

Brief Note on DERC (Net Metering For Renewable Energy) Regulations, 2014

1. Net Metering – The Need

There is a need to promote Renewable Energy technologies as per EA, 2003, National Action Plan on Climate Change, National Tariff and Electricity Policy and various other schemes of government. DERC (Net Metering for Renewable Energy) Regulations, 2014, is a step forward in this direction to create regulatory environment conducive to promote Renewable energy, which should create sustainable environment, encourage emission free technologies & also be end user friendly for their active participation in distributed generation from Renewable Energy sources.

2. The Scheme

The Scheme will allow the Consumer to:

- Install, either by himself or through a third party, a Renewable Energy System for connectivity with the power supply system of Distribution Company in the area.
- Inject surplus energy, if any, in to the grid, and carry it forward as energy credits, which he can subsequently draw back within the financial year.
- Provide compensation for surplus energy, which the consumer is unable to draw back within the financial year.
- No Wheeling, Cross Subsidy Surcharge & other charges for the time being

3. Benefits to the participating Consumer

- Besides Subsidy @ 30% of the capital cost presently being provided by MNRE, the Renewable Energy System Installed under this scheme will be grid connected, whereby cost of storage Battery can also be avoided to make it affordable.
- Energy generated from such Renewable Energy sources will :
 - Not attract PPAC charges.
 - Be insulated from some of the escalation factors resulting in Stability on Energy charges.

4. Overall Benefits

Utility	Participants Consumers	Other Consumers
RPO		
No loss/benefit	Benefited up to the units imported from Grid	Benefited as avoided RPO cost
Distribution Loss		
Benefited by reduction in Distribution losses to meet target	Benefited up to the units imported from Grid.	Saving due to reduced distribution losses
Transmission Loss		
No loss/benefit	Benefited up to the units imported from Grid.	Saving due to reduced transmission losses
Energy Security		
No input fuel cost & sustainable energy source		
Reliance on Grid		
Onsite generation reduces the dependence on grid during grid failure and helps in Islanding Scheme		