

# **GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)**

## **GUJARAT ELECTRICITY REGULATORY COMMISSION (NET METERING ROOFTOP SOLAR PV GRID INTERACTIVE SYSTEMS) (THIRD AMENDMENT) REGULATIONS, 2022**

### **NOTIFICATION NO. 02 OF 2022**

In exercise of the powers conferred under Sections 61, 86 and 181 of the Electricity Act, 2003 (Act No. 36 of 2003) and all other powers enabling it in this behalf, and after previous publication, the Gujarat Electricity Regulatory Commission hereby makes the following Regulations, to amend the Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 (hereinafter referred to as “Principal Regulations”) namely:

- 1) **Short Title Extent and Commencement:**
  - (i) These Regulations shall be called the Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) (Third Amendment) Regulations, 2022.
  - (ii) These Regulations shall extend to the whole of the State of Gujarat.
- 2) These Regulations shall come into force with effect from the date of their publication in the Official Gazette.
- 3) **Amendment in Regulation 2.1 of the Principal Regulations:**
  - (a) The definition clause Regulation 2.1 (i) of the Principal Regulations shall be substituted as under:

“Contracted load” or “Sanctioned load” or “Contracted demand” means the maximum demand in kW, kVA or HP, agreed to be supplied by the Distribution Licensee and indicated in the agreement executed between the Distribution Licensee and the Consumer and the expression “load” shall be construed accordingly;

- (b) In the definition 2.1 (l) “Eligible Consumer” the words “or Third Party Sale” shall be inserted after the word “given that such system is self owned”.
- (c) Addition of New Definition clause “Gross Meter” and “Gross Metering” in Regulation 2.1 of the Principal Regulations:

The following new definition clauses shall stand inserted in Regulation 2.1 after existing Regulation 2.1(m) of the Principal Regulations as Regulation 2.1 (ma) and (mb):

(ma) “Gross Meter” means unidirectional energy meter installed at the point at which the electricity generated by solar energy system of the eligible consumer injects into the grid of Distribution Licensee.

(mb) “gross-metering” means a mechanism whereby the total solar energy generated from Grid Interactive Rooftop Solar Photovoltaic system of a Prosumer and the total energy consumed by the Prosumer are accounted separately through appropriate metering arrangements and for the billing purpose, the total energy consumed by the Prosumer is accounted at the applicable retail tariff and total solar power generated is accounted for at feed-in-tariff determined by the Commission;

- (d) The definition of “net-metering” 2(p) provided in the principal Regulations is substituted by following definitions:

2(p) “net-metering” means a mechanism whereby solar energy exported to the Grid from Grid Interactive Rooftop Solar Photovoltaic System of a Prosumer is deducted from energy imported from the Grid in units (kWh) to arrive at the net imported or exported energy and the net energy import or export is billed or credited or carried-over by the distribution licensee on the basis of the applicable retail tariff by using a single bidirectional energy meter for net-metering at the point of supply;’.

- (e) The following new definition clause shall stand inserted in Regulation 2.1 after existing Regulation 2.1(s) of the Principal Regulations as Regulation 2.1 (sa):

(sa) “prosumer” means a person who consumes electricity from the grid and can also inject electricity into the grid for Distribution Licensee, using same point of supply;

- (f) The following new definition clause shall stand inserted in Regulation 2.1 after existing Regulation 2.1(x) of the Principal Regulations as Regulation 2.1 (xa):

(xa) “Third party” for this Regulations means a developer setting up solar project on the Rooftop/premises of a consumer/prosumer for generation and sale of such power to the consumer/prosumer in the same premises.

- 4) **Amendment in Regulation 3.1 of Regulation 3 (Scope and Application) of the Principal Regulation:**

The words “or from solar power plant set up by third party” shall be added after the words “who are receiving electricity from its own generating source” and at the end of the said regulations, i.e. after the words “situated

in Distribution Licensee area”, the sentence “or prosumer who consumes electricity from the grid and injects electricity from its Solar Power System into the grid for supply to Distribution Licensee using same point of supply” shall be added.

5) **Amendment in Regulation 4 (General Principles) of the Principal Regulation:**

The word “/gross metering” shall be added in first para of the Regulation 4 of Principal Regulations after words “The Distribution Licensee shall provide the net metering” and the word “/prosumer” shall be added between the words “arrangement to the eligible consumer” and the words “who intends to install grid connected Rooftop Solar PV System”.

In first proviso of Regulation 4 the word “/prosumer” shall be added between the word “consumer” and “is eligible to install the grid connected Rooftop Solar PV System”.

6) **Amendment in Regulation 5 (Capacity Targets for Distribution Licensee) of the Principal Regulation:**

The word “/gross metering arrangement” shall be added in first para of the Regulation 5 of Principal Regulations after words “The Distribution Licensee shall provide the net metering arrangement” and the word “/prosumers” shall be added after the word “Eligible consumers”.

7) Amendment in Regulation 6 titled “Eligible Consumer and individual project capacity” shall be substituted by the title “Eligible Consumer/Prosumer and individual project capacity”.

8) **Amendment in Regulation 6.1 (Eligible Consumer and Individual project capacity) of the Principal Regulations:**

From the sentence “In addition to the general eligibility defined in Regulation 2.1 (l) of these Regulations, the Eligible Consumer for the Rooftop Solar PV System with net metering shall:”, the words “with net metering” shall stand deleted and the word ‘/Prosumer’ inserted after the Eligible Consumer. Accordingly, the said Clause shall read as under:

“In addition to the general eligibility defined in Regulation 2.1(l) of these Regulations, the Eligible Consumer/Prosumer for the Rooftop Solar PV System shall:”,

The Regulation 6.1 (ii) shall be amended by inserting the word “or possess on rental basis” between the words “be in legal possession” and the word “of the premises including the rooftop or terrace or building or infrastructure or open areas of the land or part or combination thereof on which the Solar PV System is proposed to be installed.”

The Regulation 6.1 (iv) shall be substituted by following provisions

iv. consume all of the electricity generated from the Rooftop Solar PV System at the same premises. If the consumer/prosumer is not able to consume all of generated electricity in the same premises, it shall be governed by Regulation 9 of these Regulations.

The following new clauses shall be added after Principal Regulation 6.1 (iv) of the Principal Regulations as Regulation 6.1 (v) and 6.1 (vi).

6.1 (v) Inject all the electricity generated from the Rooftop Solar PV System into the grid as sale to the licensee at the tariff determined by the Commission.

6.1 (vi) Any individual or company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical

person shall be eligible for setting up of Solar Power Systems (SPSs), either for the purpose of captive use and / or for selling of electricity to the Distribution Licensee or Third Party whether or not under the Renewable Energy Certificate (REC) mechanism or fulfilment of Renewable Purchase Obligation subject to provisions of the Electricity Act, 2003, as amended from time to time.

9) **Amendment in Regulation 6.2 of the Principal Regulations read with First Amendment and Second Amendment:**

The first para of Regulation 6.2 of the Principal Regulations as well as the amended Regulations (First Amendment) and (Second Amendment) shall stand amended and substituted by following clauses:

- (a) Rooftop Solar PV System shall be permitted under net-metering provision for projects having capacity of 1 kW and above and upto 1000 kW.
- (b) Rooftop Solar PV System shall be permitted for gross-metering provision for projects having capacity of above 10 kW and upto 1000 kW.

Provided that the installed capacity is aligned with the provisions for permitting consumer connections as stated in the Gujarat Electricity Regulatory Commission (Electricity Supply Code and Related Matters) Regulations, 2015 as amended from time to time, read with the provisions of GERC (Terms and Conditions of the Intra-State Open Access) Regulations, 2011 as amended from time to time.

- (c) Capacity of Solar Power Plant set up by the eligible consumers/prosumers:

Subject to limitation specified in clause (a) and (b) above, the capacity of Solar Power Plant set up by the eligible consumers/prosumers are permitted as under:

- (i) Solar Projects set up by residential consumers on their rooftop/premises shall be allowed irrespective of consumer sanctioned load. Incentives under existing schemes can be availed by consumers as per the provisions of the scheme.
- (ii) No capacity restrictions upto sanctioned load/ contracted demand shall be applicable for the captive consumers and project set up under Third Party Sale within the permissible limit.
- (iii) For the projects set up under REC Mechanism for captive use/ third party sale, installation of solar projects shall be allowed up to sanctioned load/contracted demand.
- (iv) The capacity of solar plant set up for fulfillment of RPO requirements shall be permitted regardless of their sanctioned load/ contracted demand.

10) **Amendment in title of Table and at Sr. No. (iv) provided in Regulation 8(2) of the Principal Regulations are amended as under:**

Sr. No.	Connected load of eligible consumer/prosumer	Connectivity level
(iv)	Above 100 kW/kVA	11 KV, 3 Phase, 50 Hz.

11) **Amendment in Regulation 9 of the Principal Regulations and its Second Amendment:**

Regulation 9 “Energy Accounting and Settlement” of the Principal Regulations and its Second Amendment shall be substituted by following Regulations:

**9. Energy Accounting and Settlement**

- (a) Any energy injected prior to commissioning of the solar project shall be deemed as inadvertent power. The consumer/prosumer of Solar PV owner is not eligible to receive any monetary compensation for such inadvertent power.
- (b) For each billing period, the licensee shall show the (i) quantum of electricity injected by Eligible Consumer from Solar PV System in the grid, (ii) electricity supplied by the Distribution Licensee, (iii) net billed electricity for payment by the consumer and (iv) net exported energy after adjustment against the consumption separately.
- (c) In case of Prosumer set up the Solar Rooftop projects under Gross Metering provision, the electricity generated and supplied from such Solar Rooftop Project to the Distribution Licensee shall be shown separately in the bill issued by the Distribution Licensee for payment of such electricity to the Prosumer at the rate determined by the Commission as per decision of the Commission in Petition No. 1802/2019. The electricity supplied by the Distribution Licensee to such Prosumer shall be stated separately in the bill by the licensee or each billing period for payment as per tariff applicable to such consumer as may be decided by the Commission.
- (d) The Solar Rooftop Power Projects commissioned under the provisions of earlier Notifications of Net Metering Regulations notified by the Commission, the energy accounting of such projects shall be governed by the provisions of Net Metering Regulations under which they were commissioned. However, in case of any addition/reduction in Solar Capacity or Contracted / Sanctioned load, the earlier set-up Solar



Rooftop project arrangement shall be considered different and distinct and a fresh agreement under existing Regulations shall be signed for additional capacity.

- (e) In case of the energy supplied by the Rooftop Solar Power Project set up under gross metering mechanism by Residential Consumer and Government consumers on premises having ownership or legal possession shall be purchased by the Distribution Licensee at the rate determined by the Commission in its Order dated 08.08.2019 in Petition No. 1802/2019 for Solar Power Projects under the Policy for Development of Small Scale Distributed Solar Projects, 2019. Draft Agreement is provided herein at Annexure IV.

## **9.1 For Residential and Government Consumers**

- 9.1.1 Solar Projects set up by residential consumers on their own rooftop / premises shall be allowed irrespective of consumer sanctioned load subject to limitation of capacity provided in these Regulations. Incentives under existing schemes can be availed by consumers as per the provisions of these Regulations.
- 9.1.2 Solar Projects can also be set up by a developer on the rooftop / premises of a residential consumer for generation and sale of power to such consumer/prosumer in the same premises under Third Party Sale for which the developer and consumer/prosumer shall enter into a lease agreement and/or power sale agreement.
- 9.1.3 In case of Residential Consumers, the Energy Accounting shall be carried out on Billing Cycle basis.
- (i) In the event the electricity injected from the Rooftop Projects set up under Net Metering provisions exceeds the electricity consumed during the billing period, surplus energy generated from the solar project after

set off on billing cycle basis shall be purchased by respective Distribution licensee at the following rates.

- (a) In case of self-owned systems and SURYA Gujarat scheme consumers:

At Rs.2.25 / unit for the first 5 years from commissioning of project and thereafter for the remaining term of the project at 75% of the simple average of tariff discovered and contracted under competitive bidding process conducted by GUVNL for non-park based solar projects in the preceding six months period, i.e. either April to September or October to March as the case may be, from the Commercial Operation Date (COD) of the project.

- (b) In case of Third-Party Sale covered under Clause 9.1.2 - At 75% of the simple average of tariff discovered and contracted under competitive bidding process conducted by GUVNL for non-park based solar projects in the preceding six months period, i.e., either April to September or October to March as the case may be, from the Commercial Operation Date (COD) of the project. The same shall remain fixed for the entire term of the agreement.

Such rates shall be declared by GUVNL on six monthly basis and shall be applicable under the agreement to be executed by Distribution licensee with the consumer.

- 9.1.4 Excess drawl by consumer/Prosumer from the grid, if any, after giving set off in case of Solar Project set up under Net Metering mechanism shall be charged by Distribution Licensee at applicable tariff of respective category of consumer as determined by the Commission from time to time.

- 9.1.5 No Banking charges shall be applicable on solar power consumed by Residential Consumers.

9.1.6 The electricity supplied by the Distribution Licensee to Prosumer shall be billed separately at the applicable tariff as determined by the Commission from time to time of respective category of Prosumer for each billing period for payment.

**9.2 For the projects set up under captive use:**

9.2.1 This section of the Regulations shall refer to industrial, commercial, institutional and other consumers setting up projects under Captive use.

9.2.2 The captive use of electricity for self-consumption within the same premises or at different premises by the consumer must having ownership of SPS shall be as specified in the Electricity Rules, 2005 and amendments made thereto from time to time.

9.2.3 No capacity restrictions shall be applicable under this category subject to consideration of the limit provided for Rooftop projects in Regulations 6.2 of these Regulations.

9.2.4. Installation of Rooftop solar project carried out by the Captive Consumer by keeping ownership and consumption of energy generated from such plant complying the provision specified in the Electricity Rules, 2005 and amendments made thereto from time to time. In such cases the ownership of the plant and energy generated from such plant shall be consumed by the captive consumer as specified in the Electricity Rules, 2005 and amendments made thereto from time to time.

9.2.5 The ownership in Captive Solar Generating plant and consumption of energy on annual basis (financial year basis) from it shall have to be proved as per the provisions of Electricity Rules, 2005 by the members/persons of the Captive Solar Generating plant by submitting necessary data/documents as per the relevant law on annual basis for the financial year. So far as supply and consumption of energy by the

members/persons in proportion to their ownership in the CGP as per the provisions of Electricity Rules, 2005 is concerned, the members/persons who are claiming ownership in captive generating plants shall have to prove the same by submitting necessary documents/data on annual basis (financial year basis) with regard to (i) ownership in the captive generating plants and (ii) consumption of energy supplied from the captive generating plants to such members in proportionate to their ownership in the CGP with consideration of provisions of the Electricity Rules, 2005 and prevailing law at the relevant time. Such details shall be submitted to the (i) Chief Electrical Inspector and (ii) the Distribution Licensee in its license area. In case of failure to prove the Captive Generating Plant status by the owners on annual (Financial Year) basis, the energy supplied from such plant shall be considered as sale by the third party and it shall attract Cross Subsidy Surcharge and Additional Surcharge as decided in these Regulations.

- 9.2.6 In case of solar projects set up by HT / EHV consumers for captive use, the energy set-off shall be allowed between 07.00 hours to 18.00 hours of the same day which means the generated solar energy during a day shall be consumed by HT or EHV consumer during 07.00 hours to 18.00 hours on the same day. The surplus energy after the specified period shall be purchased by Distribution Licensee at rates specified under these Regulations.
- 9.2.7 In case of solar projects set up by LT demand-based consumers for captive use, the energy set-off shall be allowed between 07.00 hours to 18.00 hours basis of the same billing cycle which means the generated solar energy during a billing cycle between 7:00 hours to 18:00 hours shall be consumed by the consumer during the specified period of 7:00 hours to 18:00 hours in the same billing cycle.

- 9.2.8 The energy accounting for all other LT consumers i.e., other than demand based LT consumers, shall be on billing cycle basis.
- 9.2.9 The surplus energy, not consumed during the above mentioned period by the consumer after set-off, shall be compensated by Distribution licensees by following Surplus Injection Compensation (SIC) rates.
- a. In case of MSME Manufacturing Enterprises - At Rs 2.25 / unit for first 5 years from commissioning of project and thereafter for the remaining term of the project at 75% of the simple average of tariff discovered and contracted under competitive bidding process conducted by GUVNL for non-park based solar projects in the preceding six months period, i.e., either April to September or October to March as the case may be, from the Commercial Operation Date (COD) of the project. The same shall remain fixed for the entire term of the agreement.
  - b. In case of other than MSME Manufacturing Enterprises-At 75% of the simple average of tariff discovered and contracted through competitive bidding process conducted by GUVNL for non-park based solar projects in the preceding six months period, i.e., either April to September or October to March as the case may be, from the Commercial Operation Date (COD) of the project. The same shall remain fixed for the entire term of the agreement.
- 9.2.10 Excess drawl of electricity by the consumer from the grid, if any, after giving set off shall be charged by the Distribution Licensee at the applicable tariff of the respective category of consumer as determined by the Commission from time to time.
- 9.2.11 Banking charges of Rs.1.50 / unit shall be applicable on solar energy consumed in the case of Demand based Consumers shall be applicable.

In case of MSME manufacturing units and other than Demand based Consumers, Banking Charges of Rs.1.10 per unit on Solar Energy consumed shall be applicable. Banking Charges shall not be applicable to government buildings.

- 9.2.12 Projects set up for captive use shall have the option to switch over from captive use to Distribution licensee sale once in their life-time and upon such switch over, the applicable tariff under agreement to be signed with Distribution licensee shall be lowest tariff discovered and contracted in competitive bidding process conducted by GUVNL for non-park based Solar Projects as on the Commercial Operation Date (COD) of the project.

### **9.3 PROJECTS UNDER THIRD PARTY SALE**

- 9.3.1 This section of the Regulations shall refer to industrial, commercial, institutional and other consumers, setting up projects under third party sale.
- 9.3.2 The sale of electricity by the owner of Solar Power Systems/ Projects (SPSs) to separate consumer/prosumer shall be considered as Third-Party Sale. Developers can also install solar rooftop projects on rooftop/ premises of a consumer for generation and sale of power to such consumer/prosumer by entering into lease agreement and/or power sale agreement.
- 9.3.3 Installation of solar rooftop projects by a developer for third party sale to the consumer of Distribution Licensee shall be permitted with consideration of capacity ceiling provided under Regulation 6.2.
- 9.3.4 In case of solar rooftop projects set up by HT / EHV consumers, the energy set-off shall be allowed between 07:00 hours to 18:00 hours of the same

day which means the generated solar energy during a day shall be consumed by HT or EHV consumer during 07.00 hours to 18.00 hours on the same day. The surplus energy after the specified period shall be purchased by Distribution licensee at rates specified under these Regulations.

- 9.3.5 In case of solar projects set up by LT demand-based consumers, the energy setoff shall be allowed between 07:00 hours to 18:00 hours basis of the same billing cycle which means the generated solar energy during a billing cycle between 07:00 hours to 18:00 hours shall be consumed by the consumer/prosumer during the specified period in the same billing cycle. While in case of solar projects set up by LT non-demand based consumers, the energy set-off shall be allowed on billing cycle basis.
- 9.3.6 The surplus energy, not consumed by the consumer during the above mentioned set-off period shall be compensated by Distribution Licensees at 75% of the simple average of tariff discovered and contracted through competitive bidding process conducted by GUVNL for non-park based Solar Projects in the preceding six months period, i.e., either April to September or October to March as the case may be, from the Commercial Operation Date (COD) of the project. The same shall remain fixed for the entire term of the Agreement.
- 9.3.7 Excess drawl by consumer from the grid, if any, after giving set off shall be charged by Distribution Licensee at applicable tariff of respective category of consumer as determined by the Commission from time to time.
- 9.3.8 Banking charges of Rs 1.50 / unit shall be applicable on solar energy consumed in case of Demand based Consumers shall be applicable. In case of MSME units and other than LT Demand based Consumers, Banking Charge of Rs.1.10 per unit shall be applicable on Solar Energy