

Bill Summary

The Energy Conservation (Amendment) Bill, 2010

- The Energy Conservation (Amendment) Bill was introduced in the Lok Sabha on March 8, 2010. It amends the Energy Conservation Act, 2001.
- The Energy Conservation Act empowers the government to specify norms and standards of energy efficiency to be followed by different industries (who are specified in a schedule to the Act) in their use of power. Norms and standards of energy efficiency and conservation are also to be set for appliances and equipment, and the construction of buildings. The Act empowers state governments to enforce its various provisions.
- The Act also establishes the Bureau of Energy Efficiency under the central government to specify qualifications and certification procedures for energy auditors and managers who shall audit the use of energy by industries.
- The Bill expands the scope of energy conservation norms for buildings and tightens the applicability of energy efficiency norms for appliances and equipment. It provides a framework within which savings on energy use can be traded between those industries who are energy efficient and those whose consumption of energy is more than the maximum set by the government. The Bill increases penalties for offences and provides for appeals to be heard by the Electricity Appellate Tribunal set up under the Electricity Act, 2003.
- Under the Act, the government could specify energy conservation building codes for commercial buildings with a connected load of more than 500 kW or contract demand of 600 kVA. The Bill broadens the range of commercial buildings to which such building codes apply to those with a connected load of more than 100 kW, or contracted demand of more than 120 kVA.
- Under the Bill, the central government can issue energy savings certificates to those industries whose energy consumption is less than the maximum allowed. Such certificates can be sold to other consumers whose consumption is more than the maximum allowable.
- The Act empowers the government to specify energy consumption norms for equipment or appliances. The government can also prohibit the manufacture, sale, purchase or import of notified equipment unless they conform to such norms. However, this prohibition can only be issued two years after the norms have been specified. The Bill reduces this time frame to six months, extendable by a further six months.
- The Bill increases the penalty specified for offences committed under the Act. Each offence shall attract a penalty of Rs 10 lakh (Rs 10,000 earlier), with an additional penalty of Rs 10,000 for each day that the offence remains (Rs 1000 earlier). The additional penalty, for those industries who consume energy in excess of norms, will be the value of the excess energy consumed.
- The Act provided for the setting up of an Appellate Tribunal for Energy Conservation, which would hear appeals against orders of the central or state government. The Bill does away with this provision and provides for appeals against such orders to be heard by the appellate tribunal established under the Electricity Act, 2003.
- The Bill increases the term of office of the Director General of the Bureau of Energy Efficiency from three to five years. It provides for the Bureau, rather than the Central Government, to appoint its officers and staff.

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