

# POWER SECTOR



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## What Should Be Done to Promote Net Metering across India?

**Net metering not only offers multiple benefits to the premises owner but also shows one step forward towards making a difference in the environment. The continued support from state bodies and improved grid reliability is therefore utmost for the widespread adoption of industrial solar systems under net metering in India.**

India plans to achieve the capacity of about 500 GW renewable potential by 2030, but, the most crucial challenge being faced in the Indian electricity power sector is the shortage of coal resources as it comes under non-renewable energy resources, which is causing huge losses to the private companies in generating the power and energy. Due to the evident shortage occurring of non-renewable resources, the electricity production significantly seems low generated, which is leading towards financial stress of the private organisations.

Amidst heated arguments over the power energy supply subject, as per the reports, the government has assured that, “each state will have 100% household electrification”. To achieve this target government is taking concrete steps and focusing more towards renewable energies to produce the electricity.

Net Metering is one of the concepts introduced by the government to generate



power/ electricity by renewable resources. As per the Ministry of Power, in June 2020 they have introduced the new net metering policy in India stating the new rules to permit net metering for rooftop solar installation. The amendment rules in the Electricity (Rights of Consumers) 2021, permits up to 500 KiloWatts or up

to the sanctioned load, whichever is lower and gross metering for loads over 500 kW.

Net- Metering allows residential as well as commercial buildings/customers to generate their electricity from renewable energy resources. Net metering is con-

sidered the most effective and efficient system of electricity as the procedure is a benefit for the owner of the premises as well as for the environment. It gives the owner the advantage of generating its electricity which will lead to fewer electricity bills, preserve natural energy resources and encourage people to increase their usage towards renewable energy resources.

In India, states like Tamil Nadu, Rajasthan, Uttar Pradesh, Karnataka and Gujarat have already established the concept of Net Metering in their states and recently Maharashtra has also signalled to join the proposal of the concept of net metering. As per reports, these six states together constitute 55% of installed rooftop solar capacity in India.

As per the new net metering norms issued by the Ministry of Power following benefits are being given to the proprietor either residential/commercial who are ready to install the rooftop net metering. Like:

**1. Short Payback period:** To get back an accurate payback period, factors like location, consumption of electricity, size of the meters that have been installed, quality, cost all such factors are all important. The more exposed area of sunlight higher will be the solar energy produced. The central and state government offers subsidy schemes to the people for installing rooftop systems. The Central government pays 30% subsidies to states in the general category.

**2. The asset value increases:** The value of the premises increases as it gives the attractiveness of the property of having installed rooftop net metering as it seeks the attention of the buyer and attracts them on lower electricity cost, subsidiary by the government as well as sustainable development point of view. Therefore, the potential buyer looks after all these factors and the value of the premises increases automatically.

**3. Savings:** The most important aspect for the commercial owner to install rooftop net metering is it proving them numerous reasons of saving factors like Reduced electricity bills as the electricity is being generated in its premises and if excess of the electricity is being generated it can be stored in the grids and can be taken back if needed. Other than less electricity bills the owner will be getting subsidiaries from both central as well as state government, the net metering helps in avoiding fluctuation of the electricity or increase in the electricity tariff.

The new net metering policy introduced by the government has also adopted the method of gross meter policy in which the state generates an excess of the solar power energy and export it to Discoms they will be getting approx. Rs 2-3 per unit.

The government is also increasing the initiative towards sustainable development as it encourages the people explaining them the benefit of the environment and increase their awareness towards renewable energy.

Most developed countries have adopted the concept of net metering, whereas in India the concept is garnering huge responsiveness across states and sole proprietors. Central government in tandem with state governments are also providing additional benefits to adopt the net metering concept. Net metering not only offers multiple benefits to the premises owner but also shows one step forward towards making a difference in the environment. The continued support from state bodies and improved grid reliability is therefore utmost for the widespread adoption of industrial solar systems under net metering in India.

The government is taking lots of initiative to increase the awareness related to renewable energy resources and how the other ways electricity can be produced via renewable resources, but as per the current scenario, it is believed that new metering is the next phase for self-sufficiency while lowering the dependency on natural fossil fuels.

Apart from the government making huge efforts towards generating energy via renewable resources, it is also important to examine the procedure from the starting process of installation of the net meters till the meters are functional. For that the government needs to ensure the net metering concept is adapted effortlessly, the right infrastructure is established and most importantly the process of installation should be handled by the accountable organisations.