To
The Secretary
Telangana Electricity Regulatory Commission
Sy.No.145-P, Vidyut Niyantran Bhavan
Kalyan Nagar, GTS Colony, Hyderabad **September 5, 2025**

Respected sir,

Sub : Submissions on DRAFT ROOFTOP SOLAR PV GRID INTERACTIVE SYSTEMS REGULATION, 2025 issued by the Hon'ble Commission

In response to the public notice dated 14.8.2025, we are submitting the following preliminary points on the subject draft for the consideration of the Hon'ble Commission:

1. **It is gratifying to note that the subject draft, on a quick reading, seems to be refreshingly balanced, contrary to the earlier regulations. Pre-occupied with study and preparation of submissions in other petitions on which both TGERC and APERC have invited objections and suggestions from interested people, and having gone through the subject draft yesterday, we request the Hon'ble Commission to extend time for filing submissions in the subject issue by ten days. We also request the Hon'ble Commission to hold public hearings on the subject issue, after getting submissions received posted in its website. It would facilitate study of various points of view and implications of the subject draft. We are submitting some preliminary points for the consideration of the Hon'ble Commission hereunder:**

2. **In principle, encouraging rooftop solar power panels is welcome. However, problems the DISCOMs would face and impact on tariffs to be determined for other consumers, who do not or cannot opt for solar rooftop installations, during transitional period need to be considered, while determining the maximum capacity to be allowed under rooftop solar.**

3. **The purpose of allowing and encouraging rooftop solar power, basically, is to reduce the tariff burden on the consumers, not for sale of their surplus power, if any, which is and should be incidental, besides getting the social benefit of protecting environment proportionately vis a vis pollution. In the draft, the Hon'ble Commission has taken care of this factor.**

4. **Without battery energy storage system, that rooftop solar power cannot meet demand of the consumers concerned throughout the day, especially during peak hours, is obvious. In other words, they have to invariably depend on the DISCOMs for supply of additional power during non-solar hours. Adopting BESS would not be economical and sustainable as of now. Therefore, adopting BESS should be left to the discretion of the consumers and not made mandatory.**

5. **While domestic consumption of power, as well as by offices and instrumentalities of the government and local bodies, is an end in itself, cost of consumption of power by**

industrial and commercial consumers can be recovered through appropriate pricing of their products and services. Therefore, for domestic consumers, government and local bodies, installation of solar power panels equivalent to their contracted demand may be permitted. For HT industries and commercial consumers, restricting capacity of solar power panels to fifty percent of their contracted/sanctioned load may be desirable. A part of solar power generated may become surplus for industrial and commercial consumers and that can be adjusted for power they draw from the DISCOMs during non-solar hours, and that way, too, their tariff burden would come down proportionately. The option of open access power is also open to them.

6. **The DISCOMs have mandatory obligations for purchase of power under PPAs in force and minimum purchase of renewable power under renewable power purchase obligation (RPPO) order in force. As such, proportionate to increase in rooftop solar power, with proportionate reduction of their demand, surplus power available to the DISCOMs would increase, leading to backing down of additional power and paying fixed costs therefor. It would enhance imposition of avoidable burden in the form of tariffs and FSA on the consumers at large, and/or need for increase in subsidy from the government, or both. Hence, a gradualistic approach for encouraging rooftop solar power is desirable. In any case, smaller consumers, as well as consumers getting free or subsidised supply of power from the DISCOMs, cannot afford, or may not need, rooftop solar power, unless the government arranges the same at its cost, fully or partly.**

7. **In the subject draft, the Hon'ble Commission has stipulated a number of measures for interconnection with the distribution network/grid standards and safety. For installation of solar rooftop power panels already done, such consumers may be exempted from these conditions stipulated by the Commission, as it would be cumbersome and expensive.**

8. **The Hon'ble Commission has stipulated in the subject draft that "**if the quantum of electricity units exported exceeds the quantum imported during the Billing Period, the excess quantum of electricity units shall be settled at the rate equal to the lowest tariff rate discovered in the solar bidding or as per the agreements viz., PPAs/PSAs/PUAs entered by TGDiscoms, as the case may be, in the preceding Financial Year. In case no rate is discovered in the preceding financial year, the lowest tariff rate discovered or as per the agreements viz., PPAs/PSAs/PUAs entered by TGDiscoms in the latest previous Financial Year shall be considered. The amount so arrived shall be either adjusted in the next month electricity bill or deposited in the bank account of the eligible consumer/prosumer furnished to the licensee at the time of filing of the application.; Provided that the settlement rate as mentioned above shall be notified by the Commission from time to time every year." **TGDISCOMs have entered into long-term PPAs with developers of solar power through mutual understanding, not through real competitive biddings. Compared to tariffs for solar power discovered through competitive biddings in the country, the tariffs in the PPAs the DISCOMs had with developers of solar power are higher. What are the lowest tariffs for solar power the TGDISCOMs have been paying during the last and current financial years under PPAs in force? If the tariffs for solar power**

being paid by TGDISCOMs are not discovered through real competitive biddings, but higher compared to tariffs discovered through real competitive biddings in the country during the same period, paying such higher tariffs for surplus rooftop solar power exported to the DISCOMs would be detrimental to their interest and of their non-rooftop solar consumers. Therefore, we request the Hon'ble Commission to take into account the lowest tariff for solar power discovered through real competitive biddings in the country during the preceding year, if TGDISCOMs do not have tariff for solar power discovered through real competitive biddings. Keeping variations in conditions for generation of solar power in different regions, the Hon'ble Commission may add a small margin, say, ten percent, to the tariff for solar power discovered through real competitive biddings, to be paid for export of surplus rooftop solar power to the DISCOMs. The proposal of the Hon'ble Commission to determine the tariff for such surplus solar power annually is in the right direction. Average cost of power purchase or average cost of NCE and/or RE should not be the basis for determining tariff to be paid for surplus rooftop solar power exported to the DISCOMs by the consumers.

9. **The Hon'ble Commission has stipulated in the subject draft that** "the quantum of electricity consumed by an Eligible Consumer from the Rooftop Solar PV System under Net Metering, Group Net Metering arrangement, Gross Metering and Virtual Net Metering Arrangement shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the Distribution Licensee/Obligated Entity: of Provided that in cases Solar Generation meter is installed as per provisions CEA (Installation and Operation of Meters) qualify Regulations,2006 as amended from time to time, and such meter is read by Distribution Licensee, the quantum of energy generated as a whole shall towards Licensee/Obligated Entity." **This stipulation is in the right direction. However, for the existing rooftop solar power panels, instead of provisions of CEA, it may be sufficient to stipulate that the meter installed is read by the DISCOM to consider that quantum of solar power for the purpose of the DISCOM meeting its obligations under RPPO.**

10. **The Hon'ble Commission has stipulated in the subject draft that** "in case of failure to meet the timelines prescribed under these Regulations, the Distribution Licensee shall be liable to pay compensation to the consumer as per the provisions of TSERC (Licensees' Standards of Performance) Regulation, 2016 as amended from time to time." **It is a welcome stipulation and, if implemented strictly, it would protect interest of the consumers.**

11. **The Hon'ble Commission has proposed in the subject drat that** "all incentives or subsidy provided by the Government of India through the Ministry of New and Renewable Energy (MNRE) under the National Solar Mission or other schemes and any incentive or subsidy provided by the Government of Telangana state from time to time shall belong to the eligible consumer or on authorisation of the eligible consumer to the vendor of the Rooftop Solar PV system and can be claimed after installation of the Rooftop Solar PV system from the State Nodal Agency. 12.2. An eligible consumer or a vendor of the Rooftop Solar PV system on authorisation from an eligible consumer shall produce the latest bills for two months raised by a Distribution Licensee for the release of the subsidy

or incentive. These bills shall be counter signed by the concerned Divisional Engineer of the Licensee and the District Manager of the State Nodal Agency. The Nodal Agency shall make the payment of subsidy or incentive within thirty (30) working days of the receipt of claim of subsidy / incentive." **Vendors we have talked to are saying that the incentive for rooftop solar power would not come and even if it comes, it would not benefit the consumer. The implication is that, when there is a condition imposed for payment of the said incentive that solar panels be purchased from vendors identified or authorised by the GoI, the incentive amount would go to purchase solar panels from them at higher prices compared to prices at which the same can be purchased from other companies, including imported panels. This kind of arrangement is forcing consumers to opt for purchase of relatively cheaper solar panels, etc., from whichever source they are available, thereby foregoing incentive from the GoI. We request the Hon'ble Commission to examine and decide whether consumers are eligible for incentive from the government for installation of their rooftop solar panels irrespective of the source from which they purchase the same. It may be noted that MNRE is not giving the subsidy it has provided to rooftop solar power in its statements and replies given in the Parliament, while giving details of rooftop solar power panels installed by consumers in the country. The Hon'ble Commission has rightly stipulated that** "the Nodal Agency shall make the payment of subsidy or incentive within thirty (30) working days of the receipt of claim of subsidy / incentive."

12. **The stipulation in the subject draft that** "the Eligible Consumer shall retain the entire proceeds of CDM benefits in the first year after the date of commercial operation of the generating station. In the second year, the share of the Distribution Licensees shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, where after, the proceeds shall be shared in equal proportion by the Eligible Consumer and the Distribution Licensees" **is balanced and welcome.**

13. **The Hon'ble Commission has stipulated that** "the Distribution Licensee, prosumer and consumers shall enter into a Net Metering, Group Net Metering, Gross Metering or Virtual Net Metering Solar Rooftop Connection Agreement, as the case may be, after approval of connectivity of the Rooftop solar PV system with the Distribution Network of the Distribution Licensee but before the start of actual generation from the System." **We request the Hon'ble Commission to direct that the distribution licensee shall sign and give a copy of the agreement signed by the consumer and authorised officer of the DISCOM, instead of a copy signed only by the consumer, to the consumer/prosumer before the start of actual generation from the system.**

14. **We request the Hon'ble Commission to permit us to make further submissions by extending the last date for making submissions as requested above. Now that the Hon'ble Commission has postponed the date of public hearing to 23.9.2025 on the subject issue, the last date for filing submissions may be extended appropriately.**

15. **We request the Hon'ble Commission to provide us an opportunity to make further submissions before and during public hearing, after studying the subject draft further**

and submissions of the DISCOMs, interested persons and entities posted in its website.

Thanking you,

Yours sincerely,

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