



## BEE Introduces State Energy Efficiency Index

The Bureau of Energy Efficiency (BEE) has come up with the country's first state energy efficiency preparedness index.

- The index assumes significance in India as it now the biggest emitter of greenhouse gases after the US and China, and ironically she is also among the most vulnerable to climate change.
- The introduction the index holds importance in the context of India's commitments made at Paris.
- Energy efficiency could help India save 500 billion units of energy and avoid the need for 100 gigawatts (GW) of power capacity within 2030.
- This translates to a potential reduction of 557 million tonnes of carbon dioxide emission. India's energy efficiency market is estimated at \$23 billion with a vast potential to grow.

**NOTE:** India plans to reduce its carbon footprint by 33-35% from its 2005 levels by 2030, as part of its commitments to the United Nations Framework Convention on Climate Change adopted by 195 countries in Paris in 2015.

### Key Highlights

- Energy Efficiency Index is based on 63 indicators in sectors such as buildings, industry, municipalities, transport, and agriculture and electricity distribution companies (discoms).
- These indicators are based on metrics such as policy and regulation, financing mechanisms, institutional capacity, adoption of energy efficiency measures and energy savings achieved.
- The Index will help track the progress in managing the energy footprint of states and the country, encourage competition between states and help in programme implementation.

### Other Measures Taken

- The Government of India (GoI) enacted The Energy Conservation Act (EC Act) in 2001, with the overall objective of reducing the energy intensity of the Indian economy.
- In order to achieve a sustainable development path, India launched its National Action Plan for Climate Change (NAPCC) in 2008, with eight National Missions.
- National Mission for Enhanced Energy Efficiency is one such mission which outlines market-based initiatives to enhance energy efficiency.
- National Mission on Sustainable Habitat is another mission under which energy efficiency in buildings is covered as one of the initiatives.
- The Unnat Jyoti by Affordable LEDs for All (UJALA) was launched in 2015. It aims to rectify India's high cost of electrification and the increased emissions from inefficient lighting by distributing 20W LED tube lights and BEE 5-star rated energy efficient fans to the consumers.
- The Government has introduced the Perform, Achieve and Trade (PAT) programme. With an investment of \$4.07 billion, the first phase of the PAT programme resulted in \$1.46 billion savings.

**NOTE:** Perform, Achieve and Trade Programme

- Perform, Achieve and Trade (PAT) Mechanism is a market-based mechanism to further accelerate

as well as incentivize energy efficiency in the large energy-intensive industries.

- The scheme provides the option to trade any additional certified energy savings with other designated consumers to comply with the Specific Energy Consumption reduction targets.
- The Energy Savings Certificates (ESCerts) so issued will be tradable on special trading platforms to be created in the two power exchanges -- Indian Energy Exchange and Power Exchange India.
- The scheme is unique in many ways, particularly from a developing country's perspective since it creates a market for energy efficiency through tradable certificates, called Energy Saving Certificate (ESCerts) by allowing them to be used for meeting energy reduction targets.
- India is also redefining its mobility architecture through electric vehicles (EVs), improving the energy efficiency of electrical appliances, motors, agricultural pumps and tractors, and even buildings.
- NITI Aayog has also pitched for an “overarching energy efficiency policy”, along with making energy efficiency a priority lending sector for banks and financial institutions.

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