
EESL to promote energy efficiency project - Power minister

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It is reported that Indian ministry of power is promoting a company called Energy Efficiency Services Limited for implementation of energy efficiency in India. This was announced by Mr Sushilkumar Shinde union power minister at the Economic Editors' Conference in New Delhi.

The Company will promote energy efficiency projects like Bachat Lamp Yojana, Agricultural Demand Side Management and Municipal Demand Side Management. It will also act as a Resource Centre for capacity building of State Development Agencies, Utilities, financial institutions, etc.

The Minister pointed out that the overall size of energy investment market under Energy Service Companies in India is INR 74,000 crores and till now only 5% of the market has been tapped. India has huge potential for energy efficiency. An improvement of 20% energy efficiency can result in avoided capacity addition of around 30,000 MW which amounts to an avoided investment of INR 120,000 crores.

Mr Shinde informed that the equity of EESL will be INR 190 crores with equal contributions from NTPC, PFC, REC and PGCIL. With the equity base of INR 190 crores, the company would be able to leverage a total investment of INR 700 crore to INR 800 crores. There are very few such companies in the world.

Mr Shinde said that compared to the last three plan periods, the capacity addition program in the current plan is progressing well. He said that already 18235 MW has been commissioned till October 21st 2009. It is expected that total capacity of 62,374 MW is likely with a high level of certainty. In addition a capacity of 12590 MW may materialize on best effort basis during the 11th Plan.

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