THE ENERGY CONSERVATION (AMENDMENT) BILL, 2010

A BILL

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

1. This Act may be called the Energy Conservation (Amendment) Act, 2010.

2. In section 2 of the Energy Conservation Act, 2001 (hereinafter referred to as the principal Act),—

   (i) in clause (a), for the words “an auditor possessing qualifications specified under”, the words “an energy auditor accredited in accordance with the provisions of” shall be substituted;

   (ii) in clause (b), for the words and figures “established under section 30”, the words and figures “referred to in section 30” shall be substituted;

Bill No. 18 of 2010

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   (ii) in clause (b), for the words and figures “established under section 30”, the words and figures “referred to in section 30” shall be substituted;
(iii) for clause (c), the following clause shall be substituted, namely:

'(c) “building” means any structure or erection or part of structure or erection after the rules relating to energy conservation building codes have been notified under clause (p) of section 14 and clause (a) of section 15 and includes any existing structure or erection or part of structure or erection, which is having a connected load of 100 Kilowatt (kW) or contract demand of 120 Kilo-volt Ampere (kVA) and above and is used or intended to be used for commercial purposes;’;

(iv) after clause (m), the following clauses shall be inserted, namely:

‘(ma) “energy savings certificate” means any energy savings certificate issued to the designated consumers under sub-section (1) of section 14A;

(maa) “equipment or appliance” means any equipment or appliance which consumes, generates, transmits or supplies energy and includes any device that consumes any form of energy and produces a desired work;’.

3. In section 9 of the principal Act, in sub-section (3), for the words “three years”, the words “five years” shall be substituted.

4. In section 10 of the principal Act, in sub-section (1), for the words “The Central Government”, the words “The Bureau” shall be substituted.

5. In section 13 of the principal Act, in sub-section (2),—

(i) after clause (a), the following clause shall be inserted, namely:

“(aa) recommend to the Central Government for issuing of the energy savings certificate under section 14A.”;

(ii) for clause (p), the following clause shall be substituted, namely:

“(p) specify, by regulations, the qualifications, criteria and conditions subject to which a person may be accredited as an energy auditor and the procedure for such accreditation;”;

(iii) in clause (r), for the words “energy managers”, the words “energy auditors and energy managers” shall be substituted;

(iv) after clause (s), the following clause shall be inserted, namely:

“(sa) conduct examination for capacity building and strengthening of services in the field of energy conservation including certification of energy managers and energy auditors.”.

6. In section 14 of the principal Act,—

(i) in clause (c), for the proviso, the following provisos shall be substituted, namely:

“Provided that no notification prohibiting manufacture or sale or purchase or import of equipment or appliance shall be issued within a period of six months from the date of notification issued under clause (a) of this section:

Provided further that the Central Government may, having regard to the market share and the technological development having impact on equipment or appliance, and for reasons to be recorded in writing, extend the said period of six months referred to in the first proviso by a further period not exceeding six months.”;

(ii) in clause (e), for the words “any user or class of users of energy as a designated consumer”, the words “any user or class of users of energy in the energy intensive industries and other establishments as specified in the Schedule as a designated consumer” shall be substituted;
(iii) in clause (m), for the words “energy managers”, the words “energy auditors and energy managers” shall be substituted;

(iv) in clause (o), for the words “such form and manner”, the words “such form, the time within which and the manner” shall be substituted.

7. After section 14 of the principal Act, the following sections shall be inserted, namely:

“14A. (1) The Central Government may issue the energy savings certificate to the designated consumer whose energy consumption is less than the prescribed norms and standards in accordance with the procedure as may be prescribed.

(2) The designated consumer whose energy consumption is more than the prescribed norms and standards shall be entitled to purchase the energy savings certificate to comply with the prescribed norms and standards.

14B. The Central Government may, in consultation with the Bureau, prescribe the value of per metric ton of oil equivalent of energy consumed for the purposes of this Act.”.

8. In section 26 of the principal Act,—

(a) in sub-section (1),—

(i) the words, brackets and letter “or clause (n)” shall be omitted;

(ii) for the words “ten thousand rupees”, the words “ten lakh rupees” shall be substituted;

(iii) for the words “one thousand rupees”, the words “ten thousand rupees” shall be substituted;

(b) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) If any person fails to comply with the provisions of clause (n) of section 14, he shall be liable to a penalty which shall not exceed ten lakh rupees and, in the case of continuing failure, with an additional penalty which shall not be less than the price of every metric ton of oil equivalent of energy, prescribed under this Act, that is in excess of the prescribed norms.”.

9. For section 30 of the principal Act, the following section shall be substituted, namely:

“30. The Appellate Tribunal established under section 110 of the Electricity Act, 2003 shall, without prejudice to the provisions of the Electricity Act, 2003, be the Appellate Tribunal for the purposes of this Act and hear appeals against the orders of the adjudicating officer or the Central Government or the State Government or any other authority under this Act.”.

10. After section 31 of the principal Act, the following section shall be inserted, namely:

“31A. The provisions of sections 120 to 123 (both inclusive) of the Electricity Act, 2003 shall, mutatis mutandis, apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its function under the Electricity Act, 2003.”.
11. Sections 32 to 43 of the principal Act shall be omitted.

12. In section 54 of the principal Act, the words “Chairperson of the Appellate Tribunal or the Members of the Appellate Tribunal or officers or employees of the Appellate Tribunal or the Members of the State Commission or the” shall be omitted.

13. In section 56 of the principal Act, in sub-section (2),—

   (i) in clause (j), for the words “energy managers”, the words “energy auditors and energy managers” shall be substituted;
   
   (ii) after sub-clause (l), the following clauses shall be inserted, namely:—
   
   “(la) prescribing the procedure for issuing the energy savings certificate under sub-section (1) of section 14A;
   
   (laa) the value of per metric ton of oil equivalent of energy consumed under section 14B;”;
   
   (iii) clauses (s), (t) and (u) shall be omitted.

14. In section 58 of the principal Act, in sub-section (2),—

   (a) for clause (f), the following clause shall be substituted, namely:—
   
   “(f) the qualifications, criteria and conditions subject to which a person may be accredited as an energy auditor and the procedure for such accreditation under clause (p) of sub-section (2) of section 13;”;
   
   (b) in clause (h), for the words “energy managers”, the words “energy auditors and energy managers” shall be substituted.

15. In the Schedule to the principal Act, in the heading, the words “specified as designated consumers” shall be omitted.

16. The enactment specified in the Schedule to this Act shall be amended in the manner specified therein.
THE SCHEDULE

(See section 16)

AMENDMENT TO THE ELECTRICITY ACT, 2003

(36 of 2003)

In section 110, for the words “under this Act”, the words “under this Act or any other law for the time being in force” shall be substituted.

Amendment of section 110.
STATEMENT OF OBJECTS AND REASONS

The Energy Conservation Act, 2001 was enacted, in March, 2002, to provide for efficient use of energy and its conservation and for the matters connected therewith or incidental thereto. The said Act provides for statutory measures to establish statutory authority by the name of Bureau of Energy Efficiency (Bureau) and confer upon the Central Government, State Government and the Bureau certain powers to enforce the said measures for efficient use of energy and its conservation.

2. The Energy Conservation Act, 2001 (the Act) provides for the legal framework and institutional arrangements for embarking on an energy efficiency drive, which, inter alia, includes to (a) establish the Bureau by merging existing Energy Management Centre to effectively co-ordinate with designated consumers and agencies for performing such functions and exercise such powers which may be necessary for efficient use of energy and its conservation; (b) confer power upon the Central Government to specify norms for processes and energy consumption standards, etc., to enforce efficient use of energy and its conservation; (c) confer power upon the State Governments for enforcing the provisions of the Act; (d) establish a Fund called the Energy Conservation Fund separately by the Central Government and State Governments; (e) impose penalties in case of contravention of the provisions of the Act; and (f) prescribe the procedure for adjudication of the penalties and appeal to the Supreme Court.

3. The efficient use of energy and its conservation has been engaging the attention of the Central Government for quite some time. As a measure to provide for efficient use of energy and its conservation, the Energy Conservation Act, 2001 was enacted and the Bureau of Energy Efficiency under the said Act has been taking measures for conservation of energy. The said Act was enacted as an enabling in nature so as to provide for more measures from a future date after infrastructure and institutional mechanism are set in place. Now, the infrastructure and institutional mechanism are in place and the Bureau of Energy Efficiency has started discharging its functions for taking measures for conservation of energy. A need has been felt to make more provisions in the aforesaid Act to undertake effective measures for conservation of energy which, inter alia, include the following, namely:—

(i) confer power upon the Bureau of Energy Efficiency to appoint its officers and employees instead of by the Central Government being done at present;

(ii) power to give accreditation to energy auditors as well as energy audit firms who are in the business of energy auditing;

(iii) certification procedure for energy managers and energy auditors under the Act;

(iv) conduct of national examination by the Bureau of Energy Efficiency for capacity building and strengthening of services in the field of energy conservation;

(v) empower the Central Government to issue energy savings certificate to the designated consumers whose energy consumption is less than the prescribed norms and enable the designated consumers whose energy consumption is more than the prescribed norms to purchase the energy savings certificate to comply with the norms;

(vi) levy of additional penalty for failure to comply with the provisions of clause (n) of section 14 which shall not be less than the price of every metric ton of oil equivalent of energy, prescribed under the Act, that is in excess of the prescribed norms;
(vii) provide for the Appellate Tribunal established under the Electricity Act, 2003, as also the Appellate Tribunal to hear appeals against the orders of the adjudicating officers, or the Central Government or the State Government or any other authority under the provisions of the Act.

4. The Bill seeks to achieve the above objects.

NEW DELHI;

The 16th December, 2009.          BHARAT SINH SOLANKI.
MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (ii) of clause 5 of the Bill seeks to amend clause (p) of sub-section (2) of section 13 of the Energy Conservation Act, 2001 so as to confer power upon the Bureau of Energy Efficiency (Bureau) to specify, by regulations, the qualifications Criteria and conditions subject to which a person may be accredited as an energy auditor and procedure for such accreditation.

2. Clause 7 of the Bill seeks to insert two new sections 14A and 14B so as to confer power upon the Central Government to prescribe, by rules, the procedure for issue of energy savings certificate to the designated consumers; and the value of metric ton of oil equivalent of energy consumed.

3. The matters in respect of which said rules or regulations may be made are matters of procedure and administrative detail and it is not practicable to provide for them in the proposed legislation itself. The delegation of legislative power is, therefore, of a normal character.
ANNEXURE

EXTRACTS FROM THE ENERGY CONSERVATION ACT, 2001

(52 OF 2001)

2. In this Act, unless the context otherwise requires,—

(a) “accredited energy auditor” means an auditor possessing qualifications specified under clause (p) of sub-section (2) of section 13;

(b) “Appellate Tribunal” means the Appellate Tribunal for Energy Conservation established under section 30;

(c) “building” means any structure or erection or part of a structure or erection, after the rules relating to energy conservation building codes have been notified under clause (a) of section 15 or clause (1) of sub-section (2) of section 56, which is having a connected load of 500 kW or contract demand of 600 kVA and above and is intended to be used for commercial purposes;

9. (1) The Director-General shall hold office for a term of three years from the date on which he enters upon his office or until he attains the age of sixty years, whichever is earlier.

10. (1) The Central Government may appoint such other officers and employees in the Bureau as it considers necessary for the efficient discharge of its functions under this Act.

CHAPTER IV

POWERS AND FUNCTIONS OF BUREAU

13. (1) The Bureau may perform such functions and exercise such powers as may be assigned to it by or under this Act and in particular, such functions and powers include the function and power to—

(p) specify, by regulations, qualifications for the accredited energy auditors;

(r) specify, by regulations, certification procedures for energy managers to be designated or appointed by designated consumers;

CHAPTER V

POWER OF CENTRAL GOVERNMENT TO FACILITATE AND ENFORCE EFFICIENT USE OF ENERGY AND ITS CONSERVATION

14. The Central Government may, by notification, in consultation with the Bureau,—

(c) prohibit manufacture or sale or purchase or import of equipment or appliance specified under clause (b), unless such equipment or appliance conforms to energy consumption standards:

Provided that no notification prohibiting manufacture or sale or purchase or import of equipment or appliance shall be issued within two years from the date of notification issued under clause (a) of this section;
(e) specify, having regard to the intensity or quantity of energy consumed and the amount of investment required for switching over to energy efficient equipments and capacity of industry to invest in it and availability of the energy efficient machinery and equipment required by the industry, any user or class of users of energy as a designated consumer for the purposes of this Act;

(m) prescribe minimum qualification for energy managers to be designated or appointed under clause (l);

(o) direct any designated consumer, who does not fulfil the energy consumption norms and standards prescribed under clause (g), to prepare a scheme for efficient use of energy and its conservation and implement such scheme keeping in view the economic viability of the investment in such form and manner as may be prescribed;

CHAPTER VIII
PENALTIES AND ADJUDICATION

26. (1) If any person fails to comply with the provisions of clause (c) or clause (d) or clause (h) or clause (i) or clause (k) or clause (l) or clause (n) or clause (r) or clause (s) of section 14 or clause (b) or clause (c) or clause (h) of section 15, he shall be liable to a penalty which shall not exceed ten thousand rupees for each such failure and, in the case of continuing failure, with an additional penalty which may extend to one thousand rupees for every day during which such failure continues:

Provided that no person shall be liable to pay penalty within five years from the date of commencement of this Act.

CHAPTER IX
APPELLATE TRIBUNAL FOR ENERGY CONSERVATION

30. The Central Government shall, by notification, establish an Appellate Tribunal to be known as the Appellate Tribunal for Energy Conservation to hear appeals against the orders of the adjudicating officer or the Central Government or the State Government or any other authority under this Act.

32. (1) The Appellate Tribunal shall consist of a Chairperson and such number of Members not exceeding four, as the Central Government may deem fit.

(2) Subject to the provisions of this Act,—

(a) the jurisdiction of the Appellate Tribunal may be exercised by Benches thereof;

(b) a Bench may be constituted by the Chairperson of the Appellate Tribunal with two or more Members of the Appellate Tribunal as the Chairperson of the Appellate Tribunal may deem fit:

Provided that every Bench constituted under this clause shall include at least one Judicial Member and one Technical Member;

(c) The Benches of the Appellate Tribunal shall ordinarily sit at Delhi and such other places as the Central Government may, in consultation with the Chairperson of the Appellate Tribunal, notify;

(d) the Central Government shall notify the areas in relation to which each Bench of the Appellate Tribunal may exercise jurisdiction.

(3) Notwithstanding anything contained in sub-section (2), the Chairperson of the Appellate Tribunal may transfer a Member of the Appellate Tribunal from one Bench to another Bench.
Explanation.—For the purposes of this Chapter,—

(i) “Judicial Member” means a Member of the Appellate Tribunal appointed as such under item (i) or item (ii) of clause (b) of sub-section (1) of section 33, and includes the Chairperson of the Appellate Tribunal;

(ii) “Technical Member” means a Member of the Appellate Tribunal appointed as such under item (iii) or item (iv) or item (v) or item (vi) of clause (b) of sub-section (1) of section 33.

33. (1) A person shall not be qualified for appointment as the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal unless he,—

(a) in the case of Chairperson of the Appellate Tribunal, is, or has been, a judge of the Supreme Court or the Chief Justice of a High Court; and

(b) in the case of a Member of the Appellate Tribunal,—

(i) is, or has been, or is qualified to be, a Judge of a High Court; or

(ii) is, or has been, a Member of the Indian Legal Service and has held a post in Grade I in that service for at least three years; or

(iii) is, or has been, a Secretary for at least one year in the Ministry or Department of the Central Government dealing with the Power or Coal or Petroleum and Natural Gas or Atomic Energy; or

(iv) is, or has been the Chairman of the Central Electricity Authority for at least one year; or

(v) is, or has been, Director-General of Bureau or Director-General of the Central Power Research Institute or Bureau of Indian Standards for at least three years or has held any equivalent post for at least three years; or

(vi) is, or has been, a qualified technical person of ability and standing, having adequate knowledge and experience in dealing with the matters relating to energy, production and supply, energy management, standardisation and efficient use of energy and its conservation, and has shown capacity in dealing with problems relating to engineering, finance, commerce, economics, law or management.

34. The Chairperson of the Appellate Tribunal and every Member of the Appellate Tribunal shall hold office as such for a term of five years from the date on which he enters upon his office:

Provided that no Chairperson of the Appellate Tribunal or Member of the Appellate Tribunal shall hold office as such after he has attained,—

(a) in the case of the Chairperson of the Appellate Tribunal, the age of seventy years;

(b) in the case of any Member of the Appellate Tribunal, the age of sixty-five years.

35. The salary and allowances payable to and the other terms and conditions of service of the Chairperson of the Appellate Tribunal and Members of the Appellate Tribunal shall be such as may be prescribed:

Provided that neither the salary and allowances nor the other terms and conditions of service of the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall be varied to his disadvantage after appointment.

36. If, for reason, other than temporary absence, any vacancy occurs in the office of the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal, the
Central Government shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before the Appellate Tribunal from the stage at which the vacancy is filled.

37. (1) The Chairperson or a Member of the Appellate Tribunal may, by notice in writing under his hand addressed to the Central Government, resign his office:

Provided that the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.

(2) The Chairperson of the Appellate Tribunal or Member of the Appellate Tribunal shall not be removed from his office except by an order by the Central Government on the ground of proved misbehaviour or incapacity after an inquiry made by such person as the President may appoint for this purpose in which the Chairperson or a Member of the Appellate Tribunal concerned has been informed of the charges against him and given a reasonable opportunity of being heard in respect of such charges.

38. (1) In the event of the occurrence of any vacancy in the office of the Chairperson of the Appellate Tribunal by reason of his death, resignation or otherwise, the senior-most Member of the Appellate Tribunal shall act as the Chairperson of the Appellate Tribunal until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.

(2) When the Chairperson of the Appellate Tribunal is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Member of the Appellate Tribunal shall discharge the functions of the Chairperson of the Appellate Tribunal until the date on which the Chairperson of the Appellate Tribunal resumes his duties.

39. (1) The Central Government shall provide the Appellate Tribunal with such officers and employees as it may deem fit.

(2) The officers and employees of the Appellate Tribunal shall discharge their functions under the general superintendence of the Chairperson of the Appellate Tribunal, as the case may be.

(3) The salaries and allowances and other conditions of service of the officers and employees of the Appellate Tribunal shall be such as may be prescribed.

40. (1) The Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Appellate Tribunal shall have powers to regulate its own procedure.

(2) The Appellate Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits;

(d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, requisitioning any public record or document or copy of such record or document from any office;

(e) issuing commissions for the examination of witnesses or documents;
(f) reviewing its decisions;

(g) dismissing a representation of default or deciding it, ex parte;

(h) setting aside any order of dismissal or any representation for default or any order passed by it, ex parte;

(i) any other matter which may be prescribed by the Central Government.

(3) An order made by the Appellate Tribunal under this Act shall be executable by the Appellate Tribunal as a decree of civil court and, for this purpose, the Appellate Tribunal shall have all the powers of a civil court.

(4) Notwithstanding anything contained in sub-section (3), the Appellate Tribunal may transmit any order made by it to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court.

(5) All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Appellate Tribunal shall be deemed to be a civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973.

41. Where Benches are constituted, the Chairperson of the Appellate Tribunal may, from time to time, by notification, make provisions as to the distribution of the business of the Appellate Tribunal amongst the Benches and also provide for the matters which may be dealt with by each Bench.

42. On the application of any of the parties and after notice to the parties, and after hearing such of them as he may desire to be heard, or on his own motion without such notice, the Chairperson of the Appellate Tribunal may transfer any case pending before one Bench for disposal, to any other Bench.

43. If the Members of the Appellate Tribunal of a Bench consisting of two Members differ in opinion on any point, they shall state the point or points on which they differ, and make a reference to the Chairperson of the Appellate Tribunal who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more of the other Members of the Appellate Tribunal and such point or points shall be decided according to the opinion of the majority of the Members of the Appellate Tribunal who have heard the case, including those who first heard it.

* * * * *

54. The Chairperson of the Appellate Tribunal or the Members of the Appellate Tribunal or officers or employees of the Appellate Tribunal or the members of the State Commission or the members, Director-General, Secretary, officers and other employees of the Bureau shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code.

* * * * *

56. (1)* * * * *

(2) In particular, and without prejudice to the generally of the foregoing power, such rules may provide for all or any of the following matters, namely:—
(j) the minimum qualifications for energy managers under clause (m) of section 14;

(s) the salary and allowances payable to and other terms and conditions of service of the Chairperson of the Appellate Tribunal and Members of the Appellate Tribunal under section 35;

(r) the salary and allowances and other conditions of service of the officers and other employees of the Appellate Tribunal under sub-section (3) of section 39;

(u) the additional matters in respect of which the Appellate Tribunal may exercise the powers of a civil court under clause (i) of sub-section (2) of section 40;

(f) the qualifications for accredited energy auditors under clause (p) of sub-section (2) of section 13;

(h) certification procedure for energy managers under clause (r) of sub-section (2) of section 13;

THE SCHEDULE

LIST OF ENERGY INTENSIVE INDUSTRIES AND OTHER ESTABLISHMENTS SPECIFIED AS DESIGNATED CONSUMERS

EXTRACT FROM THE ELECTRICITY ACT, 2003

PART XI

APPELLATE TRIBUNAL FOR ELECTRICITY

110. The Central Government shall, by notification, establish an Appellate Tribunal to be known as the Appellate Tribunal for Electricity to hear appeals against the orders of the adjudicating officer or the Appropriate Commission under this Act.

(Shri Bharatsinh Solanki, Minister of State in the Ministry of Power)