



Solar Policy & Subsidy Guide for Homeowners in India

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Solar policy & subsidy guide for homeowners in India

Introduction

Installing a rooftop solar system is one of the most practical decisions an Indian homeowner can make. Beyond savings and energy independence, government policies and subsidies play a major role in reducing upfront costs. The challenge is that many homeowners do not fully understand how these policies work, who qualifies, and what steps they must follow to claim the benefits.

This guide simplifies the entire landscape. It outlines the structure of solar policies in India, explains how subsidies are offered, and gives homeowners a clear roadmap to make the most of government support.

Why do policies matter in the first place?

Solar adoption in India is rising quickly as the government aims to get more homes to switch to clean energy. Policies help in three major ways:

- They reduce the initial cost of installation.
- They standardise quality and safety norms.
- They ensure homeowners can export excess power through net metering.

What this really means is that a well-informed homeowner can cut investment costs, earn long-term returns, and follow a smooth installation process without confusion.



Understanding India's solar policy framework

The solar policy structure in India is built on multiple layers. These four components shape how rooftop solar works for residential users.

1. National Policies

These policies guide the long-term vision. They include targets for national capacity, guidelines for manufacturers, safety standards, and subsidy budgets. They set the tone for rooftop solar across the country.

Key national policies and schemes: National Solar Mission, MNRE Rooftop Solar Programme Phase II, PM Surya Ghar Muft Bijli Yojana.

2. State Policies

Every state issues its own rooftop solar policy. It determines rules for net metering, grid approval, connection process, and, in some cases, state-level incentives. Since conditions vary by region, states define their own frameworks.

3. DISCOM Guidelines

Your local electricity distribution company controls the ground-level process. They set application procedures, inspection timelines, and technical requirements. The experience largely depends on how well the DISCOM manages rooftop approvals.

4. Consumer Protection and Quality Regulations

To ensure safe installation and reliable performance, the government has defined norms related to panel standards, inverter certification, installation quality, and grounding. These protect homeowners from improper setups and low-quality products.

Types of benefits available to homeowners

Government support for rooftop solar usually comes in three forms. Each plays a different role in reducing overall costs and improving payback.

1. Central Government Subsidy

This is the most widely known benefit. Homeowners get financial support based on the size of their system and the approved vendor list. The subsidy amount is transferred directly to the homeowner's bank account after installation and verification.

Examples of central subsidy schemes include: MNRE Rooftop Solar Programme Phase II, PM Surya Ghar Muft Bijli Yojana.

2. State-Level Support

Some states provide additional incentives, rebates on property taxes, or concessional approvals. These policies vary from one region to another and continue to evolve.

Examples of state-level support include: Gujarat Solar Rooftop Subsidy, Delhi Solar Policy Incentives, Maharashtra Rooftop Solar Subsidy, Rajasthan Solar Energy Incentives, Karnataka Solar Subsidy Scheme

3. Net Metering Benefits

Even though net metering is not a cash subsidy, it is one of the biggest financial advantages. It allows homeowners to export extra power during the day and use it against their monthly consumption. This reduces the electricity bill even further.

Examples of net metering policies include: Gujarat Net Metering Regulations, Delhi Net Metering Policy, Maharashtra Net Metering Guidelines, Karnataka Net Metering Rules, Rajasthan Net Metering Framework

How are subsidies structured?

Subsidies generally follow a capacity-based structure. Although exact figures may change over time, the structure usually follows this pattern:

- Smaller systems get a higher percentage of subsidy
- Systems above a certain capacity receive a fixed amount
- Only residential users qualify
- Homeowners must install through authorised vendors
- The system must meet technical and quality standards

This ensures that homeowners receive support while maintaining quality and safety.



Eligibility checklist for homeowners

Before applying for a subsidy, homeowners should confirm the basic requirements. Once these conditions are met, the subsidy is straightforward.

Step-by-Step process to claim the subsidy

The process might look complicated at first, but once broken down, it becomes easy to follow.

1. Register on the official portal

Homeowners must create an account with their state DISCOM or the national portal, depending on the scheme they are using.

2. Submit a rooftop solar application

This includes system size, location, installer details, and initial documents.

3. Await technical feasibility approval

The DISCOM checks if the rooftop and local grid can support the system.

4. Install the system through an authorised vendor

This ensures the system meets safety and quality standards.

5. Apply for net metering installation

The DISCOM installs or approves a bi-directional meter to track solar export and import.

6. Final inspection

A field officer visits the site to verify system capacity, safety, and installation quality.

7. Subsidy disbursement

Once everything is verified, the subsidy amount is transferred to the homeowner's bank account.



Subsidy Structure of PM Surya Ghar Muft Bijli Yojana

The PM Surya Ghar Muft Bijli Yojana supports Indian households in installing rooftop solar systems by providing capacity-based central subsidies. The subsidy amount varies by system size, offering higher support for smaller systems and a maximum cap on total assistance. This helps make rooftop solar affordable and encourages wider adoption across different household energy needs.

Subsidy Table (Central Government Support)

System Size	Subsidy per kW	Total Subsidy	Notes
1 kW	₹30,000 per kW	₹30,000	Basic rooftop system support (60% of cost at benchmark prices)
2 kW	₹30,000 per kW	₹60,000	Full support up to 2 kW
3 kW	₹30,000 per kW for first 2 kW + ₹18,000 per kW for 3rd kW	₹78,000	Subsidy capped at this amount for systems ≥3 kW
Above 3 kW	—	₹78,000 max	No additional subsidy beyond the cap



State-wise / additional subsidy support (supplementary to the central subsidy)

Many Indian state governments provide extra financial incentives on top of the central PM Surya Ghar support. These may vary by state, electricity distribution company (DISCOM), and implementation window.

Here are major state examples (approximate/indicative, subject to current policies and local DISCOM rules):

Delhi (NCR)

State solar subsidy: ₹10,000 per kW for rooftop systems up to 3 kW, capped at ~₹30,000.

Total subsidy (Central + State): Up to ~₹1,08,000 for 3 kW.

Also offers generation-based incentives and waived fees under the Delhi Solar Policy.

Uttar Pradesh

State DISCOM/agency support of ~₹15,000 per kW (capped ~₹30,000).

Combined with central subsidy, residential homeowners can see total benefits beyond ₹90,000+ for small rooftop systems.

Gujarat

Many reports suggest additional incentive ~₹10,000–₹20,000 per kW above the central subsidy in some cases.

Gujarat has led solar rooftop installations under the PM Surya Ghar scale.

Maharashtra

In addition to central support, Maharashtra's SMART Solar Scheme offers very high subsidies for vulnerable households:

~95% subsidy for BPL households (pay only ₹2,500 per 1 kW).

~90% for SC/ST.

~80% for other low-consumption homes.

Haryana

Offers a combined central subsidy with state financial assistance, especially targeting Antyodaya families and community/clusters.

Other States (Assam, Goa, Uttarakhand, etc.)

Several states have introduced additional capital subsidies (~₹10,000–₹20,000 per kW) or incentives to lower upfront costs.

Approximate Combined Subsidy Examples

State	Central CFA (Max)	Typical State Add-on	Combined Approx. Total
Delhi	₹78,000	₹30,000	~₹1,08,000
UP	₹78,000	₹30,000	~₹1,08,000
Gujarat	₹78,000	₹10,000–₹20,000	~₹88,000–₹98,000
Maharashtra*	₹78,000	Subsidies vary high for special categories	Up to very high net subsidy
Haryana	₹78,000	State extra support for specific groups	Varied / category-wise

*Note: Maharashtra state incentives can be much higher for targeted populations under specific schemes, sometimes covering most costs.

Common challenges and how to handle them

Homeowners often face delays or confusion at certain stages. Here are the usual issues and practical ways to deal with them.

- **Delay in net meter approval**

Solution: Apply early and keep all documents ready

- **Confusion about panel or inverter certification**

Solution: Always choose vendors who work under the official program

- **Incorrect paperwork**

Solution: Ask your installer to provide a complete checklist before submission

- **Unclear subsidy amount**

Solution: Refer to the latest circular on the official portal

- **Delay in subsidy transfer**

Solution: Track status online and follow up with the DISCOM if required

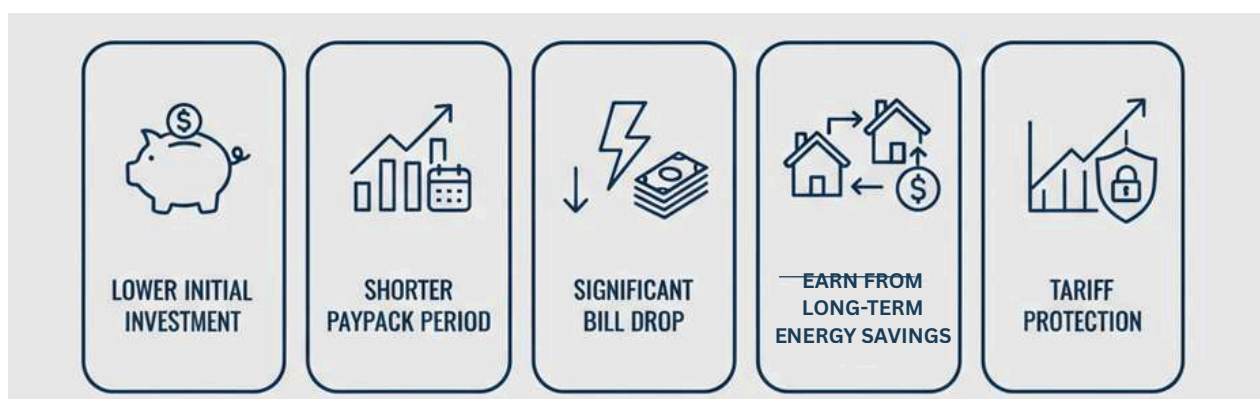
A good installer can help minimise most of these issues.

Financial impact for homeowners

Here's the thing. While subsidies reduce upfront costs, long-term financial gains come from grid savings and net metering. When combined, the financial impact looks like this:

- Lower initial investment
- Shorter payback period
- Significant drop in electricity bills
- Additional savings through exported energy
- Higher return on investment over the system's life
- Long-term protection from rising tariffs

In simple terms, subsidies help you start your solar journey faster. Net metering continues to save for years.



Why policy awareness matters for every homeowner?

Policies change regularly. Subsidy amounts, approval steps, and DISCOM procedures are updated based on demand. Homeowners who stay informed benefit the most. They enjoy:

- Faster installation
- Quick approvals
- A smoother subsidy claim
- More financial returns
- A better-designed system that meets future needs

Understanding policy is not just about saving money. It helps homeowners avoid mistakes and ensures the system performs safely and reliably.



Conclusion

India's solar policy framework is designed to support homeowners who want to shift to clean, affordable energy. With the right information, the entire process becomes smooth and cost-effective.

A well-planned rooftop solar installation, backed by updated policy knowledge and a reliable brand, gives homeowners long-term financial stability and energy independence. As the country pushes toward a solar-powered future, these policies ensure that every homeowner can be part of the transition with confidence.

