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**News:** PM Surya Ghar—Muft Bijli Yojana

- Recently, the Ministry of New and Renewable Energy has come up with draft guidelines for the central financial assistance and payment security mechanism for the PM Surya Ghar—Muft Bijli Yojana.

**Key Highlights of the Draft guidelines published**

- **Models:** The draft guidelines have been issued under the renewable energy services company (RESCO) model and utility led asset (ULA) model of the rooftop solar scheme—‘PM Surya Ghar—Muft Bijli Yojana’.
- **Renewable Energy Services Company (RESCO) Model:** RESCO develops and owns the rooftop solar system installed on the consumer’s rooftop for at least five years.
- The RESCO also makes all the operational expenditures required for the maintenance of the plant, as needed.
- Customers pay the RESCO for the electricity generated and receive net metering benefits on their electricity bill.

- The **RESCO** may enter into an arrangement with a distribution company (discom) for the sale of generated power to the grid under a power purchase agreement.
- **Utility led Asset (ULA) Model:** Under it, a state discom owns the rooftop solar systems for the project period of at least of five years, after which the ownership is transferred to the household.

### **Eligibility for Central Financial Assistance (CFA)**

- Grid-connected rooftop solar systems on residential properties, including roofs, terraces, balconies, and elevated structures.
- Installations under metering mechanisms such as group net metering and virtual net metering.
- **Exclusions:** Households with pre-existing rooftop solar systems are not eligible under the RESCO and ULA models for the PM Surya Ghar scheme.
- **Payment Security Mechanism:** An Rs 100 crore corpus will be established to ensure payment security, managed by a national program implementation agency.
- The creation of a payment security corpus ensures financial stability and security for the solar projects.

# PM-Surya Ghar Muft Bijli Yojna (Prime Minister's Rooftop Solar: Free Electricity Scheme)

- PM-Surya Ghar Muft Bijli Yojna (Prime Minister's Rooftop Solar: Free Electricity Scheme) was recently launched by the **Ministry of New and Renewable Energy (MNRE)** aiming to provide free electricity up to 300 units to households in India.
- Under the scheme, households will be provided with a subsidy to install solar panelson their roofs.
- The subsidy will cover up 60% of system cost to 2kW systems and 40% of system cost of systems between 2 & 3 kW of solar panels.
- The CFA will be capped at 3 kW. At current benchmark prices, this will mean Rs 30,000 subsidy for 1 kW system, Rs 60,000 for 2 kW systems, and Rs 78,000 for 3 kW systems or higher.
- The scheme is expected to benefit 1 crore households across India.
- It is estimated that the scheme will save the government Rs. 75,000 crore per year in electricity costs.
- The scheme has an outlay of Rs 75,021 crore and is to be implemented till FY 2026-27.

## Eligibility

- The household must be an Indian citizen.
- The household must own a house with a roof that is suitable for installing solar panels.
- The household must have a valid electricity connection.
- The household must not have availed any other subsidy for solar panels.
- The households will apply for subsidy through the National Portal and will be able to select a suitable vendor for installing rooftop solar.
- The National Portal will assist the households in their decision-making process by providing relevant information such as appropriate system sizes, benefits calculators, vendor ratings, etc.
- Under the scheme, DISCOMs are designated as State Implementation Agencies (SIAs) responsible for facilitating various measures, including net meter availability, timely inspection, and commissioning of installations.
- DISCOMs will receive incentives based on their achievement in the installation of additional grid-connected rooftop solar capacity beyond a baseline level.
- The total financial outlay for the 'Incentives to DISCOMs' component is Rs 4,950 crore.

## Impact

- Through PM-Surya Ghar Muft Bijli Yojana, the households will be able to save electricity bills as well as earn additional income through the sale of surplus power to DISCOMs.
- A 3-kW system will be able to generate more than 300 units a month on average for a household.
- The proposed scheme will result in the addition of 30 GW of solar capacity through rooftop solar in the residential sector, generating 1000 BUs of electricity and resulting in a reduction of 720 million tonnes of CO<sub>2</sub> equivalent emissions over the 25-year lifetime of rooftop systems.
- It is estimated that the scheme will create around 17 lakh direct jobs in manufacturing, logistics, supply chain, sales, installation, O&M, and other services.