

No.: 318/17/2024-Grid Connected Rooftop (Part-13)
Mission Directorate, PM-Surya Ghar: Muft Bijli Yojana
Ministry of New and Renewable Energy
Government of India

Atal Akshay Urja Bhawan
Lodhi Road, New Delhi-110003
Dated: 08.10.2024

Office Memorandum

Subject: Operational Guidelines for Implementation of Component "Service Charge" under PM-Surya Ghar: Muft Bijli Yojana

This refers Ministry's order No. 318/17/2024-GCRT Division dated 16th March 2024 vide which sanction was issued for the PM-Surya Ghar: Muft Bijli Yojana, aimed at installing rooftop solar plants in one crore households, with a total financial outlay of Rs. 75,021 crore.

2. The Operational Guidelines for Implementation of Component "Service Charge" under PM-Surya Ghar: Muft Bijli Yojana is enclosed.
3. This issues with the approval of competent authority.


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To

1. Secretary, Ministry of Power
2. ACS/Principal Secretaries/Secretaries (Renewable Energy/Energy/Power) of all States/ UTs
3. CMDs/MDs of Discoms/State Nodal Agencies of all States/UTs

Copy for information to:

1. PS to Hon'ble Minister of New & Renewable Energy
2. PS to Hon'ble Minister of State of New and Renewable Energy
3. PPS to Secretary/AS/JS/JS&FA, MNRE
4. All Advisers & Group Heads
5. Director (NIC) for uploading on Ministry's website

Guidelines for PM Surya Ghar: Muft Bijli Yojana

Service Charge

1. Background and Scope

- a. The Government of India has approved the PM Surya Ghar: Muft Bijli Yojana on 29th February, 2024 with an aim to increase the share of solar rooftop capacity and empower residential households to generate their own electricity. The scheme has an outlay of Rs 75,021 crore and is to be implemented till FY 2026-27. The administrative approval was granted to the scheme vide Order No. 318/17/2024-Grid Connected Rooftop dated 16th March, 2024.
- b. The scheme will be implemented by the National Programme Implementation Agency (NPIA) at the national level and the State Implementation Agencies (SIA) at the state level. The major component of the scheme is the Central Financial Assistance (CFA) to Residential Consumers through the National Portal. Additionally, there are other components of the scheme such as Model Solar Village, Payment Security Mechanism and Support for Innovative Projects for which separate implementation processes are being established.
- c. There are other activities under the scheme such as tracking of domestic content requirement-compliant solar modules, monitoring and evaluation of installations, conducting of periodic audits of programme, promotion of rooftop solar in Commercial and Industrial segments and in the Government segment etc.
- d. Given the wide range of activities being undertaken by various implementation agencies and partners, especially the NPIA and SIA, financial support needs to be provided to these agencies, that will aid them in performing their functions better. The scheme has provisioned for “Service Charge” component equivalent to 1% of the CFA component for residential consumers, amounting to Rs 657 crores.
- e. These guidelines relate to the scheme component for Service Charge.

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2. Outlay

The Scheme has an allocation of ₹657 crore to cover service charges associated with implementation of various components. This fund is to be utilized primarily by the NPIA and the SIAs for scheme implementation. Besides NPIA and SIA, other agencies may also be supported through the service charge component as per the scheme guidelines.

3. Implementation

a. Service Charges for Mission Directorate and NPIA

- a) The Mission Directorate is responsible for the overall implementation of the scheme and shall be authorized to utilize the entire outlay for the service charge component of the scheme with the approval of the Competent Authority, except for the designated utilization as established as below. The Mission Directorate shall utilize this fund for implementation of the scheme, including but not limited to, deployment of IT systems, deployment of manpower or Project Management Units, conduct of seminars, meetings etc. or any other activity linked to implementation of the scheme.
- b) The NPIA will provide secretarial, managerial, and implementation support to the Mission Directorate in the Ministry of New and Renewable Energy and shall carry out responsibilities as assigned by MNRE under the scheme.
- c) **Service Charges:** The NPIA shall establish the requisite administrative capacity within its organization in order to implement the scheme, along with deployment of dedicated resources at the national and regional field level units. For this activity, the NPIA shall be eligible for a base service charge of 5% of overall financial outlay of the service charge component (i.e. 32.85 crores). This shall be disbursed to the NPIA over 3 equal annual instalments at the beginning of each financial year.
- d) **Management and Infrastructure Support Charges:** The NPIA shall be required to deploy management and infrastructure (including but not limited to IT and ancillary services, manpower costs dedicated to RTS related work but not including regular REC employees, vendor mobilization and management programmes etc) to ensure proper implementation

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of the scheme for a speedy achievement of the target of 1 crore rooftop solar installations. In order to provide sufficient resources to the NPIA to effectively expand the reach and ambit of the scheme, Management and Infrastructure Support Charges may be given to the NPIA, up to 5% of the overall financial outlay of service charge component. This will allow the NPIA to deploy resources and facilities and build upon its implementation capacity. The modalities for release of such Management and Infrastructure Support Charges shall be decided by the Mission Directorate.

- e) MNRE/Mission Directorate shall also direct the NPIA from time to time to undertake specific activities for the implementation of the scheme. These shall be in the nature of services dedicated for the implementation of the scheme, that may be outsourced/ contracted out through an open, transparent, competitive, tender based rate discovery process or awarded on nomination/limited enquiry basis after due authorization in case of services that are required urgently at short notice. In such cases, the NPIA shall raise the request for funds under the service charge component and such funds will be sanctioned from time to time to the NPIA by the Mission Directorate accordingly as per the actual expenditure undertaken by/liable for the NPIA. All such resources/facilities/activities deployed and undertaken as well as the expenditure undertaken by the NPIA on behalf of MNRE or at the direction of MNRE shall have the prior approval of the Competent Authority. The NPIA shall ensure that due economy in sizing of the requirements shall be exercised at all times, and such resources must be efficiently and optimally utilized as per the requirements for the implementation of the scheme.
- f) Alternatively, these may be in nature of arrangements between Ministries/Government owned entities where the terms of reference and the rate of transaction may be decided through due approvals within the Ministry itself. In such cases, the NPIA shall be authorized to incur expenditure under the service charge head under the terms of the arrangement.
- g) The Assets created out of the Service Charge and Management and Infrastructure Support Charges (MISC) shall be handed over to MNRE after the Scheme period.

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b. Charges for SIA

- a) Under the scheme, the SIAs are primarily the Distribution Utilities in their respective jurisdictions. However, the State Governments can nominate a different SIA for the scheme. The SIAs shall need to establish the requisite administrative capacity within its organization in order to implement the scheme, along with deployment of dedicated resources at the national and regional field level units. In order to do so, the SIAs shall be liable to receive service charge for implementation of the scheme
- b) Out of the total allocation for service charge (Rs 657 cr over the period of implementation), 200 crores of the service charge outlay shall be allocated for the SIAs as a base service charge. Within the SIAs, the respective allocation for base service charge shall be in proportion to their number of domestic consumers or Rs 50 lakh (whichever is higher) as per the latest General Report on the Power Sector by the Central Electricity Authority. This shall be disbursed to the SIA over 3 equal annual instalments at the beginning of each financial year.
- c) There may also be a scenario wherein multiple agencies within a state (other than the SIA) may be undertaking PM Surya Ghar related works for promotion of rooftop solar under the scheme in the state. In such a scenario, the state Energy/Power Department may issue suitable orders for reallocation of service charges within its subordinate agencies from the overall service charge accruing to the state SIAs as per clause (b) above.

c. Service Charges for Implementation of Model Solar Village Scheme Component

The relevant agencies (Model Solar Village Implementation Agency -MSVIA) responsible for implementation of Model Solar village would be the State Renewable Energy Development Agency or other agency as decided by State Government. The agency shall be given a service charge of Rs 5 lakh per Model Solar Village to be disbursed after the implementation of the

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model solar village programme is completed in the village concerned. This will be increased to Rs 7.5 lakh per Model Solar Village for implementation of Model Solar Village in special category States/UTs viz. Uttarakhand, Himachal Pradesh, J&K, Ladakh, States in the North East including Sikkim, UTs of A&N Islands and Lakshadweep Islands.

4. Utilization of Service Charges

a. The utilization of Service Charges and Management and Infrastructure Support Charges (MISC) will essentially cover but shall not be limited to the following:-

- a) To allocate resources for the establishment and operation of dedicated cells such as Program Management Units (PMUs), and Project Management Cells (PMCs) as well as meeting the expenditure on contractual positions/outsourcing services pertaining to scheme implementation within DISCOMs, NPIA, MNRE, and other relevant agencies
- b) This may include funding for personnel, associated infrastructure, and technology required to effectively carry out demand aggregation, project management, registration process management, net-metering facilitation, inspection, monitoring, and online portal development.
- c) For undertaking necessary changes in the IT systems of MNRE, NPIA and DISCOMs or other entities for better performance of the National Portal. It may be utilized for upgrading testing infrastructure for net meter/smart meters by the DISCOMs and for any other activity that improves the availability of meters and streamlines the process of net-metering /billing and data collection.
- d) For conducting third-party verification, evaluation or assessments of renewable energy projects by MNRE, DISCOMs, or other agencies wherever required, covering the costs associated with verification procedures, audits, and ensuring the impartiality and credibility of the verification process.
- e) For activities undertaken under vendor rating and vendor management programmes, meter procurement and meter testing systems, enhancing consumer

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experience in RTS with new IT systems and data analytics, call center operations, grievance redressal etc.

- b. The SIA must ensure that an adequate share of its service charge is placed at the disposal of field units (division and sub-division levels in case of DISCOMs) for upgrading their office infrastructure, expanding rooftop solar team for inspection and monitoring, and technological upgradation of the RTS related staff and officials.
- c. As the charges are proposed for specific purposes mentioned above, the incentives may not be a part of Tariff Determination & Tariff Rationalization process of respective Electricity Regulatory Commission.
- d. In addition to the above, the Mission Directorate may identify any other activities that it deems appropriate to be covered under Service Charge expenditure by NPIA, SIA and other entities to accelerate scheme implementation.
- e. Expenditure arising out of pre-existing liabilities incurred by the time of notification of current guidelines for the implementation of the scheme as well as implementation of the previously operational Grid Connected Phase II programme for related activities may be met through the Service Charge scheme component if covered by purposes specific above.
- f. The NPIA and SIAs shall submit periodic reports regarding utilization of service charges. These reports should include detailed information on utilization and expenditures, supported by relevant documents such as Utilization Certificates (UC), Audited Statement of Expenditure (ASoE), and other necessary evidence(s) as required by MNRE.
- g. The unutilized service charge along with interest, if any, shall be refunded, as per GFR provisions.

5. Amendment of Scheme Component Guidelines

MNRE may make necessary amendments in the scheme guidelines for Service Charge Component to ensure smooth implementation of the scheme, as and when required, with the approval of Hon'ble Minister, New and Renewable Energy.

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