

Bill No. XVI of 2012

THE RENEWABLE ENERGY (PROMOTION AND COMPULSORY USE)
BILL, 2012

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BILL

to provide for the promotion and greater exploitation of renewable energy available from solar heat, wind, biogas, urban waste, tides waves, geothermal sources, etc. by making its use compulsory by certain establishments and households in order to reduce the over dependence on fossil fuels for energy needs resulting in global warming, noxious emissions and ecological and climatologically imbalances to protect the environment and for the establishment of a Board for the purpose and for matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Sixty-third year of the Republic of India as follows:—

1. (1) This Act may be called the Renewable Energy (Promotion and Compulsory Use) Act, 2012—

Short title,
extent and
commencement.

(2) It extends to the whole of India.

5 (3) It shall come into force with immediate effect.

Definition.

2. In this Act, unless the context otherwise requires,—

(a) "appropriate government" means in the case of a State, the Government of that State and in all other cases, the Central Government;

(b) "Board" means the National Renewable Energy Promotion Board established under section 4 of this Act;

(c) "establishment" includes all offices of public and private sector, hotels of all kinds, restaurants, eating joints, shopping malls, multi-storey buildings, departmental stores, hospitals, nursing homes, clinics, schools, colleges and universities, banks, railway stations, airports and such other places as may be notified by the Central Government in the Official Gazette from time to time.

(d) "prescribed" means prescribed by rules made under this Act.

(e) "renewable energy" means energy or power derived from non-conventional energy sources other than fossil fuel emanating carbon and other toxic gases such as solar, wind, animal dung, geothermal sources, tides or waves, carbon waste and garbage or any other sources from which the renewable energy can be obtained.

Central Govt. to take control of Promotion and Development of renewable energy.

3. It is hereby declared that it is expedient in the national and public interest that Central Government share take under its control the Promotion and Development of the renewable energy generation and take appropriate measures in that direction.

Establishment of the National Renewable Energy Promotion Board.

4. (1) **The Central Government shall, within six months of the commencement of this Act, by notification in the Official Gazette, establish a Board to be called the National Renewable Energy Promotion Board for carrying out the purposes of this Act.**

(2) **The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property both movable and immovable and to contract and shall by the said name sue and be sued.**

(3) **The head office of the Board shall be at Bangalore in the State of Karnataka and the Board may establish offices of conspicuous places in all the States and Union Territories in the country for carrying out the purposes of this Act.**

(4) **The Board shall consist of the following members, namely:**

(a) **a chairperson who shall be an expert scientist having enough professional experience and profound knowledge in the field of renewable energy to be appointed by the Central Government;**

(b) **a Deputy Chairperson having such qualification and experience, as may be prescribed to be appointed by the Central Government;**

(c) **five members of Parliament of whom three shall be from the Lok Sabha and two from Rajya Sabha to be nominated by the respective Presiding Officers of the two Houses;**

(d) **five members to represent the Central Government of the Ministries of Finance, Environment and Forests, Science and Technology, Planning, New and Renewable Energy respectively to be appointed by the Central Government;**

(e) **three members to represent Non-Governmental Organizations working for promotion of new and renewable energy in the country to be appointed by the Central Government;**

(f) **four members to be nominated by the governments of the States to be rotated amongst the states in alphabetical order;**

(5) **The term of office of the Chairperson, Deputy Chairperson, and Members of the Board and the procedure to be followed in the discharge of the functions of the Board shall be such as may be prescribed.**

(6) The Board shall be assisted by a Secretariat with such officers and members of the staff and with such terms and conditions of service as may be prescribed from time to time.

5 **5.** (1) The Board shall formulate a comprehensive new and renewable energy policy with its goals and execution plan so as to accelerate the promotion and development of renewable energy to minimize the dependence on fossil fuels for energy production resulting in noxious emissions and global warming as the Board may deem necessary and expedient to do so far the promotion of new and renewable energy throughout the country. Functions of
the Board.

(2) Without prejudice to the generality of the provisions contained in sub-section (1) the Board shall,—

10 (a) support and encourage research and development to promote renewable energy through Government and Private Sector participation involving all major research laboratories and centres in the country;

(b) disseminate the information about the developments made abroad in the field of renewable energy;

15 (c) develop indicative standards of renewable energy;

(d) facilitate quick technology transfer and adoption of renewable energy;

(e) facilitate infrastructure development of renewable energy in rural areas;

20 (f) make provision for small biomass based energy systems for rural areas and promote dung based biogas individual and community plants and reduce dependence of firewood, lighting in streets, etc. through solar energy and setting up wind power projects;

(g) suggest ways for conversion of fossil fuel based industrial heating to solar thermal heating through solar concentrator technology or its hybrids;

25 (h) suggest educational and other policy initiatives for renewable energy in the country;

(i) create interactive web based resource maps of different renewable technologies to facilitate speedy project development and market expansion;

(j) undertake such other activities as may be assigned to it by the Central Government from time to time.

30 **6.** (1) Notwithstanding anything contained in any other law for the time being in force, the appropriate government shall in consultation with the Board make it compulsory for every establishment in the public and private sector to,— Miscellaneous
Provisions.

(a) use the photovoltaic energy in all buildings and reduce dependence on electricity;

35 (b) make provision for time bound solar water heating in all buildings with defined floor areas;

(c) set time bound mandate for promotion of biomass energy systems in the country;

(d) reserve adequate land for setting up of renewable energy projects;

40 (e) make it mandatory for electricity utilities for compulsory purchase of electricity from renewable energy producing units;

(f) undertake such other measures as the government may direct from time to time.

45 (2) It shall be the duty of the appropriate Government to make available the necessary apparatus, equipment and other infrastructure either free of cost or at subsidized rates to the

establishments and individuals to enable them to tap and make maximum use of renewable energy sources and for this purpose shall promote the industrial units manufacturing such apparatus and equipment by extending various incentives including tax holidays and other concessions and infrastructure.

(3) The appropriate Government shall, as soon as may be, identify the exploited sources of renewable energy in its territorial jurisdiction and send project reports to the Board which shall depute a team of experts to the concerned state or Union Territory, as the case may be, to verify and assess the possibility of exploiting renewable energy sources as per the claim of that Government. 5

(4) The Board shall on the basis of the report of the team of experts work out the likely expenditure on the projects and recommend the Central Government to implement the projects in a time bound manner and it shall be the duty of the Central Government to accept the recommendations of the Board. 10

(5) The Board shall submit to the Central Government such other projects and programmes for the optimum exploitation of renewable energy sources as it may deem necessary and expedient for the purposes of this Act. 15

Penalty. 7. (1) Whoever contravenes any provisions of this Act shall, be guilty of an offence under this Act.

(2) where an offence under sub-section (1) of Section 7 of this Act is committed by any establishment is proved to have been committed with the consent or connivance of or is attributable to any neglect on the part of any Director, Chief Executive, Secretary or other similar officer of the establishment or any person who was purporting to act in any such capacity, he as well as the establishment shall be guilty of that offence and shall be punishable with simple imprisonment which may extend to three months or with fine which shall not be less than five lakh rupees but may extend to ten lakh rupees or with both. 20 25

Annual Report. 8. The Board shall prepare once in every calendar year in such form and at such time as may be prescribed an Annual Report giving a true and full account of its activities during the previous year and shall forward the copies thereof to the President of India who shall cause the same to be laid before both the Houses of Parliament.

The Central Government to provide funds. 9. **The Central Government shall, after due appropriation made by Parliament by law in this behalf, provide requisite funds to the Board and the Government of the States and Union Territory Administrations for carrying out the purposes of this Act.** 30

Power to remove difficulty. 10. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provision, not inconsistent with the provisions of this Act, as appear to it to be necessary to expedient for removing the difficulty: 35

Provided that no such order shall be made after the expiry of the period the two years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before both the Houses of Parliament. 40

Power to make rules. 11. The Central Government may, by notification in the Official Gazette make rules for carrying out the purposes of this Act.

STATEMENT OF OBJECTS AND REASONS

A world Summit was held at Copenhagen, Denmark to find out ways to save the earth from its effects of carbon emission resulting in global warming. Although no foolproof solution could be finalized but the fact remains that global warming is being caused by human activities mainly due to burning of fossil fuels which releases greenhouse gases. As a result series of record breaking weather events are causing havoc in the world. Carbon dioxide emissions increasing manifold due to rising consumption of energy particularly coal, petroleum products and firewood by the ever increasing world population. This has put the world on the danger map and if concrete measures are not taken the coastal areas of the world will submerge in the sea water and many small countries will be wiped from world map. For this transition, low carbon economy has to be adopted by massive development to new and renewable energy for the protection of our environment. In our own country due to ever increasing population we have invited ecological disaster due to over dependence on fossil fuels. Jungles have vanished due to over use of wood as firewood in the *chulhas* and making furniture, doors, windows, etc. The country is importing petroleum products on a large scale spending precious foreign exchange. The demand for fuel and power is increasing day by day. Therefore, we have to take steps to promote the use of renewable energy sources to meet the demands of future energy.

Fortunately we have very vast potentials of renewable energy but, unfortunately, we have not tapped this potential so far at the level it should have been tapped. There is enormous wind power potential. So is the solar energy. The desert areas have the requisite solar radiation for producing Concentrating Solar Power (CSP). A 60km X 60km area can produce on lakh megawatt of power and our country has a desert area of 208110 square kilometer in Rajasthan and Gujarat alone which if tapped can produce enormous power. The country is also capable of producing bio fuels. Hence, we have to adopt greater use of renewable energy sources considered to be non-polluting and eco-friendly. The use of renewable energy sources, therefore, has to be made compulsory for all establishments and households. For this a National Board needs to be established.

Hence this Bill.

RAJEEV CHANDRASEKHAR

FINANCIAL MEMORANDUM

Clause 4 of the Bill provides for the establishment of the National Renewable Energy Promotion Board. Clause 9 makes it obligatory for the Central Government to provide requisite funds to the Board, State Governments and Union Territory Administrations for carrying out the purposes of the Bill. The Bill, if enacted, will involve expenditure from the Consolidated Fund of India. It is estimated that a sum of rupee fifty thousand crores may involve as recurring expenditure per annum.

Non-recurring expenditure to the tune of one lakh crore rupee may also involve for creating permanent assets and apparatuses.

MEMORANDUM REGARDING DELIGATED LEGISLATION

Clause 11 of the Bill gives power to the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of details only.

The delegation of legislative power is of normal character.

RAJYA SABHA

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(Shri Rajeev Chandrasekhar, M.P.)