

**KERALA STATE ELECTRICITY REGULATORY COMMISSION**  
**THIRUVANANTHAPURAM**

Present: **Shri. Preman Dinaraj, Chairman**  
**Shri. S. Venugopal, Member**  
**Shri. K. Vikraman Nair, Member**

In the matter of : Suo motu proceedings In the Matter of  
Generation Based Incentive (GBI) for Off  
Grid Captive Solar Power Plants

**Order dated 11.11.2019**

1. The Commission vide the order dated 30.9.2014 in the matter of 'Suo motu proceedings in the matter of Generation Based Incentive (GBI) for Off Grid Captive Solar Plants, ordered the following.
  - (1) All licensees shall provide generation based incentive (GBI) at the rate of Rs 1.00/unit for a period of five years from 30.09.2014 OR till KSEB Ltd meet its solar RPO for any year by purchasing solar energy or producing solar energy by its initiatives whichever is earlier.
  - (2) The energy for which incentive paid by the licensee to the consumer shall be accounted towards the solar renewable power purchase obligation of each licensee.

The relevant portion of the order is extracted below:

*6. Based on the above analysis commission decides that all licensees shall provide generation based incentive (GBI) at the rate of Rs.1.00 / Unit for a period of five years from the date of this order or till KSEB Ltd meets its solar power purchase obligation for any year by purchasing solar energy or producing solar energy by its initiatives whichever is earlier. The consumer who proposes to avail generation based incentive from the licensee shall apply for the same to the licensee with particulars such as make and capacity of the off grid solar energy system, consumer number, address of the premises where the off grid solar energy system is or proposed to be installed. Solar energy shall be separately metered for which a solar energy meter shall be installed at the cost of consumer. The licensee shall provide a list of makes and models of the meters which can be purchased by the consumer as specified in clause (c) of sub-regulation (2) of regulation 6 of the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006. The solar energy meter shall be tested and sealed by the licensee before installation of the meter. The testing and installation of meter shall be completed by the licensee within 15 days from the date on which the*

*consumer produces the meter to the licensee. The solar meter shall be installed adjacent to the consumer meter of the distribution licensee. Reading of solar meter shall be recorded by the licensee along with reading of the consumer meters installed by the licensee. Generation based incentive payable to the consumer for the solar energy generated by his off grid solar energy system during one billing cycle will be adjusted in the total amount of the electricity bill of the consumer pertaining to the same billing cycle. The energy for which incentive is paid by the licensee to the consumer shall be accounted towards the solar renewable power purchase obligation of each licensee. This scheme for generation based incentive shall be effective from 01.10.2014.*

2. As per the order of the Commission dated 30.09.2014, the GBI is applicable only for five years from 30.09.2014 Or till KSEB Ltd meet its solar RPO either by purchase or by producing solar energy by its initiatives. As per the records available, KSEB Ltd is yet to meet its 'Solar RPO'. The present GBI scheme expired on 30.09.2019.
  3. As per the details available before the Commission, KSEB Ltd has been taking following initiatives for meeting its Solar RPO;
    - (i) 200 MW through its SOURA scheme
    - (ii) 200 MW solar power through competitive bidding route
    - (iii) 92 MW floating solar power from NTPC.
- However, it may take another two years for solar energy from the above projects to flow into the grid as planned by KSEB Ltd.
4. Considering the shortfall in meeting the solar RPO by KSEB Ltd, Commission feels that, the off grid solar generation also has to be promoted by providing suitable incentives.
  5. The Commission, therefore extends the validity of the order of the Commission dated 30.9.2014 in the matter of 'Suo motu proceedings in the Matter of Generation Based Incentive (GBI) for Off Grid Captive Solar Power Plants' for a further period of 2 years from 1.10.2019.

**Sd/-  
K. Vikraman Nair  
Member**

**Sd/-  
S. Venugopal  
Member**

**Sd/-  
Preman Dinaraj  
Chairman**

**Approved for issue**

**G Jyothichudan  
Secretary**