

TO

The Commission Secretary

APERC

ANDHRA PRADESH

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17/3/2020
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Respected Sir,

We wish to inform you to Government of India is trying to promote solar energy in a big way and bring the climate change under control. Government of India, Ministry New and Renewable Energy has an ambitious programme of installing 175 GW by 2020. Out of the 175 GW of Renewable energy target , 100 GW of grid-connected solar power, comprising 60 GW utility-scale solar and 40 GW solar rooftop Grid connected solar power system are considered as major contributor for this program.

In accordance with the Government of India Solar Power Policy, State Government of Andhra Pradesh has introduced AP Solar Power Policy 2015 and AP Solar Net Metering Policy 2015. The Main objective of these policies are to promote the establishment of solar power projects , rooftop solar power plant for various categories of consumers.

As per the AP Solar Power Policy 2015, Government of Andhra Pradesh have provided subsidies for the promotion for the solar energy for domestic, commercial and industrial consumers.

AP Solar Power Policy 2018 is introduced in Feb 2019. After the introduction of the new policy ,subsidies were removed for commercial and industrial customers. The subsidies are currently being only to the domestic consumers who have consumption of less than 200 units per month.

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Adusumilli Solar citi Pvt. Ltd.
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7/3/2020*

As on today only 110 MW of Solar rooftop is installed, with all the incentives provided by the state and central government. This is equivalent to 0.0275% of the national solar rooftop target. Based on the above progress, it clearly understood a lot of push from the Central and State Governments are required to meet the targets of installation of rooftop solar power projects.

AP Solar Power Policy 2018 is introduced through G.O.Ms. No. 01 Dt. 03.01.2019.

Aperc has approved the policy on 25-05-2019 by conducting public hearing and passing order. APDISCOMS have seeking amendments again to the AP Solar Power Policy 2018 in less than 8 months from the APERC Order date of 25-5-2019. As you are kindly aware the power situation has not changed anything in the last 8 months, but still the DISCOMS are seeking amendments . Any Policy introduced or Commission order should have a minimum operative period of at least 5 years, otherwise people will not belief on the system or the policy introduced by the state government.

Following are the amendments proposed by the APDISCOMS.

- A. To determine SRT Tariff rates as per G.O. Ms. No. 35, Dt. 18.11.2019, ie. " The applicable tariff for solar rooftop project for either net metering or gross metering shall not exceed difference of pooled variable cost and balancing cost (or) the applicable tariff at the time of Commercial operation Date (COD) whichever is less".
- B. To limit the SRT Agreement period to 10 years instead of 25 years.
- C. In line with G.O. Ms. No. 35, Dt. 18.11.2019, a decision may be taken in respect of Gross or Net Metering.

We wish to express our deep concern with the implementation of above amendment to the AP Solar Power Policy 2018, No one will be interested to setup the solar power plant and would kill the ambitious targets of the Central Government and will in turn have a huge impact on the climate control.

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AP DISCOMS are trying to create hurdles in all the possible ways to stop the setting up of solar energy system without having any awareness of the benefits of the distributed solar energy systems.

1. Breakeven period of Solar Power Plant

We wish you to inform you that subsidies for the solar power plant under Net Metering scheme are removed for the most of the consumers except for those who has consumption of less than 200 units.

Solar power project setup with bank finance with interest rate of 12%, will take at least 10 to 12 years for the breakeven period. Any benefit from the solar power system can be realized only after 12 year.

Hence limited the SRT Period for 10 years, will be a big setback for the project and no one will be interested to setup the project.

The SRT Agreement should be continued for 25 years.

2. Disadvantages of Gross Metering

In Gross metering system , the DISCOMS will pay for the Net Exported units based on the Average pooled purchase cost (Rs. 3.75/Unit). The discoms are proposing that the "Difference of Pooled purchase cost and Balancing cost (Rs. 3.5/Unit) should be paid for the Net Exported units"). so the net amount payable is Just Rs. 0.25 Paisa Per Unit.

Consider a domestic consumer who installs 1 KW Solar power system. The system generates 5 units per day. Assume that total consumption in the morning hours is 2 units per day. The Net exported units per day is 3 Units per day . Total exported units per month is 90 Units.

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If the discoms pays Rs.22.5 (90 units X Rs 0.25/Unit) per month to the consumer, the break-even period for the solar power system is more than 40 years.

In this kind of scenario it is big loss to the consumer and no one will setup the solar power system.

3. Net Metering system

As per the solar power 2019, the capacity of the solar power system that can be installed under Net Metering is limited to the contracted Demand of the consumer. So energy generated from the solar power system will be consumed from the premises owner itself. There is a very limited scope of the excess export from the Net Metering system

Example :

If a consumer a contracted MD of 300 KVA, Then only 300 KW Solar Power system can be installed in their premises. The energy generated from the solar power system will be just self-sufficient and the percentage of energy exported to the grid are not even 1%. In the Net Metering system, the energy generated from the solar power system can adjusted in the current month billing only. Earlier the DISCOMS used to consider the 6 months settlement period and later changed it to 3 months settlement period and now it is just 1 month settlement period.

Net Metering system has created an excellent distributed generation system, where the utilized power from the system is exported to the grid. The exported energy is consumed by the DISCOMS and can be supplied to the other consumers and to other feeders.

Net Metering system reduces the burden on DISCOMS by creating local power generating system and distribute the excess generation effectively. This reduces the transmission and distribution losses facing by DISOCMS.

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The main objective of promotion Net Metering system by Central Government is reduce the burden on DISCOMS for the power management.

DISCOMS are under wrong impression that, the solar developers are installing the systems as a business motive. This is absolutely incorrect. The system are installed for just for their self-consumption only.

In the Petition filed by APSPDCL, in Lr . No. APSPDCL/CGM/IPC/GM/IPC/DEE-3/D.NO.52/20, dT. 10.02.2020 for seeking amendments to modalities to the existing solar power policy 2019. Following information is mentioned in point no. 4

Month	Billed Demand/Consumption from Grid (Units)	SRP Generation (Units)	Net Energy (Rs)	Net Monthly Payment by DISCOM	Net Monthly Payment by SRP
				(Rs)	C X APPC
A	B	B-A=C			
DEC	800	800	0	0	0
JAN	1000	1200	200	800	0
FEB	1200	1000	-200	0	1800
MAR	1300	1050	-250	0	2500

A) In the Month of December and January , There is absolutely no loss to the DISCOM.

B) In the months of Feb and March, it is projected that 20% excess energy is generated is there and there is loss DISCOM. But ideally, the net energy exported in most of the cases are not more that 2%, as Net Metering is limited to the contracted MD.

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4. DISCOMS Concern in Managing the Grid with Capacity of 8515 MW Renewable energy.

DISCOMS are projecting that the managing the grid with capacity of 8515 MW is difficult.

We wish you to bring to your kind notice that with all the incentives for last 5 years only 110 MW of solar Net Metering system is introduced in entire Andhra Pradesh. DISCOMS are misleading APERC by projecting high figure of installed capacity.

Managing the distributed system of solar net metering is very easy and more even it is helpful to the DISCOMS.

More ever the excess energy exported by the solar power plants will be consumed in the nearby places by other consumers in the locality or with in the feeder level for HT Consumers. This is more benefit to the DISCOMS than loss to the DISCOMS as DISCOMS no need to procure this additional energy from the other feeders. The solar energy systems erected under Net Metering scheme are distributed across cities, towns and villages. The excess energy generated from the system can be effectively utilized by DISCOMS.

DISCOMS are treating as the solar power plant under Net Metering mechanisms are business units or not treating them as self-consumption units. The same misconception is projected to APERC.

5. Scenario in Other States

We wish to bring to your kind notice all the Indian states are promoting Net Metering in a big way. No state in India has removed Net metering policy.

Gross metering is a big failure and it is not useful for customers.

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Solar Citi

A. Government of Karnataka has increased the subsidies for Net Metering in the all are happy, with solar

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ISO 9001 : 2008 Certified
MNRE, INREDCAP

notification dated 15.03.2020 to 40% for the domestic consumers.

B. Maharashtra ERC have rejected the proposal of DISCOMS For Removing the Net Metering

C. Rajasthan and UP Governments have increased the max capacity of the Net Metering systems to 2 MW.

We pray to the Honourable Chairman, that Net Metering should be continued for the benefit of the consumers and for the benefit of the environment. The tenure of the agreement should for 25 years.

If Gross Metering is introduced, then no one will erect the solar power system and this will be a big set back by solar programme by central government and in the controlling the pollution.

If at all the DISCOMS are thinking that Paying APPC Price is burden to them, we request them to pay 50% of Pooled purchase cost as is the case with open access power generators. This will be equivalent to (Rs. 1.875 = 3.75X 50%). This will be more reasonable price for the excess energy produced from the net metering system.

We pray to the Honourable Chairman, that Net Metering should be continued for the benefit of the consumers and for the benefit of the environment.

Thanking you

Yours faithfully

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Solar netmetering comments reg...~~17/3/2020~~~~Jaw~~

Tue, Mar 17, 2020 12:33 PM

**From :** vijayawada@poweroneups.com**Subject :** Solar netmetering comments reg...**To :** Commission Secretary <commn-secy@aperc.gov.in>

1 attachment

Reply To : vijayawada@poweroneups.com

Dear sir/ Madam,

Pls find the enclosed comments for solar netmetering regards...

Sent from Yahoo Mail on Android

aperc_Netmetering.docx

19 KB

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