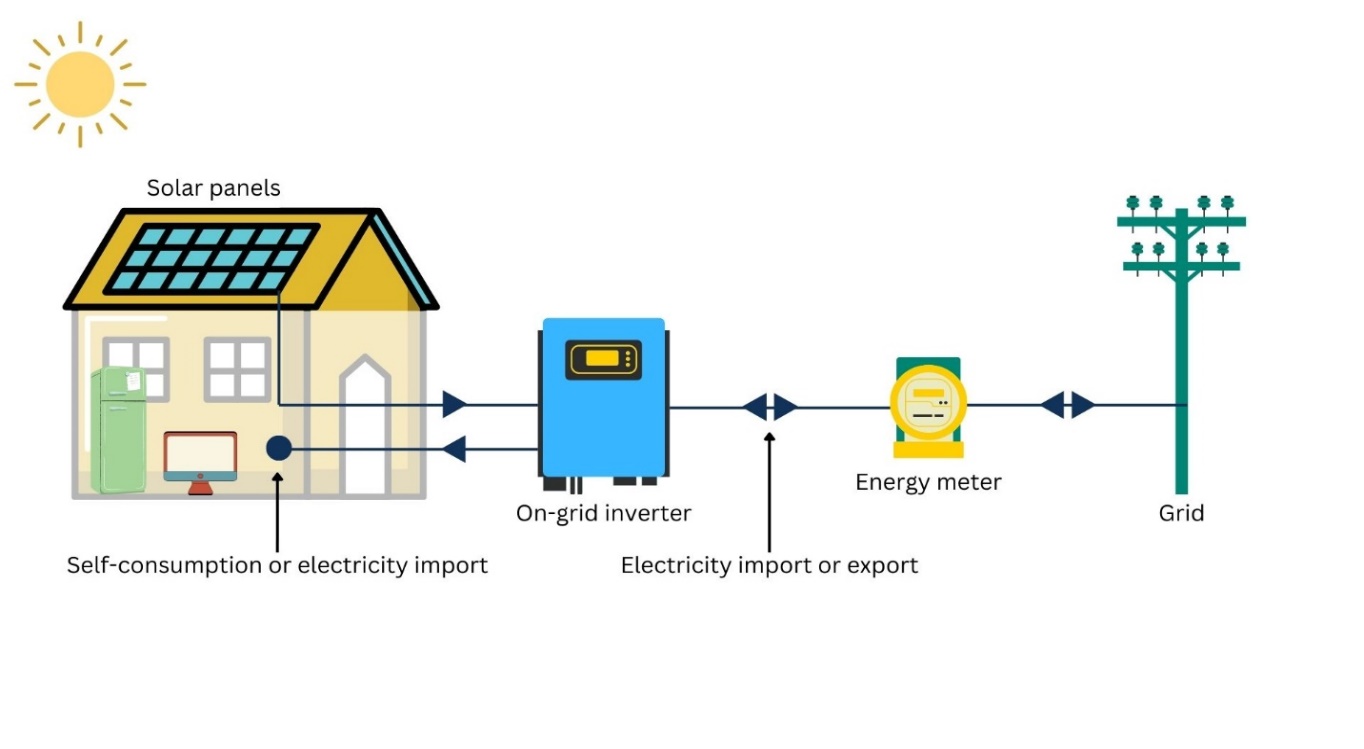
## **Leaflet of eligibility criteria – Solar grid-connected system**



# Conditions

Within the subsidy modalities defined in the Renewable Energy Subsidy Policy 2078 B.S., solar rooftop PV systems can be implemented by two types of customers for commercial purposes:

**Household:** For system capacity above 500WP, households can solely apply, in which case, users can get a 75% subsidy on the bank interest on a 5-year loan tenure with the monthly payment schedule.

The household user must (i) be a Nepali citizen, (ii) have an active connection to Nepal Electricity Authority’s national grid, (iii) be the owner of the house or, if rented, must have an agreement with the owner regarding the solar PV system installation with proof of electricity bills, and (iv) not have received interest subsidy for the same purposes previously.

**Commercial & Industrial (C&I) entity:** For system capacity above 1,500WP, C&I can apply, in which case, C&I gets a 50% subsidy on the bank interest on a 5-year loan tenure with the monthly payment schedule.

The C&I must be (i) legally registered, (ii) have registered the income tax, (iii) have the latest tax clearance letter, (iv) have an active connection to Nepal Electricity Authority’s national grid, and (v) not have received interest subsidy for the same purposes previously.

**Household**

Areas with grid access

Household

Above 500WP

75% subsidy on the bank interest on a 5-years loan tenure with monthly payment schedule

Condition

Ownership

Capacity

Subsidy

**Commercial & Industrial**

Areas with grid access

Private company

Above 1,500WP

50% subsidy on the bank interest on a 5 years loan tenure with monthly payment schedule

Condition

Ownership

Capacity

Subsidy

# Applicants

* Households
* Commercial and Industrial entity

# Documents required

Consult pre-qualified solar PV developer for system size and cost

Apply and sign loan agreement with bank

Install the system. Solar PV developer sends completion letter to the bank and AEPC

User receives subsidized interest rate and bank claims the subsidy from AEPC

**Promotion of Solar Energy in Rural and Semi-urban Regions of Nepal**

**Only for Commercial and industrial applications**

AEPC’s Promotion of Solar Energy in Rural and Semi-urban Regions of Nepal project is promoting solar rooftop PV systems for C&I application. Private Energy Service Company (ESCO) can apply system capacity above 100kWP and up to 1MWP for the 50% interest subsidy.

# What is an ESCO?

An Energy Service Company (ESCO) is a company that offers energy services which may include implementing renewable energy projects and in many cases on a turn-key basis. The three main characteristics of an ESCO are:

1. ESCOs guarantee energy savings and/or provision of the same level of energy service at a lower cost. A performance guarantee can take several forms. It can revolve around the actual flow of energy savings from a project that will be sufficient to repay monthly debt service costs, or that the same level of energy service is provided for less money;
2. The remuneration of ESCOs is directly tied to the energy savings achieved;
3. ESCOs can finance, or assist in arranging financing for the operation of an energy system by providing a savings guarantee.

# Information for the applicant

* From 100kWP up to 1MWP solar PV array capacity;
* The site must have electricity access to the national grid;
* The entity shall have a minimum 51% self-consumption of the annual PV energy (in case of net metering);
* A detailed feasibility study shall be conducted by the applicant and approved by AEPC;
* Applicant must have capacity and commitment for carrying out environmental and social management measures;
* Subprojects in disputed property will not be eligible, ownership and access rights must be clearly defined;
* Comply with the Environmental and Social Management Framework (ESMF) and Stakeholders Engagement Framework (SEF) of the project.

# Documents required

|  |  |
| --- | --- |
|  | Filled out demand form |
|  | Photos of the building and roof area where the PV array is proposed to be installed |
|  | Copy of the electricity bills for the immediate past financial year |
|  | Copy of company/firm registration certificate with updated renewal |
|  | Copy of board meeting minutes showing commitment to solar rooftop PV installation |
|  | Copy of PAN/VAT registration certificate |
|  | Copy of TAX clearance certificate of F.Y 2078/79 |
|  | Copy of building completion certificate |
|  | Copy of land and building ownership document (Lalpurja), an agreement between property owner and ESCO/C&I Entity for using entity’s roof space |
|  | Company profile including audit report of F.Y. 2078/79 |