

F.no. 318/17/2024- GCRT- Part (6)
Government of India
Ministry of New and Renewable Energy
Rooftop Solar Division

Atal Akshay Urja Bhawan
Lodhi Road, New Delhi 110003,
Dated: 22nd July 2025


Office Memorandum

Subject: Amendment in Guidelines for Implementation of PM-Surya Ghar: Muft Bijli Yojana for the component of "Incentive to Local Bodies"-reg.

This refers to OM No. 318/17/2024- GCRT dated 07.06.2024 regarding notification of Operational Guidelines for Implementation of PM-Surya Ghar: Muft Bijli Yojana (PMSG: MBY) for the component "Incentive to Local Bodies". Considering the operational difficulty in implementing the said guidelines, the undersigned is directed to issue following amendments in the aforementioned Guidelines:

S.no.	Existing clause	Proposed amendment clause
1	Clause 6(c): ULBs and PRIs shall upload their authorized account details on the National Portal. Alternatively, existing authorized databases with Ministry of Panchayati Raj (e-Gram Swaraj through API integration) and Ministry of Housing and Urban Affairs or their respective state counterparts shall be integrated to ensure transfer of incentives to the concerned accounts directly.	Clause 6(c): The National programme implementation agency (NPIA) shall disburse funds to the State Implementation Agencies (SIAs) as per the number of RTS installations undertaken in their area under the scheme. The SIAs shall be responsible for onward disbursement to local bodies (ULBs/PRIs) within 60 days of receipt of funds from the NPIA as per clause 6(b).

2. This issues with the approval of Competent Authority.


(Ashish Batham)
Under Secretary to the Govt. of India
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To,

All Concerned
(Through MNRE Portal and National Portal for PM-Surya Ghar)

No.: 318/17/2024-Grid Connected Rooftop (Part-6)
Ministry of New and Renewable Energy
Government of India

Atal Akshay Urja Bhawan
Lodhi Road, New Delhi-110003
Dated: 18. 07.2024

Office Memorandum

Subject: Operational Guidelines for Implementation of Component "Incentives to Local Bodies" under PM-Surya Ghar: Muft Bijli Yojana.

This refers Ministry's order No. 318/17/2024-GCRT Division dated 16th March 2024 vide which sanction was issued for the PM-Surya Ghar: Muft Bijli Yojana, aimed at installing rooftop solar plants in one crore households, with a total financial outlay of Rs. 75,021 crore.

2. The Operational Guidelines for Implementation of Component "Incentives to Local Bodies" under PM-Surya Ghar: Muft Bijli Yojana is enclosed.
3. This issues with the approval of competent authority.


(Divyanshu Jha)
Deputy Secretary
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To

1. ACS/Principal Secretaries/Secretaries (Renewable Energy/Energy/Power) of all States/ UTs
2. CMDs/MDs of Discoms/State Nodal Agencies of all States/UTs

Copy for information to:

1. PS to Hon'ble Minister of New & Renewable Energy
2. PS to Hon'ble Minister of State of New and Renewable Energy
3. PPS to Secretary/AS/JS/JS&FA, MNRE
4. All Advisers & Group Heads
5. Director (NIC) for uploading on Ministry's website

Guidelines for PM Surya Ghar: Muft Bijli Yojana

Incentives for Local Bodies

1. Background:

- a. The Government of India has approved the PM Surya Ghar: Muft Bijli Yojana on 29th February, 2024 to increase the share of solar rooftop capacity and empower residential households to generate their own electricity. The scheme has an outlay of Rs 75,021 crore and is to be implemented till FY 2026-27. The administrative approval was granted to the scheme vide Order No. 318/17/2024-Grid Connected Rooftop dated 16th March, 2024.
- b. The Financial Outlay for the scheme includes a component on Incentives for Local Bodies with a financial outlay of Rs 1000 crores. This component aims to incentivize Urban Local Bodies (ULBs) & Panchayat Raj Institutions (PRIs) at the Gram Panchayat level so that they are able to push the deployment of residential rooftop solar within their respective jurisdictions and undertake local mobilization efforts to maximize the number of installations under the PM Surya Ghar: Muft Bijli Yojana.
- c. It is expected that local governance functionaries shall be able to converge the major stakeholders, viz, DISCOMs, banking institutions, consumers and Residential Welfare Associations, local contractors, and community members to effectively promote, develop, and manage solar rooftop projects and provide training opportunities on technical, financial, and regulatory aspects of solar energy to enhance local expertise and knowledge in RTS adoption in the country.

2. Objectives

- a. To promote participation of local bodies in rural and urban areas in promotion of the scheme and create a positive stake of local bodies in implementation of the scheme

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Incentives for Local Bodies

- b. To leverage local bodies capacities in order to reach out to electricity consumers and to create convergence at the ground level through local body interventions

3. Outlay

- a. The scheme component “Incentive for Local Bodies” has an outlay of Rs 1000 crore.

4. Implementation

- a. The “Incentives for Local Bodies” component shall provide incentives to Urban Local Bodies (Municipal Corporations, Municipal Councils, Nagar Panchayats and any other Urban Local Body recognized by Ministry of Housing and Urban Affairs) and Panchayati Raj Institution (Gram Panchayat).
- b. For the purpose of this component, every installation in the residential segment under PM Surya Ghar: Muft Bijli Yojana in the jurisdiction of the ULB or PRI, for which the Central Financial Assistance has been transferred to the concerned consumer through the National Portal under the scheme guidelines shall be considered for calculating the incentive made out to the concerned ULB/PRI.
- c. The National Programme Implementation Agency shall be responsible for the implementation of this scheme component and shall exercise due care to ensure that the incentive against an installation under the scheme is given to the concerned ULB/PRI only once.
- d. It is expected that the ULBs/PRI shall undertake scheme promotion activities within their respective areas through door to door mobilization, spread of IEC and awareness through their field units, and convergence of stakeholders by hosting of local melas bringing together vendors, banks and DISCOMs in their area for quick processing of applications and implementation. Local bodies can play an active role in demand generation, facilitation with financial institutions, community mobilization, awareness creation, and coordination with DISCOMs, engaging with schools/local businesses and industries, civil society organizations and other media and communication channels.

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- e. The installations shall be tagged to respective local body through the National Portal to the extent possible.

5. Monitoring

- a. The District Level Committee constituted under the scheme chaired by the District Magistrate will monitor the work undertaken by their respective ULBs & PRIs for the promotion of the scheme.

6. Release of Grants

- a. The National Programme Implementation Agency for the scheme shall be responsible for implementation of this scheme component.
- b. Gram Panchayats or Urban Local Bodies (ULBs) in their respective areas shall be provided financial assistance in the form of direct financial support with an incentive of ₹ 1,000 per installation in their respective jurisdiction.
- c. ULBs and PRIs shall upload their authorized account details on the National Portal. Alternatively, existing authorized databases with Ministry of Panchayati Raj (e-Gram Swaraj through API integration) and Ministry of Housing and Urban Affairs or their respective state counterparts shall be integrated to ensure transfer of incentives to the concerned accounts directly.
- d. The Implementing agency will remit the accrued interest and other charges to Consolidated Fund of India as per Rule-230(8) of GFRs 2017.

7. Amendment

MNRE may make necessary amendments in the guidelines or issue any clarification to remove difficulties in the implementation of the scheme, as and when required, with the approval of Hon'ble Minister, New and Renewable Energy.

PM Surya Ghar: Muft Bijli Yojana

Incentives for Local Bodies