

3. The Need for a Single Energy Ministry

Prelims Level: Governance – Institutional Reforms.

Mains Level: GS-II Separation of powers between Various Organs, Dispute Redressal Mechanisms and Institutions.

Why in News?

- There have been multiple proposals to the government to merge the various ministries that deals with energy sector.
- So, the existing scenario in the energy sector and factors favouring the unification of ministries are discussed in brief.

Existing issues in the Energy Sector:

1. Five different Ministries along with a multitude of regulatory bodies govern India's Energy Sector:

- ✓ The ministries that are responsible for regulation of the energy sector are as follows:
- ✓ Ministry of Petroleum and Natural Gas (Regulators under the Ministry are - Directorate General of Hydrocarbons and Petroleum and Natural Gas Regulatory Board)
- ✓ Ministry of Coal
- ✓ Ministry of Power (Central Electricity Regulatory Commissions, DISCOMs)
- ✓ Ministry of New and Renewable Energy
- ✓ Department of Atomic Energy

2. Fragmented Data Collection:

- ✓ No single agency collects energy data in a wholesome and integrated manner for the energy sector in India.
- ✓ Data pertaining to consumption is barely available while supply side data is collected by agencies of respective ministries are riddled with gaps.
- ✓ Ministry of Statistics and Program Implementation collates data from various ministries and conducts surveys at sporadic intervals.

3. Energy Efficiency:

- ✓ Bureau of Energy Efficiency is the sole authority with the mandate to regulate energy efficiency on the consumption side. There is no agency for the same purpose on the supply side.
- ✓ This leads to problems such as:-

1. Problem of coordination
 2. Suboptimal utilisation of resources
 3. Undermining of efforts of energy security
 4. Each ministry inadvertently promotes its own fuels over other choices, which may not always be the best option.
 5. Turf wars between different ministries
 6. Regulatory Cholesterol and Unease of doing business
- Thus, there is a need for Unified Energy Ministry.

Suggestions of NITI Aayog in Draft Energy Policy:

- NITI Aayog has advocated for a Unified Ministry of Energy to be created by merging Ministry of Petroleum and Natural Gas, Ministry of Coal, Ministry of New and Renewable Energy and Ministry of Power.
- The Department of Atomic Energy has been left out as a Independent Agency because of its strategic nature and involves issues of national security.
- The proposed ministry will have six agencies under it to handle various aspects of Energy Security:
 1. Energy Regulatory Agency
 2. Energy Data Agency
 3. Energy Efficiency Agency
 4. Energy Planning and Technical Agency
 5. Energy Schemes Implementation Agency
 6. Energy R&D agency

Advantages of a Unified Ministry:

- Integrated approach to energy security
- Quicker policy response
- Focus on both the supply side and demand side of energy sector
- Holistic collection of data and its management

Facts favouring unification of related Ministries:

1. **Creation of Ministry of Jal Shakti** by integrating Ministry of Water Resources, River Development and Ganga Rejuvenation and Ministry of Drinking Water and Sanitation has led to:
 - 1) Unification of Water Management Functions
 - 2) Treatment of Issues Related to water more holistically

3) Better coordination of efforts

2. Global Experience:

- Developed and efficient countries such as USA, UK, France and Germany have their vibrant, diverse and prolific energy sectors administered by 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. For ex. The UK has the 'Department for Business, Energy and Industrial Strategy'.
- In India, the Departmentally Related Standing Committees of Parliament is a good example of integration of inter-connected subject matters.

How to reorganize a Ministry?

- **As per article 77 (3) of the constitution:** The President shall make rules for the more convenient transaction of the business of the Government of India, and for the allocation among Ministers of the said business.
- So as per this provision, **Government of India (Allocation of business) Rules, 1961** has been enacted to lay down the provisions that how the business should be transacted.
- So, just by amending this Government of India (Allocation of business) Rules, changes in the ministry can be brought in.
- It has to be noted that the responsibility of administering these rules lies in the hands of Cabinet secretariat.