



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2196 of 2025

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

In the matter of amended Petition under section 86(1)(e) of the Electricity Act, 2003; Regulation 44, 57 and 59 of UPERC (Conduct of Business) Regulations, 2019; Rule 11(4) & 11(5) of Electricity (Right of Consumer) Rules, 2020; Regulation 16 Uttar Pradesh Electricity Regulatory Commission (Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulation, 2019; seeking relaxation of various provisions of the Uttar Pradesh Electricity Regulatory Commission (Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulations, 2019 and the Orders passed by the Hon'ble Commission and approval of the proposed Standard Operating Procedure ("SOP") for net-metering under the PM SURYA GHAR MUFT BIJLI YOJANA ("PMSGMBY").

AND

IN THE MATTER OF

Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA),

Vibhuti Khand, Gomti Nagar, Lucknow, U.P. – 226010.

..... Petitioner

Versus

1. Uttar Pradesh Power Corporation Limited,

(Through its Managing Director) Shakti Bhawan 14 Ashok Marg, Lucknow, Uttar Pradesh- 226001.

2. Noida Power Company Limited.,

(Through its Managing Director & CEO) Electric Sub-station, Knowledge Park - IV, Greater Noida, Gautam Buddha Nagar, Uttar Pradesh – 201 310

..... Respondents

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THE FOLLOWING WERE PRESENT

1. Shri Prateek Kushwaha, EE (RAU), UPPCL
2. Shri Shubham Agarwal, AE, UPPCL
3. Shri Syed Abul Kasim Zaidi, Advocate, UPPCL
4. Shri Savyasachi Saumitra, Advocate, UPPCL
5. Shri Mohd. Altaf Mansoor, Advocate, NPCL
6. Shri Tanay Choudhary, Advocate, NPCL
7. Shri Swanand Vaidya, Consultant, UPNEDA
8. Ms. Akanksha Maurya, Consultant, UPNEDA
9. Shri Divyanshu Bhatt, Advocate, UPNEDA
10. Shri Shashwat Singh, Advocate, UPNEDA
11. Shri Kumar Suryamauli Shah, Senior Engineer, SECI

ORDER

(DATE OF HEARING: 29.07.2025)

1. The present Petition has been filed by UPNEDA seeking relaxation of various provisions of the UPERC (Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulations, 2019 and the Orders passed by the Commission and also the approval of the proposed Standard Operating Procedure ("SOP") for net-metering under the PM Surya Ghar Muft Bijli Yojna (PMSGMBY).
2. In its Order dated 07.04.2025, the Commission observed that MNRE letter dated 24.03.2025 contained certain aspects such as waiver of the requirement for Net metering agreement, security deposit, meter testing charges and treatment for consumers having arrears, hence it would be prudent to address all the related issues holistically, if considered necessary by Petitioner, and accordingly granted 15 days' time to the Petitioner to decide and make amendment to the petition, if any.
3. The Petitioner, after due consideration, had filed an amended Petition dated 16.4.2025 in compliance to the directions of the Commission. The Petitioner had also requested the Commission to allow them to implead Noida Power Company Ltd. (NPCL) in the matter as they would also be affected by the prayers in a manner similar to Uttar Pradesh Power Corporation Ltd, which was allowed by the Commission.





4. The Petitioner in its amended Petition has submitted that the Government of India had launched PMSGMBY on 13.02.2024, aimed to solarize one crore households across the nation with a total financial outlay of INR 75,021 Crore. The implementation of PMSGMBY has been scheduled to conclude by 31.03.2027. Government of Uttar Pradesh, vide its order dated 14.06.2024, has set a target of 25 lakh installations within the state.
5. The Petitioner has made the following prayers in his amended Petition along with justifications:
 - (a) Pass an order approving the Proposed SOP for Net-Metering under the UPERC (Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulations, 2019 for connections up to 10 kW for grid interactive rooftop solar PV systems and;
 - (b) Pass an order directing the Respondent to strictly follow the proposed SOP as approved by the Hon'ble Commission and;

Rationale: To meet the target of 25 lakh installations by 31.03.2027, as outlined in PMSGMBY, it is imperative to implement a comprehensive SOP for net metering. Currently, state Discoms lack a defined SOP, which is impeding the progress of the PMSGMBY. The petitioner has proposed a detailed SOP for its approval by the Commission.

- (c) Pass an Order relaxing the UPERC (Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulations, 2019 and direct that the Net-Metering Application and Registration Fees applicable as per Regulation 7.1 read with Annexure 1 of RSPV 2019 are waived for grid interactive rooftop solar PV systems and;

Rationale: The Petitioner has sought a waiver of the 'Registration' and 'Application' Fees for Net-Metering under PMSGMBY which, according to 'Annexure-I' of RSPV Regulations, 2019 are Rs. 1,000 & Rs. 250 respectively, for loads up to 50kW/63 kVA. The Petitioner has further submitted that PMSGMBY includes a ₹4950 crore allocation as incentives to Discoms, which should more than compensate for any potential loss of cash flow due to the waiver of Applications and Registration fees.

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- (d) Pass an order relaxing the Annexure-I of Tariff Order dated 10.10.2024 passed by this Hon'ble Commission to permit waiver of the Meter Testing fee for the domestic rooftop solar installation under the PMSGMBY scheme and;

Rationale: The Petitioner has sought a waiver of the Meter Testing fee of Rs. 400 as it adds financial burden on consumers and complicates the procedural aspects, thereby causing delays in project commissioning. The Petitioner has further submitted that upon installation by the Discom, the Net-Meter becomes the property of the Discom. Hence, Discoms derive benefit from not procuring the Net Meter for consumers, and therefore, the waiver of Net-Meter Testing fee would not serve as a financial impediment.

- (e) Pass an order relaxing the Cost data Book notified by this Hon'ble Commission vide its Order dated 08.07.2019 to permit waiver of the Additional Security Deposit and Processing Fee associated with load enhancement during the process of domestic rooftop solar installation under the PMSGMBY scheme and;

Rationale: The Petitioner has sought a waiver of the Additional Security Deposit and Processing Fee amounting to INR 400 per kW and INR 100 respectively, in instances where the Consumer seeks to enhance the contracted load. It has been submitted that consumer's transition to Prosumer decreases their power consumption as they become self-generators, consequently alleviating the operational burden on the Discoms.

- (f) Pass an order relaxing the Regulation 8.1 (v) read with Annexure III-B of the RSPV Regulations, 2019 to permit waiver of the requirement for Net Metering Inter Connection Agreement for domestic rooftop solar installation under the PMSGMBY and;

Rationale: The Petitioner has submitted that Regulation 8.1 (v) read with Annexure III-B of the RSPV Regulations, 2019 mandates that an eligible consumer shall enter into an Net Metering Inter Connection Agreement with the licensee. The Petitioner further submits that agreement process is time-consuming and hence to reduce the time involved in the whole process, the Petitioner has sought waiver of this provision.

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- (g) Pass an order approving the proposed Standardization of process for consumers having dues/arrears but intend to install domestic rooftop solar system under the PMSGMBY and;

Rationale: The Petitioner has sought directions from the Commission to allow such consumers to proceed with the installation of rooftop solar systems without requiring prior payment of their outstanding dues/arrears. In support of its argument the Petitioner has submitted that upon installation of rooftop solar systems, these consumers will be converted into "Prosumers" which shall create an additional revenue stream, thereby facilitating the recovery of the said dues.

- (h) Pass an order relaxing the Regulation 5.1 of the RSPV 2019 to permit installation of higher PV capacity against the sanctioned load for domestic rooftop solar installation under the PMSGMBY;

Rationale: The Petitioner has submitted that sanctioned load of the consumers is provided in round numerical values such as 1 kW, 2 kW and so on, however, the available solar photovoltaic panels typically come in wattage ratings such as 550Wp, 565Wp, 570Wp, 585Wp etc. The Petitioner further submits that, due to such ratings, while designing the rooftop solar system, the total PV capacity often marginally exceeds the consumer's sanctioned load. The Petitioner has thus prayed to allow the installation of rooftop solar PV systems with a capacity up to 20% higher than the sanctioned load, subject to the condition that the inverter capacity does not exceed the sanctioned load.

6. In its Order dated 16.05.2025, the Commission had provided two weeks' time to both the Respondents for filing their counter affidavits. Thereafter, one week was granted to the Petitioner to file the rejoinder. In compliance, a written submission dated 04.06.2025 has been filed by UPPCL, while NPCL made its written submission on 10.06.2025.

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Submission dated 04.06.2025 made by UPPCL:

1: Waiver in Fees and Charges:

7. The Respondent UPPCL has submitted that UPERC's RSPV Regulations, 2019, Tariff Order and Cost Data Book allow for recovery of various costs such as Application Fee, Registration Fee, Net-Meter Testing Fee, Additional Security Deposit and Processing Fee for Load Enhancement in line with Sections 45, 46 and 47 the Electricity Act, 2003. It is submitted that the waiver of aforementioned fees and charges will result in substantial financial loss and forfeiture of security deposits for the proposed 25 lakh rooftop solar installations.

2: Relaxation of Regulation 5.1:

8. The Respondent has submitted that as per MNRE guidelines (OM No. 318/17/2024 dated 18.07.2024), the Central Financial Assistance (CFA) is calculated based on the Direct Current (DC) capacity of the module system and not the inverter capacity which implies that consumers are obligated to disclose the actual DC module capacity for grant purposes and accordingly, must align their sanctioned load or apply for formal load enhancement to prevent technical mismatches and potential grid disturbances. It has also been submitted that increased self-consumption by consumers results in reduced energy drawl from Discoms thereby adversely impacting revenue, particularly the recovery of fixed costs embedded within the ARR. It has further been submitted that permitting a blanket relaxation for rooftop solar PV installations up to 20% above the sanctioned load under the PMSGMBY scheme for 25 lakh consumers may have significant financial and operational implications for the Discoms.

3: Approval of SOP for Net-Metering under the PMSGMBY:

9. The Respondent UPPCL has submitted its pointwise comments on various issues of the SOP filed by the Petitioner.

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4: Standardization of process for Consumers having dues/arrears and intend to install the rooftop solar installation under the PMSGMBY scheme:

10. The Respondent UPPCL has submitted that the request made by the Petitioner to permit rooftop solar installations for consumers with outstanding dues is contrary to the prevailing regulatory framework and exposes Discoms as well as UPPCL to significant financial and operational risks. It has also been submitted that Clause 6.15 of the Code 2005 clearly mandates that all dues payable to the Licensee shall be recoverable in accordance with Section 56 of the Electricity Act, 2003, and where necessary, as arrears of land revenue under applicable U.P. Government Rules. This establishes a binding statutory mechanism for ensuring payment compliance by consumers. It has further been submitted that Clause 4.43(e) of the Supply Code, 2005 explicitly prohibits the processing of load enhancement applications from consumers who have any outstanding arrears with the Distribution Licensee and given that rooftop solar installations under the PMSGMBY may necessitate load enhancement, this provision directly applies to the consumer category in question. UPPCL has further submitted that permitting a blanket relaxation for consumers with pending dues would create a precedent whereby arrear-holding consumers may seek to bypass enforcement measures through centrally sponsored subsidy schemes.

5: Allow waiver of the Additional Security Deposit Fees:

11. Respondent UPPCL has submitted that in cases of load enhancement, the Additional Security Fee is charged on the incremental load at the normative rate, as provided under Clause 4.20(c) of the Supply Code, 2005 and Note-6, Chapter 3 of the UPERC Cost Data Book, 2019. It has also been submitted that this mechanism ensures that UPPCL is not financially disadvantaged due to the increased demand put on its infrastructure and power procurement obligations and thus any relaxation or non-recovery of the Additional Security Fee directly impacts the cash flow of UPPCL, thereby increasing the risk of revenue shortfall.

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Submission dated 10.06.2025 made by NPCL:

1: Waiver in Fees and Charges:

12. The Respondent NPCL has submitted that they have no objection to the relief/relaxation sought by the Petitioner in relation to the waiver of Application and Registration Fee. It has also been submitted that any under-recovery of such charges should not be equated with or adjusted against the incentives provided under PMSGMBY, as those incentives are not intended or designed to substitute the fees and charges levied under the regulatory framework.

2: Part relaxation of the Tariff Order for Waiver of Meter Testing Fees:

13. The Respondent NPCL has submitted that they follow a distinct practice wherein they procure the Net Meters themselves, collect the applicable meter charges from consumers as per Cost Data Book, and undertake installation at the consumer premises and consequently, there is no separate levy of meter testing charges by NPCL except the Meter Charges as per Cost Data Book, and therefore, the question of waiver of such charges does not arise in NPCL's case.

3: Allow waiver of the Additional Security Deposit Fees:

14. The Respondent NPCL has submitted that the Additional Security Deposit is a statutory requirement mandated under the existing legal and regulatory framework, and such obligations cannot be waived or dispensed by way of delegated legislation or regulatory orders. Section 47 of the Electricity Act, 2003 expressly provides for the mandatory levy of Security Deposit for postpaid consumers, thereby reinforcing the legal obligation on the Distribution Licensee to collect such deposits. It has also been submitted that the Ministry of Power (MoP) and Ministry of New and Renewable Energy (MNRE) have not envisaged or directed any waiver of these charges for PMSGMBY. The Respondent further submits that waiving the Security Deposit is not in the interest of the Distribution Licensee, however, the methodology of recovery of these charges may be reconsidered, subject to due approval, amendment, or relaxation by the Hon'ble Commission solely for the consumer availing benefits under the PMSGMBY.

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4: waiving the requirement for Inter Connection Agreement or Net Metering Arrangement Agreement for domestic rooftop solar installation:

15. The Respondent NPCL has submitted that it has no objection to the relief/relaxation sought by the Petitioner regarding the waiver of the requirement for the Net-Metering Connection Agreement under the PMSGMBY, considering the procedural delays caused by the current mandatory agreement process. However, it has been submitted that the requirement for such interconnection agreements is prescribed under Regulation 8.1(v) read with Annexure III-B of the RSPV Regulations, 2019, and therefore, NPCL is obligated to comply with the extant Regulations unless and until the Hon'ble Commission deems it fit to amend or relax the relevant provisions.

5: Standardization of process for Consumers having dues/arrears and intend to install the rooftop solar installation under the PMSGMBY scheme:

16. The Respondent NPCL has submitted that the request to permit consumers with outstanding dues and arrears to proceed with load enhancement and installation of rooftop solar PV systems under the PMSGMBY scheme, without first clearing their dues, is contrary to the express provisions of the Electricity Act, 2003 and the U.P. Electricity Supply Code, 2005, both of which are binding statutory instruments. It has also been submitted that Section 56(1) of the Electricity Act, 2003 categorically empowers the Distribution Licensee to disconnect electricity supply upon non-payment of electricity charges or other sums due, after giving a notice of not less than fifteen clear days and accordingly, the proposal of the Petitioner, to allow defaulting consumers to avail additional load or install RSPV systems, is in clear contravention of the legal framework which mandates disconnection, not system enhancement, in cases of default and these statutory provisions cannot be overridden or diluted through delegated legislation, regulatory directions, or procedural innovations.

6: Permit installation of higher PV capacity against the Sanctioned load for domestic rooftop solar installation under the PMSGMBY:

17. The Respondent NPCL has submitted that as per UPNEDA's letter no. 6638/UPNEDA/PM Surya Ghar/2023-24 dated 15.03.2024, the Distribution Licensee is

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already permitting a maximum AC side plant capacity equivalent to 90% of the DC side plant capacity, keeping in view the non-standardized wattage of solar PV modules available in the market and it is agreeable to continuing such flexibility, subject to the condition that necessary relaxations or amendments are appropriately incorporated in the RSPV Regulations, 2019 by the Hon'ble Commission.

18. The Respondent NPCL has further submitted that any relaxation or concessions that may be granted by the Hon'ble Commission should be strictly limited to consumers who are eligible under the PMSGMBY, specifically domestic consumers with a contractual load not exceeding 10 kW.
19. The Petitioner UPNEDA has filed its rejoinder dated 26.07.2025 wherein it has made issue wise submissions against the replies filed by both the Respondents.

Commission's view

20. The Commission examined the submissions made by the Petitioner and the Respondents and observed that to facilitate the implementation of PM Surya Ghar Muft Bijli Yojna (PMSGMBY) scheme, certain relaxations in UPERC (Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulations, 2019, were required to be provided for grid connected rooftop solar PV systems up to 10 kW under net metering in order to overcome procedural delays and for removing few bottlenecks. Additionally, it was necessary to define the Standard Operating Procedure (SOP), including the timelines to streamline the process, reduce administrative delays, and enhance operational efficiency.
21. The Commission is of the view that granting relaxations, by exercising its powers under the Regulations will contribute towards Greater Good from the perspective of providing support to the Distributed Renewal Energy sector.
22. The Commission, with the objective of extending the benefit to domestic consumers having a contractual load not exceeding 10 kW and availing benefits under the PMSGMBY scheme, exercises its power to relax under regulation 16 of UPERC (Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulations, 2019 while also relaxing Tariff Order dated 10.10.2024 and decides to grant the following reliefs until its scheduled

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completion date or till the target of 25 lakh installations as set by the state government is achieved:

- (a) The applicability of Application and Registration Fees as per Regulation 7.1 read with Annexure-I of the RSPV Regulations, 2019 is waived off.
- (b) The requirement for the Inter Connection Agreement as per Regulation 8.1(v) read with Annexure III-B of the RSPV Regulations, 2019 is waived off.
- (c) The maximum peak AC side plant capacity of the rooftop solar PV system shall be equivalent to 90% of the DC side plant capacity for the purpose of Regulation 5.1 of the RSPV Regulations, 2019.
- (d) The Net Meter Testing fee as provided in the Annexure-I of prevailing Retail Tariff Order is waived off.

23. With regard to the SOP for grid interactive rooftop solar PV systems having loads up to 10 kW under the RSPV Regulations, 2019, the Commission directs both, the Petitioner and the Respondents, to sit together and decide the timelines mutually agreeable to both the parties, subject to the condition that they should not be lenient than the timelines provided in the Supply Code, 2005 and in the UPERC (Standards of Performance) Regulations, 2019.

24. The Commission observes that allowing the consumers with outstanding dues and arrears to proceed with load enhancement and/or installation of rooftop solar PV systems under the PMSGMBY scheme, without first clearing their dues, and similarly, allowing waiver of the Additional Security Deposit and Processing Fee amounting to INR 400 per kW and INR 100 respectively, as permitted in the Cost data Book notified vide Order dated 08.07.2019 shall be contrary not only to the legal framework provided under the Electricity Act, 2003 but will also be detrimental to the financial interest of the licensees therefore, the same cannot be allowed.

25. The Commission opines that the implementation of PM Surya Ghar Muft Bijli Yojna (PMSGMBY) scheme will be in the interest of both the consumers and the Discoms, and will provide a positive

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impact on subsidy, AT&C Losses and reliability of supply. The Commission directs UPNEDA/UPPCL to ensure its wide publicity among the consumers of the state and also directs UPNEDA to submit quarterly reports on the progress made in terms of number of consumers, units generated and the capacity of the installations made under the scheme.

26. The Petition stands Disposed of with the above directions.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow

Dated: 18.08.2025