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No tax on rooftop solar units sold to grid: Leghari

Roof solar panel consumers, however, will have to pay the 18 per cent tax on electricity from the grid like others, says minister

By Khalid Mustafa | March 17, 2025



Federal Minister for Energy (Power Division) Awais Leghari gestures during an interview in this photo. — X@GovtofPakistan/File

ISLAMABAD: Federal Minister for Energy Awais Khan Leghari has said Prime Minister Shehbaz Sharif would soon announce a reduction in power tariff, arguing that the government has saved Rs1,400 billion in the remaining years of revised contracts of independent power producers (IPPs).

“This has saved Rs400 per annum. The Rs400 billion annual saving would be reflected in the tariff to be announced by PM Sharif. In addition, the impact of lowering the discount rate to 12 per cent on loans in the power sector would also be reflected in the reduced tariff.”

Speaking to Shahzad Iqbal in Geo News programme Naya Pakistan on Sunday night, Leghari said there will be no tax at all on the units to be generated by roof solar panel consumers and will be exported to the grid. He, however, added they will have to pay the 18 per cent tax on electricity from the grid as like other consumers.

The minister dispelled the impression that the consumers of roof solar panels, to be installed under the new solar policy approved by Economic Coordination Committee (ECC), would sell the electricity at Rs8.88 per unit because of the 18 per cent tax per unit instead of Rs10 per unit and clarified that buyback rate will be Rs10 per unit under the new policy.

He said at a 15 per cent plant factor, if the roof solar panel consumers, under the new policy, use 25 per cent solar electricity and 75 per cent grid power, then their payback period of the investment will stand at 3.5-4 years. However, under the existing policy, he added, the net metering consumers will continue to sell their units at Rs27 per unit in their remaining contract periods. “The net metering consumers are having a payback period of 18 months, but gross

metering consumers under the new policy will have a period of 3.5-4 years.”

According to him, during the last one-and-a-half years, 1500-2000 MW has been installed by roof solar panel consumers and this would continue in the years to come with an estimated hike of 1000-1100 MW per year in the future. So far the number of solar panel consumers has increased to 2,83,000 putting an additional burden of Rs150 billion on the grid electricity consumers which is why their tariff has been increased by Rs1.5 per unit. The grid consumers are paying the cost of a grid storage facility for net metering consumers.

“Therefore, the government has rationalised the roof solar policy under which a net billing system has been introduced at buyback rate of Rs10 per unit for five years contract period.”

The energy minister hoped that the industrial demand for electricity would increase in the months to come because of the reasonable reduction in power tariff to be announced soon by the Prime Minister. He also mentioned that the government had scrapped the committed projects of 10,000MW for which the letters of intent (LoIs) had been issued as their electricity was costly.



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