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New policy to encourage solar net-metering, claims minister

Awais Leghari anticipates around 1200MW solar electricity to enter system every year

By Web Desk | March 16, 2025



Federal Minister for Energy (Power Division) Awais Leghari gestures during an interview in this undated photo. — AFP

Dismissing speculations, Federal Minister for Energy Sardar Awais Ahmad Leghari on Sunday claimed that under the new policy the number of solar net-metering consumers would increase.

Earlier this week, the cabinet's Economic Coordination Committee (ECC) revised the buyback tariff of solar rooftop consumers to Rs10 per unit from Rs27 per unit.

Speaking on *Geo News*' programme 'Naya Pakistan', the energy minister was of the view that the solar consumers would recover the cost of installing solar system in around four years, commonly known as payback period.

The minister said that the government never discouraged the solarisation, adding that they did not impose taxes on solar panels.

Proliferation of solar on the system was around 1500MW to 2000MW during the past 1.25 years, he said, adding that they were expecting that around 1200MW solar electricity would enter the system every year.

Responding to a question, the minister said that the new rates would be applied on those consumers would apply for net-metering in the future, adding that it would not be applied on existing consumers.

When he asked about former finance minister Miftah Ismail's claim that the government would also impose 18% tax on the export unit, the minister said that he was "misinformed" and his calculations were incorrect. He clarified that there would be no tax on the export unit.

Quoting Miftah, the anchorperson asked that burden on grid consumers was Rs34 billion last year, how it shoot up to Rs150 billion? He said that the number of grid consumers slashed due to economic conditions and net-metering but the capacity payments remained unchanged.

The minister said: "Capacity payment is divided on total number of grid consumers. Hence, the total burden surged to Rs150 billion."

In a major policy shift, the cabinet's ECC on March 13 revised the buyback tariff of solar rooftop consumers to Rs10 per unit from Rs27 per unit.

The decision came in light of a significant increase in the number of solar net-metering consumers, with associated financial implications for grid consumers, it added.

"As part of the approved changes, the ECC has revised the buyback rate from the National Average Power Purchase Price (NAPP) to Rs10 per unit."

It was clarified, however, that the revised framework will not apply to existing net-metered consumers "who have a valid license, concurrence, or agreement under the Nepra (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015".

"Any such agreements will remain effective until the expiration of the license or agreement, whichever occurs first. This ensures that the rights and obligations of these consumers, including agreed-upon rates, will continue as per the existing terms," read the statement.

Furthermore, the committee approved the proposal, subject to the ratification of cabinet, to allow the National Electric Power Regulatory Authority (Nepra) to revise this buyback rate periodically, ensuring that the framework remains flexible and aligned with evolving market conditions.

Additionally, the ECC also approved an update to the settlement mechanism. Under the new structure, imported and exported units will be treated separately for billing purposes.

The exported units will be purchased at the revised buyback rate of Rs10 per unit, while the imported units will be billed at the applicable peak/off-peak rates, inclusive of taxes and surcharges, during the monthly billing cycle.

The ECC also authorised the Power Division to issue proposed guidelines, subject to cabinet's ratification, to Nepra for incorporation into the applicable regulatory framework, ensuring clarity and consistency in the implementation of these amendments.

The decision follows extensive discussions on the growing impact of solar net-metering on the national power grid.


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