



The Federation of Telangana Chambers of Commerce and Industry

ISO 9001:2015

Empowering Industry, Commerce & Trade

Registered under the Companies Act, 1956

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CIN U91110TG1964NPL001030

R. Ravi Kumar
President

K K Maheshwari
Senior Vice President

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Vice President

Comments/Suggestions/Objections on Draft Notification dated 14.08.2025 – repealing and replacing the Regulation No. 6 of 2016 (Net metering Rooftop Solar PV Grid Interactive Systems) and its amendments

By

The Federation of Telangana Chambers of Commerce and Industry (FTCCI)

05.09.2025



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FTCCI/2025-26/Energy/91

Date: 5th September, 2025

To
The Secretary
Telangana Electricity Regulatory Commission (TGERC)
Vidyut Niyantran Bhavan, GTS Colony,
Kalyan Nagar, Hyderabad – 500045

Subject: FTCCI Comments/Suggestions/Objections on Draft Notification dated 14.08.2025 – repealing and replacing the Regulation No. 6 of 2016 (Net metering Rooftop Solar PV Grid Interactive Systems) and its amendments.

Respected Sir,

The Federation of Telangana Chambers of Commerce & Industry (FTCCI), representing over 3,000 industries, trade bodies, and business associations across Telangana, humbly submits its comments, suggestions, and objections on the Draft Notification dated 14.08.2025 proposing amendments to **Regulation No. 6 of 2016**.

At the outset, we appreciate the Hon'ble Commission's continued commitment to promoting renewable energy and enabling consumers to meet their sustainability and green energy goals. These efforts are critical for Telangana's industrial growth and its aspiration to be a leader in clean energy adoption.

However, upon careful examination, we find that several provisions of the draft notification may **discourage renewable energy adoption, increase the cost of doing business, and adversely impact Telangana's industrial competitiveness and investment climate.**

Climate Action is Non-Negotiable

Climate change is no longer an abstract concern - it is a pressing economic & societal reality. The recent extreme weather event that brought **52 cm of rainfall in just 36 hours in neighbouring Kamareddy district**, an occurrence not seen in over a century, serves as a wake-up call for our state. The increasing frequency of cloudbursts across Telangana underlines the urgent need for climate-resilient policies.

Therefore, **climate action cannot be delayed or diluted**. It is imperative that regulatory frameworks accelerate rather than obstruct the transition to clean energy.

Global Trade & Competitiveness Context

India is entering into Free Trade Agreements (FTAs) with the UK, EU, and other countries at a time when **Carbon Border Adjustment Mechanisms (CBAMs)** are set to take effect as early as 2027. These mechanisms will levy taxes on imports based on their carbon footprint, directly impacting the export competitiveness of Telangana's industries.

To remain globally competitive, Telangana's industrial sector must have access to **affordable, reliable, and policy-supported renewable energy solutions**. Any regulatory barriers or added costs at this juncture will compel industries to rethink their expansion and investment plans in the state, potentially resulting in de-industrialisation, job losses, and a decline in state GST revenues. Such outcomes are contrary to the Government of Telangana's goal of making the state a preferred destination for global investment.

Our Appeal

In this backdrop, we respectfully urge the Hon'ble Commission to review the proposed amendments in the spirit of enabling a **fair, progressive, and industry-friendly renewable energy framework** that:

- **Encourage** investments in rooftop solar, group net metering, virtual net metering, behind the meter solar and open-access RE procurement
- **Safeguard** industrial competitiveness and employment generation
- **Align** with Telangana's commitment to **Net Zero by 2047** and India's national clean energy targets

We have provided a comprehensive submission highlighting *Major Issues & Policy Concerns* followed by detailed *Clause-wise Comments and Suggestions*. We respectfully urge the Hon'ble Commission to carefully consider these inputs before finalising the regulations, ensuring that Telangana continues to remain an attractive destination for industries and a leader in green energy adoption.

Major Issues & Policy Concerns:

Net Metering Capacity capped at 500 kW: Discourages rooftop solar by industries and makes it difficult to meet sustainability goals.

Mandatory Gross Metering beyond 500 kW: Gross Metering at discovered tariff (Rs.2.5 – Rs.3/kWh) is financially unviable vs. retail tariff (Rs.7 – Rs.9/kWh). Gross meter had not been successful anywhere in India.

Monthly Settlement instead of Annual: Replacing the existing half-yearly or annual settlement with monthly adjustments will reduce financial viability and impacts seasonal industries, educational institutes and several others adversely

Open Access Restriction: Restricting this will reduce competitiveness and increase power cost for industries. Other states such as Maharashtra which introduced such clause has finally removed this restriction. Request to allow simultaneous Net/Gross/Group/Virtual Net Metering with Open Access.

Group Net Metering (GNM) & Virtual Net Metering (VNM) Capacity Limit: Limiting to 100 KW would make it attractive for users and beats the purpose. Request to permit GNM and VNM up to 1 MW (from proposed 100 kW cap). This will promote solar adoption for MSMEs and group housing societies.

No Provision for Behind-the-Meter Generation: The absence of clarity on captive solar generation (without net meter) above 1 MW and up to contract demand has led to harassment of consumers and issuance of notices by Discoms, violating their rights under the Electricity Act, 2003. Many progressive states including neighbouring Andhra Pradesh have specifically provided Behind the Meter Solar Generation in the Regulation.

Lack of Accountability on Metering and Infrastructure: Discoms have historically failed to publish capacity data or ensure timely availability of net meters, delaying rooftop adoption and penalizing vendors unfairly.

Contrary to Telangana Clean Green Energy Policy 2024 & National Renewable Energy Policy: The draft notification runs contrary to the State's policy which encourages renewable energy procurement and green open access.

Impact on Telangana's Net Zero Commitment: If implemented as proposed, the draft regulation will undermine Telangana's commitment to achieving Net Zero Carbon by 2047.

De-Industrialization Risk: Increased charges and restrictive clauses will make open access unviable for many industries, particularly energy intensive industries and those with Net Zero Goals or RE obligations emanating from their Consumer requirements pushing them to relocate to other states that provide incentives, not disincentives.

Negative Impact on Employment & Revenue: Reduced competitiveness will affect industrial production, job creation, and GST revenue.

Export Sector Impact: Exporters in Telangana, already facing tariffs from the USA and other markets, will suffer additional cost burdens and may reconsider expansion plans in the state.

Strategic Context and Industry Imperatives

Telangana has positioned itself as a **national leader** in attracting investment. Its commitment to achieve Net Zero Carbon emissions by 2047 is **visionary, business-critical, and globally significant**. Renewable energy (RE) adoption is no longer optional - it is a regulatory, financial, and ESG necessity.

I. Data Centres – Energy-Intensive Growth Engines

- Telangana hosts some of India's largest data centres, with more projects in the pipeline driven by *data localization mandates*.
- Energy costs represent ~60% of their operating expenditure. RE adoption is crucial for competitiveness and investment inflow.
- Global players are actively comparing state RE policies before committing multi-GW investments.

II. Pharma & Biotech – Compliance-Driven Sustainability

Hyderabad is the **Pharma Capital of India**, and this sector faces unique sustainability pressures:

- **Regulatory Mandates:** RPO compliance, concessional transmission charges, banking benefits.
- **ESG Requirements:** SEBI's BRSR, SBTi Net-Zero targets, and ESG-linked financing.
- **Global Trade Dynamics:** EU's CBAM, US FDA/WHO audits, buyer mandates for decarbonization.

Any barriers to RE adoption will directly impact export competitiveness, compliance ratings, and future growth.

III. Cement, Steel & Allied Industries – Infrastructure Backbone

- These sectors drive affordable housing, metro expansion, and industrial park growth.
- They are investing in waste heat recovery and green technologies.
- Unfavourable RE policies will raise input costs, making infrastructure projects costlier and deterring investors.

Clause-wise Comments and Suggestions

Clause 4.10: Consumers with arrears under legal dispute (CGRF/Commission/Court) must not be denied access to Net, Gross, GNM, or VNM arrangements.

Clause 4.11 & 4.12: Request to allow simultaneous Net/Gross/Group/Virtual Net Metering with Open Access. Restricting this will reduce competitiveness and increase power cost for industries

Clause 4.13: Disallowing third-party sale is regressive. Request deletion of Clause 4.13 as Clauses 4.14 to 4.17 already cover safeguards. Third-party ownership must be allowed (as in other states) to promote CAPEX-free rooftop installations. This will be particularly impact MSME's who are constrained to adopt solar due to financial resources constraint

Clause 4.15 & 4.16: It is respectfully submitted that wheeling charges for Group Net Metering and Virtual Net Metering should be prescribed in the denomination of (Rs/kVA/hr), in alignment with the methodology applied to short-term open access transactions. The current practice under long-term & medium-term arrangements, levies fixed charges (Rs/kVA/month) solely on installed capacity, bears no relation to the actual quantum of energy exported and does not accurately reflect the cost of wheeling.

In addition, under the present draft, there is no provision for carry-forward of energy to the subsequent month, it is therefore urged that the Commission adopt the (Rs/kVA/hr) denomination, as applied to short-term transactions, to ensure cost-reflective and equitable treatment of distributed generation.

Clause 4.18: Requiring CEIG approval above 75 kW contradicts MNRE guidelines exempting projects up to 1 MW. Request acceptance of **self-certification** up to 1 MW. KERC exempts projects up to 1 MW.

Clause 5.1 & 5.2: Discoms must be mandated to publish feeder/DT capacity data **monthly** with penalty for delay. Non-availability of meters and data in the past has caused project delays.

Clause 6.3: Retain ADE (Operations) as nodal contact for LT consumers.

Clause 6.6: Prevent compulsory transformer augmentation at consumer cost for loads up to 70 kW.

Clause 6.8: Extend payment window from 15 days to 30 days.

Clause 6.12: Provide for online filing of Work Completion reports (Form IV) & Synchronization reports (Form V), facilitate hassle free and paper free work and ensure synchronization within 15 days.

Clause 7.7: Permit operation of solar with Diesel Generators (DG sets) using PV-DG Controllers or Reverse Power Relay (RPR) during grid outage.

Clause 8.1.3 & 8.1.8: Retain existing carry-forward mechanism for 6 months, settle at Average Pooled Power Purchase Cost (APPC), and net off minimum charges/demand charges against credits. Provide for refund within 30 days' timeframe for surplus credit.

Clause 10.1: Discoms must provide AMI-compliant meters; consumers may provide RS-485/GPRS communication.

Annexure 7: Request that energy accounting reports be made available to consumers online on a monthly basis for full transparency.

Conclusion & Prayer

In view of the above, we respectfully urge the Commission to review and revise the draft regulation, incorporating the above suggestions to make renewable energy adoption truly viable, competitive, and industry-friendly. These changes will ensure a level playing field for Telangana industries, improve rooftop solar penetration, and help achieve the State's renewable energy targets. This will position Telangana as a **national benchmark** for renewable energy adoption, attract sustained investments, create high-quality jobs, and significantly boost the state's economic and fiscal health.

FTCCI remains committed to collaborating with TGERC to ensure a fair, sustainable, and forward-looking regulatory framework.

Thanking you,

Yours sincerely,

For the Federation of Telangana Chambers of Commerce and Industry (FTCCI)



T. Sujatha
Sr. Director