

# Government of India developed robust mechanism for Online Trading of Energy Saving Certificates

## Government rewarded energy efficiency industries through energy saving certificates

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As part of “Azadi Ka Amrut Mahotsav”, Ministry of Power organised an event yesterday here to issue Energy Saving Certificates to best performing Industrial units. Shri Alok Kumar, Secretary, Ministry of Power issued more than 57 lacs Energy Saving Certificates to 349 industrial units because they saved more energy than the targets. These units will be able to trade certificates through Power Exchange Portal after a month to those units who could not achieve their targets.

Addressing the gathering, **Shri Alok Kumar** emphasised that all these initiatives will go a long way to make India more energy-efficient, and it will form a replicable model across the globe. Shri Kumar complemented the large industries in taking energy efficiency measures by upgrading their technologies. He highlighted the leadership role being played in the energy transition efforts and India, being the only G-20 country who is on the track for below 2 degree rise as per the Paris agreement. Shri Kumar interacted with CEOs of large industries from Steel, Cement, Refinery, Fertiliser and other sectors. Industry leaders appreciated the efforts of Ministry of Power and assured all possible contribution for making the industrial sector cleaner and efficient in coming years.

Ministry of Power has taken several initiatives to enhance energy efficiency of major industrial sectors. The objective is to reduce consumption of fossil fuel, coal, oil and gas thereby leading to low carbon economy. This will not only enhance energy security for India but will also contribute towards climate goals as per the Paris Agreement.

One of the flagship initiative known as Perform, Achieve and Trade (PAT) was implemented under Cycle II (during 2016-19) covering 621 large industries from 11 sectors. Bureau of Energy Efficiency who is piloting this initiative completed the verification of energy savings achieved by these industries called as Designated Consumers (DCs). As per the audit reports received by BEE, total energy saving was more than 14 million tonne of oil equivalent (MTOE) which has also avoided 66 million tonnes CO<sub>2</sub> emission. This initiative has resulted in energy saving of Rs. 31,445 crores and industries have reported an investment of over Rs. 43,721 crores. In order to incentivise the exemplary performance, Ministry of Power issued Energy Saving Certificates (ESCerts) to those units who exceeded their targets.

PAT scheme as a market-based mechanism, under National Mission for Enhanced Energy Efficiency (NMEEE) is to enhance cost effectiveness through certification of excess energy savings in energy intensive industries that can be traded. The scheme seeks to reduce the specific energy consumption (SEC), i.e. energy used per unit of production in energy intensive large industries. Under this scheme, an Energy Audit is done to verify the baseline data (current level of efficiency) and thereafter energy saving targets are given. Energy Saving Certificates (ESCerts) are issued to those plants that have achieved excess energy savings over their targets. Units that are unable to meet the targets either through their own actions or through purchase of ESCerts are liable to financial penalty under the Energy Conservation Act, 2001.

After Issuance of ESCerts DCs are required to register with the Registry as Eligible Entity before registering with the power exchanges for trading of ESCerts and book keeping of ESCerts. The Trading of ESCerts takes place on the Power Exchange platform.

“**Azadi Ka Amrit Mahotsav**”, is the Government's initiative to mark 75 years of India's Independence. The idea behind the Mahotsav that starts the celebration of 75 years of India's Independence 75 weeks before 15th August, 2022 and extends up to Independence Day 2023 is to showcase accomplishments since 1947 so as to instil a sense of pride and to create a vision for 'India@2047'. The commemorations will include 75 events for 75 weeks with one prominent event every week.

**About BEE:**

The Government of India has set up the Bureau of Energy Efficiency (BEE) on 1st March 2002 under the provision of the Energy Conservation Act, 2001. The mission of the Bureau of Energy Efficiency is to assist in developing policies and strategies with a thrust on self-regulation and market principles with the primary objective of reducing energy intensity of the Indian economy within the overall framework of the Energy Conservation Act, 2001. This will be achieved with active participation of all stakeholders, resulting in accelerated and sustained adoption of energy efficiency in all sectors.

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**MV/IG**

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