



# PM-Surya Ghar: Muft Bijli Yojana

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## Why in News?

The Union Ministry of New and Renewable Energy has issued operational guidelines for the [PM-Surya Ghar Muft Bijli Yojana](#), detailing **RESCO (Renewable Energy Service Company)** and **Utility-Led Aggregation (ULA)** models.

- These guidelines will supplement the existing consumer-driven implementation of [rooftop solar installations](#) through the **National Portal of the scheme**.

## What are the Key highlights of the Guidelines for the PM-Surya Ghar?

- **Two Models for Solar Installation:**
  - **RESCO (Renewable Energy Service Company) Model:** Third-party entities invest in rooftop solar installations. Consumers only pay for the electricity consumed, without bearing upfront costs. Excess power can be sold to DISCOMs.
  - **Utility Led Aggregation (ULA) Model:** Power distribution companies (DISCOMs) or state-designated entities install rooftop solar systems for residential households.
- **Payment Security Mechanism (PSM):** A Rs 100 crore PSM fund has been established to de-risk investments in RESCO-based rooftop solar models. It can be enhanced with additional grants, subject to Ministry approval.

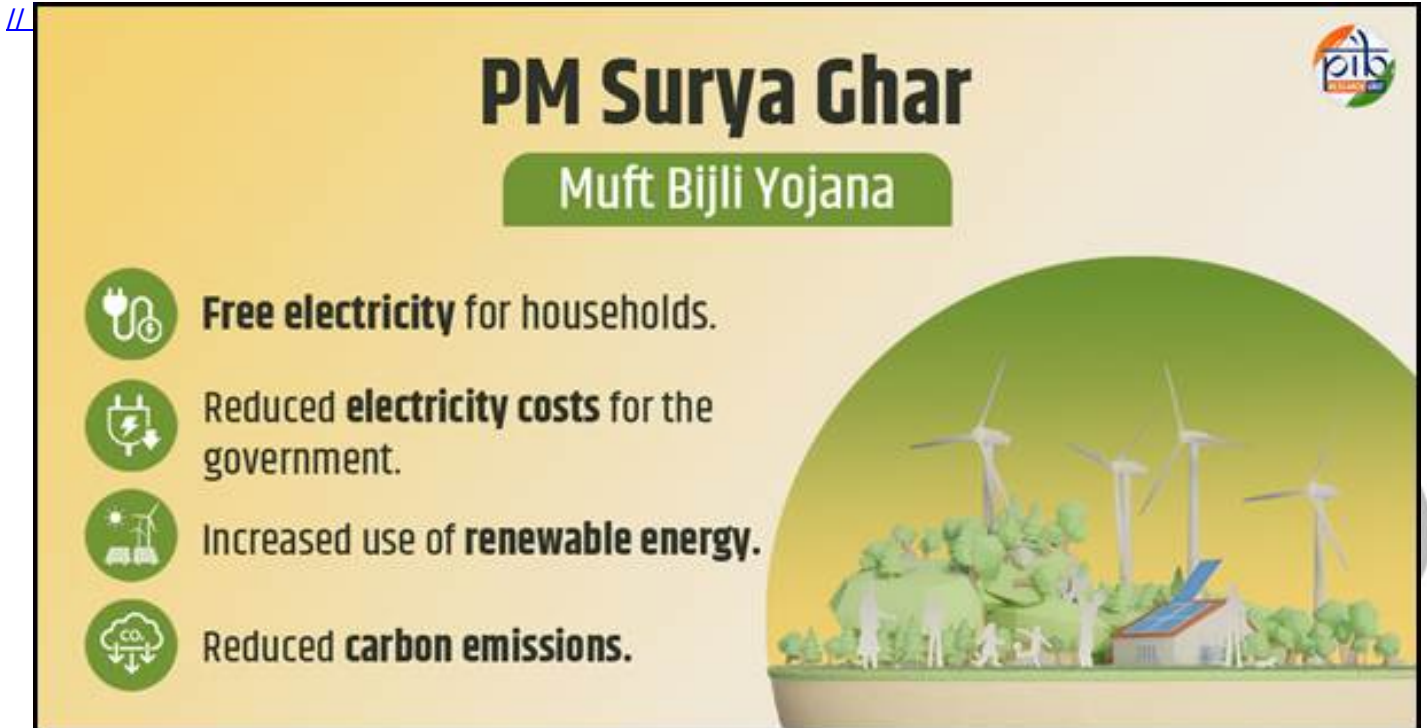
## What are the Key Facts About PM-Surya Ghar Muft Bijli Yojana?

- **About:** The PM Surya Ghar Muft Bijli Yojana, launched in February 2024 by the Ministry of **New and Renewable Energy (MNRE)**, aims to provide **free electricity to one crore households** by **installing rooftop solar panels**.
  - With a total budget of Rs 75,021 crore, the scheme is planned for implementation until **FY 2026-27**.
    - It offers up to **300 units of free electricity per month** and provides a **subsidy covering up to 40% of the installation cost**, promoting widespread solar energy adoption across the country.
- **Eligibility:** Indian citizens, homeowners, valid electricity connection, no prior solar subsidy.
- **Implementation:** The PM Surya Ghar Muft Bijli Yojana will be implemented by the **National Programme Implementation Agency (NPIA)** at the national level and **State Implementation Agencies (SIA)** at the state level.
- **Key Components:**
  - **Central Financial Assistance (CFA):** Provides financial support to residential consumers for installing rooftop solar panels through the National Portal.
  - **Model Solar Village:** Create one **Model Solar Village per district**, promoting solar energy adoption.
    - Villages with populations over 5,000 (or 2,000 in special states) are eligible for selection, and are evaluated on [renewable energy capacity](#) six months after being identified by the **District Level Committee (DLC)**.
      - The village with the highest **RE capacity in each district** receives **Rs**

1 crore in financial assistance.

▪ **Expected Outcomes:**

- The scheme is expected to reduce **carbon emissions** by 720 million tonnes over the lifetime of the rooftop systems.
- An estimated **17 lakh direct jobs** will be generated across sectors like manufacturing, logistics, installation, and operations.
- The scheme will contribute 30 GW to India's solar energy capacity through residential rooftop systems.
- Households can earn income by selling surplus electricity to DISCOMs, with systems like the **3 kW rooftop setup generating over 300 units per month**.



**UPSC Civil Services Examination, Previous Year Question (PYQ)**

**Prelims**

**Q. With reference to the Indian Renewable Energy Development Agency Limited (IREDA), which of the following statements is/are correct? (2015)**

1. It is a Public Limited Government Company.
2. It is a Non-Banking Financial Company.

**Select the correct answer using the code given below:**

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**Ans: (c)**

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