Conditions related to Feed in Tariff Implementation

1. **Specific Conditions to NSO;**
   Based on the letter dated 31/07/2026 (Ref: NSO/CH/33) of NSO, and subsequent communication on the feed in tariffs.
   a) The NSO shall ensure that the per unit cost of already offered BESS (160MW) does not exceed LKR 20/kWh on monthly average basis. Where such cost exceeds LKR 20/kWh, the excess amount shall not be recognized, recovered, or allowed under end user tariff.

2. **Specific Conditions to NSO;**
   a) The NSO shall ensure that at least Solar PV with BESS capacity of 450MW is added to the system by March 2027, to eliminate the forecasted capacity deficit for the first quarter of 2027. NSO shall also ensure that adequate capacity is available to cater the peak demand at all times, thereby avoiding the need for any scheduled power interruptions arising from capacity shortages.

3. **Purchase of Electricity from Distributed Generators (DGs)**

   a) Each Distribution Licensee shall monthly assess and publish the available hosting capacity of its distribution network for Rooftop Solar Photovoltaic (RTSPV) and Battery Energy Storage System (BESS) installations.

   b) NSO shall procure electricity from Distributed Generators through Distribution Licensees, only up to the annual and cumulative capacities in accordance with the LTGEP/LTPSDP.

   c) RTSPV/RTSPV and BESS installations with a capacity of 100 kW and above shall be required to obtain a Generation License upon the enactment of the new Electricity (Applications for Licenses and Exemptions) Regulations.

   d) NSO shall monitor the new monthly capacity additions through each Feed in tariff category and submit a monthly report to the Commission.

4. **Connection of Rooftop Solar Photovoltaic (RTSPV) and Battery Energy Storage Systems (BESS)**

   a) Distribution Licensees shall continue to facilitate Net Metering, Net Accounting and Net Plus schemes through virtual offsetting (as applicable), or any other arrangement approved by the Commission, in accordance with the prosumer's selected scheme, under a two-meter arrangement.

5. **Updates to Standard Power Purchase Agreement (SPPA)**

a) DL, on behalf of NSO, shall use the already issued agreements by the Commission for the respective system configurations as the Interim Standardized Power Purchase Agreements (SPPAs).

b) DL, on behalf of NSO, shall use the prescribed addendum by the Commission as the interim agreement for all configurations of Battery Energy Storage System (BESS) interconnections to the grid.

c) The DL shall submit draft SPPAs, in accordance with the directives (agreements/guidelines/etc.) issued by the Commission, for the Commission's approval, within 2 months of this decision, in order to implement the updated SPPAs with effect from January 2027.

d) The RTSPV/BESS systems shall comply with any temporary export limitation or curtailment instructions issued by the Distribution Licensee or the National System Operator for maintaining system security. The DL/NSO shall provide written justification to the Commission for such limitations or curtailments.

e) DL/NSO shall prepare the addendum to existing SPPAs to facilitate the integration of BESS into the existing Power plants and submit for Commission's approval within **a month** from this tariff decision.

6. Battery Energy Storage Systems (BESS)

a) Battery Energy Storage Systems (BESS) shall be connected under Standard Power Purchase Agreements with a term of fifteen (15) years.

b) Where a BESS is connected to an existing RTSPV installation, the BESS agreement shall remain valid only for the unexpired balance of the associated RTSPV agreement unless otherwise approved by the Commission.

7. Applicability of the Feed-in Tariff

a) The Feed-in Tariff approved under this decision shall apply only to RTSPV and BESS applicants who have obtained valid grid clearance on or after the effective date of this tariff decision.

b) All approved systems shall be commissioned and connected to the grid within the validity period specified in the grid clearance.

c) Where an extension of the grid clearance is granted, the applicable Feed-in Tariff shall be the tariff in force on the date the extension is approved. However, where the newly approved tariff exceeds the tariff applicable under the original grid clearance, the original tariff shall continue to apply.

d) Independent Power Producers (IPPs) operating under SPPAs shall be eligible to execute Standard Power Purchase Agreements (SPPAs) using the Feed-in Tariff approved under this decision, provided that such SPPAs are signed on or after the effective date of this tariff decision.

e) RTSPV systems that have completed their initial agreement period shall be eligible for extension only upon compliance with all prevailing technical and regulatory requirements. A fresh clearance shall be obtained in accordance with the applicable procedures.

f) No extension of an RTSPV/BESS system for the same premises shall be granted where the agreement has been terminated before the expiry of the initial agreement period. Such systems may be considered for a new extension/new system only after six (6) months from the date of termination, subject to compliance with applicable requirements.

g) Distribution Licensees shall permit the connection and operation of RTSPV systems and Microgrid (MG) systems operating under zero-export arrangements as captive generation facilities, subject to compliance with applicable technical requirements.

8. Interpretation and Compliance

a) All persons and entities participating under the Feed-in Tariff scheme shall comply with the Sri Lanka Electricity Act - 2024, the regulatory framework enforced by the Commission with effect from 3rd August 2026, and all applicable regulations, license conditions, the Grid Code, the Distribution Code, and any directions, guidelines, standards, or other requirements issued or enforced thereunder.