

S.I. 84 of 2024

ELECTRICITY ACT, 2023

(Act 13 of 2023)

Electricity (Distributed Generation System) Regulations, 2024

Arrangement of Regulations

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S.I. 84 of 2024

ELECTRICITY ACT, 2023

*(Act 13 of 2023)***Electricity (Distributed Generation System) Regulations, 2024**

In exercise of the powers conferred by section 47 of the Electricity Act, 2023 the Minister responsible for energy makes the following Regulations —

PART I - PRELIMINARY**Citation**

1. These Regulations may be cited as the Electricity (Distributed Generation System) Regulations, 2024.

Purpose and applicability

2.(1) These Regulations set out the approach and procedure that the Commission and distribution and supply licensees shall adopt towards distributed generation systems.

(2) These Regulations shall be applicable to —

- (a) distribution and supply licensees responsible for regulated network services over the low voltage and medium voltage distribution and transmission networks, and supply and sale of energy to customers;
- (b) distributed generation systems owned by a prosumer or by a third party and located in the premises of the prosumer; and
- (c) distributed generation systems with both renewable and non-renewable sources of electricity generation installed in the area of supply of the distribution and supply licensee.

(3) All distributed generation systems to be commissioned by prosumers after the coming into operation of these Regulations shall be governed by these Regulations.

(4) The prosumers with distributed generation systems commissioned prior to the coming into operation of these Regulations may opt to either continue with the existing metering and billing arrangement or opt for these Regulations.

(5) The prosumers who opt for these Regulations shall submit their preference in writing to their distribution and supply licensee within 90 days from the date of coming into operation of these Regulations.

(6) The distribution and supply licensee shall, within 7 days of the coming into operation of these Regulations, communicate the provisions of these Regulations to all its existing prosumers through advertisements in two newspapers widely circulated in their licensed area and may also adopt other ways and means of communicating this provision to its existing prosumers.

Interpretation

3. In these Regulations, unless the context otherwise requires —

- (a) “agreement” means an agreement entered into by the distribution and supply licensee with any other person;
- (b) “applicant” means an eligible consumer who intends to apply to the distribution and supply licensee to connect distributed generation systems in his or her premises with the distribution network;
- (c) “bill” means a formal document issued by the distribution and supply licensee, which may be either a monthly bill or supplementary bill, containing details of charges for electricity services rendered or acquired.
- (d) “billing cycle or billing period” means the period for which regular electricity bills are prepared and issued to

- different categories of consumers by the distribution licensee, as specified by the Commission;
- (e) “BS 7671” means the standards applicable in the United Kingdom for the safety and installation of electrical wiring systems, outlining the requirements and best practices for compliance with electrical safety regulations;
 - (f) “Commission” means the Utilities Regulatory Commission established under section 3 of the Utilities Regulatory Commission Act, 2023 (Act 12 of 2023);
 - (g) “consumer” means any person who is supplied with electricity for its own use by a distribution and supply licensee.
 - (h) “distributed generation” means the electricity fed into the electric system at a voltage level of below 33 KV from a generator connected to the distribution network as may be approved by the Commission from time to time; and generator includes both renewable and non-renewable energy sources of electricity generators;
 - (i) “distributed generation system” means the grid interactive generator including its power system installed on prosumer premises and connected to the distribution network as may be approved by the Commission;
 - (j) “eligible consumer” means a consumer of electricity in the area of supply of a distribution and supply licensee, who uses or intends to use a distribution generation system installed in his or her premises to offset part or all or no part of the own electricity requirements, given that such systems can be 'self-owned' or 'third party owned';
 - (k) “financial year” or “Year” means the period beginning from the 1st of April in an English calendar year and ending with the 31st of March of the following year;

- (l) “generation meter” means an energy meter installed to measure the electricity generated by distributed generation system, for the purpose of accounting and settlement;
- (m) “Gross Metering” means the arrangement of measuring energy in a system under which entire energy generated from distribution generation system installed at eligible consumer premises is delivered to the distribution network;
- (n) “hosting capacity” means capacity defined under regulation 10 of these Regulations;
- (o) “licence” means the licence issued under section 20 of the Electricity Act and “licensee” is the holder of a licence;
- (p) “Net Billing” means an arrangement as defined under regulation 7 of these Regulations;
- (q) “Net Meter” or “bidirectional meter” means an energy meter which is capable of recording both import and export of electricity;
- (r) “non-renewable energy sources” means energy sources other than renewable energy sources as defined in these Regulations, including a combination of such sources;
- (s) “non-renewable energy distributed generation system” means —
 - (i) grid interactive generator with non-renewable energy sources including a combination of such source;
 - (ii) cogeneration; and
 - (iii) trigeneration,

including its power system installed on prosumer premises and connected to the distribution network as may be approved by the Commission;

- (t) “premises” means rooftops or/and elevated areas on the land, building or infrastructure or part or combination thereof in respect of which a separate meter or metering arrangements have been made by the distribution licensee for the supply of electricity;
- (u) “prescribed” means prescribed by these Regulations, by a code or by any other applicable regulations;
- (v) “prescribed demand” means the maximum demand in kW, agreed to be supplied by the distribution and supply licensee and indicated in the agreement executed between the distribution and supply licensee and the consumer;
- (w) “prosumer” means a person who consumes electricity from the grid and can also inject electricity from the distributed generation systems installed at its premises into the grid using the same network;
- (x) “renewable energy sources” means energy sources, including a combination of such sources as defined in the Act;
- (y) “settlement period” means the period at the end of which Net Billing/Gross Billing settlement between the distribution licensee and the prosumer takes place; for Net Billing the settlement period shall be annual and for Gross Metering the settlement period shall be monthly or as may be defined by the Commission; and
- (z) “unintended island” means a part of the distribution network which remains energised by one or more distributed generation systems, when such part of the network has been isolated from the remaining part of the distribution.

PART II - TECHNICAL AND SAFETY STANDARDS, METERING INFRASTRUCTURE

Interconnection with the distribution network, technical and safety standards

4.(1) The voltage level for interconnection with the network shall be the voltage level at which the prosumer has been given supply by the distribution and supply licensee in accordance with the provisions of the National Electricity Grid Code.

(2) The high voltage consumer executing the distributed generation systems under the Net Billing/Gross Metering framework may connect the distributed generation systems at its low tension bus bar.

(3) The metering shall be done at high tension level bus bar at the same voltage the consumer is presently connected with the network of distribution and supply licensee.

(4) The prosumer shall be responsible for the following —

- (a) planning, design, construction, reliability, protection, and safe operation of distributed generation systems subject to it adhering to applicable regulations for the construction, operation, maintenance and connectivity and other statutory provisions;
- (b) coordinating with the distribution and supply licensee on operational issues including but not limited to protection, safety and metering;
- (c) every inter-connection shall be covered by an inter-connection agreement which shall specify all terms and conditions of the inter-connection;
- (d) following the best industry practices and applicable industry standards in respect of the equipment installation and its operation and maintenance;

- (e) providing schematic diagrams, technical specification, and test records of the system facility to the distribution and supply licensee;
- (f) completing all tests and inspections of the distributed generation systems in consultation with the distribution and supply licensee;
- (g) equipping every distributed generation system with the appropriate protection system as per the provisions of National Electricity Grid Code or other applicable code to deal with the situation of under/over voltage, under/over frequency trip;
- (h) ensuring that the distributed generation systems shall cease to energise the circuit in case of any fault in the circuit; and
- (i) equipping the distributed generation systems for voltage and frequency sensing, and time delay function, and prevent the formation of unintended island.

(5) The distribution and supply licensee shall develop an interconnection agreement duly incorporating the above guidelines as part of its terms and conditions, which shall be signed with the prosumer interconnected with its distribution network.

(6) The interconnection of the distributed generation systems with the distribution network shall comply with the rules on safety and electricity supply established in applicable codes and regulations as prescribed.

(7) The prosumer shall be responsible for safe operation, maintenance, and rectification of any defect of its distributed generation systems up to the interconnection point.

(8) The responsibility beyond the interconnection point for safe operation, maintenance, and rectification of any defect in the distribution

network, including the meter, shall be that of the distribution and supply licensee.

(9) The distribution and supply licensee shall have the right to disconnect the distributed generation systems at any time in the event of threat/damage from such distributed generation systems to its distribution network to prevent any accident or damage, without any notice; however, the distribution and supply licensee may call upon the prosumer to rectify the defect within a reasonable time.

(10) The distributed generation systems shall be capable of detecting an unintended islanding condition.

(11) The distributed generation systems shall have anti-islanding protection to prevent any feeding into the distribution network in case of failure of supply or grid.

(12) The applicable international electrotechnical commission technical standards shall be followed to test islanding prevention measure for grid connected distributed generation systems.

(13) The prosumer may install grid interactive distributed generation systems with or without battery backup.

(14) In case prosumer sets up distributed generation systems with battery, the distributed generation systems shall have appropriate arrangement to prevent the battery power to flow into the distribution network in the absence of grid supply and a manual isolation switch shall also be provided.

(15) Every distributed generation system shall be equipped with an automatic synchronization device but distributed generation systems using inverter with built in synchronizing device shall not be required to have such device.

(16) The distributed generation systems shall filter out harmonics, direct current, flicker, and other distortions before injecting the electricity into the distribution network of the distribution and supply licensee.

(17) The total voltage harmonic distortion shall be within the limits specified in the national electricity Grid Code.

Metering infrastructure

5.(1) All meters installed at the distributed generation system's inter-connection point shall comply with rules on metering established in the National Electricity Grid Code.

(2) All meters shall have advanced metering infrastructure facility with appropriate communication port.

(3) All meters shall be procured, installed, and maintained by the distribution and supply licensee.

(4) Where a distributed generation systems is set up under a Net Billing arrangement, a single bi-directional meter/net meter, capable of recording both the import and export of electricity and providing the net import/export of electricity, shall be installed.

(5) For all distributed generation systems with an installed capacity of more than 100 kW, the installation of check meter shall be mandatory.

(6) The specifications of a check meter shall be the same as that of the net meter.

(7) Where a distributed generation system is set up under a Gross Metering arrangement, there shall be two separate meters of appropriate class to record the import and export of electricity from the grid.

(8) There shall be an additional check meter for an export meter, which shall be installed by the distribution and supply licensee.

(9) The specifications and standards of the check meter shall be same as that of the export meter.

(10) The distribution and supply licensee shall undertake meter testing before installation to ensure the accuracy of the meter.

(11) All meters shall be jointly inspected by both the prosumer and the distribution and supply licensee and shall be sealed by the distribution and supply licensee.

(12) The meter shall be tested or checked only in the presence of the representatives of the prosumer and the distribution and supply licensee and in accordance with the procedure specified for metering in the applicable codes and regulations as prescribed.

(13) If the time-of-day retail tariff is applicable to the eligible consumer, then both generation and bi-directional meter shall be capable of recording the time of day of electricity consumption, the export of electricity and or/ generation by prosumer.

(14) The distribution and supply licensee shall, within 3 months of the date of commencement of these Regulations, modify its existing billing infrastructure to facilitate the metering arrangements as envisaged under these Regulations.

PART III - NET BILLING AND GROSS BILLING ARRANGEMENT FOR PROSUMERS WITH DISTRIBUTED GENERATION SYSTEMS WITH RENEWABLE ENERGY SOURCES

Prosumer and distributed generation systems capacity

6.(1) Any consumer in the area of a distribution and supply licensee shall be eligible to establish distributed generation systems on a first-come-first-serve basis, subject to the technical limitations as outlined in these Regulations.

(2) A prosumer may own the distribution generation system or may enter into a contract with a third party for the establishment of the distributed generation systems.

(3) An eligible consumer with a prescribed demand of 100 kW or less who proposes to establish a distribution generation system which shall generate electricity from renewable energy sources, shall be eligible for a Net Billing arrangement.

(4) An eligible consumer with a sanctioned load/contract demand of more than 100 kW but less than 500 kW who proposes to establish distributed generation systems which shall generate electricity from renewable energy sources, shall be eligible for a Gross Metering arrangement.

(5) The capacity of distributed generation systems under a Net Billing arrangement shall not exceed the prescribed demand of the prosumer.

(6) The minimum size of a distribution generation system that can be set up under a Net Billing arrangement shall be 1 kW.

(7) The capacity of a distribution generation system under a Gross Metering arrangement shall not exceed the maximum demand recorded by an eligible consumer in the previous calendar year.

(8) A prosumer is allowed to set up distributed generation systems with a battery storage.

Net Billing arrangement

7.(1) A consumer may set up a distribution generation system to offset its energy purchase bill from the distribution and supply licensee.

(2) The distribution and supply licensee shall procure energy generated by the distribution generation system at the rate determined by the Commission for such distribution generation system in accordance with regulation 21.

(3) Under a Net Billing arrangement, the monetary value of the electricity imported by the prosumer from the distribution network shall be based on the retail tariff applicable to it as a consumer.

(4) The monetary value of the electricity exported by the prosumer to the distribution network shall be as per the rate as approved by the Commission in accordance with regulation 21.

(5) The energy accounting and settlement under this arrangement shall be in accordance with regulation 12.

Gross Metering arrangement

8.(1) A prosumer may supply electricity from its distribution generation system at its premise to the distribution and supply licensee.

(2) The distribution and supply licensee shall procure electricity from the distribution generation system at the rate as determined by the Commission in accordance with regulation 22.

Role of the distribution licensee

9. The distribution and supply licensee may undertake demand aggregation and other related activities to effectively deploy distribution generation systems in its licensed area of supply.

Hosting capacity

10. The cumulative capacity of distributed generation systems allowed to be interconnected with the distribution network (feeder/distribution transformer) of the distribution and supply licensee shall not exceed 100% of the feeder and/or distribution transformer capacity, as applicable.

Interconnection point

11. The interconnection point shall be on the distribution and supply licensee's side of the meter.

Energy accounting and settlement under Net Billing

12.(1) Net Billing is the arrangement where a distribution generation system is —

- (a) installed to serve a specific eligible consumer in accordance with regulation 6(3);

- (b) connected on the distribution and supply licensee's side of the consumer meter; and
- (c) selling surplus power to a distribution and supply licensee under prosumer agreement.

(2) The distribution and supply licensee shall enter into prosumer agreement at a rate to be determined by the Commission in accordance with regulation 21.

(3) The entire quantum of surplus electricity generated by distribution generation system shall be procured by the distribution and supply licensee.

(4) The distribution and supply licensee shall bill on the prosumer in accordance with the following equations —

$$\begin{aligned} & \textit{Energy Bill of prosumer} \\ & = \textit{Fixed charges} + \textit{other applicable charges} \\ & \textit{and levies} + (NE_{DL} * T_{RST}) - \textit{Billing Credit} \end{aligned}$$

Or

$$\begin{aligned} & \textit{Energy Bill of prosumer} \\ & = \textit{Fixed charges} + \textit{other applicable charges} \\ & \textit{and levies} - (NE_{SE} * T_{PSA}) - \textit{Billing Credit} \end{aligned}$$

- (5) In the equation under subregulation (4) —
- (a) fixed charges means the fixed/demand charges as applicable to the consumer category as per the applicable retail Tariff;
 - (b) other charges and levies means any other charges such taxes, regulatory charges, network usage charges etc.;
 - (c) NE_{SE} means the energy units supplied to the distribution and supply licensee during the Billing Period as recorded by the Bidirectional /Net meter;

- (d) T_{PSA} means the energy charges as determined by the Commission in accordance with regulation 21;
- (e) NE_{DL} means the energy units supplied (i.e., gross electricity consumption) by the Distribution and supply licensee as recorded by the prosumer's meter for the billing period;
- (f) T_{RST} means the applicable retail supply tariff of the concerned consumer category as determined by the Commission; and
- (g) billing credit is the amount by which the value of distribution generation system in a particular month is greater than the value of all other components of the consumer's bill and is carried forward from the previous billing cycle.

(6) In cases where the consumer is subjected to time-of-day tariffs, the energy bill ($NE_{DL} * T_{RST}$) shall be computed accordingly.

(7) In case ($NE_{SE} * T_{PSA}$) is more than (Fixed charges + other applicable charges and levies), the distribution and supply licensee shall give credit of the amount equal to the difference (billing credit), which shall be carried forward to the next billing cycle.

(8) The billing credit under subregulation (7) may be carried forward for the settlement period and at the end of the settlement period, if there is any outstanding billing credit, it shall be paid by the distribution and supply licensee to the prosumer.

(9) For each billing period, the distribution and supply licensee shall make the following information available on its bill to the prosumer —

- (a) electricity injected by distribution generation system into the grid in the billing period;
- (b) electricity supplied by the distribution and supply licensee in the billing period;

- (c) billing credit carried forward from the last billing period; and
- (d) billing credit carried forward to next billing period.

(10) At the end of the settlement period, the prosumer shall not have the billing credit of more than 20% of notional billing credit for energy that can be generated by a prosumer in a year at capacity utilization factor notified by the Commission in accordance with regulation 21, monetised at rate determined by the Commission in accordance with regulation 21.

(11) The notional billing credit stated in subregulation (10) is —

$$= \text{Maximum Energy that can be generated by Prosumer (DGS Capacity kW * 365 * 24 * CUF) * Rate (determined by the Commission).}$$

(12) Where the billing credit exceeds 20% of the notional billing credit, the distribution and supply licensee shall cap the payment to prosumer to 20% of the notional billing credit.

Energy accounting and settlement under Gross Metering

13.(1) Gross billing is the arrangement where a distribution generation system is —

- (a) installed to serve a specific eligible Consumer in accordance with regulation 6 (4);
- (b) connected on the distribution and supply licensee's side of the consumer meter; and
- (c) selling power to a distribution and supply licensee under a Gross Metering agreement.

(2) The distribution and supply licensee shall enter into a Gross Metering agreement at rate to be determined by the Commission in accordance with regulation 22.

(3) The entire quantum of electricity generated by the distribution generation system shall be procured by the distribution and supply licensee.

(4) The distribution and supply licensee shall be responsible for billing of the electricity injected by prosumer into its distribution network.

(5) The bill prepared by the distribution and supply licensee for each billing cycle shall include the following —

- (a) the quantum of electricity injected into the grid by the distribution generation system;
- (b) the applicable rate as determined by the Commission; and
- (c) the amount payable to the prosumer.

(6) The distribution and supply licensee shall pay the entire amount due to the prosumer for energy injected into its network and settle the bill after each billing cycle, provided that the due date of payment of the bills and the other terms and conditions of bill payment shall be as approved by the Commission.

(7) At the end of each billing cycle, the prosumer shall not have a billing credit of more than 20% of energy that can be generated by a prosumer in a year at capacity utilisation factor notified by the Commission in accordance with regulation 22, and monetised at the rate determined by the Commission in accordance with regulation 22.

(8) The amount payable to prosumer in each Billing Cycle = Amount payable under Gross Metering less the amount payable for energy supplied by distribution and supply licensee.

(9) The *maximum amount payable to Prosumer under Gross Metering in a Billing Cycle* = *Maximum Energy that can be generated by Prosumer (DGS Capacity kW * (no of days in the month underconsideration) * 24 * CUF) * Rate (determined by the Commission).*

(10) Where the amount payable to a prosumer in a billing cycle exceeds the maximum amount payable, the distribution and supply licensee shall cap the payment to the prosumer to the maximum amount payable in accordance with subregulation (9).

Energy accounting during meter failure

14.(1) Where a meter fails, the prosumer shall report the failure to the distribution and supply licensee, in the manner prescribed by the Commission.

(2) The distribution and supply licensee shall replace the meter in accordance with the rules for meter replacement provided in the applicable codes and regulations as prescribed.

(3) The electricity generated during the period in which the meter is defective shall be computed on a normative basis.

(4) Where a check meter has been installed, the energy recorded in the check meter may be considered by the prosumer for the purpose of billing the distribution and supply licensee.

PART IV - PROSUMERS WITH DISTRIBUTED GENERATION SYSTEMS WITH NON-RENEWABLE ENERGY SOURCES

Consumer eligibility to become a prosumer and project capacity

15.(1) A consumer who has established distributed generation systems with non-renewable energy sources at its premises primarily for self-consumption, shall be entitled to sell its surplus energy to the grid, only as and when demanded by the distribution and supply licensee.

(2) The distribution and supply licensee, as and when it desires energy, may seek power from prosumers with distributed generation systems with non-renewable sources at any time and for any duration and quantum as it may desire.

(3) The distribution and supply licensee shall publicise its

requirements through newspapers widely circulated in its licensed area and on its website.

(4) The sale and purchase of power under this regulation shall be done under a Gross Metering arrangement at pre-announced rates determined by the Commission in accordance with regulation 23.

(5) The prosumer may express its willingness to supply energy as desired by the distribution and supply licensee by submitting a written offer in the format prescribed by the distribution and supply licensee.

(6) Where the cumulative quantum of power offered by prosumers exceeds the quantum desired, the distribution and supply licensee may seek competitive offers from prosumers interested in supplying energy to it with the rate determined by the Commission in accordance with regulation 23, being the rate cap.

(7) The distribution and supply licensee shall not pay for any energy injected into its distribution network during non-contracted hours or for a quantity more than the contracted quantum.

(8) The contracted prosumers shall comply with the rules for interconnection with the distribution network in accordance with the applicable codes and regulations as prescribed.

Gross Metering arrangement

16.(1) A prosumer may supply surplus electricity from its distribution generation system at its premises to the distribution and supply licensee as sought by it.

(2) The distribution and supply licensee may procure surplus electricity from such prosumers at rates determined by the Commission in accordance with regulation 23 or regulation 15 (6).

Energy accounting and settlement

17.(1) The distribution and supply licensee shall be responsible for the billing of the electricity injected by prosumers into its distribution network

and shall be responsible for ensuring that the bill is in accordance with the contract entered into with the prosumer.

- (2) The bill prepared shall include the following —
- (a) the quantum of electricity injected into the grid by the prosumer;
 - (b) the applicable rate as determined by the Commission; and
 - (c) the amount payable to the prosumer.

Role of the distribution and supply licensee

18.(1) To facilitate the procurement of power from a distributed generation system, the distribution and supply licensee shall be responsible for the following —

- (a) the preparation of technical standards and guidelines for inter-connecting distribution generation system to its distribution network and seek the approval of the Commission; and
- (b) to develop and adopt administrative procedures and standard contractual documents with the approval of the Commission, within 3 months of the date of operation of these Regulations;

(2) The distribution and supply licensee shall announce the quantum of electricity it can absorb at each distribution substation/feeder and make it public on its website.

Interconnection point

19.(1) For a prosumer, the interconnection point shall mean a point on the network of the distribution and supply licensee, including a sub-station or a switchyard, where the interconnection is established between the distribution generation system and the distribution network and where

electricity injected into the distribution network can be measured unambiguously.

(2) The interconnection point shall be made in accordance with applicable codes and regulations as prescribed.

(3) The prosumer shall be responsible for delivering the power at the interconnection point and shall operate and maintain the network for delivery of power at the interconnection point.

PART V - PRINCIPLES FOR DETERMINATION OF RATE PAYABLE FOR POWER INJECTED INTO THE GRID

General principles

20.(1) The rate at which the power exported to the distribution network under various metering and billing arrangements shall be determined by the Commission and shall be monetised by the distribution and supply licensee.

(2) The Commission may determine the rate under the following circumstances —

- (a) on a *suo motto* basis considering the downward trend of the project cost of the distributed generation system, changes in the consumption pattern of prosumer and implications on the revenue of the distribution and supply licensee;
- (b) on a policy direction issued by the Government;
- (c) on petition by the distribution and supply licensee; or
- (d) on petition by the prosumer for determination of the rate.

(3) A petition made pursuant to subregulations (2)(c) and 2(d) shall be in the form and manner prescribed by the Commission.

(4) The rate, including its terms and conditions of metering and billing shall be determined by the Commission for different sources of renewable energy.

(5) The levelised cost of energy required for the purpose of these regulations shall be determined considering the normative project cost, operating costs, financing cost and generation by a representative distribution generation system for its useful life.

(6) The avoided purchase cost of power for a distribution and supply licensee for the purpose of these regulations shall be determined by considering the purchase cost of power that can be avoided consequent to the export of power by a distribution generation system to its network.

(7) The Commission shall notify the rate under section 33 of the Electricity Act.

Principles for determining rate for power exported under a Net Billing arrangement

21.(1) The rate for surplus power exported by a prosumer under a Net Billing arrangement may be determined by the Commission, considering the levelised cost of generation from a representative distribution generation system and the avoided power purchase cost of distribution and supply licensee.

(2) The rate shall be determined taking into consideration of the interests of both prosumer and distribution and supply licensee.

(3) The Commission shall consider the capacity utilization factor for the notional amount of billing credit as required under regulation 7(5) of these regulations.

Principles for determining rate for power exported under Gross Metering arrangement

22.(1) The rate for power exported by a prosumer under a Gross Metering arrangement may be determined by the Commission considering the levelised cost of generation from a representative distribution generation system and avoided power purchase cost of distribution and supply licensee.

(2) The rate shall be determined taking into consideration the interests of both the prosumer and the distribution and supply licensee.

Principles for determining rate for power exported by distribution generation system with non-renewable energy sources

23. The rate for power exported by a prosumer with non-renewable sources under a Gross Metering arrangement may be determined considering the minimum of the variable cost of generation by non-renewable energy resources considered in Part 4 of these Regulations and avoided power purchase cost of distribution and supply licensee.

PART VI - APPLICATION PROCESS AND PROCEDURE FOR THE DISTRIBUTION AND SUPPLY LICENSEE

Application process and procedure

24.(1) An application for interconnecting its distribution generation system with distribution network may be submitted to the Commission along with the information as prescribed by the Licences and Authorisation Regulations, 2024.

(2) The Commission shall provide a unique registration number to the applicant who duly submits an application and issue an acknowledgement therefor to the applicant electronically.

(3) The Commission shall process an application within 3 months of the date of issuance of the acknowledgement under subregulation (2).

(4) The Commission shall forward the application to the distribution and supply licensee to undertake a technical feasibility study.

(5) The distribution and supply licensee shall complete the technical feasibility study within 60 calendar days from the date of acknowledgement issued to the applicant under subregulation (2).

(6) Where the technical feasibility of the application is determined to be satisfactory, the distribution and supply licensee shall inform the Commission and thereafter the Commission shall inform the applicant.

(7) Where any deficiency is found in the application during the technical feasibility study, the distribution and supply licensee shall inform

the applicant and the Commission within 25 calendar days from the date of issuance of the acknowledgement under subregulation (2).

(8) The applicant shall remove all identified deficiencies within 15 calendar days of being informed of the deficiencies pursuant to subregulation (7) and shall inform the distribution and supply licensee of the resolution of the deficiencies.

(9) The distribution and supply licensee shall assess the resolution of the deficiencies and if determined to be satisfactory, inform the applicant of such.

(10) Where the deficiencies are not removed within the period specified under subregulation (8), the application shall be deemed unsuccessful.

(11) Where the distribution and supply licensee assesses that it is not technically feasible to connect the distribution generation system to its distribution, the distribution and supply licensee shall inform the applicant of its assessment within 22 calendar days from the issuance of the acknowledgement of the application.

(12) An application which is not technically feasible under subregulation (11) shall be put on a priority waiting list and as and when the technical feasibility is re-established by the distribution and supply licensee, the application shall be considered in priority, before processing any new application.

Installation

25.(1) The applicant shall install the distribution generation system in accordance with the BS 7671 standard within 180 calendar days of receiving the approval from the Commission under regulation 24(6).

(2) Where the Applicant fails to install the system within 180 calendar days, the application shall be deemed unsuccessful, and the applicant may re-apply provided that —

- (a) an extension of time may be granted by the distribution and supply licensee upon written request from the applicant;
- (b) the applicant shall be at liberty to complete the installation process before the maximum period and approach the distribution and supply licensee to initiate subsequent steps.

Commissioning of distribution generation system of size between 100kW and 500kW

26.(1) The applicant shall consult and enter into agreement with the distribution and supply licensee regarding —

- (a) the evaluation of the impact of the distribution and generation system on the grid at the interconnection point;
- (b) the metering arrangement; and
- (c) any other conditions that need to be met to connect the distribution generation system to the grid.

(2) The distribution and supply licensee shall provide to the applicant all relevant forms and documents and rates at which the electricity exported will be calculated under the Gross Metering arrangement.

(3) The applicant shall, upon completion of the installation of the distribution generation system, submit the work completion report to the Commission and submit a copy of the report to the distribution and supply licensee.

(4) The Commission shall, within 7 working days of submission of the work completion report under subregulation (3), undertake, in accordance with the applicable practices, a system inspection and safety checks.

(5) Where the inspection and safety checks are satisfactory, the Commission shall issue a safety certificate within 5 working days.

(6) Where the work completion report is not satisfactory, the Commission shall inform the applicant of the deficiencies, whereupon the applicant shall resolve the deficiencies within 7 working days of receiving the communication from the Commission and resubmit afresh the work completion report.

(7) The applicant shall submit the safety certificate issued under subregulation (5) to the distribution and supply licensee within 3 working days from the date of receipt of the same.

(8) The distribution and supply licensee shall, within 7 working days of receiving the safety certificate from the applicant under subregulation (7) and upon verification of the work completion report —

- (a) synchronise the distribution and generation system with its distribution network;
- (b) install meters;
- (c) issue the letter of synchronization and date of commissioning to the applicant; and
- (d) submit a copy of the letter to the Commission.

Commissioning of distribution generation system of size up to 100kW

27.(1) The applicant shall, upon completion of the installation of the distribution generation system, submit the work completion report to the distribution and supply licensee.

(2) The distribution and supply licensee shall, within 7 working days of submission of the work completion report under subregulation (1), undertake, as per the applicable practices, a system inspection and safety checks.

(3) In cases where the work completion report is not satisfactory, the distribution and supply licensee shall inform the applicant of the deficiencies, whereupon the applicant shall resolve the deficiencies within 7 working days of

receiving the communication from the Commission and resubmit afresh the work completion report.

(4) Where the inspection and safety checks are satisfactory, the distribution and supply licensee shall —

- (a) synchronize the distribution and generation system with its network, after verifying the work completion report;
- (b) install meters;
- (c) issue letter of synchronization and date of commissioning to the applicant; and
- (d) submit a copy of the letter to the Commission.

PART VII - GOVERNANCE STRUCTURE, INSTITUTIONAL FRAMEWORK, ROLE AND RESPONSIBILITIES OF DISTRIBUTION AND SUPPLY LICENSEE

Role and responsibilities of distribution and supply licensee

28.(1) The distribution and supply licensee shall, within 3 months from the date of coming into operation of these Regulations —

- (a) publish information regarding the distribution transformer hosting capacity available for connecting distribution and supply licensees; and
- (b) adopt and publish the procedures and formats including the standard prosumer agreement and interconnection agreement form as specified under these Regulations and upload the same on its website.

(2) The distribution and supply licensee shall, within 1 month after the end of the financial year, submit to the Commission, data on the distribution generation system capacity added and electricity procured through distribution generation systems and other sources.

(3) The distribution and supply licensee shall publish every month on its website, the cumulative installed capacity of the distribution generation system and available hosting capacity.

(4) The distribution and supply licensee shall maintain a record of distribution generation systems set up under these Regulations with details including the type and capacity of distribution generation systems and submit a quarterly report to the Commission, within 15 days after the end of each quarter.

(5) The distribution and supply licensee shall undertake technical studies every two years to assess the impact of penetration of distribution generation systems on its distribution system, make a report thereof and share these studies with the Commission.

PART VIII - MISCELLANEOUS

Administrative penalty

29. Where the distribution and supply licensee fails to meet the timelines prescribed under these Regulations, the Commission may levy an administrative penalty of SCR 1500 per day for each day the timeline is exceeded.

Dispute resolution

30.(1) Any dispute between consumers, prosumers and distribution licensees related to any aspect of these regulations and of the distributed generation system, Net Billing and Gross Metering arrangements ruled by these regulations shall be settled by the Commission.

(2) All disputes brought before the Commission shall be decided within 3 months from the date of bringing such dispute before the Commission.

(3) Without limiting the generality of subregulation (1), the disputes which may be settled by the Commission relate to —

- (a) the interconnection, metering and any other matter prescribed by law;
- (b) the compliance of obligations established in these Regulations by a consumer, prosumer or distribution and supply licensee;
- (c) the interconnection agreement; and
- (d) the application of Net Billing, Gross Metering arrangements and interconnection agreements.

MADE this 21st day of October, 2024.

**FLAVIEN JOUBERT
MINISTER FOR AGRICULTURE,
CLIMATE CHANGE AND ENVIRONMENT**
