



Technical note: 031

Dated: 6th Jan 16

Subject: Salient features of MERC –Roof Top PV Solar System Net Metering Regulations. (Part II)

In earlier note, we have seen who are eligible consumers and how much they are allowed to generate using PV solar roof top systems. The notification provides further a prescribed application form and a model METERING CONNECTION AGREEMENT. Now let us see more about how to apply and contents of the model agreement. We shall also see commercial provisions in the notification.

- 1) Eligible Consumer has to apply in a prescribed form to local administrative office of Distribution Licensee, for getting permission for connecting roof top solar system to grid. The processing fees are Rs.500 up to 5KW and Rs.1000 above 5 KW. The application has to accompany technical details (Exact compliance not given) of selected equipment and some other details. The notification directs Distribution Licensee to accept or reject the application within 15 working days. Rejection, clarification required has to be communicated in writing.
- 2) Eligible Consumer and Distribution Licensee will have to enter into “NET METERING CONNECTION AGREEMENT” in prescribed format and the same shall remain in force for **20 years**. Eligible Consumer can terminate this agreement with 30 days notice. Distribution Licensee can do so only if there is any breach of agreement terms. The agreement may be terminated with mutual consent any time.
- 3) Various clauses in the notification and contract, direct Eligible Consumer to follow all regulations and safety precautions as per **CEA guide lines**, but **do not** suggest specific SLD. Eligible Consumer or Consultant of Eligible Consumer will have to prepare the same and request Distribution Licensee to approve along with initial approval.
- 4) **The notification explicitly says that Distribution Licensee will not be responsible for any accident due to possible back feed.**
- 5) The notification mentions that Eligible Consumer **may** have to obtain clearance from electrical inspector and local Municipal Corporation. **There is no clear direction.**
- 6) In Monthly bill, Distribution Licensee will clearly show Import KWh, Export Kwh, Charges for “Net import” or Carried forward “Credit Export Kwh” (if Export is more than Import). Unadjusted “credit Kwh” will be purchased by Distribution Licensee at end of the year and at its average yearly purchase cost as approved by MERC and will be adjusted in next billing cycle. It is not clear in the notification, whether consumer will get paid if the Export is always more than import. In case TOD tariff is applicable to Eligible Consumer, the units injected will be adjusted in respective TOD slots like peak, off peak etc. **All excess injected units will be considered as if injected in Off Peak period.**
- 7) The quantum of solar energy consumed by Eligible Consumer can qualify for his RPO (Renewable Power Obligation) if he has such statutory obligations. If Eligible Consumer does not have such obligations, Distribution Licensee can claim such energy plus the excess energy injected, under his RPO compliance. Necessary metering arrangements have to be made to record these energies. Such energy generated under net metering arrangement will not qualify for REC – Renewable energy certificates
- 8) The notification directs Distribution Licensee to offer this procedure ONLINE and also Distribution Licensee is expected to maintain information regarding capacity available on each transformer on their website. As of now, such provision is not made by any Distribution Licensee. In case consumer wants subsidy, he has to approach MEDA after this approval but before execution. It is very difficult for a common man to go about all this and install a system.

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