Discussion paper on UPERC (Rooftop Solar PV Grid Interactive System Gross / Net Metering) Regulations, 2015



***Introduction***

The State of Uttar Pradesh is among the top consumers of electricity per annum. With the depleting coal reserves and inadequate supply of other fuel, all possible viable options for the generation of the electricity need to be explored. Under these circumstances, the power generation based on renewable energy resources can play a significant role in meeting State’s future demands of electricity.

The State has vast potential for deployment of plants utilising Solar Energy. The State receives daily average solar radiation in the range 5.0 kWh/sqm –5.5 kWh/sqm, in most of its part, offering opportunity for deployment of suitable solar energy facilities.

In view of the same, the Uttar Pradesh Electricity Regulatory Commission in exercise of powers conferred under section 61, 66, 86(1)(e) and 181 of the Electricity Act, 2003 and all other powers enabling in this behalf made UPERC (Rooftop Solar PV Grid Interactive System Gross / Net Metering) Regulations, 2015 also called as RSPV Regulations, 2015 notified on 20th March 2015. The scheme is available for all consumers in the State of Uttar Pradesh to implement the technology of their choice from Net Metering or Gross metering.

***Legal and regulatory framework***

The Uttar Pradesh Electricity Regulatory Commission (the Commission) has been vested with the functions under the Section 86 of the Electricity Act, 2003 (the Act) to determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case maybe, within the State. Section 61 of the Act requires the Commission to be guided by the multi-year tariff principles while specifying the terms and conditions for determination of tariff.

“The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

1. The principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
2. The generation, transmission, distribution and supply of electricity are conducted on commercial principles;
3. The factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
4. Safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;
5. The principles rewarding efficiency in performance;
6. Multi-year tariff principles;
7. That the tariff progressively reflects the cost of supply of electricity and also reduces cross-subsidies in the manner specified by the Appropriate Commission;
8. The promotion of co-generation and generation of electricity from renewable sources of energy;
9. The National Electricity Policy and tariff policy"

Further, Section 66 (Development of Market) of the act specify the State Commission to act in a manner to promote the development of a market (including trading) in power in such manner as may be specified and shall be guided by the National Electricity Policy.

Further, Section 86(1) (e) of the Act specifically provides for promotion of cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of distribution licensee.

***Issues raised by different stakeholders in RSPV Regulations, 2015***

**Issue:** Increase inCapacity of solar system, which is presently 25% of distribution transformer capacity.

**Description:** It has been observed that various stakeholders have raised the issue to remove the restriction on the installed capacity linked to 25% of the distribution transformer capacity.

**Issue:** Increase the limit of Maximum Installed Capacity of 1 MW under Net Metering arrangement

**Description:** It has been observed that many stakeholders have raised the issue through different mediums to increase the allowed installed capacity under Net metering arrangement.

**Issue:** Increase inlimitation on allowed installed capacity to the contracted capacity

**Description:** SomeStakeholders have raised the issue to relax the norm on limitation on allowed installed capacity to the contracted capacity.

**Issue:** Solar Power settlement tariff of Rs. 2/kWh

**Description:** Stakeholders have raised the issue that the tariff offered on the sale of solar power after settlement period i.e. Rs. 2/kWh is low and a higher tariff shall be allowed to encourage Solar PV installation.

**Issue:** Aggregator Model under Net Metering arrangement

**Description:** The commission has already allowed the provision of aggregator model under gross Metering arrangement. Now, the Commission proposes to allow aggregator model for installation of Solar PV for a group of consumer under Net Metering arrangement. The settlement between the individual consumer in the group and the third party (if involved) will be the responsibility of the group / third party itself and shall be driven by the agreement between them. Rest of the conditions shall remain same as provided for Gross Metering under this arrangement. Therefore the Aggregator Model under Net Metering Arrangement will allow Group / Third Party owner to install solar captive power plant upto the total capacity of cumulative contracted load of the group of consumers connected with same Distribution Transformer (upto the limit of 25% of capacity of DT).

The comments, suggestions and objections from CEA, CERC, SERCs, UPPCL, Discoms, UPNEDA, Captive Producers and other stakeholders are invited in writing so as to reach to the Commission’s office at Kisan Mandi Bhawan, 2nd Floor, Gomti Nagar, Lucknow, personally or by post, so as to reach within 15 days from the date of publication of discussion paper.

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