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My experiences with Incentive Schemes for Energy Efficiency Improvement

1.0 My Background

I am a mechanical engineering graduate from MACT, (A regional Engg. College) Bhopal.

I passed out in the year 1977 and was selected by SAIL in 1978 to work for their subsidiary called MECON.I joined MECON in May 1978 at Bhilai and was subsequently posted at Bangalore.

I came to know about the concepts of energy conservation and energy efficiency sometimes in 1989 when I was still working with MECON. Industrial Development Bank of India (IDBI) had organized an awareness programme about their energy audit subsidy scheme. Later, I also came to know about PCRA and the work being done by them.

I was very much excited about the concept and wanted to do something in this field. I wrote a few letters to the editors in the local newspapers supporting the suggestion of mandatory energy audit. One suggestion for reducing the petroleum consumption during waiting-in time at road junctions was published by “Indian Express”, Bangalore in 1990.This suggestion was both laughed at as well taken quite seriously by some. I still hold the view that the suggestion given by me has some merits.

To cut the story short, I feel, I was destined to work as energy consultant since fate made me take a decision to resign from MECON .For a brief period of 6 months, I worked with M/s Blue Star Ltd., at Bhopal before resigning from that company too. When I resigned from BSL on 17th Oct 1991, I didn't exactly know what I will do next. Then as if GOD almighty had already planned for me, there was an advertisement from MP Urja Vikas Nigam Ltd.(MPUVN) asking for empanelment of energy consultants. Based on my experience with MECON and some knowledge about the concept, I was empanelled by MPUVN. Also, the fact that at that time there were very few persons who had heard of this concept in MP helped me to get a foothold.

I got my first assignment from MPUVN on 27th Dec1991 (i.e. 12 years back) for conducting Preliminary Energy Audit Study for a unit based at Mandideep industrial area. I did a reasonably good job and since then I have been involved in conducting more than 100 such studies for all types of industrial, commercial, Govt. institutions, etc.

Non-Existence of Incentive Schemes for energy efficiency improvement:

In the last 12 years of being involved in this field, I have yet to come across a company/ institution./ Govt organisation which is having a full fledged incentive scheme to bring down the energy consumption. At the most, this forms the part of general incentive schemes for rewarding suggestions given by employees.

I am also not aware about any kind of penalty being imposed on the employees for wasteful utilization of energy. In fact, both, "the carrot" and "the stick," are missing from the scene. In some hotels, I just found some instructions by the General Manager to securitymen about the timings to be followed for switching OFF/ON the lights in corridors/ general areas.

In the beginning, this fact of non-existence of a suitable incentive scheme to save energy in the units surveyed was very disturbing for us. Therefore we decided to introduce an incentive scheme in 1992-93 on our own to encourage energy conservation in industrial and govt institutions .We gave publicity in the newspapers asking for nominations from the eligible persons. We had announced 2 prizes of Rs 251 each along with a certificate every month for individuals who had on their own contributed in saving energy.

When we didn't get proper response then in the first month we decided to select 2 individuals, one was incharge of A/c Plant of Railway station booking office. He had applied his mind and progressively reduced the electricity bills over a period of 1 year. The other one was an individual who used to walk down to his work place 5 KM away to save petrol. These awards were duly announced in the newspapers with the hope that more people will come forward to give their nominations.

But a great shock awaited us as the first person from railways reported that his boss is very angry with him and accusing him for trying to get undue publicity! He was worried that he may loose his next promotion and reluctantly accepted the award money and the certificate. The second one said that he can't immediately accept the award and has to

seek his superior's permission because he was working in state govt owned corporation. Later- on he obtained the necessary permission and we immediately sent the award money along with the certificate. It is needless to say that we didn't any more awards on our own and nor we received any nominations.

However, in all our reports, we were recommending the introduction of a suitable incentive scheme for the operators and maintenance staff to encourage energy conservation. But none of the unit even discussed with us how such a scheme will help. This may also be due to the fact that in reality, it is not so easy to design a suitable incentive scheme for encouraging energy saving at the first place! Forget the implementation. One has to be very careful in designing such a scheme since it may lead to some complications related with operation and maintenance of the equipment.

Further, the management is also more interested in getting benefits from the Govt like subsidies, soft loans, tax incentives, grants etc., rather than taking trouble to introduce incentive schemes to their employees! More emphasis is given to reduce other costs then to reduce energy costs. In one case, the management was busy in negotiating salary hikes to control the salary budget but didn't bother to see how to reduce the energy bills which were in fact more than 4 times of the salary budgets!

Employees unions also don't take much interest to take up the issue of introducing a suitable incentive scheme to conserve energy because most of the union leaders either don't understand the concept or are afraid that this will lead to increase in work responsibilities!

In fact, whatever little interest is being taken by the employees to conserve energy is voluntary in nature and on their own accord. Some of the employees who are actually committed to the company and the cause of energy conservation take trouble to see that wasteful practices are minimized. But this story holds good only for about 10 % of the cases.

In some of the units, where we were supposed to get our fee as fixed percentage of the savings accrued, we could motivate some of the employees to implement the suggestions by offering some incentives unofficially! This helped us in ensuring that the unit really implements the recommendations so that we get our money from the savings while it helped the employee to get some extra bucks! Of-course the unit got benefit in terms of the reduced electricity bill. This was a good case of win-win situation for everybody.

Subsequently, the same employee event volunteered to present a case study of his unit in one of the seminars on energy conservation! His presentation was very well appreciated and he got good publicity in the newspapers and appreciation from the management. Presently, he is quite well placed in his organization in a senior position.

Conclusion

We have many award schemes like that of MoP which gives annual awards to all types of industrial units on "Energy Conservation Day" on 14th December. PCRA is also giving

suitable awards to industrial units and energy auditors. But there is no schemes to award individuals in charge of energy consumption.

We have to learn to give due credit and recognition to individuals who have selflessly contributed in helping the cause of energy conservation. It is the duty of the national level organizations to search them and give them what they deserve. The society is made of individuals and unless you honour them, the society can't progress.

In a large country like India, should't we have more and more awards? At district level, at state level, at national level? We have started doing well recently in the sports because of good money and recognition coming in. Almost every sector of economy has some God Father except for the energy conservationist. Can we continue to ignore individual initiatives and still hope to popularize energy conservation?

Why only energy activists should be deprived of the recognition. Why talk of incentive schemes in industrial and commercial units when we don't have such a scheme in the govt sector. Do we have a model incentive scheme to follow? Yes, we have model performance contracts, model energy policy statements but no model incentive schemes or guidelines.

Of-course "Energymanagertraining.com" site is doing a great job of awarding the individuals who write technical papers or take part in Quiz or send case studies but this is only for highlytechnical and experienced individuals. What about the shop floor operator or maintenance staff or the one who is selecting the equipment / designing systems?