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Observations on the recommendation of Dr Kaupp, IGEN and BEE:

The recommendation that “the notified and designated industrial plants should electronically report energy data to BEE for automatic processing, analysis and summary generation”, is absolutely practical and commendable as well. It is, no doubt, a necessity now to use all energy forms in most efficient manner. The process of categorization of industries on the basis of energy data , and coding them to Gold, Silver etc., is bound to bring accountability into the system. Further, the exercise of monitoring and analysis of specific energy consumption in KWh/unit’ and ‘specific energy cost in Rs./unit, and generation of summary for benchmarking energy data; will ultimately lead to reduction in energy demand of our country and stability in energy cost on account of increased energy security to the people.

(i) Pop up explanations for change in consumption and costs:

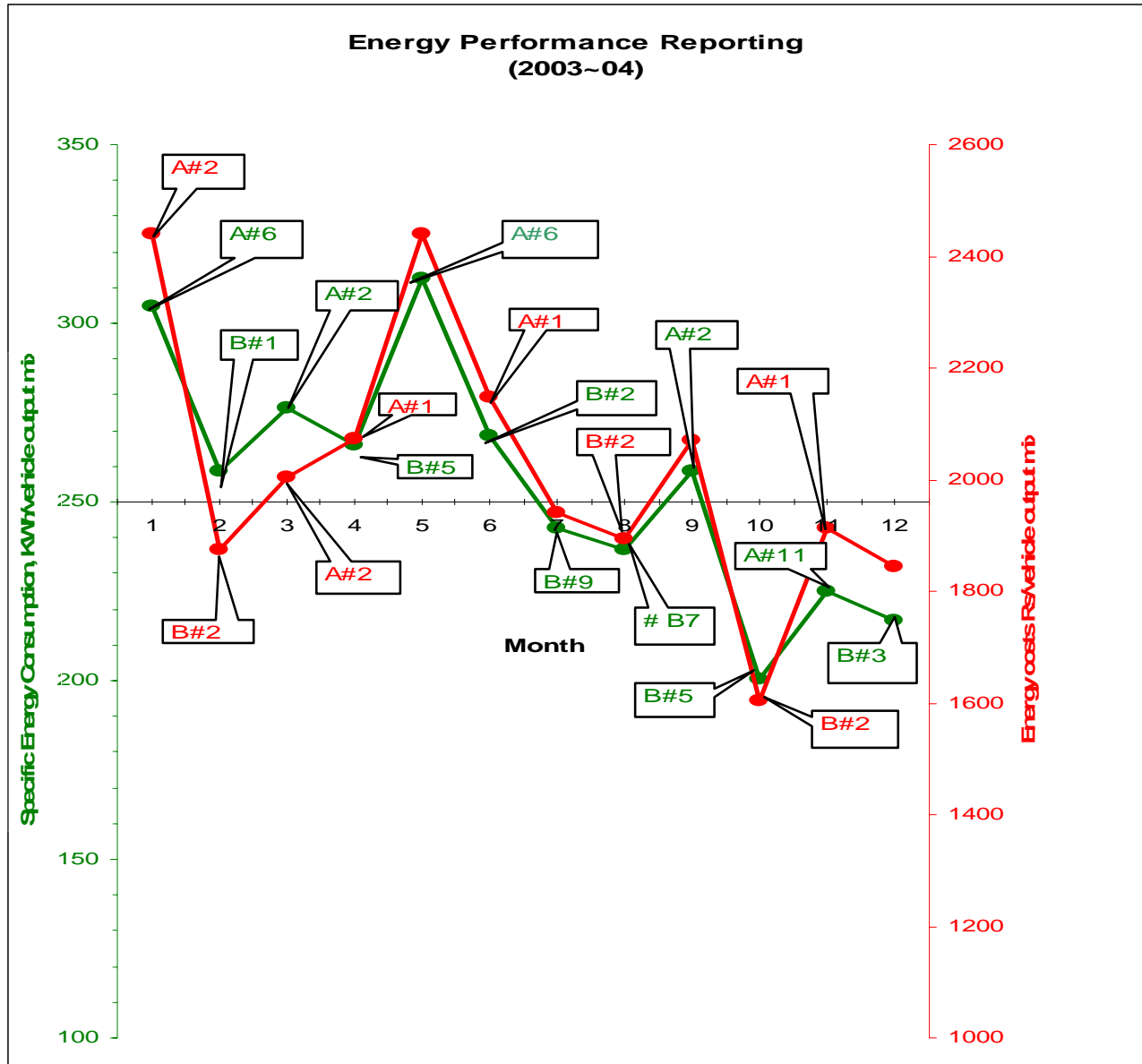
Table-‘A’ : Increased specific consumption or cost list

#	Reason of increased energy consumption KWh/unit output	Reason of increased energy cost Rs/unit output
1	Increase in forced outages	Fuel cost increased
2	Increase in scheduled outages	Specific consumption increased
3	Labour unrest	Revenue from diverted energy flow decreased
4	Reduction in output due to lack of fuel	Output mix changed due to more energy intensive products
5	Reduction in output due to lack of resource material	
6	Reduction in output due to high inventory	
7	Due to construction activity for plant expansion	
8	New equipment installation for higher plant automation	
9	More heating/cooling due to weather-conditions/comfort	
10	Output mix changed due to more energy intensive products	
11	Reduction in output due to less working days in a month	

Table-‘B’ : Decreased specific consumption or cost list

#	Reason of decreased energy consumption KWh/unit output	Reason of decreased energy cost Rs/unit output
1	Implementation of energy conservation measures/projects	Fuel cost decreased
2	Lower energy wastage due to employee awareness	Specific consumption decreased
3	Process simplification	Revenue from diverted energy flow increased
4	Shifting of some of the manufacturing activities to a vendor	Output mix changed due to less energy intensive products
5	Increase in production volume due to more demand	
6	Less rejection or re-work	
7	Reduced cycle time due to improved efficiency	
8	Reduction in non-production load ,e.g. office/store	
9	Less heating/cooling due to better weather-conditions	
10	Output mix changed due to less energy intensive products	

(ii) Real Case (for Automobile Plant) :



Note :

- (a) The explanations in green colour are for increase/decrease in specific energy consumption, KWh/vehicle. For example, A#6 explains that specific energy consumption in Apr'03 increased because of 'reduction in output due to high inventory', i.e. point 6 of table 'A'.
- (b) The explanations in red colour are for increase/decrease in energy cost, Rs/vehicle.

Suggestion :

In an auto industry, comparison of data (including sale data) is made with the same month of previous year because the sale figures follow a trend on account of various factors which effect sales. This may be true in case of other industry segments also. Therefore, it is suggested that the comparison of specific energy consumption and cost data should be made with the same month of previous year. The observations and explanations in this case shall be more relevant and convincing.