

# TAMIL NADU SOLAR ENERGY POLICY 2019

**Dated: 04.02.2019**

Sl. No.	Description	Summary
1.	<b>Operative Period</b>	This policy shall come into effect on 04.02.2019 and shall remain valid until superseded or modified by another policy.
2.	<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Define clear and transparent policy governance.</li> <li>• Establish an eco-system that translates the solar energy vision into enabling policy systems and processes.</li> <li>• Use regulatory mechanisms to ensure that Tamil Nadu will achieve, or exceed, the solar energy portfolio obligations as may be determined by the Tamil Nadu Electricity Regulatory Commission (TNERC) from time to time.</li> <li>• In accordance with regulations, facilitate open access to the public electricity grid and thereby create opportunities for grid-connected distributed generation of solar power.</li> <li>• Encourage and incentivise electricity consumers to set up solar energy systems.</li> <li>• Establish a 'Single Window System' for technical support, funding support and project clearance through cooperation between the concerned Government departments.</li> <li>• Encourage public-private partnerships and joint ventures to mobilize investments in solar energy projects, manufacturing facilities, research, and technology development.</li> <li>• Facilitate 'Ease of Doing Business' in the solar energy sector.</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> <li>• Create a win-win situation for all stakeholders.</li> </ul>
3.	<b>Scope</b>	<p>This policy uses the terms which are defined as follows:</p> <ol style="list-style-type: none"> <li>1. <b>Utility category systems:</b> where the objective is sales of solar energy to a distribution licensee or a third party or self consumption at a remote location (wheeling). For these systems the grid connection is through a dedicated gross metering interface.</li> <li>2. <b>Consumer category systems:</b> where the objective is self-consumption of solar energy and export of surplus energy to the grid. For these systems the grid connection is through a consumer service connection of a distribution licensee.</li> </ol>
4.	<b>Targets</b>	Tamil Nadu will have an installed solar energy generation capacity of 9,000 MW by 2023. Of this target, 40% will be earmarked for consumer category solar energy systems.
5.	<b>Solar Energy grid feed-in</b>	<p>Solar energy grid feed-in mechanisms will include, but may not be limited to the following:</p> <p><b>Solar energy gross feed-in (utility category):-</b></p> <ul style="list-style-type: none"> <li>➤ The solar energy is fed into the grid for energy sales to the distribution licensee or a third party under the open access facility or for captive consumption under open access.</li> </ul>

		<ul style="list-style-type: none"> <li>➤ In the case of distribution licensees, the solar energy fed into the grid will be purchased by the distribution licensee at the prevailing solar energy tariffs as determined by the TNERC or a tariff determined by a bidding process.</li> <li>➤ Utility category solar energy gross feed-in will be permitted at all voltage levels, subject to applicable wheeling and other applicable charges and conditions for various voltage levels as may be determined by TNERC. However, no wheeling facility is permitted at LT voltage level.</li> <li>➤ Wheeling of Energy will be permitted only, during the generation of electricity and will be adjusted slot/ block to slot/ block and excess energy fed into the grid shall be treated as infirm power under sale to Discom category only. The excess energy will be paid at the rate as determined by TNERC from time to time.</li> </ul> <p><b>Solar energy net feed-in (consumer category):-</b></p> <ul style="list-style-type: none"> <li>➤ The solar energy is used for self-consumption with the surplus, if any, being exported to the grid.</li> <li>➤ The consumer pays the difference between the debit and credit amounts. If the cumulative credit amount exceeds the debit amount during any billing cycle, the net credit is carried over to the next billing cycle. At the end of a 12-month settlement period as may be determined by TNERC, the net credit, if any, the consumer has the option to receive payment of the net credit balance.</li> <li>➤ Solar energy net feed-in will be available to all low tension (LT) electricity consumer categories subject to TNERC regulations as may be determined from time to time.</li> </ul>
6.	<b>Solar Energy feed-in tariffs</b>	<ol style="list-style-type: none"> <li>1. Solar energy gross feed-in at utility sale tariff will be based on competitive bidding subject to approval of TNERC and net feed-in tariffs will be determined by TNERC.</li> <li>2. TNERC may introduce time-of-the-day (TOD) solar energy feed-in tariffs to encourage solar energy producers and solar energy storage operators to feed energy into the grid when energy demand is high.</li> </ol>
7.	<b>Solar Energy implementation models</b>	<ol style="list-style-type: none"> <li>1. <b>Upfront ownership:</b> The purchaser of the solar system pays the supplier for the capital cost and takes ownership of the solar system.</li> <li>2. <b>Deferred ownership:</b> The solar system is installed and operated by the supplier. The purchaser makes system performance-based payments to the supplier or leases the system from the supplier. System ownership is transferred to the purchaser on a mutually agreed date or is triggered by a mutually agreed event.</li> </ol>
8.	<b>Solar energy mandates and programs</b>	<ol style="list-style-type: none"> <li>1. Any building type that requires ECBC (Energy Conservation Building Code) compliance will follow ECBC compliance guidelines for the installation of solar PV and solar thermal energy systems.</li> <li>2. The Electrical Inspectorate or other entity as determined by the Government will be responsible for compliance monitoring on an annual basis.</li> </ol>
9.	<b>Incentives</b>	<ul style="list-style-type: none"> <li>• Consumer category solar energy will be exempted from electricity tax for two years from the date of this policy.</li> <li>• Solar energy injected into the grid of the distribution licensee by solar energy producers who have no renewable energy purchase obligations (non-obligated entities), including the solar energy export by non-obligated electricity consumers, can be claimed by the distribution licensee towards fulfilment of their Renewable Energy Purchase Obligations (RPO).</li> </ul>

		<ul style="list-style-type: none"> <li>Lands will be provided for the development of solar system component manufacturing.</li> </ul>
<b>10.</b>	<b>Grid Connectivity and Energy Evacuation</b>	<ol style="list-style-type: none"> <li>For consumer category solar PV systems, the system capacity at the service connection point shall not exceed 100% of the sanctioned load of the service connection.</li> <li>The maximum cumulative solar PV capacity at distribution transformer level may be reviewed and determined by TNERC from time to time to enable optimal solar energy penetration.</li> <li>All new service connection meters in Tamil Nadu shall be configured for bidirectional energy recording and display so that all new service connections and existing service connections for which the meters are replaced in the normal course of maintenance are ready for effecting solar energy net feed-in metering at any time in the future.</li> <li>For high tension consumers, open access regulations of TNERC will apply, subject to the conditions imposed by SLDC. However wheeling for less than 1 MW shall not be allowed.</li> </ol>
<b>11.</b>	<b>Awareness Creation, Education and Capacity Building</b>	<ol style="list-style-type: none"> <li>All public and private schools are encouraged to introduce a curriculum on energy and environment into their syllabus.</li> <li>State Government Departments and State Public Sector Undertakings (PSUs) will be encouraged to participate in annual solar energy and energy conservation training programs organized by TEDA and other agencies.</li> <li>All higher education institutions are encouraged to host an annual energy and environment day to create awareness about climate change and the benefits of renewable energy as a climate change mitigation strategy.</li> </ol>
<b>12.</b>	<b>Solar Energy Research</b>	<ul style="list-style-type: none"> <li>Tamil Nadu will facilitate and support research in the solar energy sector. TEDA, in collaboration with other Government Departments, will constitute a Solar Energy Research Fund (SERF).</li> <li>Solar or other renewable energy projects installed for study, research or pilot purposes may be given special priorities and exemptions by the TNERC and the distribution licensee on the recommendation of the Government.</li> </ul>