

# Phase II rooftop solar will give a big push to reach 40 GW target: Tata Power CEO

The latest government initiative that offers central financial assistance for Group Housing Societies and Residential Welfare Associations would help better adoption of rooftop solar among residential power consumers, which account for only around 9% of the total rooftop solar systems installed in the country (against almost 70% by industrial and commercial users).

MARCH 15, 2019 **UMA GUPTA**

FINANCE    MARKETS    RESIDENTIAL PV    INDIA



The second phase of grid-connected rooftop solar scheme seeks to extend financial support between 20-40% of the cost depending on the size of the installation.

Photo: Sunseap

The [approval of the second phase of grid-connected rooftop solar programme](#)—for achieving cumulative capacity of 40 GW from such projects by 2022—is being seen as a positive development by the [rooftop solar](#) industry.

Welcoming the move, Praveer Sinha, CEO and MD, [Tata Power](#) said: “The second phase that seeks to extend financial support between 20-40% of the cost depending on the size of the installation is a crucial element of the policy decision by the government. Heavy front-ended investment of rooftop solar system has been the single biggest challenge holding back its deeper penetration, particularly in rural and semi-urban parts of the country.”

“Rooftop solar not only offers a cleaner source of energy to the masses but also helps in reducing

transmission and distribution losses in the Indian power sector, which is currently around 20%. The latest policy initiative that offers financial assistance for Group Housing Societies and Residential Welfare Associations should also help better adoption of [rooftop solar systems](#) among residential power consumers, which is only around 9% to the total rooftop solar installed in the country (against almost 70% by industrial and commercial users)," Sinha added.

[Phase II of the grid-connected solar scheme](#) provides central financial assistance (CFA) for setting up of 4 GW of grid-connected [rooftop solar plants](#) in residential sector and incentives to discoms based on the achievement for installing additional grid-connected rooftop capacity over and above the base level with the incentives limited to the first additional 18 GW rooftop capacity installed across the country.

For the total 38 GW capacity planned under Phase II, financial outlay has been broken down into Rs 6,600 crore as CFA for 4 GW residential capacity, Rs 4,950 crore as incentive to discoms, Rs 66 crore for capacity building @1% of CFA, and Rs 198 crore as service charge @3% of CFA.