Perform, Achieve and Trade Scheme

Why in News

A recent report released by the **Centre for Science and Environment (CSE)** mentions that the **Perform, Achieve and Trade (PAT) scheme** introduced in 2008 is not effective.

- The PAT scheme was introduced to improve energy efficiency in Indian industries and consequently reduce greenhouse gas.
- The report attributed the inefficiency of the scheme to **non-transparency, unfastened targets** and **neglected deadlines.**

Centre for Science and Environment (CSE)

- CSE is a **public interest research** and **advocacy organisation** based in New Delhi.
- It researches into, lobbies for and communicates the urgency of development that is both sustainable and equitable.

Key Points

- **About:**
  - It is a **market-based mechanism** to further accelerate as well as incentivize energy efficiency in the large energy-intensive industries.
  - The **Energy Savings Certificates (ESCerts)** were introduced in India in 2011 under the PAT by the **Bureau of Energy Efficiency (BEE)** under the **National Mission of Energy Efficiency.**
    - NMEEE is one of the eight national missions under the **National Action Plan on Climate Change (NAPCC)** launched by the Government of India in the year 2008.
- **Energy Savings Certificates (ESCerts):**
  - This market- based mechanism is facilitated through the **trading of Energy Savings Certificates (ESCerts)** which are issued to those plants who have overachieved their targets.
  - The **underachievers are entitled to purchase ESCerts** through two power exchanges - **Indian Energy Exchange (IEX)** and Power Exchange India Limited (PXIL).
  - Industries that take part in this scheme are referred to as **designated shoppers (DC).**
- **Sectors Covered:**
  - PAT covered about **13 energy-intensive sectors:** Thermal power plants (TPP), cement, aluminium, iron and steel, pulp and paper, fertiliser, chlor-alkali, petroleum refineries, petrochemicals, distribution companies, railways, textile and commercial buildings (hotels and airports).
- **Other initiatives to Promote Energy Conservation and Energy Efficiency:**
  - **Standards and Labeling**
  - **Energy Conservation Building Code (ECBC)**
  - **Demand Side Management**
  - **SAATHEE Portal**

Way Forward

The energy reduction target should be made stringent in order to meet up with the **global climate commitments** with respect to greenhouse gas emission mitigation.

Source: DTE

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