

S/03/1

Date 19.09.2018

## Discussion Paper on

### **“Revision of tariff in respect of new Solar Rooftop Photovoltaic Units of 1kW to 10kW capacity installed by domestic consumers”.**

1. The Karnataka Electricity Regulatory Commission (KERC), in exercise of the enabling powers conferred under the Electricity Act, 2003 and provisions of the National Electricity Policy, 2005 and Tariff Policy, 2016 issues this discussion paper proposing revision of tariff in respect of new Solar Rooftop Photovoltaic Units of 1 kW to 10 kW capacity installed by domestic consumers.
2. As per the revised the National Solar Mission targets to be achieved by the year 2021-22, totally 40,000 MW of Rooftop solar projects are to be deployed in the country.
3. The Government of Karnataka under its Solar Policy 2014-21 has set a target of 2400 MW for grid connected roof top generation projects to be achieved by March 2021.
4. The Commission, by its Orders issued from time to time, has been determining/revising the tariff for the grid connected ground mounted solar photovoltaic and rooftop solar photovoltaic plants based on the market developments and change in capital costs. Accordingly the Commission in its Order dated 18.05.2018, has determined a levlised tariff of Rs 3.56 for all the Solar Rooftop Photovoltaic Plants (SRTPV Plants) for the life of the projects, i.e. for 25 years.
5. The Commission notes that as on 31.08.2018, the State has an installed Solar Power Generation capacity of 5179 MW in both Grid Connected ground mounted solar photovoltaic and rooftop solar photovoltaic plants. The investment in solar rooftop installations has not been encouraging as could be

seen from the fact that, out of this SRTPV plants /units of only 145 MW capacity have been installed and commissioned. Further, bulk of these projects pertain to MW scale rooftop projects indicating that smaller consumers have not shown much interest in installing SRTPV units, even though the potential for installation of small capacity SRTPV units especially by domestic consumers is substantial and their installation benefits both the consumers and the distribution licensees. The Commission also notes that the domestic consumers have actively supported the State Government's initiative on installation of solar water heaters.

6. It is considered that one of the reasons for the poor response for installation of rooftop solar photovoltaic plants by the domestic consumers may be the low Feed In Tariff (FIT) fixed by the Commission as compared to the relatively higher capital cost of smaller capacity SRTPV units. Hence, the Commission is of the considered view that there is a need to promote smaller capacity solar rooftop power plants by the domestic consumers in order to achieve the desired capacity addition of SRTPV plants in the State.
7. Accordingly, the Commission proposes to re-determine the feed in tariff for Small Capacity (1 to 10 kW) SRTPV projects.
8. In view of the above, the Commission hereby invites suggestions/comments/ views of the stakeholders and the general public on the following issues:
  - a. The normative parameters that could be adopted for determination of tariff for smaller capacity SRTPV plants
  - b. Any other modification/change in the operational procedures that could be adopted for encouraging SRTPV installations.
  - c. Any other issue considered relevant.

**The Commission requests all stakeholders and the general public to furnish their views/suggestions/comments before 17.10.2018 to the Secretary, KERC, No.16, C-1,Miller Tank Bed Area, Vasanthanagar, Bengaluru-560052. The stakeholders are also requested to furnish any documents or material as may be available in support of their proposals / views.**

**Sd/-  
SECRETARY  
KERC**