

UNIFIED MINISTRY FOR ENERGY SECTOR

CURRENT AFFAIR

A single unified ministry for the energy sector is necessary to ensure energy security, sustainability and accessibility.

HOW IS THE ENERGY SECTOR CURRENTLY MANAGED?

- Five different ministries along with a multitude of regulators govern India's energy sector.
- Petroleum and natural gas, coal, renewable energy and nuclear energy have separate ministries or departments.
- There is the Ministry of Power, along with State-level bodies that regulate electricity distribution companies (DISCOMS).
- the petroleum and natural gas sector has two regulators:
- Directorate General of Hydrocarbons for upstream activities
- Petroleum and Natural Gas Regulatory Board for downstream activities.

CONSTRAINTS IN DATA MANAGEMENT

- The Ministry of Statistics and Programme Implementation collates data available from various ministries.
- No single agency collects energy data in a wholesome and integrated manner.
- Data pertaining to consumption are barely available.
- There are also shortcomings in the supply side data collected by agencies of respective ministries.

GOVERNANCE MODEL

- On the energy efficiency front, the Bureau of Energy Efficiency is the sole statutory authority.
- Its mandate is to regulate energy efficiency on the consumption side.
- There is no agency or body for the same purpose on the supply side.

OTHER COUNTRIES

- Developed countries such as the U.S., U.K., Germany, and France have their energy sectors administered by a single ministry or department.
- There are also instances where the energy ministry is in conjunction with other portfolios such as environment, climate change, mines and industry.
- E.g., the U.K. - “Department for Business, Energy & Industrial Strategy”, France - the “Ministry of the Environment, Energy and Marine Affairs”

SIGNIFICANCE UNIFIED MINISTRY

- A single unified ministry of energy would help India to have an integrated outlook on energy.
- This would enable India optimise the limited resources to meet the goals of energy security, sustainability and accessibility.
- A single energy ministry would also allow for a quicker policy response.

RECOMMENDATIONS IN PLACE

- The Kelkar Committee has highlighted the issue in its report “Roadmap for Reduction in Import Dependency in the Hydrocarbon Sector by 2030” (2013).
- It says that presence of multiple ministries and agencies present challenges of coordination and optimal resource utilization.
- In the Draft National Energy Policy (NEP), the NITI Aayog has advocated that a Unified Ministry of Energy be created.
- This is suggested by merging the Ministries of Petroleum and Natural Gas (MoPNG), Coal (MoC), New and Renewable Energy (MNRE) and Power (MoP).
- The proposed ministry would have 6 agencies under it to handle various aspects of the energy sector.

MEASURES TAKEN

- It has appointed a single minister for both MNRE and MoP.
- Having the same person heading both of these ministries will help resolve issues such as power balancing and transmission infrastructure planning.

WAY AHEAD

- There has to be a quick and holistic decision-making mechanism as well as a level playing field for various fuels.

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