

CHAPTER - IV

STRUCTURE, POWERS AND FUNCTIONS OF THE ENERGY CONSERVATION CELLS

Energy Cells in Ministries, etc.

20. (1) Each Government Ministry, as notified by the Central Government dealing with energy resources or energy use, shall have an Energy Cell.
- (2) The Energy Cell shall be a policy making and deliberative body.
- (3) Its primary function shall be to seek information from NECO and other organizations and advise the Ministry on energy conservation measures, plans and national or regional requirements.

Each Central Government Ministry dealing with energy resources usually has some type of arrangement for decision making on energy use for industries coming under their jurisdiction. The purpose of creating Energy Cells in such Ministries is to regularise these arrangements and provide them motivation for engaging in energy conservation issues.

The Energy Cells will also ensure better administrative, inter-Ministerial and inter-state coordination alongwith that of NECO.

Energy Conservation Cells in Factories, etc.

21. (1) Each industry, factory, government undertaking and energy user, notified by the Central Government from time to time, shall have an Energy Conservation Cell. But without prejudice to the generality of this sub-section, this provision shall apply to aluminium, iron and steel, textiles, cement, sugar, fertilizers, rayon, pulp and paper, chemical and petrochemical industries.

Provided that the Central Government while issuing any notification under this sub-section shall give reasonable consideration to the manpower availability, production capacity, capital assets and the level of energy consumption of the energy users.

- (2) The Energy Conservation Cell shall be headed by an energy manager. **Energy conservation cell to be headed by an energy manager**
- (3) Every energy user who is required to set up an Energy Conservation Cell under this Act, shall report the establishment of the cell and appointment of the energy manager to the Central Government within 90 days after this Act comes into force or 60 days of the notification issued by that government under this sub-section or within 30 days of the application of such notification to any new energy user, and shall also report thereafter the appointment of the new energy manager if the previous one dies, is dismissed, transferred or retires.
- (4) Where it appears to the Appropriate Government that an energy user has failed to set up Energy Conservation Cell and appoint an energy manager within the time prescribed, it may in the manner prescribed appoint a qualified energy manager for such period and on such terms as may be prescribed and recover all costs incurred thereon from the concerned energy user.
- (5) The Energy Conservation Cell shall maintain a record of energy consumption, saving, efficiency, and other related matters, which will constitute an 'Energy Audit' in such manner and in such form as may be prescribed. **Record of energy audit**
- (6) Each industry, factory, government undertaking and other energy users who have appointed an energy manager for their Energy Conservation Cell, shall make an annual Energy Audit Report, along with or besides their other annual reports. The responsibility of making these reports containing such particulars shall be that of the energy manager. These reports shall be submitted to NECO and to such authority as may be prescribed. **Energy Audit Report and disclosure of information**
- (7) The energy manager shall be responsible for advising and assisting the Chief Executive of the energy user in matters regarding conservation of energy and implementing the plans formulated for consideration. In particular and without prejudice to the generality of this sub-section, the energy manager shall be responsible for - **Duties of energy manager**
- (a) implementing optimum or best methods for cogeneration of energy;

- (b) implementing optimum or best strategies for heating, cooling, heat transfer and fuel combustion;
- (c) prevention of heat loss by radiation, conduction and in other ways;
- (d) recovering waste heat and converting it into power;
- (e) optimization of heat conversion into power;
- (f) prevention of electricity loss by resistance, theft or otherwise;
- (g) collecting and using all relevant information from the concerned Ministry, specifically from its Energy Cell and other agencies or consultancies;
- (h) generating educational material, educating and training personnels of the industry, factory or government undertaking of which he is the energy manager;
- (i) drawing up master plans or models for energy conservation and presenting it (them) to the concerned Ministry and NECO;
- (j) keeping his/her agency informed of all fiscal incentives offered by the government, of available finances from financial institutions, banks, or all other funds, grants, loans, credits and tax deductions;
- (k) organizing accurate metering, monitoring and reporting of energy consumption;
- (l) maintaining full and accurate particulars of energy consumption for inspection by authorities prescribed under this Act;
- (m) implementing energy conservation action schemes as identified in reports prepared by expert agencies/personnel;
- (n) arranging/deputing selected plant personnel for specialised training in energy conservation;
- (o) giving any information, data, report, etc. as may be required by the Central Government, NECO or any other

authority prescribed under this Act;

- (p) such other matters as the energy manager shall deem necessary or expedient for the purposes of conserving energy and enforcing optimum, rational or best plans, methods or strategies for energy use.

Almost all industries in energy intensive sector have energy manager/energy cells or the like arrangements. Therefore the mandatory requirement of Energy Conservation Cell will not pose any additional burden on them. But during field research it was found that in most of the cases the arrangement was not satisfactory and for name sake only. To safeguard the interest of the industry the Central Government is required, while issuing any notification, to take into consideration certain matters mentioned in the section. The creation of such cells in the industry will provide the right focus at all levels- budgeting, decision making and implementation within the organizational setup of the industry itself. It will motivate industry to adopt energy conservation measures and provide effective coordination, liaison and planning at different levels.

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22. The overall responsibility for ensuring that the energy user has adopted all reasonable conservation practices and for the disclosure of data on energy consumption on demand shall be on the chief executive of the energy user.

**Responsibility of the
Chief executive**

The Chief Executive is made personally responsible to ensure that the top administration of the industry is keenly interested in the energy conservation programmes, complying the provisions of the Act and gives weight to the legitimate demands of the energy manager.

CHAPTER - V

REGULATION OF ENERGY USERS

23. (1) Subject to the provisions under sub-section (1) of section 3 of this Act, the Central Government shall have power to

**Power to regulate
energy users**