

FICCI-BEE release survey findings on 'Perform, Achieve & Trade' scheme

NEW DELHI, 2 September 2015: On March 31, 2012, the Government of India announced a historic regulation for industrial sector in a bid to ensure energy security of the country. Under a scheme called Perform, Achieve & Trade (PAT), the regulation notified standards and norms (i.e. specific energy consumption (SEC) reduction targets) for 478 Designated Consumers (DCs) in eight industrial sectors like cement, pulp & paper, aluminium, textile, chlor-alkali, iron & steel, fertilizer and thermal power plant. Different targets are assigned to different DCs which are to be achieved in three years from the date of notification. The over-performers will be entitled to get energy saving certificates (e-certs) at the end of the compliance period. Similarly, the under-achievers will have to comply the shortfall by purchasing the e-certs in a tradable system or paying the penalty. This market based mechanism is first of its kind in the world.

In recent years, industry has been choosing state-of-the-art energy efficient technologies. Also, there have been many in-house efforts made by the industry to become more energy-efficient. In order to further accelerate as well as incentivize energy efficiency initiatives, the PAT mechanism was designed. PAT is a market-based mechanism to enhance cost effectiveness of improvements in energy efficiency in energy-intensive large industries through certification of energy savings that could be traded.

There are 478 designated consumers in 8 industrial sectors identified in the country who have a mandatory participation in PAT scheme. BEE initiated the process of identifying the DCs in these 8 sectors during 2010-11 from a probable list of 714 numbers by actually obtaining the information of annual energy consumption (in tonnes of oil equivalent) and comparing with the notified threshold limits.

A survey was conducted by FICCI and the Bureau of Energy Efficiency (BEE) to know the response of DCs and the verifiers (called EmAEAs) for M&V of the PAT scheme on the various activities /entities during different phases. The responses were obtained during August 10-20, 2015 where in about 10% DCs and 44% EmAEAs responded through a structured questionnaire. Moreover, 77% of the responses were from private sectors.

The objective of the survey is to collate the learnings from the PAT 1 exercise which will help in improving the implementation of the second cycle of PAT.

The findings of the survey were released here today at Federation House by **Dr. Ashok Kumar**, Energy Economist, BEE; **Mr. S P Garnaik**, Head (Energy efficiency), ICF International and **Dr. Arbind Prasad**, Director General, FICCI.

FICCI MEDIA DIVISION