Tamil Nadu rooftop solar subsidy: up to ₹1 lakh with Central aid

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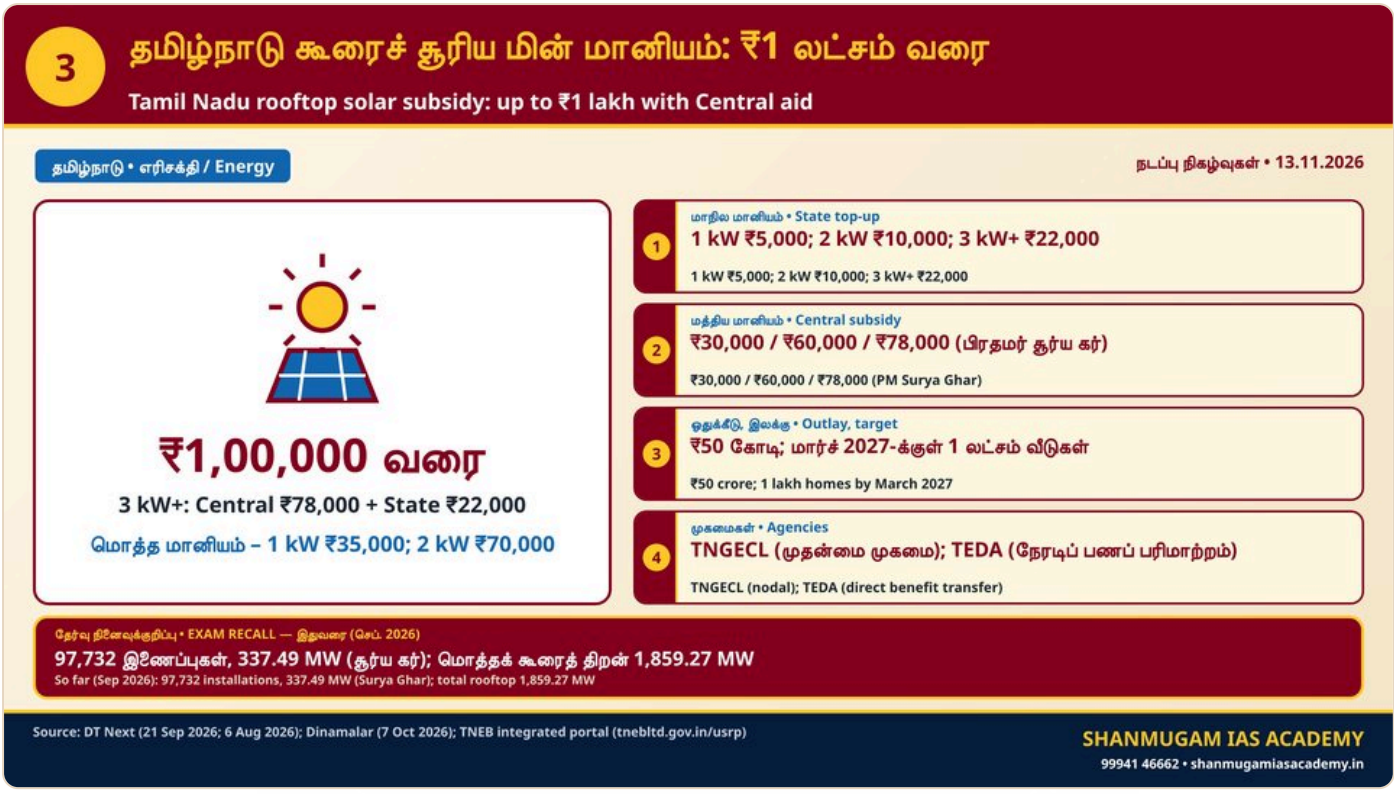

News

The 'Tamil Nadu Rooftop State Subsidy Scheme' is in force, giving homeowners who install rooftop solar plants a State subsidy on top of the Centre's 'PM Surya Ghar: Muft Bijli Yojana' subsidy. Following the announcement in the Assembly on 5 August 2026, Electricity Minister C.T.R. Nirmal Kumar launched it at the TNEB headquarters in Chennai on 21 September 2026. The State subsidy is ₹5,000 for 1 kW, ₹10,000 for 2 kW and ₹22,000 for 3 kW and above; with the Central subsidy (₹30,000 / ₹60,000 / ₹78,000) a 3 kW system gets about ₹1 lakh in all. ₹50 crore has been allotted, with a target of at least 1 lakh homes by March 2027. Once the Central subsidy arrives, the State subsidy is credited automatically to the bank account; an integrated portal, tnebltd.gov.in/usrp, helps track applications. The Minister said about 20,000 applications came in the first three weeks and that subsidy will be paid even if the target is exceeded (Oct 2026).

Key facts for the exam

Point	Details
Scheme	Tamil Nadu Rooftop State Subsidy Scheme
Announced / launched	5 Aug 2026 (Assembly) / 21 Sep 2026
Launched by	Electricity Minister C.T.R. Nirmal Kumar
State top-up	1 kW ₹5,000; 2 kW ₹10,000; 3 kW+ ₹22,000

Point	Details
Central subsidy	₹30,000 / ₹60,000 / ₹78,000 (PM Surya Ghar)
Outlay, target	₹50 crore; 1 lakh homes by March 2027
Agencies	TNGECL (nodal); TEDA (direct benefit transfer)
So far (Sep 2026)	97,732 installations, 337.49 MW (Surya Ghar); total rooftop 1,859.27 MW

Background

- Rooftop solar: photovoltaic panels produce direct current (DC); it is converted to alternating current (AC) for home use, and the surplus is sent to the grid. A consumer who both uses electricity and generates and supplies it to the grid is a 'prosumer' – a term defined in the Electricity (Rights of Consumers) Rules, 2020. The energy used by a 1 kW appliance running for 1 hour is 1 kWh = 1 'unit'.
- Business models: under 'CAPEX' the building owner invests and owns the plant; under 'RESCO' (Renewable Energy Service Company) the developer invests, owns and runs the plant while the building owner pays an agreed tariff per unit. In July 2026 it was reported that TNGECL plans 200 MW of rooftop solar on about 200 government office buildings under the RESCO model.
- Constitution/law: 'Electricity' is Entry 38 of the Concurrent List (List III), so both the Centre and the States can legislate. The Electricity Act, 2003 empowers State Electricity Regulatory Commissions (TNERC in Tamil Nadu) to fix tariffs and grid-connection rules.
- Economy/geography: reports say rooftop solar is being promoted because on low-wind days Tamil Nadu must buy costly power on the open market. In the State's power history, the first unit of the Pykara hydro station, on the Pykara river near Ooty in the Nilgiris, began working in October 1932; one of South India's oldest power stations, it was declared a heritage station in 1997. On 3 November 2026 the State also released its Battery Energy Storage Systems (BESS) policy.

Tamil Nadu link: This is entirely a Tamil Nadu scheme: the State adds its own subsidy on top of the Central 'Surya Ghar' subsidy. As of September 2026, Tamil Nadu had 1,13,714 applications and 97,732 installations (337.49 MW) under Surya Ghar; including low- and high-tension connections, the State's total rooftop solar capacity is 1,859.27 MW. Tamil Nadu Green Energy Corporation (TNGECL) is the nodal agency; the Tamil Nadu Energy Development Agency (TEDA) handles beneficiary details and direct benefit transfer.

Frequently asked questions

What is this news about?

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What are the key facts to remember for the exam?

Scheme: Tamil Nadu Rooftop State Subsidy Scheme; Announced / launched: 5 Aug 2026 (Assembly) / 21 Sep 2026; Launched by: Electricity Minister C.T.R. Nirmal Kumar; State top-up: 1 kW ₹5,000; 2 kW ₹10,000; 3 kW+ ₹22,000.

What is the background to this news?

Rooftop solar: photovoltaic panels produce direct current (DC); it is converted to alternating current (AC) for home use, and the surplus is sent to the grid.

Practice questions (with answers)

1. Under Tamil Nadu's rooftop solar scheme, how much State top-up subsidy is given for a 3 kW system?

A) ₹5,000

B) ₹10,000

C) ₹78,000

D) ₹22,000

Answer: D – Explanation: ₹22,000; with the ₹78,000 Central subsidy the total is about ₹1 lakh. The State gives ₹5,000 for 1 kW and ₹10,000 for 2 kW.

2. In the 'RESCO' model of rooftop solar, who owns the power plant?

A) Building owner

B) Developer company

C) Power DISCOM

D) State government

Answer: B – Explanation: RESCO = Renewable Energy Service Company: it invests and runs the plant; the building owner pays a tariff per unit.

3. Pykara, one of South India's oldest hydro power stations (first unit 1932), is in which district?

A) Coimbatore

B) Dindigul

C) Theni

D) Nilgiris

Answer: D – Explanation: Nilgiris district, near Ooty, on the Pykara river (a Moyar tributary); declared a heritage power station in 1997.

4. A consumer who uses power and also generates it with rooftop panels and feeds it to the grid is called a?

A) Prosumer

B) Open-access user

C) Captive generator

D) Power trader

Answer: A – Explanation: 'Prosumer' (producer + consumer) – defined in the Electricity (Rights of Consumers) Rules, 2020.

5. One 'unit' of electricity on a power bill equals what?

A) 1 kilowatt-hour

B) 1 kilowatt

C) 1 watt-hour

D) 1 megawatt-hour

Answer: A – Explanation: 1 unit = 1 kWh = 3.6 million joules; a 1 kW device running for an hour uses 1 unit. kW is only a unit of power.

Sources: DT Next (21 Sep 2026; 6 Aug 2026); Dinamalar (7 Oct 2026); TNEB integrated portal (tnebltd.gov.in/usrp); MNRE – PM Surya Ghar subsidy norms; The Hindu (Pykara, 17 Feb 2006); Electricity (Rights of Consumers) Rules, 2020; Constitution of India (List III, Entry 38). © Shanmugam IAS Academy.