

TIME FOR A RENEWABLE ENERGY LAW

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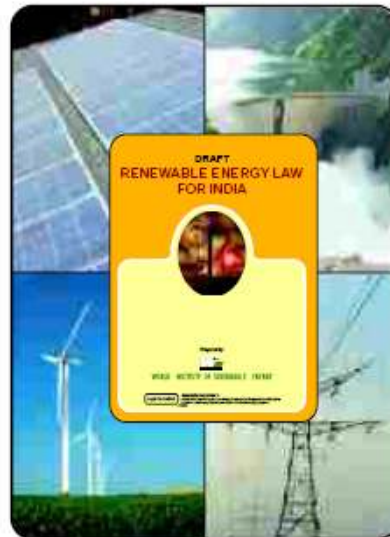
Legislative and government initiatives, policies and laws have been the main engines driving new technology transitions since the beginning of the 20th century. These are all the more important in the development of new forms of energy and energy markets. There have been certain major recent legislative and governmental initiatives in India aimed at reforming the energy sector, viz: The Energy Conservation Act, 2001, The Electricity Act (EA), 2003, and the National Electricity Policy, 2005. All these have been welcome steps in the right direction. They have also started showing results. However, they have not been successful in adequately addressing a quiet transition underway in the energy sector, which is going to phenomenally transform the way we produce and consume energy in the next few decades. You got it right, I am talking of the transition to a clean and green energy economy.

Sections 61 (h) and 86 (1) (e) are the only real, clear developmental provisions relating to renewables in the Electricity Act, 2003. They are enabling provisions and not mandatory. Hence, the enforcement has not been effective enough. The drafting of this Act started many years before its adoption. The geometrical progress in renewable technology development and its adoption worldwide is a recent phenomenon. The major crisis in the conventional energy sector, the volatile price increase, depleting fossil fuels, and the resultant energy insecurity is of recent origin (what *The Economist* of London called as the 'mighty cost of petro-addiction'). Renewables are the future of the energy sector and we need to address this future necessity through a new law. Planning an energy transition requires decades and hence, the urgent need for a comprehensive law on renewables.

Secondly, EA, 2003, speaks only of generation, transmission, and distribution of electricity. A new renewable energy law should go much beyond electricity, and holistically address energy production from renewables, even extending to sources of transportation energy like biofuels. So I am not

talking of another electricity law, but of a comprehensive legislation for development of all types of renewable energy technologies. A great amount of detailing of the technological, developmental, legal, policy, and institutional framework is required. To accelerate the development of a large gamut of renewable technologies, such detailing is absolutely necessary. EA, 2003, is inadequate in this respect and hence, the proposal for a new law. This is required to facilitate a market

transformation, a transition from input dependence to self sufficiency, a transition to an environmentally benign and sustainable way of producing and conserving energy. The emphasis of the Electricity Act, 2003, is reform of the power sector, and it is an absolutely necessary and welcome step. But we should, at the same time, carefully consider the impact of reform on future technologies that will provide energy to mankind, in a post-fossil fuel era. Reform of the power sector is a double-edged sword, as far as renewables are concerned. So there is a need to safeguard the development of renewables through countervailing legislative and policy measures.



Recognising this need, WISE set about documenting international experiences. We have obtained full texts of such laws from at least eight European countries. China has recently enacted a separate law for renewable energy development (February 2005). Learning from this international experience, WISE has also undertaken the task of drafting a model Renewable Energy law for India. This was released and discussed in a successful seminar held in New Delhi on 25 August 2005 (reported in the Sept-Oct 2005 issue of *GE World*). We have also constituted a working group of eminent personalities from the sector to carry forward the finalisation of the model law and its advocacy for adoption by Parliament. The renewable energy community in the country, and all those interested in our future energy security should now rise and support this idea, and spread the message through nation-wide discussions and advocacy. The time for a renewable energy law for India has arrived.