

RAJASTHAN STATE ELECTRICITY REGULATORY COMMISSION

Notification
August xx, 2023

No. RERC/Secy./Reg./xxxx - In exercise of powers conferred under Section 181 read with Sections 61, 66, 86(1)(e) of the Electricity Act, 2003 (Act 36 of 2003) and all other provisions enabling it in this behalf, the Rajasthan Electricity Regulatory Commission after previous publication, hereby makes the following Regulations for Grid Interactive Distributed Renewable Energy Generating Systems:

1. Short title, commencement and extent of application:

- (1) These Regulations may be called the Rajasthan Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Generating Systems) (First Amendment) Regulations, 2023.
- (2) These Regulations shall come into force from the date of their publication in the Official Gazette.

2 Amendment in Regulation 6:

The existing sub-regulation 6.1 shall be substituted with the following:

"6.1 The cumulative capacity of Renewable Energy generating system to be allowed at a particular distribution transformer shall not exceed 80% of the capacity of such distribution transformer or such limit as may be stipulated by the Commission from time to time:

Provided that in case augmentation of transformer installed by the Distribution Licensee is required the same shall be done by the Distribution Licensee at its own cost.

Provided further that, in case of HT consumers where the distribution transformer has been installed by the consumer, the limit of 80% of distribution transformer capacity shall not be applicable. The total allowable solar installation capacity for such consumers shall be as per Regulation 7.2 of these Regulations."

3 Amendment in Regulation 10:

The existing sub-regulation 10.14.3 shall be substituted with the following:

"The peak AC capacity (inverter capacity on AC side) of the Renewable Energy generating station installed behind Consumer's meter shall not exceed the capacity permissible under regulation 10.14.2 above. In case during any time block, if the peak AC capacity exceeds the above permissible capacity the corresponding excess generation of 15-Minute or 30-Minute block, as applicable shall be treated as deemed drawl from the Discom."

Explanation: There shall be no restriction on installed DC capacity.

2. Amendment in Regulation 12:

- (1) The existing main provision and first proviso of sub-regulation 12.5.2 shall be substituted with the following:

"12.5.2 The Distribution Licensee shall enter into Connection Agreement at the weighted average tariff discovered through Competitive Bidding for respective technology in previous Financial Year and adopted by the Commission plus an incentive of 40%. In case no bidding is done in previous Financial Year, then the latest tariff discovered through competitive bidding plus an incentive of 40% shall be applicable:

Provided that, in case no bidding is done for respective technology, the latest weighted average tariff of large-scale solar projects of 5 MW and more, discovered through Competitive Bidding and adopted by the Commission, plus an incentive of 40% shall be applicable:"

- (2) The existing provision of sub-regulation 12.5.6 shall be substituted with the following:

"12.5.6 The peak AC capacity (inverter capacity on AC side) of the Renewable Energy generating station installed under the Net Billing arrangement shall not exceed the contracted AC capacity. In case during any time block, if the peak AC capacity exceeds the contracted AC capacity the corresponding excess generation of 15-Minute or 30-Minute block, as applicable shall lapse.

Explanation: There shall be no restriction on installed DC capacity."

- (3) The existing main provisions and first proviso of sub-regulation 12.6.1 (a) and the existing main provision of 12.6.1 (d) shall be substituted with the following:

"a) If the quantum of electricity exported by a domestic category consumer exceeds the quantum imported during the Billing Period, the excess quantum exported by such domestic consumer shall be purchased by the Distribution Licensee at the weighted average tariff of large-scale solar projects of 5 MW and more, discovered through Competitive Bidding in last Financial Year, and adopted by the Commission plus 25%. In case no bidding is done in previous Financial Year, then the latest tariff discovered through competitive bidding plus 25% shall be applicable. The total amount arrived for excess energy injected by such consumer shall be adjusted in the form of credit equivalent to such amount payable in the immediately succeeding billing cycle:"

Provided that, even in case of Domestic consumers having existing Net Metering installations governed as per the Rajasthan Electricity Regulatory Commission (Connectivity and Net Metering for Rooftop and Small Solar Grid Interactive Systems) Regulations, 2015 and subsequent amendments thereof, the excess quantum exported shall be purchased by the Distribution Licensee at the weighted average tariff of large scale solar projects of 5 MW and more, discovered through Competitive Bidding in last Financial Year, and adopted by the Commission plus 25%. In case no bidding is done in previous Financial Year, then the latest tariff discovered through competitive bidding plus 25% shall be applicable. The total amount arrived for excess energy injected shall be adjusted in the form of credit equivalent to such amount payable in the immediately succeeding billing cycle:"

- "d) The peak AC capacity (inverter capacity on AC side) of the Renewable Energy generating station installed under the Net Metering arrangement shall not exceed the contracted AC capacity. In case during any time block, if the peak AC capacity exceeds the contracted AC capacity the corresponding excess generation of 15-Minute or 30-Minute block, as applicable shall lapse.

Explanation: There shall be no restriction on installed DC capacity."

- (4) The existing First Proviso to sub-regulation 12.6.1 (b) shall be substituted with the following:

"Provided that, for Net Metering consumers the Net imported energy (Total Consumption from all sources- Allowable Solar Generation) from the grid shall be billed according to the applicable slab corresponding to the total consumption from all sources."

3. Amendment in Regulation 15:

A new Third proviso shall be added below the existing main sub-regulation 15.2 as under:

"Provided also that no cross-subsidy surcharge and additional surcharge shall be applicable for RESCO-owned Renewable energy generating system under Net-Metering arrangement setup for domestic category consumers, State Govt. buildings, local bodies and public undertakings of the State Govt."

By Order of the Commission

Secretary

RAJASTHAN ELECTRICITY REGULATORY COMMISSION, JAIPUR

Petition No. 2117/2023

In the matter of the RERC (Grid Interactive Distributed Renewable Energy Generating Systems) (First Amendment) Regulations, 2023.

Coram:

Dr. B.N. Sharma, Chairman
Sh. Hemant Kumar Jain, Member
Dr. Rajesh Sharma, Member

Dates of hearing: 11.07.2023 and 12.07.2023

Date of Order: 28.08.2023

Memo on Statement of Objects & Reasons and consideration of comments/suggestions, received from various stakeholders:

Background:

1. The Rajasthan Electricity Regulatory Commission (RERC or Commission), in the exercise of the powers conferred by Section 86(1) (e) read with Section 181 of the Electricity Act, 2003 (Act 36 of 2003) prepared the following draft Regulations (hereinafter referred to as 'the draft Regulations'), namely:

"Rajasthan Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Generating Systems) (First Amendment) Regulations, 2023."

2. These Draft Regulations along with the Explanatory Memorandum and Public Notices were placed on the website of the Commission for inviting public comments. Comments/suggestions were also invited from interested persons through Public Notices published in the following newspapers, on the dates indicated against each.

(1)	Dainik Bhaskar	:	03.05.2023
(2)	Rajasthan Patrika	:	03.05.2023

3. The last date for submission of comments/suggestions by the interested persons/ public was 26.05.2023. There were Twenty Two (22) stakeholders who offered their comments/suggestions on the Draft Regulations and Explanatory Memorandum, which have been considered by the Commission while finalising the Regulations, is placed at **Annexure-I**.

4. Public Hearing in the matter was held on 11.07.2023 and 12.07.2023. The list of the stakeholders present during the hearing is placed at **Annexure-II**.

5. The main comments and views expressed by the stakeholders through their written submissions and during the hearing and the Commission's views thereon have been summarised in the following paragraphs. It may be noted that all the suggestions given by the stakeholders have been considered, and the Commission has attempted to elaborate all the suggestions and the Commission's views/ decisions on each suggestion in the Statement of Object & Reasons. However, in case any suggestion is not specifically elaborated, it does not mean that the same has not been considered.

6. The comments/suggestions have been grouped depending on their nature and relevance.

7. Energy Accounting and Settlement -Net Billing arrangement:

Commission's Proposal:

7.1 Commission in the draft Regulations proposed that the existing provision of sub-regulation 12.5.6 shall be substituted with the following provision:

"12.5.6 The peak AC capacity of the Renewable Energy generating station installed under the Net Billing arrangement shall not

exceed the AC capacity agreed under the Connection Agreement. In case at any point of time, if the peak AC capacity exceeds the above agreed AC capacity, the corresponding excess generation shall lapse."

Comments received:

7.2 The stakeholder suggested that AC capacity may be higher, having alignment with the provision for which clarity is required regarding the DC capacity which will be helpful to design the system accordingly.

7.3 Renewable energy generation varies with time sun radiation, wind speed etc., which may exceed the peak AC capacity during the peak hours. Therefore, in the interest of maximum renewable energy generation, such restriction should not be imposed.

7.4 This is a welcome move by the Commission as the proposed regulation provides consumers with more flexibility in terms of energy self-consumption and export, which can increase the uptake of rooftop solar. The regulation can also ease the monitoring requirements for the Discom (such as calculating the energy generation) and brings more stability to the grid. However, it may be clarified whether the "corresponding excess generation" would be calculated on a 15-minute basis or otherwise.

7.5 All authorities – RERC, DISCOMS should consider only AC Capacity of Grid Interactive Distributed Renewable Energy Generating Systems across all mechanism – Net Metering, Net Billing, Behind the Meter & Open Access. CUF should always be considered on Annual Basis and not on monthly basis as it is a standard practice as per regulations.

7.6 Proposed changes are not agreeable as the existing clause working well for home rooftop systems. It is unclear that what technical challenges Discom's grid will face if the proposed amendment is not accepted. However, the condition that peak AC capacity may exceed 1.5 times above the agreed AC capacity can be put.

7.7 Discoms submitted that the number of consumers availing the benefit of net meter are increasing day by day, which will be a major challenge from

manpower point of view. Further, to ensure the peak AC capacity of each consumer does not exceed AC capacity, the requirement of monthly MRI data on 15 minute /half hourly basis would increase billing complexities.

7.8 Discoms submitted that the accounting of energy should principally be based on the minimum Capacity Utilization Factor (CUF) and not the peak AC capacity. If energy is accounted on the basis of peak capacity, the captive generator may alter the arrangement to increase the generation capacity to maximum even during hours when the solar penetration is not at its peak by adding additional solar capacity behind the meter.

7.9 According to the Discoms the proposal would adversely affect the Discom as the additional units generated shall impact the revenue being charged from such net metering consumers. The Discom shall have to bear revenue loss on account of such arrangement, which ultimately shall reflect in increased tariffs for other categories of consumers. Further, the norms for generation from renewable sources are linked to CUF which is the rightful approach that should not be deviated from. While it is important that solar power should be promoted, the objective of the Regulations ought not to provide benefits to affluent few at the cost of lower income strata of consumers as well as the financial health of the Discoms. Accordingly, the Commission should retain the existing provision.

Commission's views:

7.10 Commission while dispensing off the CUF limit had proposed the provision in the draft. Several stakeholders have welcomed the proposal while some of them opposed the same whereas one of the stakeholders have requested for clarification regarding lapse of excess generation. One of the stakeholders has also requested for the clarity as regards the DC capacity.

7.11 As regards the clarity on the DC Capacity, it is clarified that there shall be no restriction on the installed DC capacity, however, the peak AC capacity shall be constructed as the inverter capacity on AC side.

7.12 Further, as regards the clarity on treatment of excess generation, it is clarified that in case during any time block, if the peak AC capacity exceeds the agreed AC capacity the corresponding excess generation of 15-minute or 30-minute block as applicable, shall lapse.

7.13 As regards the Discoms submissions regarding continuing the existing provision based on CUF, the Commission is of the view that with regular updation in technology and improvement in efficiency, any restriction on generation based on CUF will not be appropriate in long term.

7.14 Accordingly, in view of the above, the draft Regulation 12.5.6 is modified as under in the finalized Regulations:

"12.5.6 The peak AC capacity (inverter capacity on AC side) of the Renewable Energy generating station installed under the Net Billing arrangement shall not exceed the contracted AC capacity. In case during any time block, if the peak AC capacity exceeds the contracted AC capacity the corresponding excess generation of 15-Minute or 30-Minute block, as applicable shall lapse.

Explanation: There shall be no restriction on installed DC capacity."

8. Energy Accounting and Settlement-Net Metering arrangement:

Commission's Proposal:

8.1 Commission in the draft Regulations proposed that in the existing main provisions of sub-regulation 12.6.1 (a) and (d) shall be substituted with the following:

"(a) If the quantum of electricity exported by a domestic category consumer exceeds the quantum imported during the Billing Period, the excess quantum exported by such domestic consumer shall be purchased by the Distribution Licensee at the weighted average tariff of large-scale solar projects of 5 MW and more, discovered

through Competitive Bidding in last Financial Year, and adopted by the Commission plus 15%. In case no bidding is done in previous Financial Year, then the latest tariff discovered through competitive bidding plus 15% shall be applicable. The total amount arrived for excess energy injected by such consumer shall be adjusted in the form of credit equivalent to such amount payable in the immediately succeeding billing cycle."

"(d) The peak AC capacity of the renewable energy generating system installed under Net-Metering Arrangement shall not exceed the AC capacity agreed under the Connection Agreement. In case of any point of time, if the peak AC capacity exceeds the above agreed AC capacity, the corresponding excess generation shall lapse."

Comments received:

8.2 The proposed change in regulation 12.6.1(d) is appreciated and will provide consumers with more flexibility in terms of energy self-consumption and export, which can increase the uptake of rooftop solar. The regulation can also ease the monitoring requirement for the Discom (such as calculating the energy generation) and brings more stability to the grid.

8.3 This is a positive development and will incentivize the domestic consumers to adopt the rooftop solar systems as benefits will be higher under the mechanism.

8.4 It is suggested by the stakeholders that price for excess electricity exported by a domestic category consumer be fixed at least bidding rate plus 25-50% in place of in proposed bidding rate plus 15% as there is a saving of approximate 30% in T& D losses itself.

8.5 The excess quantum of electricity exported by a domestic consumer should be purchased by Discoms at a rate equal to APPC approved in truing up tariff order by RERC or the rate of lowest slab of domestic tariff, whichever is lower.

8.6 Earlier there was a provision for carrying forward the net exported units for making adjustment in the next month bill, which is not being done now. The same should be introduced now.

8.7 Regarding amendment proposed in regulation 12.6.1 (a), presently there is shortage of power in the State and Discoms are buying power from other sources /exchanges at a very high rate of Rs 5 per unit. As such the proposed amendment is not justified & excess generation from domestic solar plant, be paid minimum of Average Power Purchase Cost.

8.8 Cost of a domestic plant is more as cost of large scale plants is Rs. 40000 per kW while cost of domestic plant is Rs. 55000 per kW, which is 37.50% more. So tariff should be weighted average tariff of large-scale solar projects of 5 MW and more, and adopted by the Commission plus 37.5%. It should also be renewed within every 6 months as per the latest bidding.

8.9 In thermal there is no CAP on installation capacity, similar to this to promote Renewable Energy in state there should be no limitation on Captive Power Installation which is linked to contract demand.

8.10 There is a requirement of further improvement in the proposed limits on energy generation and rates. It is requested that rational amendment may be done after carrying out survey of related power plant developers/generators.

8.11 Regulation 10.14.3 is in consonance with Regulation 12.5.6 and Regulation 12.6.1 (d). To ensure symmetry and logical consistency the Commission may make suitable amendments to Regulation 10.14.3 if the proposed amendments to Regulation 12.5.6 and 12.6.1 in these Draft Regulations are retained.

8.12 Regarding amendment in 12.6.1(a) &(d), Discoms submitted that they understand the importance of promoting solar rooftop in the State. The rooftop solar model plays an important role in helping the Discoms to reduce its peak time demand and simultaneously decrease transmission and distribution losses associated with power consumption at the point of generation. Solar generation through rooftop also promotes use of clean renewable energy to meet energy demand and reduces dependence on fossil fuel.

8.13 The excess quantum of energy purchased at the tariff already discovered through competitive bidding is acceptable to the Discoms but discovered tariff plus 15% may further lead to increase in the power purchase expenses of the Discom. Such increase in the Discom's expense eventually increases the Annual Revenue Requirement of the Discoms which in turn calls for higher tariff rates.

8.14 According to the Discoms the burden of benefits of availed by affluent consumers gets passed on to a larger number of consumers (who may not be able to afford to install rooftop RE systems) and also on the Discoms. Such profiteering by the consumers at the cost of Discoms or other sections of consumers ought not be the objective of promotion of rooftop systems.

8.15 To avoid inconsistency between the Regulations the existing provision of sub-regulation 10.14.3 for behind the meter should also be amended and sub-regulation 10.14.3 may be substituted with the following:

"10.14.3 In case at any point of time, if the peak AC capacity exceeds 100% of the Contract Demand, the corresponding excess generation shall lapse."

Commission's views:

8.16 Commission has received comments/suggestions requesting to increase the price of excess electricity exported by a domestic category. Stakeholders have requested that excess injection be paid at bid rate plus 25% - 50%. Some stakeholders have requested that excess injection be paid at a rate equal to Average Power Purchase Cost or at the lowest slab of domestic tariff. It is also suggested that the excess units may be carried forwarded to the next month. Discoms have expressed that the proposed draft Regulations will lead to under recovery of their fixed cost.

8.17 It is further observed that in continuation to amendment of main provision of regulation 12.6.1(a) the corresponding amendment in its proviso is also required for consistency.

8.18 After considering the Comments/suggestions of the stakeholders and looking to the benefits of the distributed RE and reduction of T& D losses, Commission is of the view that the excess units be paid at the bid rate plus 25%. Accordingly, the proposal in the Draft is modified in the finalized Regulations as under:

"12.6.1 (a) If the quantum of electricity exported by a domestic category consumer exceeds the quantum imported during the Billing Period, the excess quantum exported by such domestic consumer shall be purchased by the Distribution Licensee at the weighted average tariff of large-scale solar projects of 5 MW and more, discovered through Competitive Bidding in last Financial Year, and adopted by the Commission plus 25%. In case no bidding is done in previous Financial Year, then the latest tariff discovered through competitive bidding plus 25% shall be applicable. The total amount arrived for excess energy injected by such consumer shall be adjusted in the form of credit equivalent to such amount payable in the immediately succeeding billing cycle:"

Provided that, even in case of Domestic consumers having existing Net Metering installations governed as per the Rajasthan Electricity Regulatory Commission (Connectivity and Net Metering for Rooftop and Small Solar Grid Interactive Systems) Regulations, 2015 and subsequent amendments thereof, the excess quantum exported shall be purchased by the Distribution Licensee at the weighted average tariff of large scale solar projects of 5 MW and more, discovered through Competitive Bidding in last Financial Year, and adopted by the Commission plus 25%. In case no bidding is done in previous Financial Year, then the latest tariff discovered through competitive bidding plus 25% shall be applicable. The total amount arrived for excess energy injected shall be adjusted in the form of credit equivalent to such amount payable in the immediately succeeding billing cycle:"

8.19 Further, the provision proposed in regulation 12.6.1(d) of the draft is also modified as brought out in proceeding paras of this order as follows:

"d) The peak AC capacity (inverter capacity on AC side) of the Renewable Energy generating station installed under the Net Metering arrangement shall not exceed the contracted AC capacity. In case during any time block, if the peak AC capacity exceeds the contracted AC capacity the corresponding excess generation of 15-Minute or 30-Minute block, as applicable shall lapse.

Explanation: There shall be no restriction on installed DC capacity."

8.20 Further, with above change in rate for excess electricity exported by the Domestic category consumer under net metering arrangement, in order to promote Net-billing arrangement, the corresponding existing rate for Net billing arrangement also needs to be increased as bid rate plus 40%. Accordingly, the existing provision of regulation 12.5.2 is modified as follows in the finalised Regulations:

"12.5.2 The Distribution Licensee shall enter into Connection Agreement at the weighted average tariff discovered through Competitive Bidding for respective technology in previous Financial Year and adopted by the Commission plus an incentive of 40%. In case no bidding is done in previous Financial Year, then the latest tariff discovered through competitive bidding plus an incentive of 40% shall be applicable:

Provided that, in case no bidding is done for respective technology, the latest weighted average tariff of large-scale solar projects of 5 MW and more, discovered through Competitive Bidding and adopted by the Commission, plus an incentive of 40% shall be applicable:"

8.21 We also accept the suggestion that to ensure symmetry and consistency, corresponding change may also be made in regulation 10.14.3. Accordingly the existing sub-regulation 10.14.3 is modified as follows in the finalised Regulations:

"The peak AC capacity (inverter capacity on AC side) of the Renewable Energy generating station installed behind Consumer's meter shall not exceed the capacity permissible under regulation 10.14.2 above. In case during any time block, if the peak AC capacity exceeds the above permissible capacity the corresponding excess generation of 15-Minute or 30-Minute block, as applicable shall be treated as deemed drawl from the Discom."

Explanation: There shall be no restriction on installed DC capacity."

9. Energy Accounting and Settlement-Net Metering arrangement:

Commission's Proposal:

9.1 Commission in the draft Regulations proposed that The existing First Proviso to sub-regulation 12.6.1 (b) shall be substituted with the following:

“Provided that, for Net Metering consumers the Net imported energy (Total Consumption from all sources- Allowable Solar Generation) from the grid shall be billed according to the applicable slab corresponding to the total consumption from all sources.”

Comments received:

9.2 The proposed change in 12.6.1 (b) is a welcome move by RERC, which will incentivise the domestic consumers to adopt the rooftop solar systems as the benefits will be higher under this mechanism.

9.3 Billing under the Net Metering for the net quantity (import- export) for electricity expenses and other charges (fixed charges, electricity charges, urban utility tax, fuel surcharge etc.) should be according to the fixed tariff slabs of the Nigam.

9.4 In the proposed amendment in 12.6.1 (b) no change is required, rather Fixed cost charges, ED, UC & Water cess be considered only on Net consumed units only & slab wise proposal is not justified.

9.5 As per netting methodology the net energy (imported units minus exported units) supplied by the Discoms should be billed as per the applicable slab of domestic tariff.

9.6 Regarding amendment in 12.6.1 (b) Discoms submitted that it is important to support rooftop solar in the State and the Discoms are in favour of providing choice to the consumers to deploy rooftop systems for meeting their energy requirement. Due to solar rooftop installations, the energy drawn from the grid gets reduced owing to self-generation, the energy charges paid by the consumers are pro-rated to only the energy imported, then it would lead to the under-recovery of fixed costs by the Discoms.

9.7 Most of the cost components of the Discoms' ARR are fixed in nature e.g., O&M costs, interest costs, depreciation, fixed cost of PPAs, etc. It is only the energy charge of power procured which depends on the energy sold to consumers. Presently, the recovery from fixed charges at the prevailing tariff level is approximately around 14% of the total revenue, which is lower than

the fixed cost of Discom actually incurred which is ~51% of the total ARR details. The billing done according to the applicable slab may reduce the revenue of Discom as against the existing norm of billing according to the highest slab, which shall lead to the revenue loss of Discom and further aggravate the issue of under-recovery from fixed charges. The consumers who have installed roof-top solar are generally high-income elite class consumers as the cost of roof-top solar is approx. 1.5 lakh/kW. However, the objective of the Regulations ought not to provide benefits to affluent few at the cost of lower income strata of consumers as well at the cost of financial health of the Discoms.

Commission's views:

9.8 Commission after due consideration has proposed the billing of import under Net-Metering mechanism according to the applicable slab in place of the existing provision of highest slab. In our view, the provision proposed in draft balances the interest of both the Net Metered consumer and the Discoms.

9.9 Accordingly, the provision of the draft Regulations is retained as follows:

"Provided that, for Net Metering consumers the Net imported energy (Total Consumption from all sources- Allowable Solar Generation) from the grid shall be billed according to the applicable slab corresponding to the total consumption from all sources."

10. Applicability of other charges:

Commission's Proposal:

10.1 Commission in the draft Regulations proposed that a new Third proviso shall be added below the existing main sub-regulation 15.2 as under:

"Provided also that no cross-subsidy surcharge and additional surcharge shall be applicable for RESCO-owned Renewable energy generating system under Net-Metering arrangement setup for domestic category consumers, State Govt. buildings, local bodies and public undertakings of the State Govt."

Comments received:

10.2 It is a positive step to remove CSS and AS applicable to the State Government buildings, local bodies, and state government public sector undertakings. This step shall make rooftop solar under RESCO mode lucrative and help government buildings to go green and reduce their carbon footprint.

10.3 The installation of Rooftop system at Govt Buildings may be undertaken by the respective departments or Discoms themselves instead of RESCO Company.

10.4 Like RESCO projects set up for domestic category, CSS and AS may also be exempted for the RESCO projects set up Behind the Meter installed for the commercial and industrial consumers upto the contract demand of the consumer. Accordingly a third proviso may be added below the existing main sub-regulation 15.2 as under:

"Provided also that no cross-subsidy surcharge and additional surcharge shall be applicable to RESCO owned renewable energy generating system under net metering arrangements set up for domestic category consumers state government buildings local bodies, public undertakings of the state government and for Behind the Meter arrangements for commercial and industrial consumers".

10.5 The mandate of the Act is clear to the extent that the Cross subsidy surcharges and Additional surcharges are also waived for captive users and captive generating plants following Rule 3 of the Electricity Rules 2005.

10.6 As the intent of the proposed change is to boost the deployment by domestic and government categories, it can be considered to extend the waiver to, or clarify that this waiver also applies to business models where demand has been aggregated for consumers of these categories for either by Discom or RESCO. Further, this can also be extended to community solar and group net of metering, as and when these business models arise, consumers from the domestic and government categories.

10.7 Exemption being extended to the State Govt PSUs, in the Amendment may also be made applicable to the Central Govt PSUs.

10.8 A new third proviso shall be added below the existing main sub regulation 15.2 as under:

"Provided also that no cross-subsidy surcharge and additional surcharge shall be applicable to RESCO owned renewable energy generating system under net metering arrangements set up for domestic category consumers and behind the meter arrangements , state government buildings local bodies, public undertakings of the state government and for NGOs also".

10.9 Discoms submitted that there is no proper justification for the proposed amendment to exempt cross-subsidy surcharge and additional surcharge for RESCO-owned Renewable energy generating system under Net-Metering arrangement setup for domestic category consumers, State Govt. buildings, local bodies and public undertakings of the State Govt.

10.10 According to the Discoms, the Electricity Act, 2003 provides for such relaxation only to the captive consumers and not to the mentioned section of consumers. Further, such an exemption shall lead to revenue loss for the Discoms which shall eventually reflect as a tariff hike for all other categories of consumers. Thus the existing provision may be retained.

10.11 It is requested by the Discoms to insert 10.14.3(a) after Regulation 10.14.3 as follows:

"Restriction provided in Regulation 10.14.3 in the Principal DRE Regulations shall be removed and Regulation 10.14.3 of this first amendment Regulation shall be applicable for both existing Renewable Energy based plants and new Renewable Energy based plants.

Commission's views:

10.12 Commission has received various comments/suggestions from the stakeholders that CSS and AS should also be exempted for RESCO-owned RE projects set up by NGO, Central PSUs, Commercial and Industrial Category (Including behind the Meter). It is also requested that for community solar, Group Net Metering may also be given exemption in levy of CSS and AS.

10.13 Commission after having a considered view proposed the waiver of CSS and AS for RESCO-owned RE system under Net-Metering arrangement setup for domestic category consumers, State Govt buildings, local bodies and public undertaking of the State Govt to promote installation of Net Metering system by the Domestic category consumers. In addition Commission has also made provision of payment for excess energy injected by domestic category consumers.

10.14 Further, looking to the present level of cross subsidisation and consumer mix of the State, the request of waiver of CSS/AS for other categories of consumers cannot be considered at this stage.

10.15 In view of the above, no change is required in the provision proposed in the draft Regulations and the same is retained as under:

“Provided also that no cross-subsidy surcharge and additional surcharge shall be applicable for RESCO-owned Renewable energy generating system under Net-Metering arrangement setup for domestic category consumers, State Govt. buildings, local bodies and public undertakings of the State Govt.”

Additional Comments received:

10.16 It is observed that additional comments/suggestions have been received on the provisions which were not the part of the proposal. As such these are not part of the present proceedings, thus, Commission has noted the same and will be considered in future Amendments. Further, some of the comments/suggestion which in Commission's view are more relevant have been dealt in the subsequent paras.

10.17 Rajasthan has been a progressive State in terms of notifying regulations specific to distributed renewable energy. It will be beneficial to notify green tariffs which allow all electricity consumers to opt for green energy, especially those who are unable to opt due to other constraints such as/ infeasible or no roofs, financial constraints, limited awareness, among others. To encourage consumers to switch towards green energy and

become early movers, economically attractive green tariff rates should be announced by RERC.

10.18 Commission may consider to amend the provision of regulation 6.1, i.e., the cumulative capacity of Renewable Energy generating system to be allowed at a particular distribution transformer shall not exceed 100% (Existing 50%) of the capacity of such distribution transformer or such limit as may be stipulated by the Commission from time to time.

10.19 Commission may also amend the provision of regulation 8.8, i.e, within three (03) working days (Existing twenty (20) days) from the issuance of acknowledgement of the application, the concerned officer of the respective Sub- divisional office of the Distribution Licensee shall check the technical feasibility of the Renewable Energy generating system. Commission may also amend the provision of Regulation 8.9 i.e., If technical feasibility is found satisfactory, the Distribution Licensee shall approve the application and intimate the same to the applicant by providing a Letter of Approval (LOA) via email/SMS/post, within five (05) working days (Existing thirty (30) days) from the issuance of acknowledgement of the application. Commission may also amend the provision of Regulation 8.12 i.e., After installation of Renewable Energy generating system, the consumer shall submit the installation certificate to the Distribution Licensee. The Distribution Licensee shall complete signing of connection agreement, installation of meter and successful commissioning of the Renewable Energy generating system within the timelines specified by the Commission, which shall not be more than seven working days (Existing thirty (30) days) from the date of submission of the installation certificate. Formats of contract agreement and installation certificate shall be placed on web-portal of the Distribution Licensee.

10.20 Commission may also amend the provision of Regulation 11.1, i.e., Check meter installation requirement should be omitted. The check meter is not required for smaller project size and is unnecessary will add to the cost of the project. Other than Generation meter, Solar inverter also has all the data

related to Solar power Generation, which can be used in case of generation meter getting faulty.

10.21 Commission may also amend the provision of Regulation 18.1 and Penalty may be defined in the Regulations only.

10.22 In line with Rajasthan Solar Energy Policy 2019, requiring all projects installed in the State shall be required to be registered with RREC, regulation 10.14.1 may be amended that Renewable Energy generating system connected behind the Consumer's meter should be allowed only after registration and approval of RREC.

Commission's views:

10.23 As regards the request of increasing the cumulative capacity of REGS allowed at a particular distribution transformer capacity to 100% there is already an enabling provision under the Regulations that such capacity would initially be 50% of the capacity of distribution transformer or such limit as may be stipulated by the Commission from time to time. In Commission's view, in order to promote rooftop RE generating systems, such capacity should be revised to 80%. Accordingly, Regulations 6.1 has been modified as under:

"6.1 The cumulative capacity of Renewable Energy generating system to be allowed at a particular distribution transformer shall not exceed 80% of the capacity of such distribution transformer or such limit as may be stipulated by the Commission from time to time:

Provided that in case augmentation of transformer installed by the Distribution Licensee is required the same shall be done by the Distribution Licensee at its own cost.

Provided further that, in case of HT consumers where the distribution transformer has been installed by the consumer, the limit of 80% of distribution transformer capacity shall not be applicable. The total allowable solar installation capacity for such consumers shall be as per Regulation 7.2 of these Regulations."

10.24 As the regards the suggestion of omitting the requirement of check meter for regulation 11.1, in our view the same has to be governed by CEA Metering Regulations.

10.25 As regards, the suggestion relating to the green energy tariffs, the same have been dealt with separately in the First Amendment proposed in the RERC RE Tariff Regulations 2020.

10.26 In addition to the above, suggestion of specifying the compressed timelines for installation of rooftop solar projects, requirement of registration/approval from RREC for behind the meter have also been received. The time lines are already aligned with the relevant time lines prescribed by the Ministry of Power in its Electricity (Rights of Consumers) Rules 2020 and in our view any further change is not required. Further, regarding the requirement of registration/approval of behind the meter projects, Commission noted that the present provision of prior intimation to licensee is adequate and no further change is required on this account.

11. In the light of the foregoing discussions, the finalized Regulations duly authenticated, placed below, may be got published in the Official Gazette.

12. Copy of this memo, along with the finalized Regulations, may also be sent electronically and/or by post to the State Government, Central Electricity Authority (CEA), concerned Utilities and other stakeholders.

(Dr. Rajesh Sharma)
Member

(Hemant Kumar Jain)
Member

(Dr. B. N. Sharma)
Chairman

Annexure-I

S.No	Particulars
1.	Distributed Solar power Association (DiSPA)
2.	Sh. Rajendra Rathore, Leader Opposition, Rajasthan Vidhansabha
3.	M/s TSSDG India (P) Ltd
4.	S.E. (comm.), AVVNL
5.	Sh. Yewanti Kumar Bolia
6.	Sh. Balmukund Sanadhya
7.	M/s Amplus Energy Solutions (P) Ltd
8.	M/s Power & Energy Consultants
9.	Sh. V.K. Gupta
10.	Council of Energy, Environment & Water (CEEW)
11.	Rajesh Gaur
12.	M/s Hindustan Copper Ltd
13.	Mehta Sales Corporation
14.	REAR Renewable Energy Association
15.	Sh. Ashutosh Maheshwari
16.	Sh. Ashish Jhanwar
17.	Rajasthan Renewable Energy Corporation (RREC)
18.	Sh. Dinesh Gupta
19.	M/s Sunrise Grinding Mills
20.	Sh. D.D. Agarwal
21.	Rajasthan Solar Association
22.	S.E (Regulations), JVVNL

Annexure-II

S.No	Particulars
1.	Distributed Solar power Association (DiSPA)
2.	Sh. Rajendra Rathore, Leader Opposition, Rajasthan Vidhansabha
3.	Sh. Sandeep Pathak, Advocate for Discoms.
4.	Sh. Yewanti Kumar Bolia
5.	Sh. Balmukund Sanadhya
6.	M/s Amplus Energy Solutions (P) Ltd
7.	M/s Power & Energy Consultants
8.	Sh. V.K. Gupta
9.	Council of Energy, Environment & Water (CEEW)
10.	REAR Renewable Energy Association
11.	Rajasthan Renewable Energy Corporation (RREC)
12.	Sh. Dinesh Gupta
13.	Sh. D.D. Agarwal
14.	Rajasthan Solar Association