

# GOVERNMENT OF THE UNION TERRITORY OF PUDUCHERRY

## Puducherry Solar Power Policy, 2015

ORDER No. (G.O. Aft. No 2/2016-Envi.dated 19th February 2016)

Sl. No.	Description	Summary
1.	<b>Title, Scope and Enforcement:</b>	<ul style="list-style-type: none"> <li>• Puducherry Solar Power Policy, 2015 dated 19th February 2016</li> <li>• Policy applicable to projects, programs and installations relating to both solar photovoltaic energy (solar PV) and solar thermal energy.</li> <li>• Policy to come in force from the date of notification and shall be reviewed every five years</li> </ul>
2.	<b>Solar Energy Potential</b>	The four regions of the Union Territory of Puducherry have an average solar irradiance of 5.6-6.0 kWh/square meter/day and about 300 sunny days in a year, therefore, offering a good solar energy potential.
3.	<b>Solar Energy Vision</b>	Solar energy to be a mainstream energy source by 2025 and a major contributor to a sustainable energy future in the UT of Puducherry
4.	<b>Objective</b>	<ul style="list-style-type: none"> <li>• Encourage public-private partnerships and joint ventures to mobilize investments in solar energy projects, manufacturing facilities and research and technology development.</li> <li>• Facilitate open access to the public electricity grid of Puducherry and create opportunities for grid-connected distributed generation of solar power and smart grid solutions</li> <li>• Encourage to set up solar energy plants in industrial, commercial and residential buildings.</li> <li>• Establish a 'Single Window System' for technical support, funding support and project clearance.</li> <li>• Create an investment-friendly environment that provides opportunities for private individuals, companies, local bodies, Government departments and others to contribute to and participate in the generation of solar energy, particularly for the electricity consumer to become a "prosumer" (a producer-consumer).</li> </ul>
5.	<b>Implementation Mechanism</b>	
5.1	<b>Solar energy gross feed-in and metering</b>	<ul style="list-style-type: none"> <li>• Energy to be fed into the grid and sold to Electricity Department(EDP), Puducherry/ Distribution licensee</li> <li>• In addition to the existing service connection meter, an energy meter to be installed by EDP/ licensee to record the energy fed into the grid</li> <li>• Energy fed into the grid to be purchased by EDP/ licensee at the prevailing solar energy tariff as determined by JERC.</li> <li>• Solar energy may also be sold to another distribution licensee/ third party under the open access mechanism</li> </ul>
5.2	<b>Net-Metering</b>	<ul style="list-style-type: none"> <li>• Bi-directional energy meter to be installed by EDP/ licensee to record the import, export and net-imported energy for the net-metering billing.</li> <li>• Solar net-metering to be available for all metered electricity consumers.</li> </ul>
5.3	<b>Group Net-Metering</b>	To encourage rooftop solar plants on buildings that cannot consume all the generated, there shall be group net metering, whereby surplus energy exported to the grid from a solar plant in excess of 100 per cent of imported energy at the location of the solar plant can be adjusted in any other (one or more) electricity service connection(s) of the consumer within the UT of Puducherry
5.4	<b>Virtual Net-Metering</b>	<ul style="list-style-type: none"> <li>• Consumers not having a suitable roof for installing a solar system may avail the facility of virtual net metering.</li> <li>• In virtual net-metering consumers can be beneficial owners of a part of a collectively owned solar system.</li> <li>• All energy produced by a collectively owned solar system to be fed into the grid through an energy meter and the exported energy as recorded to be pro rata credited in the electricity bill of each participating consumer on the basis of beneficial ownership.</li> </ul>

		<ul style="list-style-type: none"> <li>Collective ownership of solar plants may be established through Societies, Trusts or section 25 Companies or any other legal entity that safeguards the interests of participating consumers</li> </ul>
5.5	<b>Solar energy systems for buildings</b>	<ul style="list-style-type: none"> <li>Solar PV systems may be installed on rooftops of all categories of existing and new buildings connected to the grid of EDP's/distribution licensee</li> <li>Solar PV systems may also be installed on elevated structures and on ground mounted structures within the premise of a building.</li> </ul>
5.6	<b>Systems on Rented Rooftops</b>	<ul style="list-style-type: none"> <li>Developers may rent roofs from building owners and install solar PV systems on these roofs with solar energy gross/net feed-in or net-metering.</li> <li>Roof owners may be paid a fixed or a variable rent as may be agreed upon between the roof owner and the project developer</li> </ul>
5.7	<b>Solar Energy Special Economic Zones (SEZ) and Solar Park</b>	<ul style="list-style-type: none"> <li>Government to promote development of SEZs for research, development and manufacture of solar energy products and systems.</li> <li>Suitable land to be identified for developing Solar Parks</li> </ul>
5.8	<b>Stand-alone and solar-wind hybrid systems</b>	In villages and habitats where grid connectivity is not feasible/cost effective, off-grid solutions based on micro-grid and stand-alone solar PV, solar - wind hybrid solutions, solar street lights and lanterns to be taken up.
5.9	<b>Other solar energy Initiatives</b>	Solar energy for cottage industries and Solar water pumps etc.
6.	<b>Sustainable Habitats and Buildings</b>	<ul style="list-style-type: none"> <li>Solar passive building principle and technology to be encouraged through legislative measures.</li> <li>Solar cities to be developed in the Union territory of Puducherry</li> <li>All public buildings to be mandated to meet their energy requirements increasingly from solar energy</li> </ul>
7.	<b>Land for Solar Energy Projects</b>	<ul style="list-style-type: none"> <li>Surplus and unused land available with Public Sector Undertakings, UT Government, Urban and Local Bodies and Gram Panchayats to be identified for solar generation projects and manufacture of RE equipment and made available to the private sector through long-term lease, etc.</li> <li>Government to either install solar power plants on all public buildings or rent the roofs of these buildings to parties interested in investing in solar rooftop systems and selling electricity to the EDP/other licensee</li> </ul>
8.	<b>Solar Energy Projects Implementation Facilitation and Incentives</b>	<ul style="list-style-type: none"> <li>RE Agency, Puducherry to facilitate development of Solar Projects in public, private, public-private partnership, build-own-operate-transfer etc. on land provided with the requisite infrastructure</li> <li>Requisite Statutory clearances to be facilitated by RE Agency with the concerned Government departments and agencies through a single window and time-bound process.</li> <li>Generation of electricity from solar sources with gross solar energy feed-in and metering to be treated as an industry under the provisions of the industrial policy and incentives available to industrial units under such schemes to be also extended to all Solar Power Projects.</li> <li>Prosumers to be exempted from demand cuts, power cuts and other restrictions and controls provided that a minimum percentage (to be determined by the Government of Puducherry for each year in relation to the REPO), of their annual energy consumption is generated from their solar energy system.</li> <li>RE Agency to facilitate and expedite access to various concessions and incentives provided by MNRE including capital cost subsidies, if applicable</li> <li>UT Government may consider providing incentives for private sector investments in solar energy which may take the form of sales tax reductions, soft loans or other modalities</li> <li>RE Agency to provide project development and technical advice and assistance to Government department and agencies for implementation of Solar Energy Projects</li> <li>RE Agency to undertake quarterly review of progress of Solar Projects under development and facilitate speedy clearances and approvals, if necessary.</li> <li>Solar energy equipments to be exempted from VAT for a period of five years as may be notified by the Government of Puducherry</li> </ul>

9.	<b>Grid Connectivity</b>	<ul style="list-style-type: none"> <li>• EDP/other distribution licensee and RE Agency to jointly undertake survey of LV, HV and EHV substations and required transmission and distribution lines necessary for the Solar Energy Projects.</li> <li>• EDP/licensee to undertake augmentation of distribution and transmission lines, cables and other infrastructure as required.</li> <li>• Cost of any augmentation required after the interconnection point of the solar power system with the service connection (in the case of net-metering) or feed-in point with the grid of EDP/licensee to be borne by EDP/ licensee.</li> <li>• Government to maintain sufficient grid capacity for evacuation, distribution and consumption of solar energy and ensure to be ahead of solar energy development in this regard.</li> <li>• All energy generated and delivered to the Puducherry Electricity Grid to be purchased by EDP/other distribution licensee at feed-in tariffs fixed by the JERC or credited in the case of solar net-metering.</li> </ul>
9.1	<b>Open Access</b>	All solar energy prosumers and producers to be given open access to the Puducherry Electricity Grid at all voltage levels for sale of energy to EDP/ Distribution licensees and third parties.
9.2	<b>Other Charges</b>	Solar energy to be exempted from grid connectivity, open access, wheeling and banking, and cross-subsidy charges
9.3	<b>Wheeling and Banking,</b>	As per JERC Regulations
9.4	<b>Despatch Principles</b>	All grid-connected solar PV systems to be treated as “Must-Run” power plants not subjected to merit order despatch principles.
9.5	<b>Net-metering</b>	From April 2016 onwards, all new service connection meters to be configured for bidirectional energy recording and display for effecting solar energy net-metering at any time in the future.
10.	<b>Solar Energy Agreements</b>	<ul style="list-style-type: none"> <li>• Prosumers/solar energy producers who opt for solar energy gross metering to enter into a Solar Power Purchase Agreement (SPPA) with EDP/licensee/third party, as the case may be.</li> <li>• Payment obligations of EDP/licensee under SPPA shall be covered by an irrevocable revolving LC for the duration of the SPPA to ensure timely payment for the purchase of energy from the prosumer or producer.</li> <li>• Prosumers who opt for solar net-metering to enter into a Solar Energy (Group/ Virtual) Net-Metering Agreement with EDP/licensee.</li> <li>• Prosumers/producers who opt for the wheeling and banking facility to enter into a Solar Energy Wheeling and Banking Agreement with EDP/ licensee.</li> <li>• All transactions between EDP/licensees and solar producers involving sale of power to be as per the guidelines of JERC.</li> <li>• For grid connectivity, Central Electricity Authority (CEA) (Technical Standards for Connectivity of the Distributed Generation Resources) Regulations notified by the Ministry of Power/JERC to be adopted</li> </ul>
11.	<b>Skill Development. Training and Awareness Programs</b>	<p>RE Agency, Puducherry:</p> <ul style="list-style-type: none"> <li>• To work with educational institutions and skill development agencies to develop and implement solar energy related skill development programs.</li> <li>• Organize periodical solar energy installation and maintenance training programs for electrical contractors, electricians and installers.</li> <li>• To undertake publicity and awareness programs, workshops and exhibitions to promote and popularise energy efficiency and energy conservation measures and the use of renewable energy sources.</li> </ul>
12.	<b>Monitoring and Coordination</b>	An Inter-Departmental Monitoring and Coordination Committee for new and RE sources, including solar energy (Renewable Energy Committee) to be constituted by the Government for monitoring the implementation of this policy to ensure that policy objectives and targets are achieved
13.	<b>Powers to Amend Relax / Interpret/ Miscellaneous</b>	<p>Powers vested with Government of Puducherry</p> <p>The provisions of this policy are subject to regulations, tariffs and guidelines of JERC as issued from time to time</p>