

**THE ENERGY (CONSERVATION) BILL, 1988**

NO. OF 1988

A

**BILL**

**to provide for the conservation of energy, its rational use  
and for matters connected therewith.**

Whereas Parliament has determined that the rational and efficient use of energy is necessary for national development;

And whereas it has also determined that at present the use of non-renewable energy resources is wasteful and inefficient;

It is, therefore, considered necessary to implement measures, so as to conserve and improve the use of energy resources.

Be it hereby enacted by Parliament in the Thirty-Ninth Year of the Republic of India, as follows:-

**CHAPTER -I**

**PRELIMINARY**

1. (1) This Act may be called the Energy (Conservation) Act, 1988.
  - (2) It extends to the whole of India except the state of Jammu and Kashmir.
  - (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act, and for different areas.
2. In the Act, unless the context otherwise requires,
    - (a) "appropriate government" means in relation to oil-fields, railways, shipping and any work of defence, the Central Government and in relation to any work, industry, installations, mines, government undertakings, motor

**Short title, extent and commencement**

**Definitions**

conveyance and in any other case, the State Government or the Central Government as the case may be.

- (b) "automobiles" means any motor vehicle as defined under section 2 (18) of the Motor Vehicles Act, 1939, and includes 'motor-conveyance' under section 2 (g) of the Petroleum Act, 1934, including ships, railways, trams or any other vehicle using energy for locomotion.
- (c) "bureau of indian standards" means the Bureau established under the Bureau of Indian Standards Act, 1986.
- (d) "chief executive of the energy user" means the Managing Director or the General Manager, by whatever name called, who is in overall control of the energy user's establishment whether it is an industry or a factory or any undertaking or a business establishment.
- (e) "coal" includes coke in all its forms including lignite, and all that is covered by section 3 (c) of the Coal Mines (Conservation and Development) Act, 1974.
- (f) "cogeneration" means the technology to produce steam, to provide heat for manufacturing process and to drive the turbine to generate electricity or to produce the force necessary to drive large fans, pumps or compressors.
- (g) "conservation of energy" and all cognate expressions include the steps taken to reduce the quantum of energy used to produce a specific unit of goods and services.
- (h) "electricity" means any generated power covered under section 2 (g) of the Electricity Act, 1910, and includes any cogeneration or captive power generation permissible under rules laid down under that Act.
- (i) "energy" means any kind of heat, electrical or mechanical energy produced by use of water or by burning fuels like coal, lignite, petroleum products and also includes nuclear energy.
- (j) "energy resources" include coal, mineral oil and electricity.
- (k) "energy user" includes any individual, corporation, company, association, firm, society, trust, joint venture, industry, factory, undertaking and government agency or undertaking.

who consumes energy in the agriculture, domestic, industrial or transport sectors.

- (l) "factory" means any premises in which manufacturing is being carried on and as defined under section 3 (c) of the Industries (Development and Regulation) Act, 1951 and section 2(m) of the Factories Act, 1948.
- (m) "financing institutions" include nationalised banks and other financial institutions created under a State or Central law which offer credit in any form for productive purposes.
- (n) "goods" includes any energy consuming or producing appliance, commodity, machinery, instrument, equipment, which comes under section 2 (7) of the Sale of Goods Act, 1930, or any type of appliance or machinery mentioned in this Act.
- (o) "government undertaking" means an undertaking within the meaning of section 2(i) (h) of the Patents Act, 1970, and includes any other undertaking which is financed wholly or for the major part by the Government.
- (p) "industry" means any undertaking covered by section 3 (d) of the Industries (Development and Regulation) Act, 1950, including Scheduled and Existing undertakings coming under section 3 (i) and section 3 (bb) of the same Act.
- (q) "Mineral Oil" means petroleum and natural gas, any liquid hydrocarbon, a mixture of hydrocarbons or any inflammable mixture (liquid, viscous or solid) containing any liquid hydrocarbon and includes 'petro-chemicals' and 'petroleum products' as defined by section 2(a) of the Petroleum Act, 1934, and section 2(h), (i), (l) and (m) of the Oil Industry (Development) Act, 1974.
- (r) "national productivity council" means the organization bearing that name under the control of the Ministry of Industry.
- (s) "NECO" means Nodal Energy Conservation Organization established under section 5 of this Act.
- (t) "petroleum conservation research association" means the organization of that name under the control of the Ministry of Petroleum and Natural Gas.
- (u) "prescribed" means prescribed under this Act or the rules

made thereunder.

- (v) "standards" means a differential magnitude of acceptable use determined under section 2 (g) of the Bureau of Indian Standards Act, 1986, and those set by the authorities under this Act, or any other authority that the Appropriate Government may set up under this Act.
- (w) "standards of energy consumption" means the standards laid down by the Central Government about the quantum of energy required to be consumed for the production of a specified unit of goods or services and also includes the energy efficiency of machinery and equipments.
- (x) "state power grid" means the power supply system in a State run by the State Electricity Board or a licensee or the State Electricity Department for the supply of electric power to the consumers in their respective jurisdiction.
- (y) "waste heat recovery" means the recovery of heat from exhaust hot gases in a manufacturing process for reuse in boilers to produce steam or other forms of process heat or for conversion as electricity.

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*The definitions of terms in this Act have been arrived at after a close scrutiny of the possible applications of this law. Since the Act deals with new areas of technology and agencies, some of which exist but many of which may come into existence as a consequence of this law, the definitions have to be inclusive and exhaustive enough to cover them all and to all for the administration to implement the Act. Some such new definitions, which attempt to be both comprehensive and flexible are: 'energy users', 'cogeneration', 'conservation of energy', 'state power grid', and 'waste heat recovery'.*

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## CHAPTER - II

### GENERAL POWERS AND DUTIES OF THE CENTRAL GOVERNMENT

**General powers and duties of the Central Government to take measures to conserve energy and make appropriate plans for its use**

3. (1) Subject to the provisions of this Act, the Central Government shall take such measures as it deems necessary or expedient for the purposes of conserving energy and making appropriate and rational use of the energy resources;