



# Perform, Achieve and Trade Scheme

## Why in News

A recent report released by the [Centre for Science and Environment \(CSE\)](#) mentions that the [Perform, Achieve and Trade \(PAT\) scheme](#) introduced in 2008 is not effective.

- The PAT scheme was introduced to improve energy efficiency in Indian industries and consequently reduce greenhouse gas.
- The report attributed the inefficiency of the scheme to **non-transparency, unfastened targets** and **neglected deadlines**.

## Centre for Science and Environment (CSE)

- CSE is a **public interest research and advocacy organisation** based in New Delhi.
- It researches into, lobbies for and communicates the urgency of development that is both sustainable and equitable.

## Key Points

- **About:**
  - It is a **market-based mechanism** to further accelerate as well as incentivize energy efficiency in the large energy-intensive industries.
  - The [Energy Savings Certificates \(ESCerts\)](#) were introduced in India in 2011 under the PAT by the [Bureau of Energy Efficiency \(BEE\)](#) under the [National Mission of Energy Efficiency](#).
    - NMEEE is one of the eight national missions under the [National Action Plan on Climate Change \(NAPCC\)](#) launched by the Government of India in the year 2008.
- **Energy Savings Certificates (ESCerts):**
  - This market-based mechanism is facilitated through the **trading of Energy Savings Certificates (ESCerts)** which are issued to those plants who have overachieved their targets.
  - The **underachievers are entitled to purchase ESCerts** through two power exchanges - [Indian Energy Exchange \(IEX\)](#) and Power Exchange India Limited (PXIL).
  - Industries that take part in this scheme are referred to as **designated shoppers (DC)**.
- **Sectors Covered:**
  - PAT covered about **13 energy-intensive sectors:** Thermal power plants (TPP), cement, aluminium, iron and steel, pulp and paper, fertiliser, chlor-alkali, petroleum refineries, petrochemicals, distribution companies, railways, textile and commercial buildings (hotels and airports).
- **Other initiatives to Promote Energy Conservation and Energy Efficiency:**
  - [Standards and Labeling](#)
  - [Energy Conservation Building Code \(ECBC\)](#)
  - [Demand Side Management](#)
  - [SAATHEE Portal](#)

## Way Forward

The energy reduction target should be made stringent in order to meet up with the [global climate commitments](#) with respect to greenhouse gas emission mitigation.

[Source: DTE](#)

PDF Refernece URL: <https://www.drishtias.com/printpdf/perform-achieve-and-trade-scheme>

