

Energy Conservation (EC) Act, 2001

November 11, 2020

In news

Power Ministry said that all Discoms will come under the Energy Conservation Act

A brief note on the issue

- Bringing DISCOMs under ECA would reduce energy losses and bring in more transparency in the sector
- Before this decision, only Discoms with annual energy losses equal to or above 1,000 MU (million units), notified as designated consumers, used to come under the purview of the EC Act.
- The notification was issued in consultation with Bureau of Energy Efficiency (BEE)
- As per the notification, all Discoms will be governed under various provisions of the EC Act, such as appointment of energy manager, energy accounting and auditing, identification of energy losses category-wise, and implementation of energy conservation and efficiency measures.

Energy Conservation (EC) Act, 2001

- It provides for the establishment of Bureau of Energy Efficiency as an agency of Ministry of Power
- Objective:
 - The purpose of this act is to provide for efficient use of energy and its conservation.
 - Provide a policy framework and direction to national energy conservation activities.
 - Coordinate policies and programs on efficient use of energy with stakeholders.

- Establish systems and procedures to verify measure and monitor EE improvements.
- Leverage multilateral, bilateral and private sector support to implement the EC Act.
- Demonstrate EE delivery systems through public-private partnerships.
- To promote energy efficiency in the country
- It also provide for energy conservation fund

Significance:

- The proposed change is expected to help discoms to monitor their performance parameters and bring in transparency in the distribution sector through professional inputs, it added.
- It will also assist in developing projects for reducing the electricity losses by Discoms and implementing effective solutions.
- The amendment is expected to improve the financial state of discoms.
- The quarterly data of these Discoms will be collected and monitored by the government to suggest measures for increasing efficiency and reduce the energy losses.