliciting a promise that the state government would not privatize the state electricity board (SEB) and would consult the unions before unbundling.

The ongoing reforms involve fundamental legal, governance and ownership changes in the sector, with long-term and, at time, irreversible implications. The reforms have engendered the independent regulatory commissions, which constitute a new institutional structure. This new institution is evolved with a view to ensure that the privatized power sector utilities do not take undue advantage of the monopoly over the sector and to ensure that the sector is able to meet the stated goal of supplying good quality electricity at reasonable tariff. The regulatory commissions have been established in many states. In several states, the regulatory process has picked up speed with the commissions issuing tariff orders, releasing discussion papers, and deliberating on the other important issues such as capacity addition and standards of consumer service.

This situation requires intense and urgent efforts on the part of the *public-interest organizations* to take up challenges thrown up by the reform process in general and the regulatory processes in particular. Many individuals and organizations working for protection of public interest have been striving to take up these challenges and are engaged in analysis, political as well as legal actions, and regulatory interventions. However, these individuals and organizations do suffer from paucity of information, analytical as well as legal skills, and human as well as financial resources. Hence, in response to the increased pace of the reform and regulatory processes, it is necessary that these individuals and organizations should come together, share experiences, and learn from each other. It must, however, be remembered that there is considerable diversity in the functioning of the state regulatory commissions and even in the techno-economic, political, institutional, and historical contexts in different states.

Against this background, Prayas, in collaboration with Focus on Global South organized an event in order to initiate a process of dialogue and, sharing of experiences among the individuals and organizations working or planning to work for protection of public interest in the context of power sector reforms and regulatory process. The event took place during 6th to 9th December 2000 at Mumbai.

Prayas (Energy Group), based in Pune, has been working in the electricity sector on activities including research, information dissemination, policy activism, and regulatory intervention. Established in 1995, Focus on the Global South, based in Thailand is dedicated to regional and global policy analysis, micro-macro issues linking and advocacy. The India program of Focus (established in 1996) has been undertaking studies, capacity building activities and facilitating dialogues amongst people's organizations, trade unions, and grassroots groups on specific issues falling under the realm of liberalization, privatization and globalization.

The focus of deliberations during the four-day event was on reforms/restructuring processes in the state power sectors with a special emphasis on the regulatory processes in the states. The main objective underlying the event was to provide an opportunity to the participants to share experiences and to learn from each other on strategic as well as substantive issues.

The four-day event was divided in the five major components. The first component of the event was the 'Training Seminar' lasting for about one and half days. In the 'Training Seminar,' along with the historical review of the Indian electricity sector, basic topics on techno-economic, legal, and institutional aspects of the reform and regulatory processes were covered. The second component of the program, lasting for another day and the half, was entirely devoted to the invited presentations on updates and analysis of the state-level processes. The third component of the event that took place on evening of the third day was devoted to strategizing and planning for future activities.

The fourth component involved consultation on the topic "Sharing of Concerns and Expectations between Regulators and Civil Society Institutions". This was attended by Dr. Madhav Godbole (former Home Secretary, Government of India), Mr. Venkat Chary (Member, Maharashtra Electricity Regulatory Commission), Mr. Phillipose Matthai (Chairman, Karnataka Electricity Regulatory Commission), and Mr. Sanjeev Ahluvalia (then Secretary, Central Electricity Regulatory Commission). The consultation was chaired by Prof. AKN Reddy (former President, International Energy Initiative). The last component was the panel discussion on the topic "Electricity Sector: What Difference the Regulators can make?" which was open to public. The panelist included Prof. Reddy, Mr. Matthai, Mr. Ahluvalia and Mr. P Subrahmanyam (Chairman, Maharashtra Electricity Regulatory Commission). Dr. Godbole chaired the discussion.

The invited presentations on the analysis of reform process in each state were the mainstay of the event, which sparked off intense discussions. In all, twelve presentations were made on the basis of analysis of reform process in eleven states. In addition, an analytical note was circulated to participants on the reform process in Punjab. Further Ms. Jenina Joy Chavez-Malaluan of Focus on Global South presented a similar case-study on the electricity sector reforms in Philippines.

In order to facilitate the comparison among the states and the process of drawing conclusions, the speakers were requested to follow a common pre-decided framework in their presentations. These presentations covered the broad contours of the reform/regulatory processes in the state, actions of governments and regulators, responses of other players and the lessons the public interest organizations could learn.

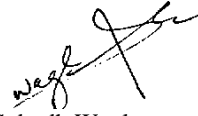
This volume is a compilation of selected papers presented during the event. The first part of the volume contains papers discussing the reform process in six states namely Orissa, Andhra Pradesh, Harayana, Uttar Pradesh, Kerala, and Maharashtra. In the case of Kerala, excerpts from two presentations are presented in this volume. It also contains a paper on electricity sector reforms in Philippines. Part II of the compilation contains presentations, remarks, and observations by some of the regulators and panelists who attended the last two sessions. It was felt that these observations would provide deeper insights in the subject under deliberations. The annexures contain the other details of the event including the list of participants.

We wish to take this opportunity to thank all the participants in the four-day event including the regulators, panelists and chairmen of the sessions on the last day. We are especially thankful to those participants who patiently cooperated with us in revising their papers. We also wish to sincerely apologize for the delay in coming out with compilations. We are sure that, despite this delay, this compilation would be useful to researchers, activists, media-persons, academics, and members of public.

Sincerely yours,



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(for Focus on Global South)



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