# Tap ESCO model for energy efficiency: EMC to institutions

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Even as a monsoon-season power crisis in Kerala has restated the importance of efficient energy use, the State government agency, Energy Management Centre - Kerala (EMC), has invited institutions and industrial and commercial establishments to make use of the Energy Service Company (ESCO) model for implementing energy efficiency projects.

What makes the ESCO model attractive is that entities can implement energy efficiency improvement projects without upfront capital investment. The ESCO undertakes the investment and implementation of the selected energy efficiency measures, and the project cost is recovered from the verified energy cost savings that are generated. "This approach enables facilities to modernise energy systems, reduce operating costs and lower emissions while minimising the financial burden of initial investment," according to the EMC, which is also the State Designated Agency (SDA) for Bureau of Energy Efficiency (BEE) programmes in Kerala.

The ESCO recovers the project cost through a percentage of the savings in energy cost made by the establishment by implementing such projects, R. Harikumar, Director, EMC - Kerala, said. For the current programme, the EMC is giving priority to large commercial buildings, hotels, hospitals, and industries that focus on chemicals, pharmaceuticals, textiles, food and beverage processing, metals and engineering.