

## **EU-India Sustainable Energy Efficiency Initiative (EISEEI)**

**Client:** European Commission EuropeAid

**Project Partners:** GTZ-IGEN Indo-German Energy Programme, National Productivity Council India, InWEnt - Capacity Building International, Centric Austria International

**Duration:** 01.2006 - 12.2008

The economic development of a country is often closely linked to its consumption of energy. Although India already ranks sixth in the world with regard to its total energy consumption, the energy demand is expected to further increase to keep pace with its development objectives.

India's energy intensity is higher compared to Japan, USA and Asia as a whole by 3.7, 1.55 and 1.47 times respectively (energy consumption compared to GDP). This indicates inefficient use of energy but also substantial scope of energy savings. The increasing global trade liberalization and growing global competition have made the improvement of productivity, including the reduction of energy costs, an important benchmark for economic success.

Therefore, a paradigm shift in India's approach to energy policy issues is needed - a shift from a supply dominated approach to an integrated approach incorporating a mix of

- investment in supply side capacity
- operational efficiency improvement of existing power generating stations
- reduction of losses in transmission and distribution
- end-use efficiency
- and technologies for renewable energy.

Recognising the importance and benefits of energy efficiency, the government of India has enacted the Energy Conservation Act, 2001 which came into force March 1st, 2002.

The project is designed to support marketing, implementation and enforcement of the Indian Energy Conservation Act on state and local level, resulting in improved energy efficiency and lower energy intensity in India. To this end, Energy Conservation Action Teams (ECAT), consisting of professionals from state and local agencies were established in five Indian states. They prepare market oriented three-year action plans, which are institutionalised by designated state agencies involved in energy efficiency and/or renewable energy. The state specific Action Plans state general policies, a mission, and a vision relating to energy efficiency, renewable energy, support to energy sector reform, and the reduction of greenhouse gas emissions. Against this background, annual operational plans are to be prepared, defining deliverables as well as local, state and central government investments necessary to achieve quantified and validated targets. Demonstration projects suggested in the Operational Plans are carried out by accredited energy auditors and their clients in at least 10 selected key urban centres. Project activities focus on facilitating a moderated dialogue between India and Europe as well as among the ECATS in order to support preparation of action plans and operational plans, to ensure financing and agree on achievable targets. Furthermore, domestic and overseas training and exchange of views with policy makers, opinion leaders and professionals in these areas will be conducted. All demonstration projects will be checked for eligibility under the Clean Development Mechanism (CDM) of the Kyoto Protocol, a respective Project Identification Note (PIN) will be prepared and, if feasible, a project design document (PDD) developed for host country approval.