

Workshop for PAT Cycle I Designated Consumers on Familiarization of ESCerts Trading Process

22-23 May 2017
India Habitat Centre, New Delhi

Background of PAT cycle I

- Under National Mission for Enhanced Energy Efficiency (NMEEE), the scheme of Perform Achieve and Trade (PAT) to reduce specific energy consumption in energy intensive industries, with an associated market based mechanism to enhance the cost effectiveness through certification of excess energy saving which can be traded.
- Perform Achieve and Trade in its first cycle was designed to reduce the specific energy consumption (SEC) in energy intensive sectors under which 478 DCs from 8 sectors viz. Aluminum, Cement, Chlor- Alkali, Fertilizer, Iron & Steel, Paper & Pulp, Thermal Power Plant and Textile.
- PAT cycle I has achieved an energy saving of 8.67 mtoe against the targeted energy saving of 6.68 mtoe which is about 30% over achievement. **Ministry of Power has issued approximately 38.25 lakh ESCerts to 306 Designated consumers while 110 Designated Consumers have to purchase ESCerts for their compliance.**
- PAT Cycle –II (2016-17 to 2018-19) commenced from 1st April, 2016 under which 621 industrial units from 11 sectors (8 existing sectors and 3 new notified sectors viz. Railways, Refineries and electricity distribution companies (DISCOMs) have been notified
- PAT cycle III (2017-18 to 2019-20) has commenced from 1st April 2017 under which targets for 116 DCs in 6 sectors have been notified.

Realized Impacts – PAT 1 (2012-2015)



Energy Saving

8.68 mtoe
5635 MW

1.25% of
India's
total primary
energy supply



Emission Reduction

31 million tonnes
of CO₂

1.93% of
India's
emissions



Skill Development

Capacity
building: **5000+**
Engineers and
operators

13718 Energy
Auditors &
Managers
219
Accreditation



Savings

Rs 37,685
Crores

from saved
energy
consumption
and **avoided**
generation



Investment

Encouraged
investments for
energy efficient
technologies for
domestic
manufacturing

Rs 24,517
Crore invested

Trading of ESCerts - Background

- Section 14A (1) of Energy Conservation Act 2001 gives power to Central Government to issue energy savings certificate to the designated consumer whose energy consumption is less than the prescribed norms and standards.
- Energy Conservation Rules, 2012 (PAT Rules 2012) notified on 30th March 2012 by Ministry of Power, has specified that the ESCerts to be issued/entitled to purchase will be in electronic form and tradable on Power Exchange. – ***BEE developed PATNet portal for all the DCs through which they upload their forms and ESCerts can be electronically issued/entitled to purchase to them.***
- The Power Exchanges are regulated by CERC and with respect to the powers conferred to CERC under section 66 and sub-section (1) as well as clause (y) of sub-section (2) of section 178 of the Electricity Act, 2003, **the Central Commission can make the regulations for the development of market (including trading) in power sector.**

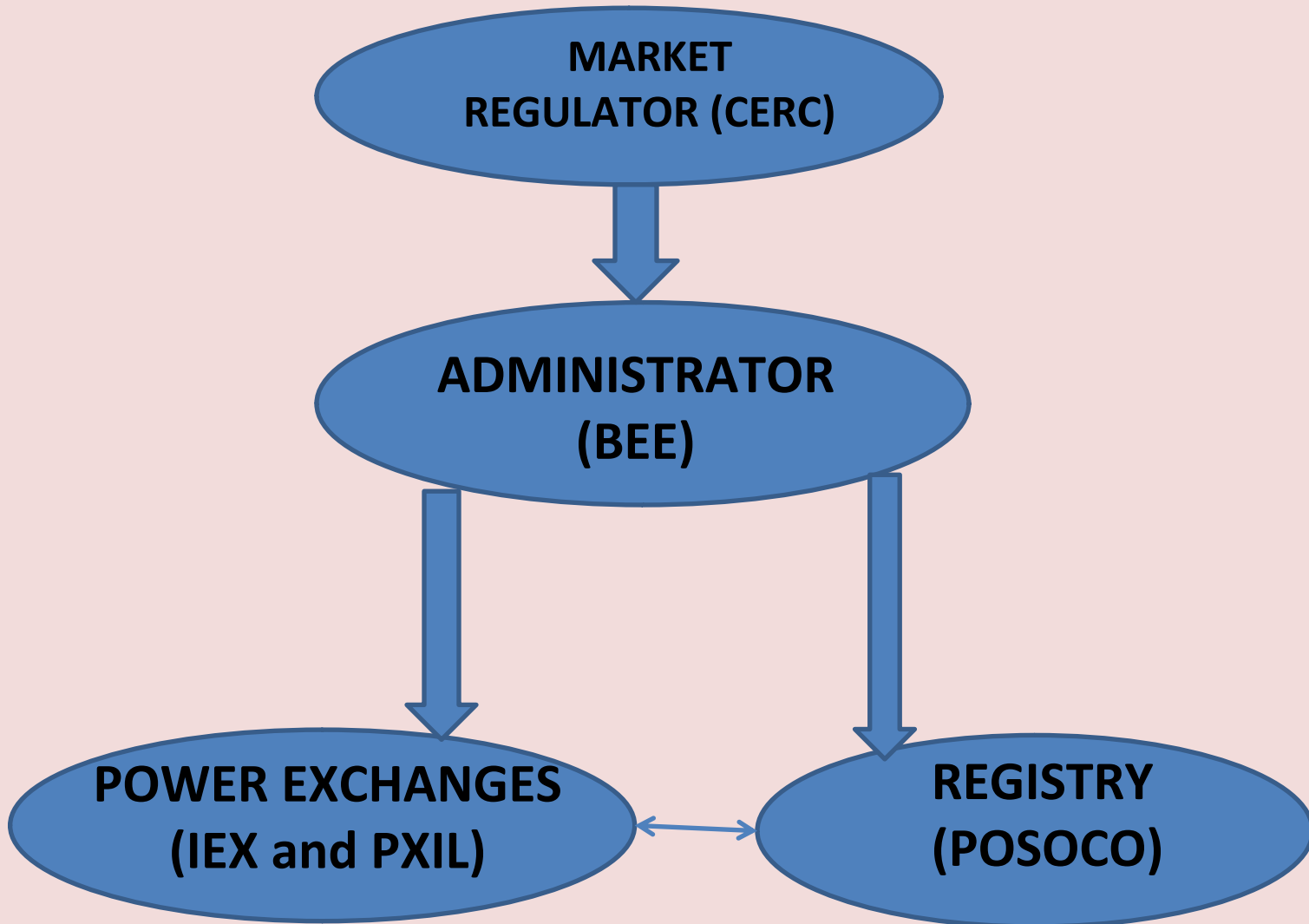
Trading of ESCerts – Background.....contd.

- Value of one ESCert is equal to one metric ton of oil equivalent of energy consumed. The value of per metric ton of oil equivalent of energy consumed shall be prescribed by Central Government , in consultation with BEE, under Section 14 B of the Energy Conservation Act 2001.
- As per PAT Rules amendment dated 31, March 2016, the value of per metric ton of oil equivalent for 2014-15 is Rs. 10968.
- For trading of ESCerts, no floor price or forbearance price has been defined as the price of ESCerts shall be discovered at the power exchanges
- A buyer DC can buy the ESCerts upto or more than their compliance whereas a seller DC can not buy the ESCerts. DCs to whom the ESCerts shall be issued can sell them at Power exchanges and balanced ESCerts can be utilized for compliance of their next consecutive PAT cycle.
- The ESCerts submitted to BEE for meeting the compliance, will stand expired. After purchasing ESCerts DCs cannot re-sell them and could use those ESCerts for compliance of current or for compliance of their next consecutive PAT cycle.

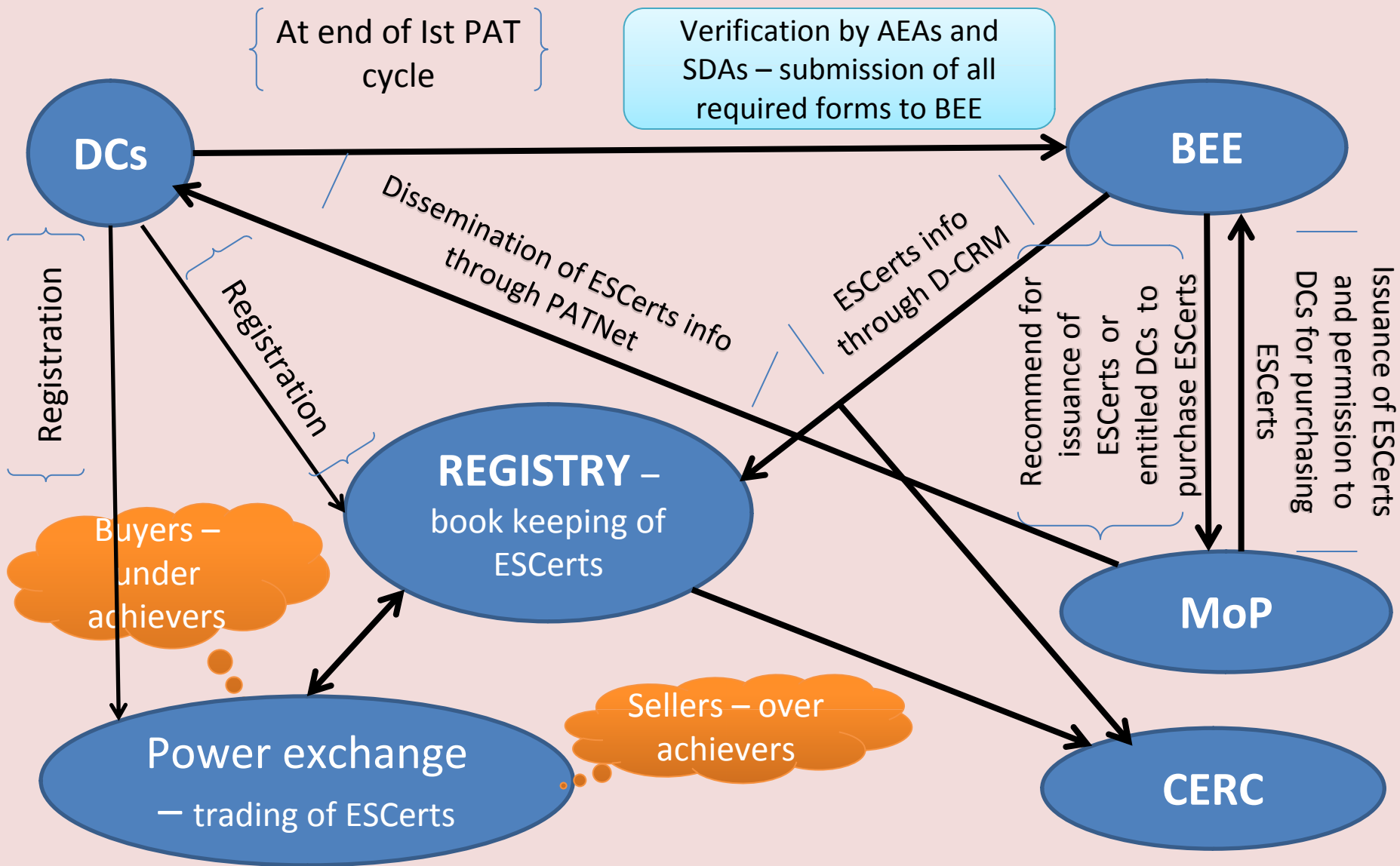
Trading Regulations for ESCerts

- Central Electricity Regulatory Commission (Terms and Conditions for Dealing in Energy Savings Certificates) Regulations, 2016 was issued by CERC on 27th May, 2016 and notified on 30th May, 2016. Important features of this Regulation are as follows:
 - a. Roles & responsibilities of Administrator, Registry, CERC and Power exchanges were defined.
 - b. Market price of ESCerts shall be discovered through bidding at power exchanges i.e. through closed double-sided uniform price auction.
 - c. Interested DCs to whom ESCerts have been either issued or are entitled to purchase by MoP have to register themselves with 'Registry' i.e. POSOCO to become eligible entity
 - d. For trading in Power exchanges too the DCs have to get themselves registered with any of the exchange.

Regulatory structure for Trading of ESCerts



Process Flow of ESCerts in PAT



Procedure for Transaction of ESCerts

- BEE (Administrator) had developed the detailed procedure for transaction of ESCerts in consultation with POSOCO (Registry) and on 14th February 2017, the Procedures was approved by the Commission. Following are important features of Procedure:
 - a. Template of application form to become eligible entity for trading of ESCerts has been defined. Documents like PAN, TAN, CIN, etc shall be required. DCs shall fill up application form through PATNet (where already DCs of PAT cycle I are registered)
 - b. Process of application scrutiny by Registry has been detailed
 - c. Registry shall grant certificate of Registration to eligible entities
 - d. Event of default will happen when a DC who is a seller will place bid more than the ESCerts issued to it. Upto three times, it will be simply debarred for one month and more than three times he continues, then the Dc will be debarred for six months from the trading.
 - e. Interface activities between Power exchanges and Registry, Administrator and Registry, and Registry and Designated consumers have been defined in detail.

Fee order for Transaction of ESCerts

- On 24th March 2017, CERC has approved the Fee order for transaction of ESCerts, with following details:
 - i. One time Registration Fee of Rs. 15000/- per eligible entity. However, CERC has exempted the DCs to pay registration fee till 31st December 2017.
 - ii. The Eligible Entities who have been issued ESCerts, shall pay an ESCerts Fee at the rate of Rs. 5/- per ESCert.
 - iii. The taxes and duties on fees & charges shall be applicable as per the prevailing norms.

- All payment to Registry shall be done only through ECS and no draft / cheque will be accepted. Transaction id of RTGS / NEFT has to be provided in the application form to become eligible entity. Bank account details shall be provided to the DCs separately.

DC – Dashboard PATNet Portal

 **BUREAU OF ENERGY EFFICIENCY**
A statutory body under Ministry of Power, Government of India

Home | My Account | My Dashboard | **Directory Info** | Guideline

Welcome phsatyenderred4 (PH) | Logout



M & V Status | **Escerts Issuance** | Check Verification | Trading | Compliance | Escerts Banked

DC Registration No.	DC Name	PAT Cycle	No. of ESCerts (Claimed)	No. of ESCerts (Approved by MoP)	ELIGIBLE ENTITY REGISTRATION	CERTIFICATE OF REGISTRATION	Reason of Rejection / On Hold
TPP0014AS	Lakwa Thermal Power Station, Maibella, P.O. Sufry, Sivasagar, Assam	2012-15	44634	44634	Registration Form	CERTIFICATE	COMMENT

DC – Registration Form on PATNet Portal

- This registration form is to be filled by designated consumer to become eligible entity. Subsequently the data will be submitted to Registry.

Registration Form for Designated Consumer to become Eligible Entity

Section A: PAT Cycle Details

General Details	Description
PAT Cycle	2010-11
DC Registration Number	TP9082103
DC Name	Jindal Power Limited, Tarnsar (O.P. Jindal Super Thermal Power Plant, P.O. Tarnsar, Taluk Tarnsar, District, Chhattisgarh)
State	Chhattisgarh
Name of State Designated Agency	Chhattisgarh State Renewable Energy Development Agency (CSREA)
Plant Address	JINDAL POWER LIMITED - P.O. TARNsar - Dist. Tarnsar - District: Hagarji - State: Chhattisgarh - PINCODE: 492002
Plant Heat Name	Coal-based System
Plant Heat Contact Detail	9811161616
Number of DG/Cells Installed	1 (101)
Plant Address *	
Year of Establishment	2007

Section B: Owner Details

Name of the Applicant: Jindal Power Limited, Tarnsar (O.P. Jindal Super Thermal Power Plant, P.O. Tarnsar, Taluk Tarnsar, District, Chhattisgarh)

Form of Ownership: Sole Proprietorship (Sole Proprietorship) Partnership (Partnership) Joint Venture (Joint Venture) Private Limited Company (Private Limited Company) Public Limited Company (Public Limited Company)

Postal Address of the Applicant: *

Telephone: *

State: *

Village Code: *

Primary Contact Name (Name of Authorized Signatory): *

Position: *

Phone No. (with 91 in Code): *

Fax: *

Mobile No.:

E-mail Address: *

Permanent Account Number(PAN): *

GST Identification and Collection Account Number (GSTIN): *

EPFO - Employee Provident Fund Organization Enrollment No.:

Corporate Identity Number(CIN): *

Registration No. under Shops and Establishment Act:

Service Tax No.:

Secondary Contact Name: *

Section C: Details of Fee & Charges (In Rupees)

Sl. No.	Description	Amount
A	One time Registration Fee *	42900
B	1) 100% deducted on Registration fee (if applicable)	
C	2) Service tax @ 4% on Registration Fee *	1636.36
D	3) Service Charge (SC) @ 6.5% on Registration Fee *	7500
E	4) KHAM Kalyan Cess (KKC) @ 0.5% on Registration Fee *	75.00
F	Gross Amount (including Service Tax, SSC, KKC Tax) *	54936.36
G	Net Amount (One time Registration Fee) *	54936
H	ES/CEI Fee * (14.794 %)	7745
I	1) 100% deducted on ES/CEI Fee (if applicable)	
J	2) Service tax @ 4% on ES/CEI Fee *	3434.38
K	3) Service Charge (SC) @ 6.5% on ES/CEI Fee *	503.75
L	4) KHAM Kalyan Cess (KKC) @ 0.5% on ES/CEI Fee *	261.72
M	Gross Amount (including Service Tax, SSC, KKC Tax) *	9447.91
N	Net Amount (ES/CEI Fee) *	9447
O	Total Fee to be paid to DC (including term (B)-(G) Rupees) *	64383

REGISTRATION MODE (M): Online Offline Service Tax No. Authorization Letter EPFO PAN under Shops and Establishment Act

REGISTRATION TYPE (T): New No Change Update

Who Form to be Submitted: PAT Single No Fee Applicant

I/We certify that all information furnished above herein true to the best of my/our knowledge and belief. I/We shall obtain fee receipt for each form and confirm that the Central Electricity Regulatory Commission may impose from time to time, to pay 50% in the CERCs Exchange Mechanism from time to time.

DISCLAIMER

The Designated Consumer shall keep track of the Registry information of all forms and shall undertake to informally defend and save the Registry members from any and all disputes, claims, actions and suits, including to indemnify the Registry members from and against any and all claims, actions and suits, including to indemnify the CERCs under CERCs Exchange Mechanism. The Designated Consumer shall keep Registry information up to date and shall undertake to informally defend and save the Registry members from any and all disputes, claims, actions and suits, including to indemnify the CERCs under CERCs Exchange Mechanism, as well as with Power Exchange(s) involved in marketmaking business.

Submit Cancel

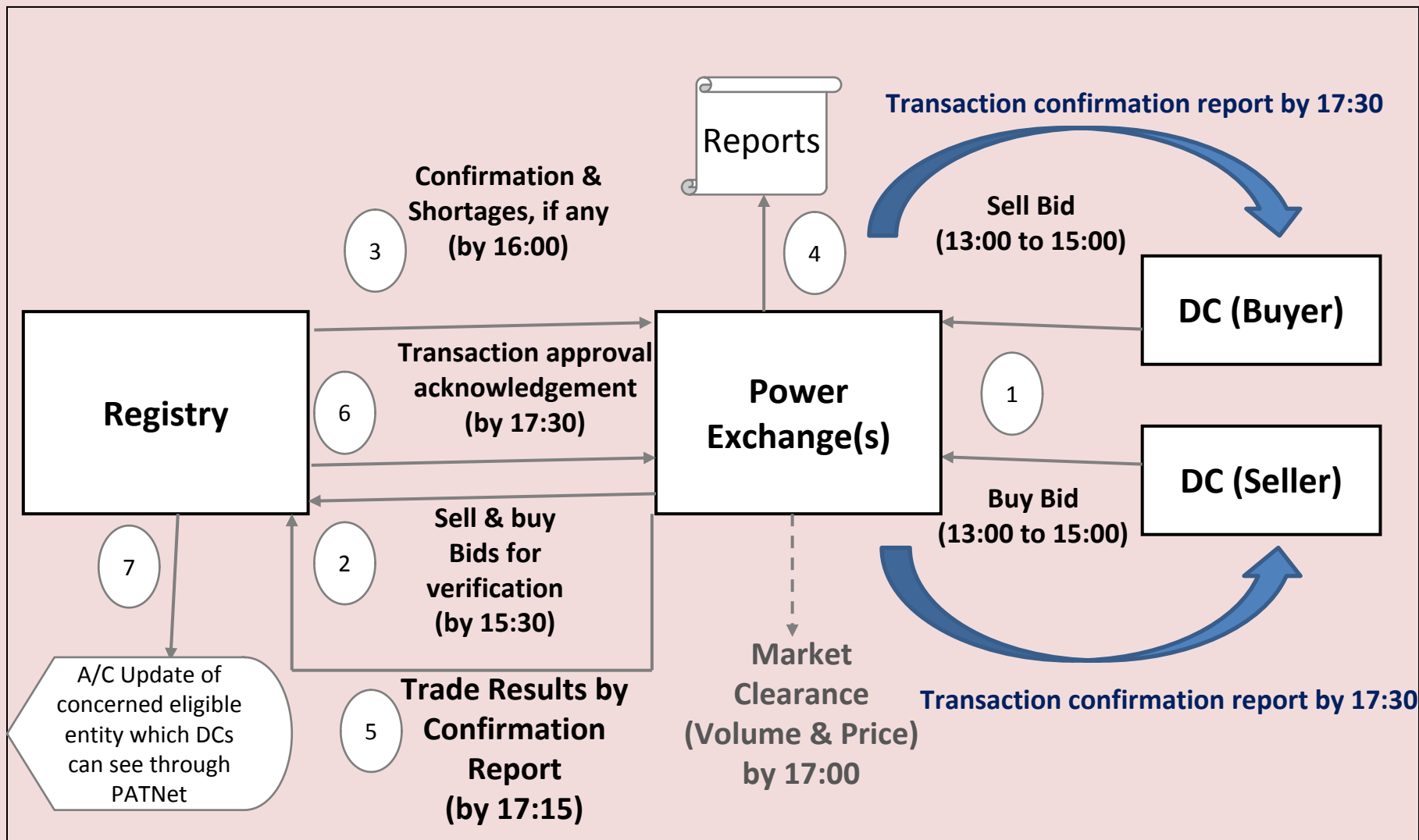
Important features of ESCerts (Energy Conservation Rules 2012)

- The energy savings certificates (ESCerts) shall be issued in electronic form.
- The value of one energy savings certificate shall be equal to one metric ton of oil equivalent of energy consumed.
- The DC who has been issued ESCerts during the current cycle may sell them through Power Exchange, or may use them for the purpose of banking until their next consecutive compliance cycle. The ESCerts issued in a cycle period shall remain valid till the completion of compliance period of their next consecutive cycle.
- The ESCerts purchased by a DC for the purpose of compliance with the energy consumption norms and standards shall after their submission to BEE stand expired.

ESCerts Number format

CYCLE	ESCerts Serial Number	DC Registration Number	DATE (Issued) [DDMMYY]
01	00000001	DC Registration Number	DDMMYY

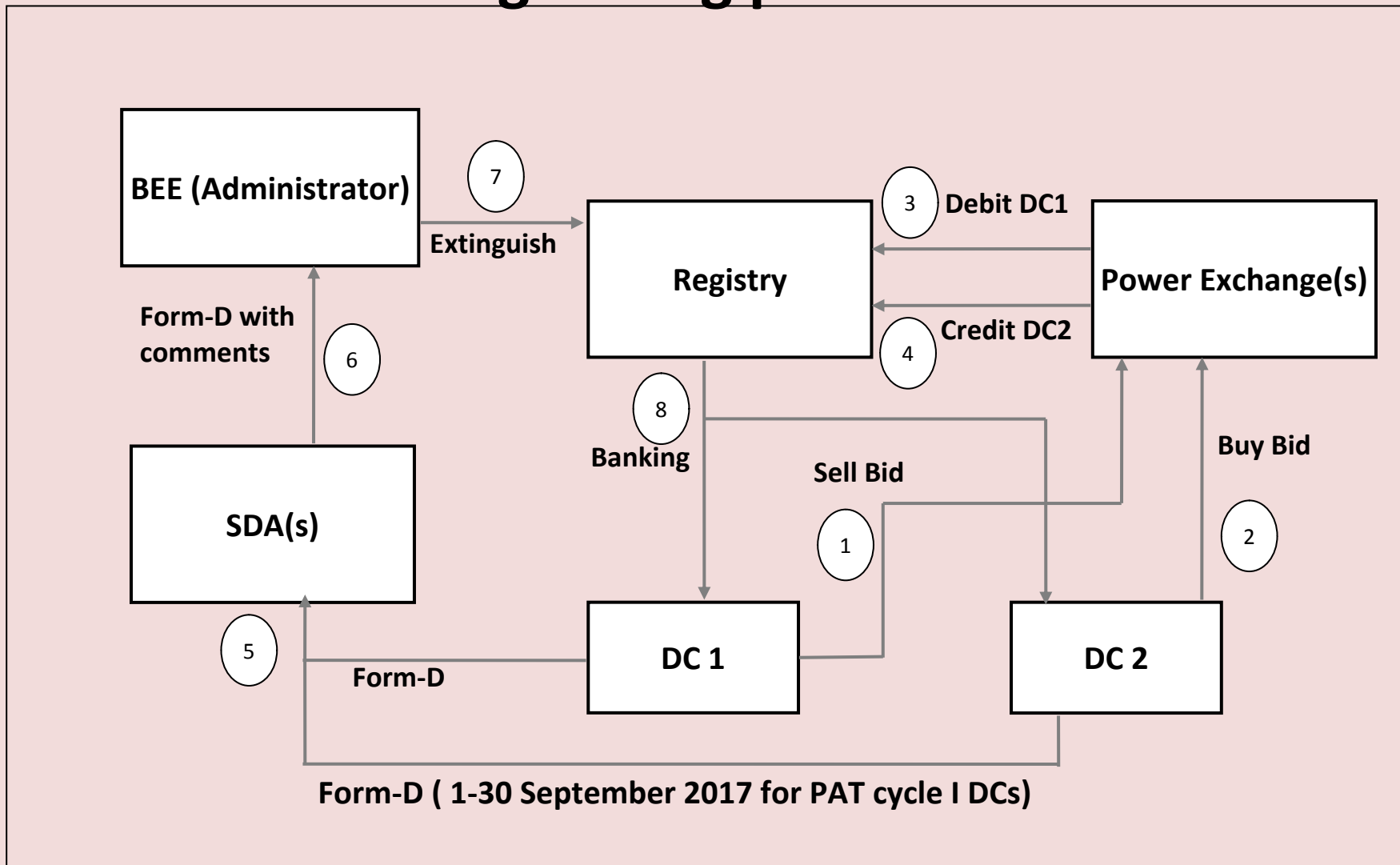
Process flow for ESCerts trading



Trading period

- DCs shall submit the application for registration to Registry to become Eligible Entity within 15 days as per the date intimated by the Administrator.
- After receipt of application for registration, the Registry shall undertake scrutiny and inform the applicant (by email) within 7 working days.
- The applicant shall furnish the details as requested by the Registry within 7 working days so as to enable the Registry to undertake the registration of the applicant.
- The process of registration of the DC shall be completed within 15 working days from the date of complete information by the Registry.
- After registration, the Eligible Entities shall be allowed to undertake trading of ESCerts as per the procedure and bye laws of the power exchanges approved by the Commission.
- As per clause 8.6 of the Procedure, the period for submission of form D is from 1st to 30th June of the year. This period has now been revised to 1st to 30th September for the year 2017, in which the DCs of PAT cycle I may submit Form D to BEE for compliance.

Flow of Extinguishing process for ESCerts





For further information, please contact:

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