

Bill No. 23 of 2015

THE CLIMATE CHANGE BILL, 2015

By

SHRI KALIKESH NARAYAN SINGH DEO, M.P.

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BILL

to set a target for the reduction of targeted greenhouse gas emissions; to establish a National Committee on Climate Change; to provide for carbon budgeting and carbon trading schemes and to encourage other such activities to reduce greenhouse gas emissions and for matters connected therewith or incidental thereto.

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

CHAPTER I

PRELIMINARY

- 5 1. (1) This Act may be called the Climate Change Act, 2015.
- (2) It extends to the whole of India.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Short title,
extent and
commencement.

Provided that different dates may be appointed for different provisions of this Act.

Definitions.

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

(a) “annual range for the net carbon account” means a cap on the net Carbon Account for that year set by the Central Government;

(b) “baseline” implies net emissions of carbon dioxide and other targeted greenhouse gases in India during a particular year against which the emission in other years is to be measured;

(c) “budgetary period” means a period of five years set by the Central Government for which a carbon budget applies;

(d) “carbon budget” means a cap set by the Central Government on the amount of net Carbon Account for a specific budgetary period;

(e) “carbon unit” means a unit specified by the Central Government for the purpose of measuring addition or reduction of any greenhouse gas in the atmosphere;

(f) “Energy Intensity Index of GDP” implies the quantity of energy used per unit of GDP;

(g) “National Committee” means the National Committee on Climate Change constituted under section 11;

(h) “net carbon account” means net emissions of targeted greenhouse gases for any particular budgetary period reduced by the amount of carbon units credited and increased by the amount of carbon units debited;

[Carbon Account = Net Emissions-carbon units credited + carbon units debited];

(i) “prescribed” means prescribed by rules made under this Act; and

(j) “targeted greenhouse gases” means carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, per fluorocarbons, sulphur hexafluoride and includes any other gas as the Central Government may specify.

CHAPTER II

CARBON TARGET SETTING

Central Government to ensure Carbon target and its amendment.

3. (1) The Central Government shall, within one year from the commencement of the Climate Change Act, 2015,—

(a) prescribe a target of Net Carbon Account for the year 2050 in accordance with international obligations, if any, agreed to by India;

(b) specify a baseline year for absolute reduction of carbon emission and the proportion of reduction of Carbon emission during each year following the baseline year; and

(c) create an Energy Intensity Index of GDP and set a target for the same.

(2) The Central Government may, by notification in the Official Gazette, change the targets laid down under sub-section (1) on the advice of the National Committee.

(3) Every notification issued under sub-section (2) shall be laid before each House of Parliament during the session immediately following the issue of notification.

CHAPTER III

CARBON BUDGETING

Carbon budgets and budgetary periods.

4. (1) It shall be the duty of the Central Government to prescribe Carbon budget for budgetary periods commencing from the budgetary period for the years from 2015-2020 and to ensure that the prescribed net carbon account for a budgetary period does not exceed cap fixed under the carbon budget for that budgetary period.

(2) The carbon budget for each budgetary period shall be set with a view to achieving the target of Net Carbon Account for the year 2050 to be prescribed by the Central Government under sub-section (1) of section 3.

(3) The Central Government may carry over targets of carbon budget set to a budgetary period to the next budgetary period in consultation with the National Committee and such other agencies as may be prescribed.

5. While taking a decision on setting the target of carbon budget under section 4, the Central Government shall take the following into account:—

Various aspects under carbon budgeting.

- (i) scientific knowledge and technology relevant to climate change;
- 10 (ii) impact of the decision on the economy and the competitiveness of various sectors of the economy;
- (iii) impact of the decision on fiscal scenario, in particular, on taxation, public spending and public borrowing;
- (iv) social situation;
- 15 (v) likely impact of the decision on energy supplies and the carbon and energy intensity of the economy;
- (vi) climate change issues at regional and international level; and
- (vii) such other matters as the Central Government may consider necessary.

6. The Central Government shall, in consultation with the National Committee and such other agencies as it may deem necessary, implement such proposals and policies as are necessary for meeting carbon budgets.

Central Government to implement proposals and policies for meeting carbon budgets.

7. The Central Government shall lay, at such intervals as it may deem necessary, before each House of Parliament:—

- 25 (i) a Report setting out an annual range for the Net Carbon Account for each year within a budgetary period, as soon as the carbon budget has been set for that particular budgetary period; and
- (ii) a Report setting out proposals and policies for meeting carbon budgets for the current and future periods.

Laying of Reports relating to Net Carbon Account and proposals and policies for meeting carbon budgets.

8. The Central Government shall lay before each House of Parliament an annual monitoring statement giving the following details:—

- 30 (i) amounts of emissions and removals and net amounts of each of the greenhouse gases and the overall aggregate; the methods used to calculate these amounts; and a comparative statistics with respect to previous years;
- (ii) details of the carbon units credited or debited from India's Carbon Account;
- 35 and
- (iii) Energy Intensity Index of GDP statistics of various sectors and States.

Laying of annual monitoring statement.

9. The Central Government shall make following provisions for the Net Carbon Account:—

Net Carbon Account.

- 40 (i) the circumstances under which carbon units are to be credited or debited to the Net Carbon Account; and
- (ii) the manner in which such crediting or debiting is to be done.

Restrictions on carbon offsetting.

10. The Central Government shall ensure that the carbon units credited to the Net Carbon Account for a period are not used to offset other emissions within or outside the country.

CHAPTER IV

NATIONAL COMMITTEE ON CLIMATE CHANGE

Constitution of a National Committee on Climate Change.

11. The Central Government shall, within three months of the coming into force of the Climate Change Act, 2015, constitute a Committee to be known as the National Committee on Climate Change for the purpose of advising the Government on all matters related to Climate Change including those referred to in or arising from the implementation of this Act.

Composition of the National Committee.

12. (1) The National Committee shall consist of:—

(i) a Chairperson who shall be a person having special knowledge in the field of environment and climate change;

(ii) one person representing the National Green Tribunal constituted under the National Green Tribunal Act, 2010 —Member;

(iii) not less than two persons having judicial background to be nominated by the Central Government —Members;

(iv) one person to be nominated by the Central Government representing the Union Ministry of Environment and Forests —Member;

(v) one person to be nominated by the Central Government representing the Bureau of Energy Efficiency —Member; and

(vi) not less than two persons representing the non-Governmental Organizations working in the field of climate change, to be nominated by the Central Government in such manner as may be prescribed —Members.

(2) The Central Government may, if it considers necessary, appoint one or more persons having specialized knowledge and experience in the field of climate change as *ad hoc* members of the National Committee.

(3) The salary and allowances payable to, and other terms and conditions of service of the Chairperson and members of the National Committee shall be such as may be prescribed.

Advice to the Government.

13. The National Committee shall advise the Central Government on the following matters:—

(i) modification to be made in the limit of carbon target/emission level specified in sub-section (1) of section 3;

(ii) integration, reconciliation and consolidation into the Climate Change Act, 2015 of such laws and policies as are related to protection of environment or climate change including the following, namely:—

(a) the Environment (Protection) Act, 1986;

(b) the Air (Prevention and Control of Pollution) Act, 1981;

(c) the Motor Vehicles Act, 1988;

(d) the Indian Forests Act, 1927;

(e) the Forest (Conservation) Act, 1980;

(f) the Energy Conservation Act, 2001; and

(g) the Climate Change Action Plan;

(iii) the manner in which the emission of green house gases from different sectors such as industry, transport and power are to be tackled; and

(iv) increased and sustainable use of renewable energy and energy efficiency.

14. The National Committee shall, on a request made to it by any agency, authority or institution, give its advice or provide information or analysis or any other details related to climate change or in connection with any functions mentioned under this Act to that agency, authority or institution.

Advice to other national bodies.

15. (1) The National Committee shall prepare 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 forward it to the Central Government, which shall cause the report to be laid before each House of Parliament within one month of its receipt.

Annual Report.

(2) Without prejudice to generality of the foregoing provision, the annual report referred to in sub-section (1) shall also contain:—

(i) progress that has been made towards meeting the carbon budgets;

(ii) manner in which the budget for a period was met;

(iii) the reasons due to which the budget for a period was not met;

(iv) further action that is needed to meet the budgets and targets; and

(v) whether budgets and targets for a period are likely to be met.

16. The Central Government shall, within three months of the receipt of the report from the National Committee, lay before each House of Parliament, an action taken report on the annual report submitted by the National Committee.

Action taken reports.

CHAPTER V

CARBON TRADING SCHEME

17. (1) **The Central Government shall, as soon as may be after the coming into force of this Act, establish a Carbon Trading Authority for the purpose of formulating the Carbon Trading Scheme.**

Establishment of a Carbon Trading Authority.

(2) The Authority shall cease to exist after the Carbon Trading Scheme under section 18 is formulated and approved by the Central Government.

30 *Explanation.*—In this section, “Carbon Trading Scheme” means a scheme that operates by—

(a) limiting activities that consist of emission of greenhouse gas or that cause or contribute, directly or indirectly, to such emissions; or

(b) encouraging activities that consist of, or that cause or contribute, directly or indirectly, to reductions in greenhouse gas emissions or the removal of greenhouse gas from the atmosphere.

18. (1) The Carbon Trading Authority shall, within one year from the date of its establishment, formulate a scheme to be known as the Carbon Trading Scheme.

Carbon Trading Scheme.

(2) While formulating the Carbon Trading Scheme, the Authority may consult the National Committee or such other stakeholders as it may consider necessary.

40 (3) While formulating the Carbon Trading Scheme, the Carbon Trading Authority may take into account the following matters:—

(a) the application of the scheme on various sectors or institutions;

(b) the activities to which the scheme shall apply;

(c) the manner in which carbon credits shall be distributed to the participants;

- (d) the rules governing the buying and selling of carbon credits;
- (e) issue of carbon certificates to companies and other participants;
- (f) the duration of the Carbon Trading Scheme;
- (g) issues relating to definition of offences and suggested penalties; and
- (h) the implementation of the scheme at the State level. 5

(4) Nothing contained in section 13 shall restrict the Carbon Trading Authority from taking into account the matters which it is required to take under this section.

CHAPTER VI

MISCELLANEOUS

Power to
make rules.

19. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act. 10

(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule. 15

STATEMENT OF OBJECTS AND REASONS

India's rapid economic growth and its efforts for holistic development need should not be in conflict with an ecologically sustainable development. India is the fifth largest emitter of green house gases in the world quantity-wise, although, India's per capita emissions are still substantially below the world average per capita emissions. Hence, it is important for India to take a proactive step in order to mitigate the emissions and to improve energy efficiency.

India has been identified as a key player at the international climate change negotiations. Hence, taking higher caps on emissions domestically (though without any legally binding international agreement) would set India as an example for other countries, thereby, inducing the other countries to take similar steps for a better global environment.

Further, although there are multiple laws for mitigating emissions from various sectors, there is no comprehensive law which clearly defines the emission reduction targets, provides steps to be taken for reducing the emissions and sets a clear cut timeline. Even the National Action Plan on Climate Change does not suffice. Therefore, there is a need for establishment of a proper institutional framework for implementation and monitoring of various existing missions and to take up new challenges.

Climate change is not the concern of just the Ministry of Environment, Forests and Climate Change but of each and every Ministry. It is the duty of the Government to integrate and coordinate the efforts of the various Ministries and properly channelize them to attain the ultimate target of reducing Green House Gas emissions and to contribute India's part in fighting the global warming and other climate change phenomena. This Bill has been proposed to address the above mentioned issues.

NEW DELHI;

KALIKESH NARAYAN SINGH DEO

November 27, 2014.

FINANCIAL MEMORANDUM

Clause 11 of the Bill provides that the Central Government shall constitute a National Committee on Climate Change for the purpose of advising the Government on matters related to climate change. Clause 12 provides for appointment of Chairperson and members of the Committee and also salaries and allowances payable to them. Clause 17 provides for the establishment of a Carbon Trading Authority for the purpose of formulating the Carbon Trading Scheme. At this stage, it is not possible to give the exact amount to be incurred on this account. However, the expenditure, whether recurring or non-recurring, will be met out of the Consolidated Fund of India. It is expected that a recurring expenditure of about rupees one thousand crore will be involved annually.

A non-recurring expenditure of about rupees five hundred crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 19 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

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