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Energy Efficiency Initiatives venturing into trading of ESCerts: Registration to start in June

Bureau of Energy Efficiency (BEE) organized a workshop on 22-23 May 2017 for Energy Intensive Industries i.e. Designated Consumers (DCs) who participated in Perform, Achieve and Trade (PAT) Scheme cycle 1. The objective of this workshop was to familiarize the DCs about the registration and trading process in respect of Energy Saving Certificates (ESCerts) which is likely to be commenced in the coming months. In this workshop over 200 representatives from large industries participated and discussed about the procedure and issues relating to proposed trading of ESCerts among the DCs. During the workshop, officials from Ministry of Power, BEE, Central Electricity Regulatory Commission (CERC), Power System Operation Corporation Limited (POSOCO), Power Exchanges i.e. Indian Energy Exchange (IEX) and Power Exchange India Limited (PXIL) participated and provided detailed information to the participating officials from industry sector.

PAT Cycle-I was launched with an aim to reduce the Specific Energy Consumption (SEC) of 478 DCs from eight energy intensive sectors viz. Aluminium, Cement, Chlor-Alkali, Fertilizer, Iron & Steel, Paper & Pulp, Thermal Power Plant and Textile. The overall energy saving targets for PAT Cycle –I was 6.686 Million Tonne of Oil Equivalent (MTOE) to be achieved by these DCs. Based on the Monitoring and Verification (M&V) carried out to analyze the performance of above DCs, an achievement of energy savings equivalent to 8.67 MTOE was reported, which is about 30% excess in comparison to the assigned targets. The energy savings achieved have been converted into tradable instruments in the form of ESCerts. There are 306 DCs who have been issued total of about 38.25 lakh ESCerts in lieu of their excess energy savings whereas 110 DCs are cumulatively entitled to purchase about 14.25 lakh ESCerts to meet their shortfall in meeting their energy reduction targets.

The ESCerts issued by Ministry of Power would be traded through the two Power Exchange platform namely IEX and PXIL under the regulations and procedures issued by CERC. BEE has set up an online platform, where the DCs will register to become eligible entities for the trading of ESCerts.

For this trading mechanism, CERC is the Market Regulator and BEE is the Administrator for trading of ESCerts. POSOCO has been appointed as Registry for making DCs as eligible entities for trading of ESCerts. Trading/transaction of ESCerts shall be done on continuous basis i.e. every Tuesday on weekly basis. BEE shall intimate the exact date on which trading of ESCerts would commence at power exchanges.

The deliberations and discussions during the workshop have benefited the DCs on familiarization of processes and procedure related to the registration and trading of ESCerts.