

and State Governments on the concessions and incentives that need be given to facilitate industry to adopt and implement energy conservation programmes from time to time.

CHAPTER - VI

ESTABLISHMENT OF ENERGY CONSERVATION FUND

26. (1) the Central Government shall constitute a fund to be known as Energy Conservation Fund for the purpose of this Act. **Energy Conservation Fund**
- (2) In addition to any sum sanctioned by the Central Government, any cess leviable under this Act and penalty recovered for non-payment thereof shall be credited to the Energy Conservation fund.
- (3) The Energy Conservation Fund shall be applied for the following purposes:-
- (i) promoting research in energy conservation.
 - (ii) training of personnel in energy audit and techniques of energy conservation.
 - (iii) rendering assistance for pilot projects for designing and developing new equipments and devices with the object of ensuring conservation.
 - (iv) grant of subsidies for promotion of the use of new equipments/devices.
 - (v) dissemination of information and technology concerning energy conservation.
 - (vi) any other purpose consistent with the provisions of this Act.
- (4) The Energy Conservation Fund shall be administered by an Energy Conservation Fund Administration Committee under the chairmanship of Chairman, the NECO. The said committee shall consist of not more than 10 other members as may be prescribed.

During field research it was brought to the notice that there is a scarcity or even lack of availability of energy monitoring and other efficient equipments and devices in India; information and technology concerning energy conservation is not available and a genuine research in energy conservation is urgently warranted. Since all these activities are highly capital intensive, some special fund is required to achieve the goal. Therefore an Energy Conservation Fund and a cess is proposed. Industry alone will be the direct beneficiary of this Fund. This will facilitate allocation of money for research and development activities and in the adoption of new technology in the field of energy conservation.

**Energy Conservation
Cess**

27. (1) with effect from such date as the Central Government may, by notification in the Official Gazette appoint, there shall be levied and collected from such persons in such manner as may be prescribed on the production and use of crude oil, natural gas, coal and electricity, a cess for the purposes of promoting energy conservation, at such rates as may be notified by the Government.
- (2) The cess levied under sub-section (1) shall be in addition to any cess or duty leviable under any other law for the time being in force.
- (3) Notwithstanding anything contained in sub-section (1) of this section, the Central Government, having regard to the purposes of use of energy by an energy user, may, by notification in the Official Gazette and subject to such terms and conditions as may be specified in the said notification, exempt such user from such cess.
- (4) If any cess payable by an energy user under sub-section (1) is not paid within the specified time, the Central Government may impose a penalty not exceeding five hundred rupees for every month during which such cess is not paid.

Provided that before imposing any such penalty the energy user shall be given a reasonable opportunity of being heard by the Central Government.