

# Madhya Pradesh Policy for Rooftop Renewable Energy Projects, 2016 (Draft)

Sl. No.	Description	Summary
1.	<b>objectives</b>	<ol style="list-style-type: none"> <li>1. To encourage broader community involvement and growth of decentralized Renewable Energy Systems.</li> <li>2. To reduce dependence on conventional sources of energy.</li> <li>3. To provide impetus to growth of clean technology in the state of Madhya Pradesh.</li> <li>4. To reduce distribution losses of distribution licensees by decentralized generation.</li> <li>5. To improve tail-end grid voltages and reduce system congestion.</li> <li>6. To reduce carbon emissions.</li> <li>7. To help the State achieve its RPO (Renewable Purchase Obligation)</li> <li>8. To develop sustainable energy solution for future, and help in achieving energy security of the nation.</li> <li>9. To encourage job creation in the downstream Renewable Energy market segment.</li> <li>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.</li> </ol>
2.	<b>Operative Period</b>	The policy shall become applicable from the date of its notification in the Madhya Pradesh State Gazette.
3.	<b>Category</b>	<ol style="list-style-type: none"> <li>a. Grid Connected Renewable Energy Systems               <ol style="list-style-type: none"> <li>a) Category I : On Net Metered basis</li> <li>b) Category II : On Gross Metered basis through wheeling &amp; banking for captive use and/or third party sale</li> <li>c) Category III : Captive installation with no export of energy</li> </ol> </li> <li>1. Off - Grid Renewable Energy Systems</li> </ol>
4.	<b>Applicability</b>	<ol style="list-style-type: none"> <li>1. The policy shall be applicable to all Renewable Energy Beneficiaries, both off –grid and grid connected Consumers.</li> <li>2. The policy shall also be applicable to such Renewable Energy beneficiaries that have installed Renewable Energy System before notification of this policy, subject to technical feasibility at Distribution Transformer / Sub-Station Level (if applicable) and fulfilment of laid down procedure under this policy.</li> <li>3. Bulk consumers, i.e., single point connection consumers and persons or entities who are not consumers of electricity supplied by any distribution licensee are also covered in this policy.</li> <li>4. Through this policy it is intended that all the government owned buildings shall, in a phased manner, avail benefit of this policy and demonstrate their concern in participating in the nation’s drive for adopting green energy technologies.</li> </ol>

5.	<b>Focus of the Policy</b>	This policy aims to promote all rooftop renewable energy, including Net Metered Renewable Energy Systems, Renewable Energy Systems for captive use or third party sale and Off – Grid Renewable Energy Systems.
6.	<b>Capacity Limit at Distribution Transformer</b>	The maximum permissible cumulative capacity of all Net Metered Renewable Energy Installations, connected to a particular distribution transformer of the grid, shall be as per the MPERC (Grid Connected Net Metering) Regulations, 2015 and subsequent amendments thereof.
7.	<b>Energy Accounting and Commercial Settlement</b>	Provisions for energy accounting and commercial arrangements of Net Metered Renewable Energy Systems shall be as per MPERC (Grid Connected Net Metering) Regulations, 2015 and subsequent amendments thereof.
8.	<b>Provision Regarding Surplus Power</b>	If excess or surplus power found to be exported, after fulfilling the captive consumption requirements of the Net Metered consumer at the end of the settlement period, then the Net Metered Consumer shall be compensated by the distribution licensee for the exported excess or surplus power as per the MPERC (Grid Connected Net Metering) Regulations, 2015 and amendments thereof.
9.	<b>Framework for Implementation through RESCO (Renewable Energy Services Company)</b>	<ol style="list-style-type: none"> <li>1. Installation of Renewable Energy System under the Policy can be done by a RESCO on mutually agreed terms, including the arrangement where the Renewable Energy System is owned by the RESCO.</li> <li>2. Power generated from such Renewable Energy System would be supplied to the said Net Metered Consumer or off-grid Renewable Energy Beneficiary and it cannot be traded or sold to a third party.</li> <li>3. In case of other consumers, the power would be generated by the RESCO for and on behalf of the consumer, who can dispose of the power in accordance with the extant policies.</li> <li>4. In accordance with the Agreement between the RESCO and the Net Metered Consumer, the RESCO could be responsible for all O&amp;M service through the term of the Agreement, implying that the Net Metered Consumer has to pay neither for capital expenditure nor for O&amp;M, and has to only pay the RESCO for units of electricity consumed from the Renewable Energy System.</li> </ol>
10.	<b>Electricity Duty/Cess</b>	Energy generated from the Renewable Energy Systems shall be exempted from Electricity Duty and Cess for a period of 10 years from the date of commissioning, as specified in Madhya Pradesh Solar Policy, 2012 as amended from time to time.
11.	<b>Incentive</b>	<ol style="list-style-type: none"> <li>1. Installation of Renewable Energy System in the premises of a Renewable Energy Beneficiary would not be considered under eligible Floor Area Ratio (FAR) calculation.</li> <li>2. It will also allow the Renewable Energy Beneficiaries to claim an additional Floor Area Ratio (FAR) for the premises according to capacity of the Renewable Energy system installed, as laid down by Urban Development &amp; Environment Department, GoMP.</li> <li>3. This benefit cannot be availed if the Renewable Energy System is located outside the premises of the Renewable Energy Beneficiary or where the energy is being supplied to a third party, and where the energy is being supplied through wheeling.</li> </ol>
12.	<b>Entry tax/VAT</b>	<ol style="list-style-type: none"> <li>1. Renewable Energy System installation under this policy shall not be treated as “construction”, and, therefore, would not attract any additional liability of</li> </ol>

		<p>property tax for installation of Renewable Energy Systems on their rooftops or premises.</p> <p>2. The equipment purchased for installation of Renewable Energy System 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.</p>
13.	<b>Renewable Purchase Obligation (RPO)</b>	<p>1. The quantum of energy produced from the Renewable Energy System of a Net Metered 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 supply the Net Metered Consumer is located.</p> <p>2. This shall include the energy consumed by the Net Metered Consumer during the settlement year, as well as the surplus remaining at the end of the settlement period, which is effectively procured by the distribution licensee.</p> <p>3. In case the Consumer is an Obligated Entity, the quantum of electricity generated from the grid connected Renewable Energy System shall be counted towards meeting his RPO.</p>
14.	<b>Renewable Energy Certificates (REC)</b>	<p>The issuance of Renewable Energy Certificate shall be as per the eligibility criteria specified under Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 and subsequent amendments thereof.</p>