

National Electric Power Regulatory Authority

(LEGAL DEPARTMENT)

July 20th, 2018

Subject: **CONSULTATIVE SESSIONS HELD BY NEPRA ON 24-04-2018 REGARDING PROCUREMENT OF ENERGY THROUGH DISTRIBUTED GENERATION**

3. Reference is made to the consultative session held by NEPRA, 24-04-2018, regarding procurement of energy through Distributed Generation by Distribution Companies via net metering. The session was held to deliberate upon the numerous issues relating to the net metering regime under the National Electric Power Regulatory Authority (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015 (**Net Metering Regulations**).

4. The Authority thereafter, in RM 18-333 held in June 2018 reviewed and deliberated the submission and comments of various stakeholders during the consultative sessions, and various amendments to the net metering regime were approved by the Authority.

5. In view thereof, the following amendments to the Net Metering Regulations have been drafted to effectuate the changes approved by the Authority in the above mentioned RM –

S. No.	Existing Regulation	Proposed Regulation
1.	2(1)(d) Definition “Applicable Tariff” means tariff approved by the Authority for the relevant period and category of consumers of the Distribution Company;	2(1)(d) Definition <u>“Applicable Tariff” means tariff determined by the Authority and duly notified by the Federal Government from time to time;</u>
2.	2(1)(e) Definition “Applicant” means a 3 phase 400V or 11kV domestic, commercial, industrial or agricultural consumer of a Distribution Company, which submits an Application to interconnect its proposed Distributed Generation Facility to the Distribution System of the Distribution Company and who applies for grant of the license to operate a Distributed Generation Facility as a Distributed Generator;	2(1)(e) Definition “Applicant” means a 3 phase 400V or 11kV domestic, commercial, industrial, or <u>general services or single point bulk supply</u> consumer of a Distribution Company, which submits an Application to interconnect its proposed Distributed Generation Facility to the Distribution System of the Distribution Company and who applies for grant of the license to operate a Distributed Generation Facility as a Distributed Generator;
3.	3(1) Application Process for Interconnecting Distributed Generation Facility (1) Any Applicant who meets the requirements of these Regulations is eligible for submitting an Application as specified in Schedule-II to a Distribution Company;	3(1) Application Process for Interconnecting Distributed Generation Facility (1) <u>Subject to sub-regulation (2),</u> any Applicant who meets the requirements of these Regulations is eligible for submitting an Application as specified in Schedule-II to a Distribution Company;

	<p>Provided that the Distribution Company shall be bound to provide information and Authority's approved documents in response to the request from Applicant free of cost within two working days.</p>	<p>Provided that the Distribution Company shall be bound to provide information and Authority's approved documents in response to the request from Applicant free of cost within two working days.</p> <p><u>(2) The capacity of a proposed Distributed Generation Facility shall not exceed one and a half of the sanctioned load of the Applicant's premises:</u></p> <p><u>Provided that this sub-section (2) shall cease to have effect after one year from the date its notification.</u></p>
4.	<p>4. Licensing</p>	<p>4. Licensing (New Insertion)</p> <p><u>(4) Distributed Generation License shall stand revoked in case the licensee fails to commence Distributed Generation within six months of grant of Distributed Generation License.</u></p>
5.	<p>14. Billing for Net Metering</p> <p>(1) At the end of each Billing Cycle following the date of final interconnection of Distributed Generation Facility to the Distribution System of the Distribution Company, the Distribution Company shall net off the kWh supplied by Distributed Generator against the kWh supplied by it.</p> <p>Provided that the meter readings shall be carried out preferably through Hand Held Units (HHU) and through automated means as directed by the Authority from time to time.</p> <p>(2) In case the kWh supplied by Distribution Company exceed the kWh supplied by Distributed Generator, the Distributed Generator shall be billed for the net kWh in accordance with the Applicable Tariff.</p> <p>(3) In case the kWh supplied by Distributed Generator exceed the kWh</p>	<p>14. Billing for Net Metering</p> <p>(1) At the end of each Billing Cycle following the date of final interconnection of Distributed Generation Facility to the Distribution System of the Distribution Company, the Distribution Company shall net off the kWh supplied by Distributed Generator against the kWh supplied by it.</p> <p>Provided that the meter readings shall be carried out preferably through Hand Held Units (HHU) and through automated means as directed by the Authority from time to time.</p> <p><u>(2) The kWh supplied by a Distributed Generator during peak hours shall be net off against the kWh supplied by a Distribution Company during peak hours and the kWh supplied by a Distributed Generator during off peak hours shall be net off against the kWh supplied by a Distribution Company during off peak hours.</u></p> <p>(3) In case the kWh supplied by Distribution Company exceed the kWh supplied by Distributed Generator, the Distributed Generator shall be billed for the net kWh in accordance with the Applicable Tariff.</p> <p>(4) In case the kWh supplied by Distributed Generator exceed the kWh</p>

<p>supplied by Distribution Company, the net kWh shall be credited against Distributed Generator's next billing cycle for future consumption, or shall be paid by the Distribution Company to the Distributed Generator quarterly.</p> <p>Provided that where the Distributed Generator is to be paid, the kWh in a month will be charged at the tariff of that respective month.</p> <p>(4) The tariff payable by the Distribution Company shall only be the off-peak rate of the respective consumer category of the respective month and other rates such as variable charges for peak time, fixed charges, fuel price adjustment, duties/levies will not be payable by Distribution Company.</p> <p>(5) The Authority may determine the tariff payable by the Distribution Company to the Distributed Generator from time to time; provided, however, the tariff once awarded to a Distributed Generator shall remain valid for a term of the Agreement/License.</p>	<p>supplied by Distribution Company, the net kWh shall be credited against Distributed Generator's next billing cycle for future consumption, or shall be paid by the Distribution Company to the Distributed Generator quarterly.</p> <p><u>Omitted.</u></p> <p><u>(5) The price payable by a Distribution Company for net kWh shall be the national average power purchase price of the Distribution Company as determined by the Authority and notified by the Federal Government.</u></p> <p>(6) The Authority may determine the tariff payable by the Distribution Company to the Distributed Generator from time to time; provided, however, the tariff once awarded to a Distributed Generator shall remain valid for a term of the Agreement/License.</p>
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