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Dr. B. K.Chaturvedi
Member (Energy),
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New Delhi

Sub: Setting up an Energy Analysis Office to support robust energy policy

Dear Dr. B. K.Chaturvedi

Prayas Energy Group made a brief presentation to Dr. B. K. Chaturvedi, Member (Energy), Planning Commission, on 28th March 2012. The presentation highlighted some critical data and analysis problems in the energy sector, and the need to set up an Energy Analysis Office and other Centres of Excellence to support policy formulation in the energy sector and address key challenges such as energy security and clean energy access to all. The attached note gives some details of the proposal to set up these institutions. This proposal is being shared with relevant institutions such as the PMO, Planning Commission and respective ministries.

We look forward to hearing from you about this proposal, and would be happy to take the initiative to host a round-table to bring together various stakeholders and experts to discuss the proposal further and flesh out the details.

Thank you
Yours sincerely

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# Setting up an Energy Analysis Office to support robust energy policy

## Introduction

This note is based on a brief presentation by Prayas Energy Group to Dr. B. K. Chaturvedi, Member (Energy), Planning Commission, on 28th March 2012. The presentation highlighted some critical data and analysis problems in the energy sector, and the need to set up an Energy Analysis Office and other Centres of Excellence to support policy formulation in the energy sector and address key challenges such as energy security and clean energy access to all. This brief note outlines the proposal for these institutions.

## Data and consistency problems

The energy sector is currently beset with problems, many of which have been well documented. But one problem has not been as well-documented, namely, weak data and analysis. Such gaps in data and analysis make it difficult to develop holistic and scientific policies for the energy sector, which jeopardises the country's development and growth as it affects issues such as energy security and energy access. Some examples of weaknesses in data collection and reconciliation are listed below for illustration.

1. There is a 15% difference in estimated GHG emissions from the power sector – very likely due to coal usage data discrepancy – computed from different sources (PlanningCommission, 2011).
2. There is an inconsistency between the activity and emission figures for motorized urban transport from two reports from different ministries (MoRTH, 2009; MoUD, 2008).
3. There is an order of magnitude difference in the wind energy potential estimated for India by Government of India's C-WET and some international researchers. The former's revised assessment is just over 100 GW, while the other reports estimate it in the range of 700 to 2000 GW (Lu, McElroy, & Kiviluoma, 2009; Hossain, Sinha, & Kishore, 2011; Phadke, Bharvirkar, & Khangura, 2011).

Therefore, there is an urgent need for dedicated collection, reconciliation and analysis of all energy sector data to support policy research and formulation. These activities would also benefit the country on other platforms such as international climate negotiations.

## Suggested institutional structure

The following institutional structure would help achieve these goals:

1. **Energy Coordination Committee:** The Prime Minister had constituted an Energy Coordination Committee (ECC) in 2005 with a view to formulate energy policy holistically considering the country's development needs and goals. This committee should be revived and activated.
2. **Energy Analysis Office:** The ECC should be helped in its policy and decision making by an analytical agency responsible to collect, reconcile and analyse data related to the energy sector. Given its analytical role cutting across ministries, this agency, tentatively called the Energy Analysis Office (EAO), can be housed in the Planning Commission (or perhaps the PMO). It can be assisted in its tasks by existing technical agencies within various ministries,

such as CEA, PPAC and C-WET. The EAO should be mandated and empowered to collect and reconcile data, analyse trends, publish reports and suggest policy interventions.

3. **Centres of excellence:** The Government should also identify and support a few independent Centres of Excellence on energy policy, which can undertake analyses and research of the energy sector and produce research reports and inform policy discourse. Such centres can be reputed academic and research institutions that work on policy issues in the energy sector. Of course, the criteria for identifying institutions and supporting them must be transparent and objective.
4. **National Wind Mission:** For renewable energy in particular, the Government should launch a National Wind Mission (NWM). In addition to the huge potential of wind power in the country, wind turbine technology has been improving and wind-based electricity is already cost-competitive with electricity from imported coal. Hence, this is an opportune time to set up the NWM and address critical issues such as land-use for wind-based power generation, technological issues such as grid integration and also to spur RD&D to further improve indigenous technology.

Many other countries such as the USA, China and UK adopt similar practices (Chikkatur & Chakravarthy, 2008).

## Conclusions

Setting up an EAO and supporting centres of excellence on energy policy will give the ECC and the Government much needed analytical and technical support for its policy making. Such a move would also help it in other aspects such as international climate negotiations. Therefore, there is an urgent need to set up such an office. In view of the country's enhanced wind energy potential, there is also a need to set up an NWM that can spur speedier development and deployment of wind energy in the country.

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