

STATEMENT OF OBJECTS AND REASONS

1. Energy is a basic need of individuals and nations. The sound development of the national economy depends to a great extent on rational and appropriate use of the energy resources and avoiding all wasteful or inefficient energy use practices. Concern over rational use of energy resources has grown, the world over, in the last decade. In India too, energy conservation is a matter demanding urgent attention, since a good deal of the energy resources have to be imported. This brings about serious constraints on the Indian economy. Diagnostic studies in the organized industrial sector have shown that through conservation measures, substantial savings can be made for the improvement of Indian economy, without affecting output or efficiency.

2. With this realization and recognizing the scope and potential of energy conservation and the fact that the existing administrative and legal infrastructure is inadequate to achieve the desired ends, the Government of India set up an Inter-Ministerial Working Group on Energy Conservation in 1981. The Group has given its recommendations on policies and programmes for achieving the goals. The Advisory Board on Energy, the National Productivity Council and the Indian Law Institute have also carried out their independent studies and observations. In the light of the findings and recommendations of all these bodies, it is felt that there is an urgent need for the enactment of a general legislation on energy conservation which, *inter alia*, should enable coordination of activities of the various regulatory and research agencies, creation of an authority or authorities with adequate powers for energy conservation, regulation of standards of efficiency, facilitating management and audit of energy resources, and for planning rational energy resources use for India. The existing legislations concerning energy resources do not provide the scope to achieve all this simultaneously. The enactment of this law, is therefore, necessary. The energy resources are of various types and utilized in various sectors. All of them cannot be regulated by law in the same way. This Act deals with the commercial sector only, with resources which come within the Union and the Concurrent List of the Constitution and for which the Central Government is competent to legislate. The Constitution, in its Directive Principles, also lays down an obligation on the Central and the State Governments to use resources for the common good, and legislate laws for the welfare of the people.

This Bill seeks to achieve these constitutional objectives.

The Bill was drafted after extensive research undertaken by the Indian Law Institute, through 1987-88. Response from 1000 major and small scale industries were sought through Questionnaires and about 100 were personally interviewed. Detailed study of the existing legislations was made and the amendments suggested (see the Report on Energy Conservation Legislation, 1988, submitted to the Advisory Board on Energy, by the Indian Law Institute).

On studying the existing legislations it was discovered that amendments to these laws will not suffice for the achievement of the desired goals and a new comprehensive law is necessary. Legislative experiences of other countries were also taken into account in drafting this Bill. Interim drafts of the Bill were extensively discussed with the members of the industry, experts, government officials and the law persons. This final draft of the Bill is an outcome of this people's participatory enterprise.
