

How Gross Metering Is Killing Solar Rooftop Segment

The government of India is targeting to install 175 GW of renewable energy by 2022, out of which for rooftop solar projects is 40GW. Currently if we see, rooftop solar installations across the country is at more or less close to 4GW.

In all these comes the new policy of NET METERING or NET BILLING in few states.

Under this arrangement, the consumer(Industry) supplies solar generated power to the grid at a fixed grid tariff (depending upon state wise tariff) while the consumer draws power from the grid at a higher tariff as compared to the tariff it is supplying to grid, by which the state-run DISCOMs are at better financials over the consumer(Industry). UP, Andhra, Karnataka and new addition of Maharashtra are few states which have introduced this policy resulting in no new rooftop solar projects are coming up there and developers are not interested in operating in that market.

Rooftop solar projects have clear benefits over other forms of power generation, in terms of land use, and transmission losses and most importantly banking of unused units. However, without net metering, many such rooftop solar projects would not be financially viable.

The Indian solar energy industry is in a developing stage and is dependent on MNRE and state Policies for adaption. Every day a new energy startups coming into play and this will make a complete switch to clean energy in the next ten years as per industry expectations. In that case, government's suggestion to switch from net metering to net billing can act as a dampener for a continuous growth in the sector, as this will refrain commercial and industrial sector to opt for Solar Power.