



Power Foundation of India

(An autonomous Society under the Ministry of Power, Govt of India)

Dated: 19th July 2024

To,

The Secretary

Delhi Electricity Regulatory Commission
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar, New Delhi-110017

Subject: Comments / Suggestions on Draft *DERC (Net Metering for Renewable Energy) (First Amendment) Regulations, 2024*

Ref: DERC Public Notice dated 2nd July, 2024

Dear Sir,

With reference to your above-mentioned Public Notice, Power Foundation of India, a Think-Tank and Policy Advocacy body working as a society under the aegis of Ministry of Power (GoI), led by Director General Shri Sanjiv Nandan Sahai (Former Secretary in MoP (GoI)), has analysed *Draft DERC (Net Metering for Renewable Energy) (First Amendment) Regulations, 2024*.

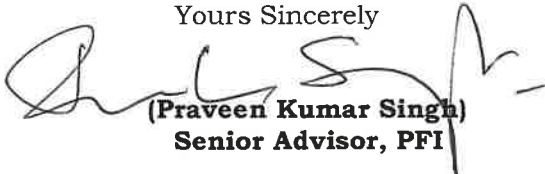
- 2) It is noted that DERC in its Guidelines issued under *DERC (Net Metering for Renewable Energy) Regulations, 2014* has specified moderation of units for Time of day (ToD) consumers. This moderation of Energy generated is discouraging for consumers. This energy assists DISCOMs to meet its demand with low-cost Renewable Energy embedded in their network which otherwise have to be procured at very high rate from Power Exchanges. Consumer has invested CAPEX for installation of Roof Top Solar and moderation of its units even during Peak and Normal hours is against the consumer. Therefore, moderation of units should be deleted from Guidelines issued under *DERC (Net Metering for Renewable Energy) Regulations, 2014* and *DERC (VNM-GNM) Guidelines 2019*.
- 3) Our detailed comments/suggestions on the said draft Regulations are enclosed herewith for your consideration as Annexure-I which have also been emailed to secyderc@nic.in.

Warm Regards,

encl: Annexure - I

Copy to: The Chairperson, DERC

Yours Sincerely



(Praveen Kumar Singh)
Senior Advisor, PFI

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Comments/Suggestions from Power Foundation of India (PFI) on DERC (Net Metering for Renewable Energy) (First Amendment) Regulations, 2024

- 1) PFI is a Policy Research and Advocacy entity, a registered society under the aegis of the Ministry of Power, Government of India, and supported by twelve leading Central Power Sector Organisations, to undertake evidence-based policy research and facilitate informed decision making by the Regulators, Ministry and stakeholders concerned with the Power Sector. It is led by Director General Shri Sanjiv Nandan Sahai (Former Secretary in Ministry of Power, Government of India).
- 2) Delhi Electricity Regulatory Commission (DERC) has sought comments / suggestions from various stakeholders on draft *DERC (Net Metering for Renewable Energy) (First Amendment) Regulations, 2024*.
- 3) PFI has reviewed and analysed the said draft Regulations and welcomes the initiative of alignment of the *DERC Net Metering Regulations 2014* with one of the provisions of Ministry of Power (GoI) *Electricity (Rights of Consumer) Amendment Rules 2024* (Annexure-1a) for exemption of Renewable Energy System up to 10 kW from Technical Feasibility studies.
- 4) As sought, the comments / suggestions of PFI on the said draft Regulations are as follows:

A. Draft Regulation 2- "Proposed addition in Regulation 5 (3) of Principal Regulations:"

"Provided that the Technical feasibility of Renewable Energy System upto 10 kW is exempted from technical feasibility studies and any commensurate enhancement of Sanctioned Load of the consumer, as may be required, shall be carried out by Distribution Licensee.

Provided further that any upgradation in Distribution Infrastructure including DT capacity to facilitate the installation of Renewable Energy System upto 10 kW shall be carried out by Distribution Licensee and shall be allowed as pass through in Aggregate Revenue Requirement (ARR) subject to prudence check by the Commission.

Provided also that Technical feasibility of Renewable Energy System above 10 kW shall be completed by Distribution Licensee within fifteen (15) days from the date of receipt of application complete in all aspects."

- a) Regulation 5(3) of *DERC (Net Metering) Regulations 2014* has 3 sub clauses, it is not clear where in the draft Regulations the new provisions will be added. The referencing of draft Regulation is extremely essential in order to avoid any ambiguity in interpretation of these Regulations.



- b) Further, “DT” is not defined but has been used in the draft Regulations. Use of such abbreviations without definition leads to ambiguity in the interpretation of the Regulations. All such abbreviations to be defined before their usage in the Regulations, as Regulations are legally enforceable and any abbreviation / short form should be clearly defined before their usage.
- c) DERC in its Guidelines issued under *DERC (Net Metering for Renewable Energy) Regulations, 2014* has specified moderation of units for ToD consumers, as follows:

“(2) Time of Day Tariff Consumers

The electricity consumption in any time block (e.g., peak hours, off-peak hours, etc.) shall be first compensated with the electricity generation in the similar time blocks in the same billing cycle. For the purpose of carry forward of surplus or set off of energy credits, the energy units shall be moderated as per the relevant rebate/surcharge percentage of ToD tariff applicable for the relevant year. Any surplus generation over consumption in any time block in a billing cycle shall be accounted as if the surplus generation/ Energy Credits occurred during the off-peak time block...”

- d) This moderation of Energy generated in Peak and Normal hours is discouraging for consumers. This energy assists DISCOMs to meet its demand with low-cost Renewable Energy embedded in their network which otherwise have to be procured at very high rate from Power Exchanges. Consumer has invested CAPEX for installation of Roof Top Solar and moderation of its units even during Peak and Normal hours is against the consumer. **Therefore, moderation of units should be deleted from Guidelines issued under *DERC (Net Metering for Renewable Energy) Regulations, 2014* and *VNM-GNM Guidelines 2019*.**

B. Conclusion

- a) The Government of India has ambitious goal to significantly increase the share of Renewable Energy, accordingly it has undertaken several initiatives to promote Renewable Energy which reflect India’s commitment to achieving its Renewable Energy targets. It will reduce Greenhouse Gas emissions and assist in faster transition towards a more Sustainable and Cleaner energy future. The Union Minister for New & Renewable Energy and Power has informed that the Government has set a target of achieving 500 GW of installed capacity from RE by 2030, in line with the Hon’ble Prime Minister’s announcement at COP-26.
- b) Delhi, being National Capital, has very limited or no land resource available to develop Renewable Energy Projects. Only possible way to increase the Renewable Energy penetration in the grid is through Roof Top Solar. Hence promotional measures are required to develop the



Roof top Solar projects in Delhi which will also enable obligated entities to meet Distributed Renewable Energy targets as stipulated by MoP in its notification dtd. 20/10/2023.

- c) Injection of more Green Energy as embedded in Delhi DISCOMs Grid will be beneficial to all consumers even to those who do not install Net Meter. Such consumer will be benefited through optimised Power Purchase Cost of DISCOMs, wherein during the peak period the DISCOMs reliance on costly short-term purchase through Exchange gets offset through surplus generation by Roof Top Solar PV.
- d) **In view of above, it is suggested that there should not be moderation of Surplus Energy in Peak and Normal Hours in Net Metering, VNM & GNM arrangement and accordingly DERC Net Metering Guidelines 2014 and VNM-GNM Guidelines 2019 be amended.**
