

**(On Stamp Paper of Rs.300/-)**

**Inter connection Agreement (Provisional) between Distribution Licensees and Solar PV Project owner (Project Registered under New The Gujarat RE Policy -2023)**

**Inter Connection agreement (Provisional) under REC Mechanism**

This Provisional Agreement is an interim arrangement subject to changes as per regulations / orders / decision to be issued by Hon'ble GERC in respect of Gujarat Renewable Energy Policy-2023.

This Provisional Agreement is made and entered into at (location)\_\_\_\_\_on this (date) \_\_\_\_\_day of (month)\_\_\_\_\_(year)\_\_\_\_\_between the Consumer, by the name of \_\_\_\_\_ Consumer Number \_\_\_\_\_ having premises at (address)\_\_\_\_\_ (hereinafter referred to as "Consumer" which expression shall include its permitted assigns and successors) as first party

**AND**

Paschim Gujarat Vij Company Limited, a Company registered under the Companies Act 1956/2013 and functioning as the "Distribution Company" or "DISCOM" under the Electricity Act 2003 having its Head Office at, Rajkot (hereinafter referred to as "PGVCL" or "Distribution Licensee" or "DISCOM" which expression shall include its permitted assigns and successors) a Party of the Second Part.

**AND WHEREAS**

The solar project of 'M/s. \_\_\_\_\_' has been registered by the Gujarat Energy Development Agency (i.e. GEDA) vide letter No. ....dtd. to set up Photovoltaic (PV) based Solar Power Generating Plant (SPG) of .....KW (AC) capacity at his/her/its premises in legal possession including any rooftop or terrace at \_\_\_\_\_ connected with PGVCL's grid at\_Voltage level for his/her/its own use within the same premises and commissioned during the operative period of the Gujarat Renewable Energy Policy -2023.

under the option:

Option 1: MSME (Manufacturing) Enterprise.

Or

Option 2: Other than MSME (Manufacturing) Enterprise.

Or

Option 3: Solar Project set up for RPO Compliance [applicable only for Obligated Entity]

[Note: The eligible MSME (Manufacturing) Enterprise desiring to avail benefits of the Policy, may opt for the Option 1 upon submission of documentary proof and shall have to confirm MSME status on annual basis along with supporting documents]

\* [Not applicable Options are to be strike out]

Consumer No. \_\_\_\_\_.

#### **AND WHEREAS**

Government of Gujarat has declared Gujarat Renewable Energy Policy 2023 on 4.10.2023 operative for the control period from date of its notification (4.10.2023) to 30<sup>th</sup> September 2028. The RE Project installed and commissioned during the operative period shall become eligible for the benefits and incentives declared under the Policy, for the period of 25 years from the date of commissioning or for the life span of the RE Project System whichever is earlier.

#### **AND WHEREAS**

In order to facilitate commissioning of the solar projects pursuant to notification of New Gujarat RE Policy - 2023 effective from 04.10.2023, PGVCL has agreed to sign this agreement on Provisional basis with Consumer in terms of provisions of the Gujarat RE Policy-2023 and its incorporation in the Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems Regulations) Notification No. 5 of 2016 and its subsequent amendments subject to,

“M/s\_\_\_ the first party under the agreement, hereby acknowledges that the present agreement has been entered into by both the parties, taking in to account the notification of new Gujarat RE policy -2023 and on provisional basis as an interim arrangement subject

to change as per further regulation/order/decision of the Hon'ble GERC in relation to Gujarat Renewable Energy Policy 2023 and further agree to incorporate requisite modification and amendments in the agreement as per the same, if required. The first party must not dispute the applicability of the GERC order / Regulation and must make necessary modifications in the agreement as per the applicable GERC order and Regulation. The settlement will be done accordingly.”

#### **AND WHEREAS**

The Distribution Licensee agrees to provide grid connectivity to the Consumer and injection of the electricity generated from his Solar PV System of capacity\_\_\_KW (AC) into the power system of Distribution Licensee as per conditions of this agreement and in compliance with the applicable Policy / rules/ Regulations/ Codes (as amended from time to time) by the Consumer which includes-

1. Government of Gujarat Renewable Energy Policy -2023
2. Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010.
3. Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007 as amended from time to time
4. Central Electricity Authority (Installation and Operation of Meters) Regulation 2006.
5. Gujarat Electricity Regulatory Commission (Electricity Supply Code & Related Matters) Regulations, 2015,
6. Gujarat Electricity Regulatory Commission Distribution Code, 2004 and amendments thereto,
7. Instruction, Directions and Circulars issued by Chief Electrical Inspector from time to time.
8. CEA (Technical Standards for connectivity of the Distributed Generation) Regulations, 2013 as amended from time to time.
9. Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 as amended from time to time.

Both the parties hereby agree as follows:

#### **1. Eligibility**

- 1.1 Consumer shall own the Solar PV System set up on its own premises or premises in his legal possession.

- 1.2 Consumer needs to consume electricity in the same premises where Solar PV System is set up.
- 1.3 Consumer has to meet the standards and conditions as specified in Gujarat Electricity Regulatory Commission Regulations and Central Electricity Authority Regulations and provisions of Government of Gujarat's Renewable Energy Policy - 2023 for being integrated into grid/distribution system.

## **2. Technical and Interconnection Requirements**

- 2.1 Consumer agrees that his Solar PV System and Metering System will conform to the standards and requirements specified in the Policy, Regulations and Supply Code as amended from time to time.
- 2.2 Consumer agrees that metering system(s) shall be installed at Solar PV System for recording the solar generation.
- 2.3 Consumer agrees that he has installed or will install, prior to connection of Solar Photovoltaic System to Distribution Licensee's distribution system, an isolation device (both automatic and inbuilt within inverter and external manual relays) and agrees for the Distribution Licensee to have access to and operation of this, if required and for repair & maintenance of the distribution system.
- 2.4 Consumer agrees that in case of a power outage on Discom's system, solar photovoltaic system will disconnect/isolate automatically and his plant will not inject power into Licensee's distribution system.
- 2.5 All the equipment connected to the distribution system shall be compliant with relevant International (IEEE/IEC) or Indian Standards (BIS) and installations of electrical equipment must comply with Central Electricity Authority (Measures of Safety and Electricity Supply) Regulations, 2010 as amended from time to time.
- 2.6 Consumer agrees that licensee will specify the interface/inter connection point and metering point.
- 2.7 Consumer and licensee agree to comply with the relevant CEA Regulations in respect

of operation and maintenance of the plant, drawing and diagrams, site responsibility schedule, harmonics, synchronization, voltage, frequency, flicker etc.

- 2.8 In order to fulfill Distribution Licensee's obligation to maintain a safe and reliable distribution system, Consumer agrees that if it is determined by the Distribution Licensee that Consumer's Solar Photovoltaic System either causes damage to and/or produces adverse effects affecting other consumers or Distribution Licensee's assets, Consumer will have to disconnect Solar Photovoltaic System immediately from the distribution system upon direction from the Distribution Licensee and correct the problem to the satisfaction of distribution licensee at his own expense prior to reconnection.
- 2.9 The consumer shall be solely responsible for any accident to human being/animals whatsoever (fatal/non-fatal/departamental/non-departamental) that may occur due to back feeding from the Solar Photovoltaic System when the grid supply is off if so decided by CEI. The distribution licensee reserves the right to disconnect the consumer's installation at any time in the event of such exigencies to prevent accident or damage to man and material.

### **3. Clearances and Approvals**

- 3.1 The Consumer shall obtain all the necessary statutory approvals and clearances (environmental and grid connection related) before connecting the photovoltaic system to the distribution system.

### **4. Access and Disconnection**

- 4.1 Distribution Licensee shall have access to metering equipment and disconnecting means of the Solar Photovoltaic System, both automatic and manual, at all times.
- 4.2 In emergency or outage situation, where there is no access to the disconnecting means, both automatic and manual, such as a switch or breaker, Distribution Licensee may disconnect service to the premises of the Consumer.

## 5. Liabilities

- 5.1 Consumer shall indemnify Distribution Licensee for damages or adverse effects from his negligence or intentional misconduct in the connection and operation of Solar Photovoltaic System.
- 5.2 Distribution Licensee shall not be liable for delivery or realization by the Consumer of any fiscal or other incentive provided by the Central/State Government.
- 5.3 Distribution Licensee may consider the quantum of electricity generation from the Solar PV System owned and operated by (i) MSME (Manufacturing) Enterprise, (ii) Other than MSME (Manufacturing) Enterprise, (iii) surplus energy purchased by Distribution Licensees from the Solar project set up for RPO compliance (not under REC Mechanism), towards RPO compliance.

## 6. Metering:

Company shall install the meter and metering equipment as per specification given by GETCO /PGVCL for Generation meter and consumer meter. Metering arrangement shall be as per Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time.

## 7. Commercial Settlement

The commercial settlement will be as follows:

- i. **In case of HV/EHV consumers:** The solar energy set-off shall be allowed between 07.00 hours to 18.00 hours of the same day basis. That means, the injected solar energy in the grid shall be set off against consumption of HT or EHV consumer during 07.00 hours to 18.00 hours on the same day basis.

In case of net import of energy by the consumer from grid during 07.00 hours to 18.00 hours of same day, it shall be billed as per applicable tariff to respective category of consumers as approved by the Commission from time to time. The energy generated by Solar PV System shall be set off against units consumed (not against load/demand) and consumer shall pay demand charges, other charges, penalty etc. as applicable to other consumers of respective category.

In case of net export of solar energy by consumer in the grid during 07.00 hours to 18.00 hours on the same day basis, it shall be considered as surplus injection by consumer and same shall be compensated by DISCOM as per the rate mentioned in this agreement.

- ii. **LT demand-based consumers:** The set-off of solar energy shall be allowed between 07.00 hours to 18.00 hours of the same billing cycle basis. That means, the injected solar energy in the grid during a billing cycle shall be set off against consumption of consumer during 07.00 hours to 18.00 hours of the same billing cycle.

After giving set off of solar energy in terms of above, in case of net import of energy by the consumer from grid during 07.00 hours to 18.00 hours of billing cycle, it shall be billed as per applicable tariff to respective category of consumers as approved by the Commission from time to time. The energy generated by Solar PV System shall be set off against units consumed (not against load/demand) and consumer shall pay demand charges, other charges, penalty etc. as applicable to other consumers of respective category.

In case of net export of solar energy by consumer in the grid during 07.00 hours to 18.00 hours of billing cycle, it shall be considered as surplus injection by consumer and same shall be compensated by DISCOM as per the rate mentioned in this agreement.

- iii. **LT Other than demand-based consumers:** The energy set-off shall be allowed on billing cycle basis. That means, the generated solar energy during a billing cycle shall be consumed by the consumer during the same billing cycle. In case of net import of energy by the consumer from grid, the energy consumed from Distribution Licensee during the same billing cycle shall be billed as per applicable tariff to respective category of consumers as approved by the Commission from time to time. The energy generated by Solar PV System shall be set off against units consumed (not against load/demand) and consumer shall

pay demand charges, other charges, penalty etc. as applicable to the respective category of consumers.

In case of net export of solar energy by consumer in the grid during the billing cycle, it shall be considered as surplus injection by consumer and same shall be compensated by DISCOM as per the rate mentioned in this agreement.

- iv. **Solar Project set up for RPO Compliance (Option 3):** The energy set-off shall be allowed on 15 minutes time block basis. That means, the injected solar energy in the grid during a 15 minute time block shall be set off against the consumption of the consumer during the same 15 minute time block.

In case of net import of energy by the consumer from grid on 15 minute time block basis, shall be billed as per applicable tariff to respective category of consumers as approved by the Commission from time to time. The energy generated by Solar PV System shall be set off against units consumed (not against load/demand) and consumer shall pay demand charges, other charges, penalty etc. as applicable to the respective category of consumers.

In case of net export of solar energy by consumer in the grid on 15 minute time block basis, it shall be considered as surplus injection by consumer and same shall be compensated by DISCOM as per the rate mentioned in this agreement.

**v. For the projects set up under REC mechanism:**

- (i) Developers may set up solar power projects under the REC mechanism in accordance with the administrative procedure regarding registration and accreditation, as decided by the Central Electricity Regulatory Commission (CERC), and as amended from time to time.
- (ii) In case of projects to be set up for captive/third party sale under REC mechanism, installation of solar projects up to sanctioned load/contract



- demand shall be allowed subject to the provision of Regulation 6.2 and other provisions of these Regulations.
- (iii) The energy accounting for the projects set up under REC mechanism shall be carried out on 15-minute time block basis.
  - (iv) In case of projects set up for captive/third party sale under REC mechanism, surplus energy after giving set-off on 15 min time block basis, shall be compensated by Distribution Licensees at 65% of the simple average of tariff discovered and contracted by GUVNL through competitive bidding process for non-park based solar projects in the preceding six months period, i.e., either April to September or October to March as the case may be, from the Commercial Operation Date (COD) of the project. The same shall remain fixed for the entire term of the agreement.
  - (v) Excess drawl by consumer from the grid, if any, after giving set off shall be charged by Distribution Licensee at applicable tariff of respective category of consumer as determined by the Commission from time to time.
  - (vi) In case Distribution Licensee agrees to purchase the electricity component of power from a project under REC mechanism, the applicable tariff payable by Distribution Licensees shall be, 65% of the simple average of tariff discovered and contracted by GUVNL through competitive bidding process for non-Park based solar projects in the preceding six months period, i.e., either April to September or October to March as the case may be, from the date on which the PPA is executed. The same shall remain fixed for the entire term of the agreement.
  - (vii) Banking charges shall be applicable as per RE Policy -2023 and GERC tariff Order
  - (viii) In case of Projects set up for third party sale, Cross Subsidy Surcharge and Additional Surcharge shall be applicable similar to normal open access consumers as determined by the Commission from time to time.
  - (ix) "For the purpose of agreement under REC Mechanism, the Validity of REC

benefit will from the date ----- to ----- (i.e. for the period of 10 Years) as per GEDA accreditation certificate no - ----- dated ---- ----- . Accordingly, the tenure of this agreement shall be during the validity of REC registration of the project or premature termination of the registration, whichever is earlier".

**8. The rate for Surplus Injection Compensation (SIC):** Any surplus energy not consumed as per energy accounting shall be compensated by DISCOM at following rate towards Surplus Injection Compensation:

- i. **In case of MSME Manufacturing Enterprises** - At Rs. 2.25 / unit for first 5 years from commissioning of project and thereafter for the remaining term of the project at 75% of the simple average of tariff discovered and contracted under competitive bidding process conducted by GUVNL for Non-park based solar projects in the preceding 6-month period, i.e., either April to September or October to March as the case may be, from the commercial operation date (COD) of the project.
- ii. **In other cases** - At 75% of the simple average of tariff discovered and contracted through competitive bidding process conducted by GUVNL for Non-park based solar projects in the preceding 6-month period, i.e., either April to September or October to March as the case may be, from the commercial operation date (COD) of the project. The same shall remain fixed for the entire term of the agreement.

**9. Banking Charge**

- i. **In case of MSME Manufacturing Enterprises and other than Demand Based Consumers** - Banking charge of Rs. 1.10 /Unit on solar energy consumed by consumer.
- ii. **In other cases** - Banking charge of Rs. 1.50 /Unit on solar energy consumed by consumer.

Provided that banking charge shall **not be applicable** in case of Solar Project for Residential building, Government Building and Solar project set up for compliance of RPO.

For the purpose of applicability of Banking Charges, the solar energy consumption shall be worked out as per the solar generation units recorded in solar energy meter of solar power system during the billing period LESS surplus solar units on which Surplus Injection Compensation is paid by DISCOM.

**10. Electricity Duty:**

Applicability of Electricity Duty shall be governed as per the Gujarat Electricity Duty Act, 1958 and as amended from time to time.

**11. Annual Confirmation of MSME Status**

In case, the Agreement is signed under MSME category, the consumer has to confirm its MSME status with DISCOM every year latest by 30th September along with supporting documents. In case, consumer fails to confirm the MSME Status within the stipulated timeline or consumer's MSME status is changed to non-MSME (other than MSME) category any time during the validity of this agreement, the concessional / promotional benefits applicable to the MSME category shall not be applicable with effect from change in MSME status or after expiry of stipulated timeline of 30th September, whichever is earlier. In the event of failure to confirm the MSME status on annual basis or change in MSME status, the agreement shall be construed as amended to under non-MSME (other than MSME) category for applicability of provisions of solar power policy 2021 and GERC orders/regulations.

**12. Connection Costs:**

The Consumer shall bear all costs related to setting up of Solar Photovoltaic System including metering and inter-connection. The Consumer agrees to pay the actual cost of modifications and upgrades to the service line, cost of up gradation of transformer to connect photovoltaic system to the grid in case it is required.

### **13. Inspection, Test, Calibration and Maintenance prior to connection**

Before connecting, Consumer shall complete all inspections and tests finalized in consultation with the (Name of the Distribution license) and if required Gujarat Energy Transmission Corporation Limited (GETCO) to which his equipment is connected. Consumer shall make available to \_GVCL all drawings, specifications and test records of the project or generating station as the case may be.

### **14. Records:**

Each Party shall keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement and the operation of the Solar PV System.

### **15. Dispute Resolution:**

15.1 All disputes or differences between the Parties arising out of or in connection with this Agreement shall be first tried to be settled through mutual negotiation, promptly, equitably and in good faith.

15.2 In the event that such differences or disputes between the Parties are not settled through mutual negotiations within sixty (60) days or mutually extended period, after such dispute arises, then for

(a) Any dispute in billing pertaining to energy injection and billing amount, would be settled by the Consumer Grievance Redressal Forum and Electricity Ombudsman.

(b) Any other issues pertaining to the Regulations and its interpretation; it shall be decided by the Gujarat Electricity Regulatory Commission following appropriate prescribed procedure.

### **16. Termination**

16.1 The Consumer can terminate agreement at any time by giving Distribution Licensee 90 days prior notice.

