

Submission on Discom's Petition for Introduction of Virtual Net Metering and Group Net Metering in Rajasthan



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1. Introduction

The State Discoms (represented by JVVNL) have filed a Petition before the Rajasthan Electricity Regulatory Commission proposing amendments in the RERC (Grid Interactive Distributed Renewable Energy Generating Stations) Regulations, 2021 for introduction of Virtual Net Metering and Group Net Metering arrangements in the State. RERC has invited comments from the public and stakeholders before making the amendments to the Regulations. This submission from CEEP is in response to the Commission's invitation for comments. We request the Commission to take note of our written submissions and further request an opportunity to submit our comments in person during the hearing.

The submissions are categorised into following sections:

1. Comments on the proposed amendments
2. Recommendations on additional provisions to be considered by the Commission

2. Comments on Proposed Provisions

2.1. Eligibility of Consumers under Regulation 15.A.2

The Proviso to proposed Regulation 15.A.2 states that, in the event of an ongoing dispute between a consumer and the distribution licensee, the consumer shall be required to deposit the disputed amount with the licensee as a precondition for availing Virtual Net Metering or Group Net Metering arrangements.

We respectfully submit that this provision is unduly onerous and prejudicial to consumer rights, particularly in cases where the dispute has arisen due to actions or omissions on the part of the distribution licensee. Requiring consumers to deposit amounts that are subject to adjudication, without a final determination of liability, effectively penalises them in advance and may deter eligible consumers from opting into these progressive metering arrangements.

Furthermore, this proviso enables the distribution licensee to recover dues on a provisional and unilateral basis, in contravention of established regulatory and legal principles governing dispute resolution and consumer protection. Such a mechanism does not exist under the current regulatory framework and may amount to an overreach of authority by the distribution licensee.

In light of the above, we respectfully urge the Commission to direct the Petitioner to delete the said proviso and ensure that eligibility for Virtual or Group Net Metering is not contingent upon the resolution of unrelated disputes.

2.2. Maximum Capacity of the Renewable Energy Generating Station (REGS)

The Petitioner has proposed under Regulation 15.A.4 that the maximum capacity of REGS under the new metering arrangements '*shall not exceed 100% of the cumulative Sanctioned Load/Contracted Demand of the participating consumers/connections*'.

We respectfully request that the Commission direct the Petitioner to provide a detailed justification for this limitation, as it appears to be unduly restrictive and may not reflect the operational flexibility required for the successful implementation and scaling of such distributed renewable energy models.

We submit that permitting installation of REGS beyond 100% of the cumulative Sanctioned Load/Contracted Demand of the participating consumers may be desirable and feasible, subject to the technical capacity of the distribution transformer or local grid infrastructure. Such flexibility would facilitate efficient system planning by RESCOs or utility-led aggregators, allowing for the inclusion of future prospective consumers who may opt into the virtual net metering arrangement post-installation of the REGS.

Accordingly, we propose that the Commission may consider amending Regulation 15.A.4 to allow for the installation of REGS up to a higher threshold with such percentage as deemed technically and commercially viable by the Commission, taking into account the capacity of the associated distribution infrastructure. This would ensure that the regulatory framework supports long-term participation, avoids underutilisation of generation assets, and enhances consumer access to distributed renewable energy.

2.3. Applicability of Open Access Charges

Regulation 15.A.15 proposed by the Petitioner lays down that the quantum of energy generated from the REGS under the virtual net metering and group net metering shall be exempted from banking charges, wheeling charges, cross subsidy surcharge and additional surcharge.

Contrary to this provision, Regulation 15.A.17 proposes that the consumers opting for group net metering will be charged '*Parallel Operation Charges*' which shall cover banking and wheeling costs after adjusting any benefits accrued by the distribution licensee due to Renewable Purchase Obligations, avoided distribution losses and any other benefits.

It is requested that appropriate amendments be made to resolve the contravention of Regulation 15.A.15 by Regulation 15.A.17.

2.4. Applicability of Time-of-Day (ToD) Tariff Structure

The Petitioner has proposed a compensation and adjustment mechanism for consumers under the Time-of-Day (ToD) tariff structure in the context of Virtual and Group Net Metering arrangements, as detailed under Regulations 15.A.13(d) and 15.A.14(d).

We note, however, that Regulation 15.A.1 currently limits eligibility for these metering arrangements to domestic consumers, who, under the existing tariff structure in Rajasthan, are not presently subject to ToD tariffs.

In this context, we commend the Petitioner for incorporating provisions that are forward-looking, and that anticipate a potential future scenario in which ToD tariffs may be extended to domestic consumers. However, in the interest of regulatory clarity and to avoid potential

confusion in the interpretation or application of the proposed regulations, we respectfully submit that a clarificatory note or proviso may be inserted in Regulations 15.A.13(d) and 15.A.14(d) to state:

“These provisions shall become applicable upon the introduction of Time-of-Day tariff structure for domestic consumers by the Commission.”

Such a clarification would ensure consistency between eligibility and applicability criteria, while also preserving the intent of the Petitioner to future-proof the regulatory framework.

3. Additional Provisions for Consideration

In this Section, we propose some additional provisions that the Commission may consider adding to the proposed amendment.

3.1. Defining Utility Led Aggregation Mode

While the proposed amendments make mention of the *Utility-Led Aggregation (ULA)* mode as one of the options for implementing Virtual and Group Net Metering arrangements, no definition or enabling framework for ULA has been provided in the draft regulations.

We respectfully submit that the absence of a clear definition may lead to ambiguity in implementation, especially in terms of the roles, responsibilities, and rights of the distribution licensee and participating consumers under such a model. Given the importance of utility-led models in scaling up distributed renewable energy deployment it is imperative that the provisions provide regulatory clarity on the scope and structure of the ULA mode.

We therefore request that the Commission may consider incorporating an explicit definition of “Utility-Led Aggregation Mode” in the amended regulations. The Operational Guidelines issued by the Ministry of Power on 28.12.2024 for the *PM Surya Ghar: Muft Bijli Yojana* offer a useful reference point in this regard.

3.2. Lead Consumer and its Responsibilities

a. **Definition:** The Model Agreements for virtual net metering arrangement in the proposed amendment include a nodal entity called the ‘*lead consumer*’ created for the purpose of being the point of contact between the distribution licensee and rest of the consumers in the virtual net metering arrangement. We request that the definition of the same may kindly be included in the Regulations themselves instead of leaving them in the agreements. This would provide the discoms or the non-lead consumers the protection of the Commission in case of disputes, which currently lies in the jurisdiction of civil courts instead of the Commission.

b. **Defining the Responsibilities of the Lead Consumer:** The Commission may further consider including a provision defining the responsibilities of a Lead Consumer in the Regulations instead of leaving such responsibilities in the model agreements.

Reference may have had from Regulation 4.5 of the Maharashtra Electricity Regulatory Commission (GridInteractive Rooftop Renewable Energy Generating Systems), 2019 where responsibilities of a Lead Consumer are defined as:

“4.5 Responsibilities of Lead Person:

i. He/she shall be a one of the participating consumers under Virtual Net Metering and be a signatory to Net Metering Agreement on behalf of participating consumers.

ii. He/she shall act as a Nodal person for all correspondence with Distribution Licensee.

iii. Any change in the Lead Person has to be communicated in writing with approval from all the participating consumers.”

c. Provisions for Novation of Agreements Between Distribution Licensee and Consumers and RESCO Entities: The Petitioner has proposed in Regulation 15.A.13 (b), Regulation 15.A.14 (b), and the model agreements for virtual and group net metering that the participating consumers shall be permitted to change the sharing ratios and priorities only once in a financial year, subject to a notice of at least two months. We submit that in absence of any reasonable justification for the same, the Petitioner may be directed to delete this clause in the proposed model agreements. We submit that such likely to discourage the wider adoption of decentralised renewable energy through virtual or group net metering arrangements.

Hence, we propose that the amendment should include a provision within the Regulations allowing participating consumers, through the lead consumer, to request changes in sharing ratios, priority of allocation, or other relevant connection details on a billing cycle basis. This provision must be included in the main regulations with necessary changes in the model agreements.

Furthermore, the regulation may require the distribution licensee to implement such changes within 30 days of receipt of the notice from the lead consumer, thereby ensuring operational responsiveness and consumer flexibility