



Chhattisgarh State Electricity Regulatory Commission
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Petition No. 28 of 2025

In the Matter of:

“Seeking clarifying directions and/or removal of difficulty in the matter of Virtual Net Metering where the renewable energy is differently located, under the provisions of Regulation 26 and 29 of the CSERC (Grid Interactive Distributed Renewable Energy Source) Regulations’ 2019 and subsequent CSERC (Group Net Metering and Virtual Net Metering for Renewable Energy) Guidelines 2022.”

M/s Sadbhav Renewables Pvt. Ltd.
Office-84, Anand Nagar
Raipur (Chhattisgarh)

... Petitioner

Versus

Chhattisgarh State Power Distribution Co. Ltd.
Vidhyut Seva Bhawan, Danganiya, Raipur (C.G.)

... Respondent

**PRESENT : Vivek Ganodwale, Member (Law)
Ajay Kumar Singh, Member (Technical)**

Appearance : Shri Shyam Kabra, representative for petitioner.
Shri Pradip Mishra, EE for Respondent CSPDCL.

**ORDER
(November 24,2025)**

The petitioner, M/s Sadbhav Renewables Private Limited is a Solar Power Developer and is involve in the business of Solar EPC for residential, commercial and industrial sectors. Chhattisgarh State Power Distribution Company Limited (in short, ‘CSPDCL’ or ‘respondent’) has been made

respondent in this case, which is a State-owned distribution licensee in the State of Chhattisgarh.

- 2.** The petitioner submitted that the Commission has notified CSERC (Group Net Metering and Virtual Net Metering for Renewable Energy) Guidelines' 2022 (in short, 'Guidelines, 2022') to facilitate solar power generation and subsequent consumption within the State through Group Net Metering (GNM) and Virtual Net Metering (VNM). The concept of net metering has been specified in the Chhattisgarh State Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019 (in short, 'DRE Regulations') and its subsequent amendments. The Commission has issued these guidelines for effective implementation of these Regulations for the group of eligible consumers, having space constraints, are facing difficulty in becoming solar power generator i.e., 'prosumer' from merely 'consumer'.
- 3.** Petitioner submitted that as per clause 2.1(b) of the CSERC Guidelines, 2022 renewable energy is to be exported to the grid through gross meter this energy shall be adjusted in more than one electricity service connection(s) of participating consumers of same distribution licensee's area of supply. Similarly, clause 3(4) of the guidelines specifies capacity to be installed at any eligible consumer premises shall not exceed the sanctioned load or contract demand of the eligible consumer and clause 3(5) refer to the feed of excess energy in to the grid.

Therefore, petitioner submitted that harmonious reading of these clauses leading to the confusion among the developers whether the solar plants have to be installed at any eligible consumer premise or it can be differently located under virtual net metering mechanism. The respondent authority also could not provide any satisfactory reply to resolve this confusion.

4. It is submitted that the ambitious target Government of India for renewable energy generation can only be achieved by facilitating VNM as conventional net metering mechanism is limited to the consumers having adequate rooftop spaces, sufficient load, high tariffs etc. Further, consumers residing in multi-storied apartments (without having roof rights) encounter limitations in becoming prosumer. Keeping all such constraints in view, the Commission has conceptualised VNM and accordingly issued guidelines to facilitate the VNM in the State.

The petitioner has desired clarification on provision related to location of Renewable Energy System under VNM and allowing VNM Renewable Energy System as differently located from the premises of consumption of all eligible consumers.

5. Further, in response to reply submitted by CSPDCL, petitioner submitted that the word 'virtual' means 'being almost or nearly' hence Virtual Net Metering Mechanism is nearly a normal Net-Metering Mechanism except the location of the generation. In normal Net-Metering, generation is co-located with consumption whereas in Virtual Net Metering, generation is distantly located.

Respondent CSPDCL's submission

6. Respondent has submitted that intent and applicability of VNM has been specified in Clause 4 of the Guidelines, 2022 which says that cumulative capacity of distributed renewable energy system allowed to be interconnected with the distribution network shall not exceed 100% of the respective distribution transformer capacity. As per this provision, injection of power must occur on the respective distribution transformer, thereby necessitating the co-location of the solar power plant for VNM.

7. It is submitted that harmonious reading Clause 2.1(b) of the Guidelines, 2022, wherein definition of VNM has been provided, with Clause 2.1(t) of the DRE Regulations 2019, related to definition of prosumer, concludes that the co-location of the renewable energy system with export and import of power through solitary point of interface is a mandatory prerequisite for availing VNM. The absence of the express term 'co-location' in Clause 2.1(b) does not negate this requirement for VNM. Respondent has further substantiated his arguments of Co-location of the VNM projects by elaborating Clause 13 of Guidelines 2022. This clause is related to exemption of wheeling, cross subsidy, transmission charges, banking charges etc., for projects under VNM arrangements. As per the respondent, the Commission provided exemption on these charges considering VNM to be co-located.
8. With the above submission, respondent requested to disallow the plea of the petitioner to permit VNM arrangement for distantly located premises.

Analysis & Decision

Heard the parties and perused the records.

9. From the pleadings and arguments, we note that the confusion arises due to the provisions specified in Clause 2.1(b), Clause 3(4) and Clause 4 of Guidelines 2022 and Clause 2.1(t) of DRE Regulations 2019 in which the respondent has relied and concluded that co-location of solar power plant is must for VNM arrangement. Hence, this petition by the petitioner to seek clarification on provision related to location of renewable energy system under VNM arrangement. In order to give clarifications, it is necessary to go through these provisions. These provisions are reproduced below;(emphasis added)

Guidelines 2022

"b) **"Virtual Net Metering"** means an arrangement whereby entire energy generated/injected from a Renewable Energy System or Battery Energy Storage System (BESS) charged through Renewable Energy System is exported to the grid from renewable energy meter/gross meter and the energy exported is adjusted in more than one electricity service connection(s) of participating consumers located within the same distribution licensee's area of supply;"

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3. General & Applicability

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(4) The capacity to be installed at any eligible consumer premises shall not exceed the sanctioned load or contract demand of the eligible consumer.

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4. Available Capacity at Distribution Transformer level

The cumulative capacity of distributed renewable energy systems allowed to be interconnected with the distribution network shall not exceed 100% of the respective distribution transformer capacity.

Provided that in case of excess installation, distribution transformer capacity shall be increased to avoid denial of permission for setting up Renewable Energy system as provisions of the Supply Code/Grid Code/Orders issued by the Commission."

CSERC DRE Regulations 2019

t) "Prosumer" is a person who consumes electricity from the grid and can also inject distributed renewable energy into the grid using the same network;

Harmonious reading of all these provisions specifies that renewable energy plant can be installed by the group of consumers, such as residents of the multi-storied apartments, at one location where in the energy will only be injected through gross meter (unidirectional meter). This injection will be off-set against the participating consumers of multi-storied apartments. However, capacity of the renewable energy plant shall be limited to cumulative sanctioned load of the participating consumers or upto 500 kW,

whichever is lower. If the capacity of the already existing distantly located distribution transformer is not sufficient to accommodate injection of power, then the licensee shall increase the capacity of such distantly located transformer to facilitate renewable generations rather than denying it.

- 10.** It appears that the respondent has failed to realize the intent of the issuing guidelines 2022. Concept of Virtual Net Metering is to facilitate small consumers to avail renewable energy under Net Metering Mechanism, even if they have space constraint. The Guidelines 2022 have been issued to further widen the net metering concept so that more and more consumers can be equipped with net metering facility and renewable generation is widely promoted in line with commitments of GoI to achieve net zero economy. Hence the word "Virtual" has been introduced with net metering. Further, as it is extended form of the net metering provisions, other charges such as wheeling, cross subsidy, transmission charges, banking charges etc., are exempted as in the case of Net metering.
- 11.** In view of the above, we conclude that location of generating unit of Renewable Energy System under VNM can be differently located from the premises of participating eligible consumers.

We order accordingly.

Sd/-
(Ajay Kumar Singh)
Member (Tech.)

Sd/-
(Vivek Ganodwale)
Member (Law)