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ICRA's CLIMATE SERIES
*Energy Conservation
(Amendment) Bill, 2022*

**A step in the right direction
towards energy transition**

Another step towards achieving India's climate goals

Bill amendments will help climate-friendly energy transition

However, execution of the amendments, quantifying the results to meet the vision of climate goal will be the key monitorable

- India has more than 80% dependence on fossil fuels currently. To abide by India's commitment to use 50% non-fossil fuel by 2030, a policy push mandating the use of non-fossil fuels is critical, especially for high emission sectors such as power, transport, industries, and real estate (housing/commercial). Amendments in the Bill have set a minimum usage clause for non-fossil fuel by these sectors.
- On the other hand, the Bill has also made provisions to incentivise the decarbonisation efforts of the sectors by allowing carbon trading. India being the 4th largest emitter of CO₂ in world, carbon trading can open up opportunities.
- As per the Niti Aayog report, many states such as Tamil Nadu, Maharashtra and Telangana are making significant efforts in adopting the Energy Conservation Building Code and are front-runners in energy saving in commercial and public buildings. The Bill has widened the scope to include residential buildings (constituting ~4% of the CO₂ emissions)
- Heavy penalties and widening the types of vehicles covered, would help restrict carbon emission from the transport sector
- The Bill has also increased the manpower of the governing council and empowered the SERC, for better control over energy transition goals. Though the amendment is a step in the right direction, execution of the same and quantifying the results to meet the climate goal visions will be a key monitorable

The Act

THE ENERGY CONSERVATION ACT, 2001

ACT No. 52 OF 2001

[29th September, 2001.]

An Act to provide for efficient use of energy and its conservation and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Fifty-second Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Energy Conservation Act, 2001.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

The Amendments

Bill No. 177 of 2022

THE ENERGY CONSERVATION (AMENDMENT) BILL, 2022

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BILL

to amend the Energy Conservation Act, 2001.

BE it enacted by Parliament in the Seventy-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Energy Conservation (Amendment) Act, 2022.

Short title and commencement

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.



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