

Madhya Pradesh Policy for Net-Metered Renewable Energy Applications, 2016 (Draft)

Sl. No.	Description	Summary
1.	Objective	<ol style="list-style-type: none"> 1. To encourage broader community involvement and growth of decentralized Renewable Energy based Power Projects. 2. To reduce dependence on conventional sources of energy. 3. To provide impetus to growth of clean technology in the state of Madhya Pradesh. 4. To reduce distribution losses of Discoms by decentralized generation. 5. To improve tail-end grid voltages and reduce system congestion. 6. To reduce carbon emissions. 7. To help the state achieve its RPO(Renewable Purchase Obligation) 8. To develop sustainable energy solution for future and energy security of the nation. 9. To encourage job creation in the downstream Renewable Energy market segment. 10. To help the community realize the importance of judicious use of electricity and involve them in the process of reducing dependence on conventionally produced electricity.
2.	Operative Period	The policy shall become applicable from the date of its notification in the Madhya Pradesh State Gazette.
3.	Applicability	<ol style="list-style-type: none"> 1. It shall be applicable to all eligible consumers for Renewable Energy based Power Project installations adopting net metering mechanism. 2. The Net Metering facility shall also be applicable to such Eligible Consumers, who have installed Renewable Energy based Power Project before notification of this policy, subject to technical feasibility at Distribution Transformer / Sub-Station Level and fulfilment of laid down procedure under this policy.
4.	Eligibility Criteria	Renewable energy systems can be self-owned or third party owned. Bulk consumers, i.e., single point connection owners, can also avail the facility of Net Metering arrangement.
5.	Capacity Limit at Distribution Transformer	The cumulative capacity of all Renewable Energy based Power Projects under Net Metering Arrangements, which are connected to a particular Distribution Transformer of the Licensee, shall be as per MPERC Grid Connected Net Metering Regulations, 2015 and subsequent amendments thereof.
6.	Energy Accounting and Commercial Arrangements	Provisions for energy accounting and commercial arrangements will confirm to MPERC Grid Connected Net Metering Regulations, 2015 and subsequent amendments thereof.
7.	Provision Regarding Surplus Power	<ol style="list-style-type: none"> 1. The unadjusted net credited units of electricity, at the end of each 'Settlement period', shall be purchased by the Distribution Licensee at its Average Pooled Cost of Power Purchase, as approved by the Commission for that year.

		2. The Distribution Licensee shall provide credit equivalent to the amount payable in the immediately succeeding Billing period, and, if any credit still remains, then in the following Billing period(s).										
8.	Metering Arrangement	<ol style="list-style-type: none"> Provisions for metering arrangements will confirm to MPERC Grid Connected Net Metering Regulations, 2015 and subsequent amendments thereof. DISCOM or 'Eligible Consumer' or Madhya Pradesh Urja Vikas Nigam could buy bi-directional meter or Net Meter, which shall be sliding window compatible for HT customers. In case the meter becomes defective or burnt, the same shall be replaced at the cost of the consumer. 										
9.	Interconnection Norms	<p>Madhya Pradesh Electric Supply Code, 2013 and subsequent amendments thereto, lay down connectivity with grid as follows:-</p> <table border="1"> <thead> <tr> <th>System Capacity</th> <th>Supply Voltage</th> </tr> </thead> <tbody> <tr> <td>3 KW</td> <td>230 V, 1 PH [LT]</td> </tr> <tr> <td>112 kW</td> <td>415 V, 3 PH [LT]</td> </tr> <tr> <td>300 kVA</td> <td>11 kV [HT]</td> </tr> <tr> <td>10,000 kVA</td> <td>33 kV [HT]</td> </tr> </tbody> </table>	System Capacity	Supply Voltage	3 KW	230 V, 1 PH [LT]	112 kW	415 V, 3 PH [LT]	300 kVA	11 kV [HT]	10,000 kVA	33 kV [HT]
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10.	Third Party Owned Systems	<p>RESCO (Renewable Energy Services Company)</p> <ol style="list-style-type: none"> Power generated from such Renewable Energy based Power Project would be supplied to the said consumer and it cannot be traded or sold to a third party. In accordance with the agreement between the RESCO and the Eligible Consumer, the RESCO could be responsible for all O&M service through the life of the contract, implying that the Consumer does not have to pay for capital expenditure, and has to do nothing but pay the RESCO for units of electricity consumed from the Renewable Energy based power project. 										
11.	Wheeling/Subsidy Charges	Installation of Renewable Energy based Power Project under the Policy shall be exempted from banking, wheeling charges and cross-subsidy charges, subject to MPERC Net Metering Regulations, 2015 and amendments thereof.										
12.	Electricity Duty/Cess	Electricity Duty and Cess shall be exempted on the renewable energy generated by the Renewable Energy based Power Project. The power thus generated shall be banked with the distribution company.										
13.	Banking Loan	RBI guidelines provide for bank loans up to a limit of Rs.15 Crore for the purpose of Renewable energy system. For individual households, the loan limit is Rs. 10 lakh. Such loans are also eligible for relief under the Income Tax Act.										
14.	Tax Exemptions	<ol style="list-style-type: none"> Installation of Renewable Energy based Power Project under the policy shall not be treated as "construction", as regards there being any additional liability of property tax for installation of Renewable Energy based Power Projects on their rooftops or premises. The equipment purchased for installation of Renewable Energy based Power Project under this policy shall be exempted from VAT and entry tax, as per the exemption granted to these systems under Madhya Pradesh VAT (Amendment) Act – 2009 and subsequent amendments 										

		thereof.
15.	Renewable Purchase obligation (RPO)	The quantum of electricity produced from the Renewable Energy based Power Project, as measured by the generation meter under net metering arrangement by an Eligible Consumer, who is not defined as Obligated Entity, shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the distribution licensee in whose area of supplies the Eligible Consumer is located.
16.	CDM Benefits	The proceeds from CDM benefits shall be retained by the Discom.