

Bill No. XXXIX of 2017

THE SOLAR POWER (DEVELOPMENT, PROMOTION AND
MANDATORY USE)
BILL, 2017

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to provide for the development and promotion of solar power generation and mandatory use of solar power in buildings with a view to saving conventional energy and protecting the environment and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Solar Power (Development, Promotion and Mandatory Use) Act, 2017.

Short title,
extent and
commencement.

5 (2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

Definitions

10 (a) “appropriate Government” means, in the case of a State, the Government of that State, and in other cases, the Central Government.

(b) “authority”, means the National Solar Power Development Authority of India, established under section 4 of this Act;

(c) “buildings” include all structures and installations notified by the appropriate Government under this Act;

(d) “prescribed” means prescribed by rules made under this Act; 5

(e) “solar photovoltaic modules, panels and solar thermal collectors” mean flat or concentrating devices which collect, convert or store solar energy for use in the form of heat or electricity.

Obligation for the owners, lessees, tenants, builders and promoters of buildings. 3. It shall be obligatory for the owners, lessees, tenants, builders and promoters of every building to install solar photovoltaic modules, panels and solar thermal collection on the top in the land forming part of the property, for generating electricity in order to meet a part of its total electricity requirement in such manner as may be prescribed by the appropriate Government. 10

Transmission of excess electricity to grid. 4. Where any building has a solar capacity which exceeds its own requirements, such excess electricity shall be transmitted to the grid and the owners, lessees, tenants or other users of the building shall be entitled to such incentives as may be prescribed by the appropriate Government. 15

Establishment of a National Solar Power Development Authority of India. 5. (1) For the purposes of this Act, the Central Government shall, by notification in the Official Gazette, establish an Authority, to be known as the National Solar Power Development Authority of India, with its headquarters at New Delhi. 20

(2) The Authority may have such number of regional offices in any region or parts or in the States as may be require.

Composition of the Authority. 6. (1) The Authority shall be headed by a Chairperson and five other members to be appointed by the Central Government in such manner as may be prescribed.

(2) The terms and conditions of the service of the Chairperson and the members shall be such as may be prescribed. 25

(3) The Authority shall have a Secretariat with such set up as may be prescribed.

(4) The Authority shall meet at such time and such places, and shall observe such procedure in regard to the transaction of business at its meetings as may be prescribed.

Functions of the Authority. 7. The Authority shall perform the following functions, namely to,— 30

(a) specify the categories and size of the buildings to be covered by the Act;

(b) recommend amendments to building bye-laws so as to make it obligatory for the owners, contractors builders and promoters of all new buildings to install solar photovoltaic modules, pannels and solar thermal collectors as specified in this Act;

(c) specify the minimum percentage of the total electricity requirements of a building to be met through solar energy; 35

(d) specify the circumstances and technical grounds under which exemptions may be granted from the provisions of this Act;

(e) recommend to the appropriate Government, the provisions for subsidies and other incentives for the installation of solar energy systems in new buildings as well as existing building; and 40

(f) recommend appropriate concessions like subsidies, etc. for the solar energy equipment, in order to promote awareness among the people about the availability of solar thermal and photovoltaic products and the benefits arising from their use.

- 8.** The Authority may, on an application made by an individual or establishment, grant exemption from the provision of section 3 for reasons to be recorded in writing. Authority to grant exemptions.
- 9.** The Central Government shall, after due appropriation made by Parliament by law provide requisite funds for the purposes of this Act, from time to time. Central Government to provide funds.
- 5 **10.** Whoever contravenes the provisions of this Act, shall be liable to be punished with imprisonment which may extend to three months or with fine up to two lakh rupees. Penalty.
- 11.** The provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force. Saving.
- 10 **12.** The appropriate Government state may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act. Power to make rules.

STATEMENT OF OBJECTS AND REASONS

For decades, the power generation in India has been dominated by thermal power. Presently, out of the total power generation in the country about two-thirds of power is produced by thermal plants, with coal-based power plants topping the list by a sizeable margin. The Renewable Energy Sources, including Small Hydro Projects, Biomass Gasifiers, Biomass Power, Urban & Industrial Waste Power, Solar and Wind Energy hardly account for 17-18 per cent of total power generation. Thus, the share of solar power in total power generation is too little to be significant. India has high solar insolation, which is an ideal condition for generation of solar power. This is particularly true about Gujarat and parts of Rajasthan and Deccan Plateau. Still, the installed capacity of solar plants in the year 2014 stood at 2500 MW only.

The Government has identified the advantage, India's vast geography and favourable geographical location offers. As a result the Solar Power capacity has more than quadrupled in a short span of three years, reaching beyond 10 GW from a meagre 2500 MW in 2014. The Government aims to further raise it to 22 GW by the end of current fiscal and to 100 GW by the end of the year 2022.

While the new solar capacity is being generated mainly in commercial, institutional sector, there is no denying the fact that roof top solar power generation in buildings such as Government offices, schools, hospitals and other large institutions can be a significant source of solar electricity. This requires an institutionalised mechanism which can tap this endless source of energy at micro levels.

Towards this end, the Bill seeks to—

- (i) Make it obligatory for the owners, lessees, tenants, builders and promoters of every specified building to install solar photovoltaic modules and panels, on the top or in the land forming part of the property, for generating electricity in order to meet a part of its total electricity requirement in such manner as may be prescribed;
- (ii) provide for transmission of excess electricity to the grid and grant of suitable incentives for such excess generation and transmission;
- (iii) provide for establishment of a National Solar Power Development Authority of India to regulate and promote roof-top solar power generation; and
- (iv) provide that if a person fails to fulfil his obligation under the Bill, he shall be liable to a fine of up to two lakh rupees or imprisonment up to three months.

The Bill seeks to achieve the above objects.

NARAYAN LAL PANCHARIYA

FINANCIAL MEMORANDUM

Clause 5 of the Bill provides that Central Government shall establish the National Solar Power Development Authority of India for development and promotion of the use of the solar energy. Clause 7 of the Bill makes provision of subsidy and other incentives for installation of solar energy systems in new buildings as well as existing buildings. Clause 9 makes provision for the Central Government to provide requisite funds for carrying out the purposes of this Bill.

The Bill, therefore, if enacted will involve expenditure from the Consolidated Fund of India. The recurring and non-recurring expenditure on this count cannot be estimated at this stage. but has to be worked out by the Central Government while implementing the provisions of the Bill.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 12 of the Bill empowers the appropriate Government to frame rules by notification in the Official Gazette, to carry out the provision of the Bill.

The rules to be framed by the appropriate Government pertain to matters of administrative detail, which cannot be laid down in the Bill itself.

The delegation is, therefore, normal in character.

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to provide for the development and promotion of solar power generation and mandatory use of solar power in buildings with a view to saving conventional energy and protecting the environment and for matters connected therewith or incidental thereto.

(Shri Narayan Lal Panchariya, M.P.)