



# Looking at the sunny side

## Delhi needs a holistic solar policy



**AROHI PATIL**

RESEARCH ANALYST, COUNCIL ON ENERGY, ENVIRONMENT AND WATER (CEEW)



**BHAWNA TYAGI**

PROGRAMME ASSOCIATE, COUNCIL ON ENERGY, ENVIRONMENT AND WATER (CEEW)

The Delhi government is revamping the national capital's 2016 solar policy and had recently circulated a draft for public comments. The 2022 policy sets an ambitious target of 6 GW of installed solar capacity by 2025—three times higher than the last policy. It plans to do this by broadening the scope of the policy to include utility-scale solar projects set up outside the state. In conformity with India's national targets, the policy also aims to substitute 25 per cent of Delhi's electricity demand through solar energy.

Delhi's solar policy is envisioned as an action-oriented document with a shorter timeframe of three years. The policy puts major impetus on utility-scale projects, with more than 80 per cent of the target met through installations outside the state. Deployments within the state are promoted through rooftop solar with a separate target of 750 MW by 2025-26. This is crucial, considering Delhi has land constraints and limited potential for other renewable energy deployments such as wind or hydro.

The Delhi draft solar policy is a welcome step in the right direction. Delhi can demonstrate leadership in solar adoption, especially for states with a land-lock situation or limited opportunities for other renewable energy sources. However, to strengthen the policy and facilitate adoption further, we propose the following.

**First, focus beyond rooftops to leverage untapped solar opportunities within the state.** The policy already encourages the installation of energy storage projects and the deployment of solar on agricultural land. Similarly, the policy can recognise the potential of floating solar projects (i.e. installing solar photovoltaic modules mounted on floating platforms on the surface of water bodies) in the state and solar-based electric vehicle charging considering the ambitious targets of the state's EV policy. The policy can also acknowledge and set targets for diverse distributed solar opportunities within the state. This will help track segment-wise progress.

**Second, leverage innovative policy tools such as energy compacts, green tariffs, and behind-the-meter installations** to further accelerate the demand for solar. The policy can introduce energy compacts, which are voluntary commitments by state and non-state actors introduced by the UN as a platform to showcase commitments by the international community, including India, in energy access, renewable energy and energy efficiency.

In the case of the Delhi solar policy, energy compacts will provide the necessary impetus for the solarisation of government offices and residential buildings, schools, hospitals, and police stations. This will further nudge the other large electricity consumers in the private sector to adopt energy compacts. In addition, the policy can propose a green tariff mechanism for power purchases by consumers who wish to utilise energy from renewable sources without undertaking the installation or participating in peer-to-peer trading. This has been adopted by other states (such as Andhra Pradesh, Karnataka, Maharashtra, Gujarat, and Uttar Pradesh) and will promote clean energy adoption among non-obligated consumers as well. Also, the policy can recognise the behind-the-meter captive installation without requiring to integrate the system into the power distribution grid. Behind-the-meter captive installations refer to electricity produced and consumed on-site without having to pass through a meter.

**Third, clearly recognise the roles and responsibilities of the Delhi Electricity Regulatory Commission (DERC) in scaling solar in Delhi.** The draft policy only partially discusses the responsibilities associated with DERC. The role of the DERC will be crucial in notifying the appropriate regulatory frameworks to promote the deployment of grid-connected solar projects such as notifying the framework for peer-to-peer trading platforms, green tariff regulations, and feed-in-tariffs, among others.

**Finally, emphasise on consumer awareness programmes to promote rooftop solar deployment.** Unlike utility-scale projects, the deployment in the distributed renewable energy segment is largely consumer-driven. According to a CEEW study, 78 per cent of consumers were aware of rooftop solar in East Delhi but only 41 per cent had knowledge about the technology. There is a need to educate consumers about potential benefits, new business models, incentives, DISCOM processes for grid integration, availing affordable solar loans and various financing options. The Delhi Solar Cell should conduct such campaigns in partnership with key stakeholders such as DISCOMs, leveraging the trust enjoyed by such entities among consumers.

These steps can be adopted to create a more holistic solar policy for Delhi and to ensure that its provisions and mechanisms are implementable. It will help realise the policy's vision of making solar energy accessible and affordable for all consumers in Delhi.



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