

A. Salient features of the Energy Conservation Act 2001

The Act empowers the Central Government and, in some instances, State Governments to:

- specify energy consumption standards for notified equipment and appliances;
- direct mandatory display of label on notified equipment and appliances;
- prohibit manufacture, sale, purchase and import of notified equipment and appliances not conforming to energy consumption standards;
- notify energy intensive industries, other establishments, and commercial buildings as designated consumers;
- establish and prescribe energy consumption norms and standards for designated consumers;
- prescribe energy conservation building codes for efficient use of energy and its conservation in new commercial buildings having a connected load of 500 kW or a contract demand of 600 kVA and above;
- direct designated consumers to -
 - designate or appoint certified energy manager in charge of activities for efficient use of energy and its conservation;
 - get an energy audit conducted by an accredited energy auditor in the specified manner and interval of time;
 - furnish information with regard to energy consumed and action taken on the recommendation of the accredited energy auditor to the designated agency;
 - comply with energy consumption norms and standards;
 - prepare and implement schemes for efficient use of energy and its conservation if the prescribed energy consumption norms and standards are not fulfilled;
 - get energy audit of the building conducted by an accredited energy auditor in this specified manner and intervals of time;
- State Governments may –
 - amend the energy conservation building codes prepared by the Central Government to suit regional and local climatic conditions;
 - direct every owners or occupier of a new commercial building or building complex being a designated consumer to comply with the provisions of energy conservation building codes;
 - direct, if considered necessary for efficient use of energy and its conservation, any designated consumer to get energy audit conducted by an accredited energy auditor in such manner and at such intervals of time as may be specified;

B. Establishment of Bureau of Energy Efficiency

Under the provisions of the Act, Bureau of Energy Efficiency has been established with effect from 1st March, 2002 by merging the erstwhile Energy Management Centre, a society under the Ministry of Power. The Bureau would be responsible for spearheading the improvement of energy efficiency of the economy through various regulatory and promotional instruments.

The mission of the Bureau of Energy Efficiency is to develop policy and strategies with a thrust on self-regulation and market principles, within the overall framework of the Energy Conservation Act, 2001 with the primary objective of reducing energy intensity of the Indian economy. This will be achieved with active participation of all stake holders, resulting in accelerated and sustained adoption of energy efficiency in all sectors of the economy.

The primary objective of BEE is to reduce energy intensity in the Indian economy through adoption of result oriented approach. The broad objectives of the BEE are:

- to assume leadership and provide policy framework and direction to national energy efficiency and conservation efforts and programmes;
- to coordinate policies and programmes on efficient use of energy and its conservation with the involvement of stakeholders;
- to establish systems and procedures to measure, monitor and verify energy efficiency results in individual sectors as well as at national level;

- to leverage multi-lateral, bi-lateral and private sector support in implementation of the Energy Conservation Act and programmes for efficient use of energy and its conservation;
- to demonstrate energy efficiency delivery mechanisms, through private-public partnership,
- to plan, manage and implement energy conservation programmes as envisaged in the Energy Conservation Act.

The Director-General is the chief executive officer of the Bureau of Energy Efficiency. The general superintendence, direction and management of the affairs of BEE is vested in the Governing Council having up to 26 members. The Governing Council is headed by Union Minister of Power and consists of Secretaries of various line Ministries, heads of various technical agencies under the Ministries, members representing industry, equipment and appliance manufacturers, architects, and consumers, and members from each of the five power regions representing the states of the region. The Director – General of the Bureau is the ex-officio member-secretary of the Governing Council.

BEE has been given a corpus fund of Rs. 50 Crore for setting up of the Central Energy Conservation Fund for meeting the expenses relating to the salaries, allowances and other remuneration of the officers and employees of the Bureau and to meet the expenses of the Bureau in discharge of its functions as well as on objects and for purposes authorized by the Act. It has also been authorised to collect appropriate fees in discharge of functions assigned to it and raise funds from other sources. BEE may become self-sufficient in a period of 5-7 years.

C. Functions of BEE

The functions of BEE can be classified as regulatory functions being recommendatory body to the Central Government in implementing the provisions of the Energy Conservation Act and facilitation, market development and market transformation functions such as:

- arrange and organize training of personnel and specialists in the techniques for efficient use of energy and its conservation;
- develop testing and certification procedures and promote testing facilities;
- strengthen consultancy services;
- create awareness and disseminate information;
- promote research and development;
- formulate and facilitate implementation of pilot projects and demonstration projects;
- promote use of energy efficient processes, equipment, devices and systems;
- take steps to encourage preferential treatment for use of energy efficient equipment or appliances;
- promote innovative financing of energy efficiency projects;
- give financial assistance to institutions for promoting efficient use of energy and its conservation;
- prepare educational curriculum on efficient use of energy and its conservation and
- implement international co-operation programmes relating to efficient use of energy and its conservation.

D. Action plan of BEE

During the three year period 4/2004 – 3/2007 BEE shall primarily focus on 9 thrust areas. In addition, it shall also attend to ongoing programmes and such other programmes as are considered essential for promoting the objectives of the Act. In the following sections, the background, legislative mandate, approach, role of BEE for 8 thrust areas are described. Furthermore three-year target indicators as well as monitoring indicators have been set. Monitoring indicators were used in cases where BEE has little control over compliance or in cases of difficulties to quantify a target.