



NATIONAL SOLAR ENERGY FEDERATION OF INDIA

Regd. No. 362 / IV of 8 May, 2013

भारतीय सौर ऊर्जा महासंघ

पंजीकरण नं 362 / IV - 8 मई, 2013

Ref. NSEFI/MoP/2020-21/300

Date: 07.01.2021

To,

Shri Raj Kumar Singh

Hon'ble Minister of State(I/C), Power, New and Renewable Energy

Government of India

Shram Shakti Bhawan

Rafi Marg, New Delhi-110001

Subject: Need for Clarifications or consequential amendments in Electricity (Amendment) Rules 2020.

Reference: MoP Notification of Electricity (Amendment) Rules, 2020.

Dear Shri R K Singh Ji,

National Solar Federation of India (NSEFI) is a non-profit organization with the objective of solar power development. It is an umbrella organization representing 90% of Indian Solar market comprising of solar energy companies active along the whole photovoltaic value chain including project developers, manufacturers, engineering companies, financing institutions, and other stakeholders.

At the outset, we would like to thank the Ministry of Power for empowering consumers with the introduction of consumer rights through Electricity (Amendment) Rules 2020.

We are writing this letter on behalf of entire India's rooftop industry to highlight the fact that although the enactment of consumer rights facilitates prosumers (consumers with energy production capabilities) with the same status and rights as that of regular power consumers, the ceiling capacity of net metering restricted only up to 10kW will impact the entire rooftop ecosystem in India adversely.

- The present provisions restrict the rights of higher load consumers to avail net metering by installing solar rooftop within their premises as recognized by different state net metering regulations and is against the principle of equality and natural justice. Additionally, no provision for further applicability beyond the 10kW ceiling has been clarified in the rules for large consumers.
- We would also like to bring it to your notice that, these consumer rights thereby would act against the consumer's adaptability of rooftop/inhouse renewable energy sources, especially in the commercial and industrial segment. Currently,



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every state in the country offers a capacity limit of 1-2 MW with or without battery storage as ceiling capacity for net metering in the country (both under CAPEX and RESCO models). Applicability of these rules shall thereby restrict for consumers at higher voltages and higher loads from availing the benefit of net metering and hence would result in very low adaptation of distributed solar, which will be against the spirit of the fulfillment of India's path to a low-carbon future and India's ambitious solar target including the 40 GW rooftop target by 2022.

- We wish to also emphasize that the present Electricity (Amendment) Rules 2020 created a regulatory uncertainty with respect to applicability of respective state net metering regulations for the existing and ongoing projects from date of notification of this Rules, as there will be legal conflict between judicial priority of rules over regulations.
- Barring net metering above 10kW would give a stall to the MSMEs currently operating in the rooftop segment. As MSMEs are the backbone of any country's economy, such rules shall completely result in the collapse of such local business. Besides, there are many other components, that are used explicitly by net metering consumers for different limits, and the meter accuracy class for bi-directional varies as well. Manpower and manufacturing units in business will also be affected adversely and will incur excessive losses adding to their already liquidity deficits amid the crisis brought in by COVID-19.
- Your good office may appreciate that financing of the solar rooftop projects is one of the challenging criteria for decelerating growth of solar rooftop in the country. However, the respective states' promotion of solar rooftop for capacity up to 1-2 MW irrespective of the load and voltage of consumers has attracted attention of various international fund houses and financial institution providing cheaper cost of capital and thus driving the growth of distributed solar growth ambition of Government of India. The present rules will deny any advantage of attracting funding.
- The whole advanced world, including countries like US and EU member countries are moving towards distributed power, decentralized investments, and smarter, more self-sufficient "federation" of mini grids. By eliminating net metering as well as other distributed generation options for larger clients, India will be taking a dangerously a regressive step in terms of technology, innovation, and economics.

We, therefore, would like to request you to the amend the rules to

1. Allow Net metering above 10 KW



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2. Remove Compulsory Gross metering above 10 kW

These amendments would ensure the movement of high load consumers towards clean localized energy, ensuring large scale adaption of distributed solar in line with India's clean energy goals and will help MSMEs thrive thereby contributing to the economic growth of the country.

We therefore request you to kindly give us a suitable time for a delegation from NSEFI members to discuss this issue further.

Regards,



Subrahmanyam Pulipaka
Chief Executive Officer

Copy To:

- 1. Shri Sanjiv Nandan Sahai, Secretary, Ministry of Power**
- 2. Shri Indu Shekhar Chaturvedi, Secretary, Ministry of New and Renewable Energy**
- 3. Shri A K Sharma, Secretary, Ministry of MSME**