OFFICE MEMORANDUM

Subject: Procedure for Transaction of Energy Saving Certificates (ESCerts)

The "Procedure for Transaction of Energy Saving Certificates (ESCerts)" has been approved by Central Electricity Regulatory Commission (CERC) on 14th February 2017 under PAT Scheme. This detailed Procedure has been approved by the Commission under the CERC (Terms & conditions for dealing in Energy Savings Certificates) Regulations 2016, and is attached at Annexure-I.

Under National Mission for Enhanced Energy Efficiency (NMEEE), the scheme of Perform Achieve and Trade (PAT) is a regulatory instrument to reduce specific energy consumption in energy intensive industries, with an associated market based mechanism to enhance the cost effectiveness through certification of excess energy saving which can be traded. Perform Achieve and Trade in its first cycle was designed to reduce the specific energy consumption (SEC) in energy intensive sectors under which 478 DCs from 8 sectors viz. Aluminum, Cement, Chlor- Alkali, Fertilizer, Iron & Steel, Paper & Pulp, Thermal Power Plant and Textile have been included. PAT cycle I has achieved an energy saving of 8.67 mtoe against the targeted energy saving of 6.886 mtoe which is about 30% over achievement. PAT is a multi-cycle scheme aimed to cover most of the energy intensive sectors of the economy. In this regard currently in the PAT cycle II, 621 DCs from 11 sectors are being included in the scheme.

Ministry of Power has issued/entitled to purchase ESCerts to Designated Consumers of PAT cycle I on 16th February 2017. The Designated Consumers shall submit the application to Registry for registration to become Eligible entity for transaction of ESCerts, which shall be intimated by BEE shortly after approval of the fee order (for transaction of ESCerts) by CERC. Important features of transaction of ESCerts are attached at Annexure-II.

(Signature)
Energy Economist

To

1. Designated Consumers (DCs) under PAT cycle I
2. State Designated Agencies (SDAs)
3. Power Exchanges (IEX and PXIL)
4. POSOCO

Copy to:

1. Secretary CERC
2. PPS to Special Secretary (MoP)/ DG-BEE