

 **Union Cabinet approves National Mission for Enhanced Energy Efficiency
Mission to save 23 MT oil equivalent of fuel; Total avoided capacity addition is
expected to be over 19,000 MW
Energy Efficiency Market Potential Pegged at Rs. 74,000 Crore**

The Union Cabinet today approved the implementation framework of the National Mission for Enhanced Energy Efficiency (NMEEE), which seeks to strengthen the market for energy efficiency by creating conducive regulatory and policy regime. NMEEE has been envisaged to foster innovative and sustainable business models to the energy efficiency sector. The NMEEE is one of the eight national missions under the National Action Plan on Climate Change.

Speaking after the Cabinet approval, the Union Minister of Power, Shri Sushil Kumar Shinde, said, "Enhancing energy efficiency is one of the most important means to secure India's energy requirements. Nod for NMEEE is an important milestone in our quest to promote energy efficiency and a major step towards energy security."

The Cabinet approval includes; implementation plan of NMEEE, funds to the tune of Rs. 235.35 crores and creation of two new posts of Deputy Director General in BEE.

Elaborating on the NMEEE, Shri P.Umashankar, Secretary, Ministry of Power, said, "This is a significant development for India. During the next four years, NMEEE will help achieve total avoided capacity addition of 19,598 MW, fuel savings of around 23 million tonnes per year and green house gas emissions reductions of 98.55 million tonnes per year."

The NMEEE spelt out four new initiatives to enhance energy efficiency, in addition to the programmes on energy efficiency being pursued. The flagship of the mission is Perform Achieve and Trade Scheme (PAT), a market based mechanism to enhance cost effectiveness of improvements in energy efficiency in large industries. The trading of energy saving certificates would facilitate this process. The second initiative is Market Transformation for Energy Efficiency (MTEE), which includes accelerating the shift to energy efficient appliances in designated sectors through innovative measures to make the products more affordable.

NMEEE's third initiative is the Energy Efficiency Financing Platform (EEFP), which allows for the creation of mechanisms that would help finance demand side management programmes in all sectors by capturing future energy savings. The final initiative is the Framework for Energy Efficient Economic Development (FEEED), to develop two fiscal instruments to promote energy efficiency - the Partial Risk Guarantee Fund (PRGF) and Venture Capital Fund for Energy Efficiency (VCFEE).

Dr. Ajay Mathur, Director General of the Bureau of Energy Efficiency, who has been designated the Mission Director said that, "the Mission seeks to upscale the efforts to unlock the market for energy efficiency on a public private partnership (PPP) basis, which is estimated to be around Rs. 74,000 crore. The NMEEE seeks to create and sustain markets for energy efficiency in the entire country which will benefit the country and the consumers".