

Workshop on PAT Cycle-II for Electricity Distribution Companies (DISCOMs)

Organized by Bureau of Energy Efficiency (BEE, Ministry of Power, Government of India)

Brief Overview

The National Mission for Enhanced Energy Efficiency (NMEEE) is one of the eight missions under the National Action Plan on Climate Change (NAPCC). Prime Minister's Council on Climate Change coordinates NAPCC for assessment and mitigation of climate change activities. NMEEE aims to strengthen the market for energy efficiency by creating conducive regulatory and policy regime and has envisaged fostering innovative and sustainable business models to the energy efficiency sector.

The Perform, Achieve, and Trade (PAT) programme is one of the four components of the National Mission for Enhanced Energy Efficiency (NMEEE), and aims at enhancing the energy efficiency of the energy intensive industrial sectors in the country. The industrial units covered by this programme (who are called Designated Consumers) have to achieve a mandated reduction in their specific energy consumption (SEC), i.e. the amount of energy used to produce a ton of product. These reduction targets have to be achieved during a specified time period. The first set of PAT targets, notified in 2012, have to be achieved in the 2014-15 financial year.

In the first cycle of PAT (2012-13 to 2014-15), 478 industrial units in 8 sectors (Aluminum, Cement, Chlor- Alkali, Fertilizer, Iron & Steel, Paper & Pulp, Thermal Power, Textile) have been mandated to reduce their specific energy consumption (SEC) i.e. energy used per unit of production.

During the review of Action Plan on NMEEE including PAT, the Prime Minister's Council on Climate Change advised to extend the coverage to other sectors specified into the Energy Conservation Act, 2001. The Executive Committee on Climate Change in its meeting held on 12.5.2015 under the chairmanship Principal Secretary to PM noted the further deepening and expansion of the coverage PAT Cycle, and also that new sectors like Railways, Electricity Distribution Companies and Petroleum Refineries would be covered in PAT Cycle-II.

Distribution sector is the most important link in the power sector value chain which interfaces with end customers and provides revenue for the entire value chain. Despite the considerable progress in terms of increasing power demand, increased urbanisation, rural electrification and increased private sector participation; the distribution segment continues to have significant losses in terms of financial performance and technical losses. It is plagued by high T&D losses which poses the biggest challenge to reforms in power sector. All India T&D losses accounts for 20.68% of total electricity generated at utility end i.e 193750 MU for the FY 2013-14. The substantial amount of generated power is being wasted as transmission and distribution losses. So, loss minimization in power system has assumed greater significance as it can reduce the inherent gap between the energy generated and energy consumed. In order to improve the energy efficiencies in the power system, State Distribution Companies are included as Designated Consumer under Perform, Achieve & Trade Scheme of Bureau of Energy Efficiency in the PAT cycle II (2016-2019).

In exercise of the powers conferred by the clause (e) of section 14 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government has issued Statutory Order No. 3542(E) dated 29th December 2015 for notification of Designated Consumers in the three new sectors. As per the Statutory Order, Electricity Distribution Companies having energy consumption of 86,000 metric tonne of oil equivalent (MTOE) per year or above are notified as Designated Consumers. A total of 44 DISCOMs will be covered under the PAT Cycle-II.

The second cycle of Perform Achieve and Trade (PAT) Scheme is started from 1st April 2016. According to the clause (g) and (n) of section 14 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government, in consultation with the Bureau of Energy Efficiency, has notified the energy consumption norms and standards for the period from 1st April 2016 to 31st March 2019 for the Designated Consumers of 11 sectors including Electricity Distribution Companies vide Statutory Order 1264(E) dated 31st March 2016.

Objective of this Workshop

The proposed workshop has been organized to make interactions with the Designated Consumers of DISCOMs. The aim of the workshop is to inform the notified targets and to discuss the future steps to be followed by the Designated Consumers under the PAT Cycle-II. The key issues to be discussed during workshop with the Designated Consumers, post notification of the individual targets are:

- a) Individual targets for DISCOMs
- b) Data verification
- c) Normalization factors
- d) Appointment of Energy Manager
- e) Filling of energy return
- f) Filling of Performa

Tentative Agenda

Date : 8th August, 2016

Venue: Juniper Hall, India Habitat Centre, Lodhi Road, New Delhi

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| 9:30-10:00 | Registration |
| 10:00-10:10 | Welcome Address by Secretary, BEE |
| 10.10-10:20 | Address by Economic Advisor, Ministry of Power (MoP) |
| 10:30-10:40 | Inaugural Address by Special Secretary (Power) & Director General, BEE |
| 10:40-10:50 | Vote of Thanks by Energy Economist, BEE |
| 10:50-11:10 | Tea Break |
| Technical Session 1 | |
| 11:10- 13:00 | <p>Session Chairman: Chief Engineer, Central Electricity Authority</p> <p>Presentation 1: Overview of PAT Scheme & outcomes of PAT Cycle-I- By Shri. Ashok Kumar, Energy Economist, BEE</p> <p>Presentation 2: Energy reduction targets for DISCOMs and their obligations under PAT Cycle-II-By Shri. Milind Deore, Energy Economist, BEE</p> <p>Presentation 3: PAT Rules & their obligations to DCs-By GIZ</p> |
| 13:00 - 14:00 | Lunch Break |
| Technical session 2 | |
| 14:00 – 14:30 | Presentation 1: Normalization factors for DISCOMs- By GIZ |
| 14:30-15:00 | Open House discussion chaired by Energy Economist, BEE |
| 15:00-15:10 | Vote of Thanks by Energy Economist, BEE |
| 15:10: 15:30 | Tea/Coffee |