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Energy Conservation (Amendment) bill, 2022

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Why is in news? Parliament passes Energy Conservation (Amendment) bill to promote non-fossil energy sources

Parliament has passed the Energy Conservation (Amendment) Bill, 2022 with Rajya Sabha approving it. Lok Sabha has already passed the Bill.

The Minister for New and Renewable Energy informed the House that during 2015 at COP-21, as part of its Nationally determined contributions, NDCs, **India had committed to achieving 40 per cent of its installed electricity capacity from non-fossil energy sources by 2030.**

Highlights of the Bill:

The Bill **amends the Energy Conservation Act, 2001** to empower the central government to specify a **carbon credit trading scheme.**

Designated consumers may be required to meet a proportion of their **energy needs from non-fossil sources.**

The **Energy Conservation Code for buildings will also apply to office and residential buildings** with a connected load of 100 kilowatt or above.

Energy consumption standards may be specified for **vehicles and ships.**

Key Issues and Analysis:

Carbon credit trading aims to reduce carbon emissions, and hence, address climate change. A question is whether the market regulator for carbon credit trading should be specified in the Act.

Same activity may be eligible for renewable energy, energy savings, and carbon credit certificates. The Bill **does not specify whether these certificates will be interchangeable.**

Designated consumers must meet certain non-fossil energy use obligation. Given the **limited competition among discoms** in any area, consumers may not have a choice in the energy mix.

Energy Conservation Act, 2001:

The Energy Conservation Act, 2001 provides a framework for **regulating energy consumption and promoting energy efficiency and energy conservation.**

Energy efficiency means using less energy to perform the same task

The Act has **set up the Bureau of Energy Efficiency** to recommend regulations and standards for energy consumption

These apply to appliances, vehicles, industrial and commercial establishments and buildings. Efforts towards energy conservation and efficiency gains are among the key instruments envisaged for climate change mitigation. Efforts on

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these fronts lower the energy generation requirement, and thereby reduce greenhouse gas emissions

These also have positive implications for energy security in a country like India, which relies on imports to meet some of its energy needs.

During the **COP-26 summit in 2021**, India made the following commitments which may be relevant for energy efficiency efforts: (i) reducing total projected carbon emissions by one billion tonnes by 2030, and (ii) reducing the carbon intensity of the economy by 45% by 2030 over 2005 levels. [iv]Carbon intensity is defined as the volume of carbon emissions per unit of GDP. In addition, India aims to have 500 GW of non-fossil energy capacity and meet 50% of its energy requirements from renewable energy by 2030.