



# Energy Compacts

## Why in News

**National Thermal Power Corporation (NTPC) Limited** has become the **first energy company** in the energy domain in India to declare its **Energy Compact Goals** as part of **UN High-level Dialogue on Energy (HLDE)**.

- The [United Nations](#) is set to convene a **high-level dialogue (HLD)** in **September, 2021** to promote the **implementation of the energy-related goals** and targets of the [2030 Agenda for Sustainable Development](#).
- NTPC is India's largest power generating company which is under the **Ministry of Power**.

## Key Points

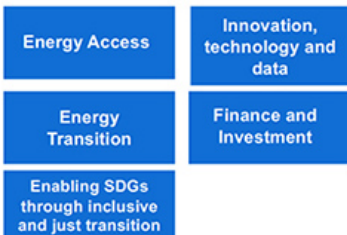
- **Energy Compacts** (a platform to unite and connect commitments and actions):
  - Energy Compacts are being **mobilized by UN-Energy** and will continue to be mobilized and updated **throughout the current Decade of Action**.
  - These are ongoing or new commitments with clear, underlying actions that will **advance progress on one or more of SDG7's three core targets**.
    - SDG7 calls for "affordable, reliable, sustainable and modern energy for all" by 2030.
    - **SDG 7 three core targets:** Access to energy, Renewable energy, Energy efficiency.
  - These are **voluntary commitments** from Member States and non-state actors, such as companies, regional/local governments, NGOs, and others.
  - Since affordable, clean energy is a prerequisite for achieving all other SDGs and the [Paris Agreement](#), actions defined in an Energy Compact can be directly linked to [Nationally Determined Contributions](#) considered as SDG Acceleration Actions.

## Energy Compacts – Voluntary, inclusive & complementary

Energy Compacts will be the most **inclusive** umbrella dedicated to bring together **voluntary commitments** on all SDG7 targets in support of achieving all SDGs by 2030 and net zero emissions by 2050.

### WHAT

**Voluntary commitments** on the following themes to advance SDG7 by 2030 and net zero by 2050.



### WHO

Energy Compacts will be **inclusive** and available for voluntary commitments from all stakeholders in the global movement on SDG7



### HOW

**Aligned** with existing commitments covering ambitious actions, policies, finance and investment, etc. commitments on SDG7.



### ▪ Difference between Energy Compacts (EC) and the Nationally Determined Contributions (NDCs):

- **NDCs** address **Member States' national climate ambitions and targets** that are legally required under the Paris Agreement, focusing on a **country's emissions profile** from the economy as a whole.
- **EC** includes a variety of voluntary commitments, actions, initiatives, and partnerships focused specifically on the energy system and SDG7.
  - They **will cover the SDG7 targets, including those that are not reflected in a country's NDCs**, such as clean cooking access.
- **EC** is also **open to all stakeholders** in the global movement on SDG7, including **businesses, organizations, and subnational authorities**, and will have annual mechanisms to track progress on the commitments.

### ▪ Need for Energy Compacts (EC):

- The energy sector continues to be the **most significant contributor to greenhouse gas emissions (GHG)** globally, continuing a trend aligned with industrialization.
- **Current Situation:**

- 789 million people without access to electricity (2018)
- 2.8 billion people without access to clean cooking (2018)
- 17% share of total final energy consumption from renewables (2017)
- 1.7% energy efficiency improvement rate (2017)

### ▪ NTPC Energy Compact Goals:

- It has set a target to install **60 GW of renewable energy capacity by 2032**. It is also aiming at 10% reduction in net energy intensity by 2032.
- NTPC has declared that it will form **at least 2 international alliances/groups to facilitate clean energy research** and promote sustainability in the energy value chain by 2025.

## UN-Energy

- UN-Energy was established by the UN System Chief Executives Board for Coordination (CEB) in

2004 as the **United Nations' mechanism for inter-agency collaboration in the field of energy.**

- It seeks to act to support countries in achieving SDG7 and the interrelated goals of the Paris Climate Agenda and the broader SDG agenda.

### **Decade of Action**

- In September 2019, the United Nations General Assembly proclaimed the Decade of Action (2021-2030) to **deliver the Sustainable Development Goals (SDGs)** to accelerate efforts to deliver on the ambitious, universal and inclusive 2030 Agenda.

**Source: PIB**

PDF Reference URL: <https://www.drishtias.com/printpdf/energy-compacts>

