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ROOFTOP SOLAR REVOLUTION: THE LEGAL AND POLICY PUSH BEHIND PM SURYA GHAR

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ABSTRACT

The Government of India solar power scheme, PM Surya Ghar: Muft Bijli Yojana launched in 2024 has been considered as a revolutionary step aim to empower the country to become self-reliant by installation of rooftop solar panels in households and contribute to clean energy. This article examines the legal and policy framework behind the scheme in order to assess India's promising initiative of decentralized clean energy by turning residential rooftops into an important source of renewable energy. By tracing the foundations of the scheme, it analyses the statutory framework and legal architecture shaping the actual outcome of PM Surya Ghar: Muft Bijli Yojana. The article identifies key challenges in implementation and concludes PM Surya Ghar Yojana reflects India's efforts towards self-sustainability in electricity generation.

INTRODUCTION

With an aim to empower 10 millions of homes to produce solar electricity, the Government of India, under the leadership of Prime Minister Narendra Modi launched solar subsidy scheme for Indian citizens, *PM Surya Ghar yojana* in February 2024. The project having an investment of over 75,000 crores is proved more than a subsidy scheme. With carefully built legal architecture, the scheme promises up to 300 units of electricity a month.[1] By turning the consumers into producers through rooftop solar panels installations, *PM Surya Ghar: Muft Bijli Yojana* is driven by regulatory framework with standardized metering arrangements and

[1] 'Cabinet Approval of PM-Surya Ghar: Muft Bijli Yojana' (Press Information Bureau, Government of India, 29 February 2024) https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2010130 accessed 21 September 2026.

compulsory registration on National Portal. It is the world's largest rooftop solar initiative with a target to provide free electricity to one crore households by 2027.[2]

The central financial assistance (CFA) serves as the fiscal backbone of the project. The scheme comes under the Ministry of New and Renewable Energy. It offers 60% of system cost for system up to 2kW and 40% of additional system cost for systems of 2-3 kW capacity.[3] This translates into providing subsidy of Rs. 30,000 for 1 kW system, Rs. 60,000 for systems up to 2kW and Rs. 78,000 for 3 kW systems or higher. The underlying policy objective of the scheme demonstrates "free electricity" quantum, as promised under the initiative offering 300 units of free electricity per month. In order to promote self-reliance in electricity generation, the scheme features Model Solar Village in each district acting as an inspiration to switch to renewable source of energy.

THE STATUTORY FRAMEWORK

The National Programme Implementation Agency (NPIA) is responsible for overall execution at the national level while State Implementation Agencies or DISCOMs oversee state level implementation of the scheme. The Central Electricity Regulatory Commission (CERC) is responsible for issuance of tariff and model regulations. Constituted under Electricity Act 2003, CERC serves as the backbone of India's solar policy regulation framework.[4] Under the Electricity (Rights of Consumers) Rules, 2020, the consumer is introduced as a 'prosumer' empowered with right to generate renewable energy. The 2024 amendments Electricity (Rights of Consumers) Rules further facilitated rooftop installation of solar panels with reduced timelines and transparent billing and metering of electricity including renewable sources of

[2] 'PM Surya Ghar Muft Bijli Yojana' (Drishti IAS) https://www.drishtiias.com/important-government-schemes/ministry-of-new-and-renewable-energy/pm-surya-ghar-muft-bijli-yojana-1 accessed 21 September 2026.
[3] 'Cabinet Approval of PM-Surya Ghar: Muft Bijli Yojana' (Press Information Bureau, Government of India, 29 February 2024) https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2010130 accessed 21 September 2026.
[4] 'What is CERC?' (QuickEstimate) https://quickestimate.co/glossary/cerc accessed 22 September 2026.

energy.[5] The feasibility architecture made the scheme to look swift on paper, however interconnection delays pose as major impediments in practical terms.

THE LEGAL ARCHITECTURE AND INSTITUTIONAL MACHINERY

The local Electricity Distribution Companies also known as DISCOMs can be regarded as operational backbone of *PM- Surya Ghar: Muft Bijli Yojana.* Under the scheme, DISCOMs work on performance-based incentives and responsible for installation and commissioning of rooftop solar installations. [6]With an allocation of five hundred crore rupees for innovation in the field of solar energy, the scheme also supports innovative projects and startups by providing financial assistance of up to 60% of the project cost in order to encourage advancements in renewable energy sector.[7] Along with rural dimension of the project through 'model village', the government also supports new solar technologies and business ideas aligning with the goals of the initiative in order to increase India's capacity of producing and experimenting new technologies in the field of renewable energy. The Ministry of New and Renewable Energy (MNRE) 2024 guidelines further aimed at enhancing India's renewable energy capacity provided a policy push to *PM- Surya Ghar: Muft Bijli Yojana.*

The scheme's stress on legal process including installations by vendors only, registration on National Portal, solar modules must be included in the Approved List of Models and Manufacturers (ALMMs), inspection and installation must be done by DISCOM and issuance of e-tokens has contributed to make it a planned financed program. The subsidy amount is directly transferred into the bank account of individual, while also making them eligible for loans at lower interest rates.

CONCLUSION

[5] Ministry of New and Renewable Energy, Government of India, Press Release (PIB Release ID 2008289, 2024) https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2008289&reg=48&lang=2 accessed 20 September 2026.

[6] 'Govt Issues Operational Guidelines for Implementation of Incentives to DISCOMs Under PM-Surya Ghar-Muft Bijli Yojana' (News on Air, 22 July 2024) https://newsonair.gov.in/govt-issues-operational-guidelines-for-implementation-of-incentives-to-discoms-under-pm-surya-ghar-muft-bijli-yojana accessed 19 September 2026.

[7] 'Union Ministry of New and Renewable Energy Releases Guidelines for PM-Surya Ghar: Muft Bijli Yojana' (News on Air, 12 October 2024) https://newsonair.gov.in/union-ministry-of-new-and-renewable-energy-releases-guidelines-for-pm-surya-ghar-muft-bijli-yojana/ accessed 21 September 2026

The *PM- Surya Ghar* can be translated as more than a welfare scheme with regulatory convergence. As of August 2026, the scheme has crossed more than 50 lakhs of beneficiaries. According to MNRE Minister, Pralhad Joshi, in the last nine months, the scheme has seen more than threefold increase in solar installations.[8] However, the structural risks related to loans sanctions, net metering and quality control determine the scale of implementation of the scheme. In that sense, *PM- Surya Ghar* can be seen as a live experiment transforming passive consumers to active producers of electricity. It is an ongoing revolution reflecting India's efforts towards self-sustainability in electricity generation. With a rigorous legal groundwork and structured regulatory framework, *PM- Surya Ghar* reflects India's commitment to fulfill renewable energy goals and adoption of sustainable energy.

[8] 'PM Surya Ghar Sees More Than Tripling of Daily Rooftop Solar Installations in 9 Months' *The Hindu* (6 August 2026) https://www.thehindu.com/news/national/pm-surya-ghar-sees-more-than-tripling-of-daily-rooftop-solar-installations-in-9-months-mnre-minister-pralhad-joshi/article71314784.ece accessed 21 September 2026 (reporting Pralhad Joshi's address at the Seventh CII International Energy Conference).