

**SOPs FOR APPROVAL/ INSTALLATION OF NET-METERING APPLICATION/
CONNECTION/ SYSTEM**

1. The detailed information regarding no. of feeders in a DISCO showing load recorded on the feeder, size of conductor, CT ratio including current carrying capacity of the feeder shall be displayed on DISCO website.

(BY ALL DISCOs within one week)

2. Net metering will be approved by each DISCO strictly on **first come first serve basis**. The que of applicant's particulars shall be displayed date-wise on DISCO's website.

(BY ALL DISCOs within one week)

3. Total net-metering capacity already connected to a feeder and further capacity available for addition of net-metering on the that feeder shall be displayed on DISCO's website and regularly updated with each additional application.

(BY ALL DISCOs within one week)

4. AEDB shall short-list qualified/ certified vendors/service providers and give a panel of vendors/ service providers to each DISCO for display on websites of DISCOs and AEDB. The list shall contain full contact details of each vendor/ service provider along with number and power (Watts) of connections/ systems it has successfully provided. The list shall be in descending order on the basis of power (wattage). AEDB shall monitor and ensure that the credentials are correctly displayed on DISCOs' websites.

(BY AEDB within three weeks)

5. Only AEDB approved/ empaneled vendors/service providers shall be eligible for providing net-metering connections upto 250 KW.

(BY ALL DISCOs)

6. The empaneled vendors/service providers shall act as one stop shop from application to energization of net-metering connections upto 250 KW within a period of one month.

(BY AEDB & ALL DISCOs)

7. A dedicated net-metering implementation unit will be established for net metering in every Sub-Division headed by a dedicated SDO in each DISCO. That SDO shall not be transferred before completion of three years other than disciplinary issues or failure to achieve targets. The SDO shall not be engaged in any other function of the DISCO. CEO of the DISCO shall ensure that every Sub-Division has adequate stock of meters, safety and other allied equipment.

(BY ALL DISCOs)

8. The SDO shall be the sole/final approving authority for design and technical feasibility/ report for connections/ systems up to 250 KW and shall be responsible for ensuring compliance to specifications/ requirements laid down by NEPRA regulations and quality standards for solar panels and allied equipment set down by AEDB.

(BY ALL DISCOs)

9. The consumer/ applicant will have free choice of selecting any of the vendors/ service provider approved/ empaneled by AEDB.

10. AEDB shall prepare regulations for enlisting vendors/service providers for the net-metering services. The regulations shall be approved by AEDB Board and include above stated requirements and bound the vendors/service providers to submit a Bank Guarantee of certain amount to safeguard interest of the consumers and the DISCOs and would require that vendors would not violate any requirement.

(BY AEDB)

11. AEDB regulations for enlisting vendors/service providers shall provide timelines from application to energization.

(BY AEDB)

12. AEDB shall train the DISCO SDO and his staff on processing and approving the applications.

(BY AEDB)

13. PEPCO shall prepare and design extensive public information campaign and implement it on its own as well as through DISCOs.

(BY PEPCO)

14. PEPCO shall setup a dedicated net-metering implementation unit for monitoring the progress of all DISCOs.

(BY PEPCO)

PROPOSED CHANGES IN NEPRA (ALTERNATIVE AND RENEWABLE ENERGY)
DISTRIBUTED GENERATION AND NET METERING REGULATIONS, 2015

The Power Division, Ministry of Energy (MoE) desires to promote installation of Distributed Generation Systems on net metering (DG Facilities) in the country. While going through the existing procedure and process for net metering as stated in the NEPRA (Alternative and Renewable Energy) Distributed Generation and Net Metering Regulations, 2015 (“Regulations”) and its practical implementation at consumers’ level, MoE has come to know that there are certain impediments in efficient commissioning of DG Facilities starting from installation till issuance of Generation Licence by NEPRA.

2. MoE has formulated specific and elaborate SOPs and guidelines for improving the whole process in this regard. While the objective is consumer facilitation, focus with reference to safety of the system and distribution grid under NEPRA’s Distribution Code and AEDB’s quality standards shall be duly and adequately addressed and ensured by a dedicated SDO of the DISCO concerned under overall supervision of PEPCO and AEDB. Accordingly, NEPRA may under its statutory authority granted by Section 45 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, amend the Regulations as follows:

a. Exemption of requirement for certificate from Provincial Electric Inspector:

As per **Clause 6 of Schedule I of the Regulations**, the applicants of net-metering connections are required to submit the application along with an inspection certificate by the Provincial Electric Inspector (appointed by Provincial/ State governments under Electricity Act 1910) and allow ten (10) working days to DISCOs for testing and commissioning and five (05) working days for further processing for interconnection. Similarly, **Clause 13 (a) of Schedule II of the Regulations** inquires whether the certificate of the Electric Inspector has been submitted.

It is submitted that the Electrical Inspector is a Provincial/ State government employee and therefore the DISCOs and AEDB, which are the main stakeholders in promoting and facilitating net-metering facility, have no administrative control or oversight over him. Reportedly, the requirement of certification by the Electrical Inspector is causing delays in

processing of the application and is not resulting in a fool proof assurance for the safety of the system/ interconnection. The new SOPs/ guidelines are making the dedicated SDO concerned and an empaneled/ certified vendor/ service provider responsible for adherence to Distribution Code and quality standards of the equipment. This new arrangement will introduce a fool proof assurance of the safety measures and time-efficient processing of the cases since the timeline given to the dedicated SDO and empaneled/ certified vendor/ service provider is one month under new SOPs/ guidelines.

NEPRA may amend the Clause 6 of the Schedule I of the Regulations and Clause 13 (a) of the Schedule II of the Regulations so that **applications for DG Facilities with sizes up to 250 kW are exempted from the requirement of inspection certificate by the Electric Inspector. Certificate from the dedicated SDO and empaneled/ certified vendor/ service provider be considered sufficient for testing, commissioning, interconnection and issuance of Generation Licence to DG Facilities sizes up to 250 kW.** For DG Facilities with sizes above 250 kW, the applicants would be industrial consumers or investors who have adequate resources to go through lengthy procedures, the process as stated in the Regulations may continue as it is, if NEPRA deems appropriate.

b. Term of the Agreement and Generation License:

As per **Clause 7 of the Regulations**, the term of the Agreement to be signed between DISCOs and the applicants/consumers for DG Facilities is three (03) years, extendable for three year periods. Accordingly, NEPRA issues the Generation License to be applicants/consumers for a period of three (03) years. Keeping in view the fact that at current prices of the solar PV systems and electricity tariff rates, the payback period of the DG Facilities (compliant to the A-class international quality standards as specified by AEDB and NEPRA) is not less than seven (07) years, the consumers do not find any incentive to install DG Facilities under an Agreement life and Generation Licence for a period of three years. Financing institutions also not very forthcoming to offer low cost finance for DG Facilities. Therefore, NEPRA may amend the Clause 7 of the Regulations and increase the term of the Agreement and the Generation License from three (03) years

to seven (07) years with provision of automatic renewal for similar terms under certification of the dedicated SDO concerned.

c. Guarantee of tariff for the first term of the Generation Licence:

Given the uncertainty that the tariff for a DG facility may change any time, the consumers and banks are not taking up net-metering systems as was expected despite rich solar resource, benefit of clean energy and riddance from load-shedding. Therefore, the tariff once awarded to a DG Facility shall remain valid for term of the Agreement and the Generation Licence.

d. Time Period for Issuance of Generation License:

The Regulations does not specify any timeline for issuance of Generation Licence by NEPRA after submission of application by or on behalf of the consumers. NEPRA may amend Clause 4(3) of the Regulations and clearly state that NEPRA shall issue the Generation Licence to the consumer within 48 hours of receipt of the application under certification by the dedicated SDO and empaneled/ certified vendor/ service provider that the requirements under the Distribution Code, Regulations and AEDB quality standards are adhered to.

e. Cancellation of AEDB's certification of vendor/service provider/firm/ joint venture

Certification of a vendor/service provider/firm/ joint venture shall be cancelled/ revoked by NEPRA on violation of NEPRA (Alternative and Renewable Energy) Distributed Generation and Net Metering Regulations, 2015 OR violation of AEDB quality standards, defrauding/ cheating a customer/ violation of the contract/ agreement with the customer. The bank guarantee submitted to AEDB will be encashed forthwith and the vendor/service provider/firm/ joint venture shall remain black-listed for two years.

f. Any other ancillary and necessary amendments to effectively compliment the objectives and SOPs circulated by the MoE