



## Frequently Asked Questions

# FAQS

### 1 How much does a SPV system cost?

- The MNRE guidelines indicate the cost of a 1 kWp solar PV system between Rs. 60,000 and 70,000 without adding subsidy. However, with the addition of subsidy, the cost reduces to Rs. 42,000 to 49,000 per kWp. Please note that this cost is inclusive of solar modules, inverter and material for civil structure, AND transportation, installation, cabling, civil works, and operation & maintenance (O&M).
- In the case of CAPEX business model, the O&M cost upto 5 years is included. However, in the RESCO model, the vendor shall provide O&M for 25 years of panel life. Regardless of the model, a standard warranty of 5 years is also provided for the system.

### 2 Is the Government providing any subsidy/ incentive for rooftop solar PV systems?

- Yes, the central government through the Ministry of New and Renewable Energy (MNRE) provides a maximum subsidy of 30% to the residential sector. This is available till 31st March 2018.
- In addition, the Delhi Government will also provide Generation Based Incentive (GBI) of Rs. 2 per unit of power generation till September 2019. This is subject to the condition that the installed panels generate anywhere between 1100-1500 units per kWp of solar power annually.

### 3 Who bears the cost of Installation?

The two different Business models for installation decide who bears the cost of system installation.

Please note:

- **RESCO:** Renewable Energy Services Company operates under the model in which the Company bears the cost of system installation, in exchange for a Bank Guarantee equivalent to three years of generation cost from the consumer as collateral. The Company sells electricity to the consumer at a predefined rate less than the cost derived by the consumer from the grid. Additionally, under this financing model, the responsibility for Operation and Maintenance of the Rooftop PV System lies solely with the vendor and is available for 25 years of panel life.
- **CAPEX:** The Capital Expenditure model requires the Consumer to finance the cost of system installation. This allows the Consumer to have full ownership rights over the system. Under this model of financing, the vendor will provide free maintenance for first 5 years. The responsibility of checking operability and proper functioning of the system rests with the consumer once the maintenance contract expires. This however can be renewed for a fee if the consumer wishes to. The conditions are negotiated between the consumer and vendor.

### 4 What will be the cost of additional civil works such as elevation of the PV system?

This is a special circumstance. Depending on the available shadow-free area, the solar panels may require some form of elevation or increase in mounting height, in order to draw maximum sunlight. In such a case, the cost depends on vendor-consumer negotiation.

### HelpDesk

Please feel free to reach out to us in case of any queries. We will try our best to solve the issues swiftly.

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