



# Creating enabling ecosystem for rooftop solar

Current policies, incentives and innovative mechanisms

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IEA-CEEW-MNRE Workshop

12 October 2020

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# Rooftop solar journey



**52%**

## Industrial sector

Large unutilised roof areas, higher electricity consumption and grid tariff are driving the demand in the sector



**35%**

## Commercial and public sector

Higher electricity tariff and RESCO model make rooftop solar an attractive option for commercial consumers



**13%**

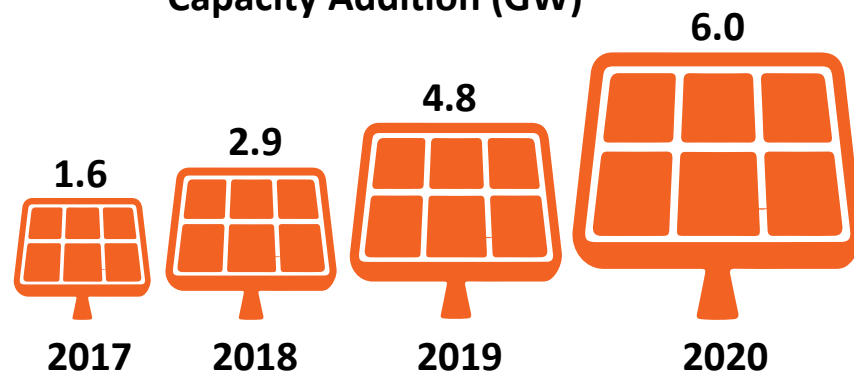
## Residential sector

Lack of consumer awareness, roof ownership and high upfront cost are some of the key impediments

**Sharing cost and benefit of rooftop solar equitably**

**Innovative business models for accelerated growth**

## Capacity Addition (GW)



**Favourable policy and regulatory ecosystem**

**Incentive schemes for early adopters**

**Consumer awareness**

**Industry innovations**

# Equitable sharing of cost and benefits

## Generation

- Avoided generation capacity cost (AGCC)
- Avoided power purchase cost (APPC)

## Transmission

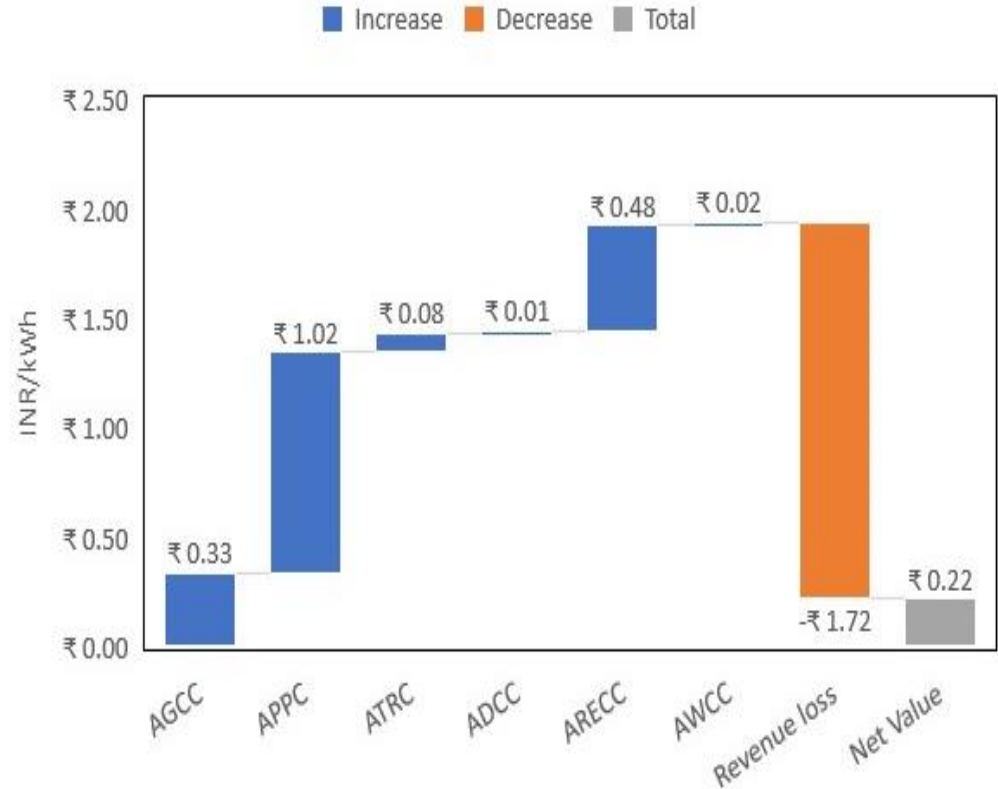
- Avoided transmission charges (ATRC)

## Distribution

- Avoided distribution capacity infrastructure and related O&M cost (ADCC)

## Externalities

- Avoided renewable energy certificate cost (ARECC)
- Reduced working capital (AWCC)



- Revenue loss
- Added transmission and distribution services cost

**Current Net-metering or Gross-metering regulations benefit either the consumers or the Discom**

# Innovative business models for accelerated growth

**High upfront capital**

**Lack of access to affordable financing**

**Lack of knowledge about trustworthy vendors**

**Small and distributed systems**

**Lack of awareness**

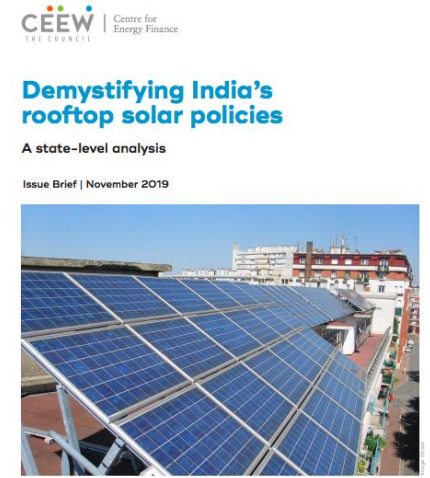
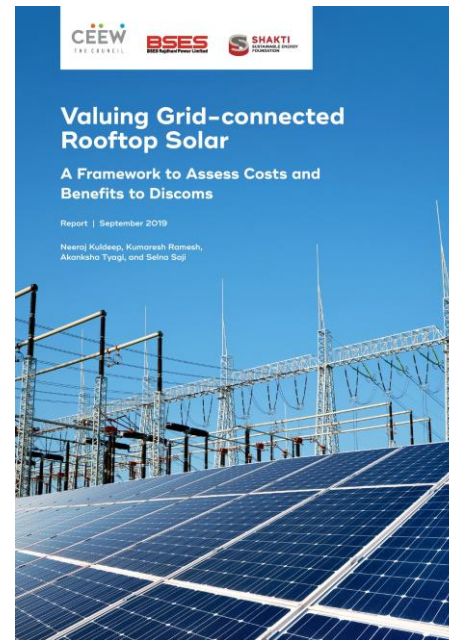
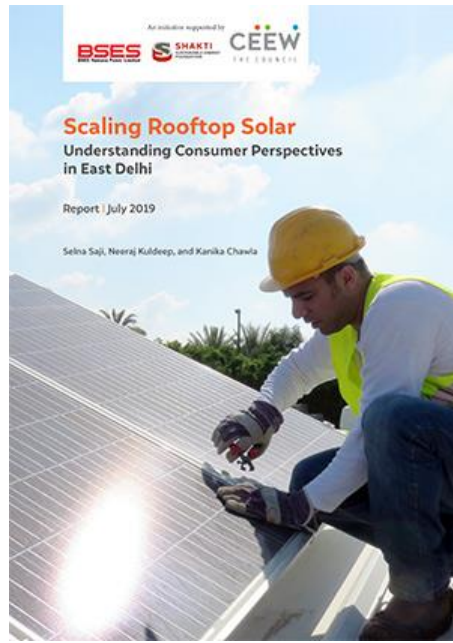
**Lack of access to suitable roof spaces**

**Community Solar for multi-story buildings**

**On-bill Finance**

**Solar Partners model**

**Rural community feeder model**



**About rooftop metering arrangement**

In accordance with the Electricity Act, 2003, every state in India has come up with a net metering policy or a rooftop solar policy which dictates the modalities of installing a grid-connected rooftop solar (RTS) or a small solar power plant in the given state. These policies determine how consumers are compensated for the electricity produced by their solar system. Currently, the metering arrangement can be either net or gross or both. So far, 19 states offer both net metering and gross metering (subject to conditions) while 17 states permit only net metering. This document aims to serve as an easy-to-use guide for consumers, developers, and investors in the RTS sector. It shares macro insights on state policies and provides comparisons between states on key parameters for installing RTS systems.

**Thank you**  
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