

**Power to consumer**

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Fifteen years after the Electricity Act, 2003 laid down that consumers be compensated for power cuts, Delhi has become the first Indian city to frame rules that give effect to the stipulation. On April 19, Lt Governor Anil Baijal approved Delhi government's policy that requires discoms to pay Rs 50 if an outage lasts for more than two hours. The service providers will have to pay Rs 100 for each hour following the first two hours of the blackout. The policy also aims to "enable consumers to complain with the Delhi Electricity Regulatory Commission (DERC) in case they are not paid the due commission by the discoms". The amount of compensation in such cases will be Rs 5,000 or five times the compensation payable, whichever is higher. Effective implementation of this policy will ensure much-needed accountability of the discoms to the consumer. For that to happen, however, the regulator will not only need to do some homework but it will also require real-time data on electricity supply.

For starters, the DERC will have to elucidate what exactly is an "unscheduled" power cut. Blackouts are usually the fall-out of high power demand, defects in plant infrastructure, human error, or grid interruptions due to short circuit. The regulator will have to clarify which of these enjoin the service provider to pay compensation. Vagaries of nature, heavy rainfall for example, are among the usual causes of power disruptions. In such cases, the regulator will have to adjudicate if the service provider was prompt in responding to the breakdown. Last year, for instance, the Maharashtra Electricity Regulatory Authority rejected the compensation claims of two Pune housing societies on the grounds that heavy rainfall in the first week of June had caused a transformer failure leading to more than two-day long outages in parts of the city. That case was decided on a post-facto reading of electricity supply data. In most parts of the world where discoms are supposed to compensate customers for power breakdowns, regulators have real-time data on electricity supply. In India, they are, by and large, dependent on the service provider — an interested party.

Nevertheless, there is much in the Delhi scheme that carries forward the Electricity Act's consumer-friendly spirit. It puts the onus on the discoms to identify affected consumers in case a power breakdown affects more than 50 people in an area. But Delhi's electricity supply is serviced by the private sector. The real test will lie in extending the scheme to states with acute power crises — UP, Bihar, parts of Andhra Pradesh — where the mandate of electricity supply is with state-run utilities.

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