



PRESS RELEASE

Effective policy implementation and awareness-raising ensure clean energy transition in rural India

New Delhi, September 29: The Energy and Resources Institute (TERI) in association with the Norwegian Embassy today released the findings of a study titled '**Analyzing Rural Energy Transition and Inequities**'. The study aims to develop a micro-economic framework to analyse various aspects of energy supply, and their use in rural areas across various agro-climatic regions.

Mr Prabir Sengupta, Distinguished Fellow, TERI said "Rural Energy Transition depends on a number of factors like income, social status, the role of women, consumption priorities of individuals, etc. The TERI study attempts to identify the relevant factors as also the possible policy options"

Mr Arunabha Ghosh, CEO, CEEW said "To understand rural energy transition, we have to first cover the existing deficit of un-electrified households. Firstly, we have to understand that task of modern energy sources from richer rural households. Secondly, recognize the surge of entrepreneurship in the country responding to these needs. Thirdly, strengthen the ecosystem in which rural energy entrepreneur operates by providing skills, technology testing, appropriate policy and adequate working capital".

Mr G.L Meena, Family Biogas Plants in states, MNRE said "Forbid the use of cattle dung by using it in bio-gas production process to avoid indoor pollution, and its serious health hazards. The cattle dung (cake) should not be used even in improved cookstoves for this reason".

Speaking at the event, **Dr Suneel Pandey, Associate Director, TERI** said "To ensure penetration of LPG in rural households, its availability and reliability of supply needs to be ensured. It would be interesting to see if cylinders in smaller 5 kg/10 kg sizes distributed through say fertilizer cooperatives enhance penetration"

A comprehensive household survey on energy, conducted in over 6,000 households across six states in the country, namely Karnataka, Rajasthan, Odisha, Maharashtra, Goa and Himachal Pradesh. It found that deeper understanding of the determinants of current energy use patterns and choices is necessary to facilitate transition to leaner fuels, as well as to arrive at key policy insights.

The key findings of the study are:

- **Income** is a major determinant of LPG uptake, in addition to occupation status, male-female education, household size among other socio-economic factors.
- The **easy availability of free fuels**, like firewood and biomass, **deter transition**. High income households are faced with a choice of spending – vis-à-vis not spending on energy sources and continuing to remain ignorant about the benefits of clean cooking fuels. Such households usually continue use biomass and other freely available fuel sources.
- There is an observable **disparity in fuel uptake based on geography**. The availability of biomass is largely dependent on climate and geography, and as a result, it plays a significant role in deciding the fuel choice. This reinforces the **importance of grassroot-level supply management and effective local governance**.
- Education of male members of households has a positive impact on the transition to clean fuels. **Educated members are more aware of the benefits of clean fuels**, and as a result, are willing to make a shift for the betterment of household health.
- The **number of family members in a household also played a significant role in choosing the fuel**. Families with more members preferred to use of biomass.
- Upfront payment seemed to be a significant deterrent to LPG penetration. **Policies that helped reduce upfront cost of LPG connection significantly improved uptake**. As evident villages in Odisha had removed the upfront payment for a LPG connection for BPL households and the cost was being financed by the panchayat.

Nationally, the number of firewood-consuming households has declined only slightly – from 78.2 to 76.3 (per 100 household, NSS Rounds). This could imply that while LPG may replace some ‘other’ cooking fuel options, it is not particularly effective in replacing firewood altogether.

RECOMMENDATIONS:

In order to address energy transitions, public involvement at the local level needs to be considered to ensure effective implementation. Integration of energy services into the existing infrastructure or a proposed complete/partial subsidy for LPG connection could provide the necessary push to enable transitions.

To facilitate an energy transition, it is important that issues at the local levels are taken into account so that policies are properly implemented.

The workshop also laid emphasis on the social and economic challenges associated with energy transition, and discussed ideas to reenergize energy policies for the poor and to promote new energy markets that will eventually improve household budgets.

About TERI

From global climate change to microbiology, from smoke-filled rural kitchens to plush corporate boardrooms, from schoolchildren to Heads of State—no sphere of human endeavor is unfamiliar to TERI. Headed by world-renowned economist and Nobel Prize winning climate scientist, Dr R K Pachauri, TERI is best described as an independent, not-for-profit research institute focused on energy, environment, and sustainable development and is devoted to efficient and sustainable use of natural resources.

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