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To

Heads of Channel Partners

Subject: Target for Commercial & Industrial sector for financial year 2016-17.

Ministry of New and Renewable Energy (MNRE) is implementing a Grid connected Rooftop and Small Solar Power Plants Programme. Government has set a target of 40,000 MWp of grid interactive rooftop solar (RTS) PV plants by 2022. These RTS plants will be set up in residential, commercial, industrial, institutional, Government/ PSU sectors ranging from 1 kWp to 500 kWp capacity.

Till now, 26 States/ UTs have Net/ Gross metering regulations. Further for RTS projects in Residential / Social / Institutional sectors, 30% subsidy scheme is available; while for such projects in Government/PSU sectors, incentive upto 15 - 25% is available. Accordingly SECI is processing tenders for 500 MW and 1000 MW respectively. We are also working on initiatives to collate demand from cities and Ministries/ Departments for these sectors.

But for RTS projects in Industrial & Commercial sectors, no subsidy or incentive from Government are now available. Thus these segments purely depend on the Accelerated Depreciation and on the tariff differential between DISCOM rates and RTS bid rates. With Accelerated Depreciation, RTS projects in the Industrial & Commercial sectors are viable in various States, except Gujarat, Uttarakhand, Jharkhand, Assam, etc. We are also trying to channelize multilateral loans of Asian Development Bank, National Development bank and World Bank at concessional rates to RTS developers through SBI, Canara Bank and PNB.

For these segments, the RTS target is 50% or 20,000 MW. In this case the role of DISCOMS for operationalizing Net Metering regulations, appears to be very challenging. Here the role of Channel Partners will be crucial. Channel Partners are expected to participate and liaise with units in Industrial & Commercial sectors to take up RTS projects where consumption is more than RTS generation.

Operational guidelines for the Channel Partners were issued vide letter No. 5/22/2013-14 RT dated 18.09.2015 wherein it is laid down that MNRE will regularly

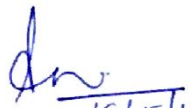
review the progress and performance of each Channel Partner. However, no target has been fixed before Channel Partners to check such performance or progress. Hence for making strong push for RTS in commercial and industrial sectors, following targets are proposed for this financial year :-

Channel Partners	Proposed Non subsidy based target in MW(FY 2016-17)	Nos. of Partners	Overall target (MW)
Category A	3	96	288
Category B	2	101	202
Category C	1	75	75
Category D / New Entrepreneurs	0.25	129	32.25
Total		401	597.25

These targets will also be applied to all fresh empanelment cases. It is also proposed that if a Channel Partner is not able to achieve these targets for consecutive two years, it will be downgraded to next category.

This issues with the approval of Secretary, MNRE.

Yours faithfully,


(Veena Sinha) 19/5/16
Director

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