

**OPERATING GUIDELINES
FOR THE GOVERNMENT SUBSIDY SCHEME FOR SOLAR HOME SYSTEMS
Updated 24 August 2006**

These Guidelines have been prepared as per the approval received from the Department of External Resources dated 19 January 2006. These Guidelines are to be followed in conjunction with the general requirements of the RERED Project.

Measure	Arrangement / Entity								
1. Subsidy Financing Source	Government of Sri Lanka (GOSL) (to be advanced to AU - DFCC Bank in quarterly tranches based on disbursements)								
2. Executing Agency	Administrative Unit (AU), RERED Project, DFCC Bank								
3. Eligible Provinces	Whole country								
4. Estimated Period of Implementation	Subject to annual provisions in the national budget								
5. Vendor Eligibility Criteria	All registered solar companies marketing solar home systems (SHS) under the RERED Project are eligible to participate.								
6. Basis and Amount of Government Subsidy for SHS (Solar lanterns do not qualify under this scheme)	<table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;"><u><i>SHS Capacity</i></u></th> <th style="text-align: left;"><u><i>Subsidy Amount</i></u></th> </tr> </thead> <tbody> <tr> <td>20 Wp or more</td> <td>Rs 10,000.00</td> </tr> <tr> <td>10 to < 20 Wp</td> <td>Rs 5,000.00</td> </tr> <tr> <td>< 10Wp</td> <td>Nil</td> </tr> </tbody> </table> <p>All other conditions under RERED Operating Guidelines shall apply.</p>	<u><i>SHS Capacity</i></u>	<u><i>Subsidy Amount</i></u>	20 Wp or more	Rs 10,000.00	10 to < 20 Wp	Rs 5,000.00	< 10Wp	Nil
<u><i>SHS Capacity</i></u>	<u><i>Subsidy Amount</i></u>								
20 Wp or more	Rs 10,000.00								
10 to < 20 Wp	Rs 5,000.00								
< 10Wp	Nil								
7. Responsibilities of the Solar Industries Association (SIA)	<ul style="list-style-type: none"> • Ensure that members observe all requirements of the RERED Project and the Government Solar Subsidy programme. 								
8. Responsibilities of the Project Auditors	<ul style="list-style-type: none"> • Verify the purchase price paid by the customer as per Customer Acceptance Receipt (CAR) with the value indicated in the solar company's invoice (to the customer or consumer credit provider) • Compliance with RERED requirements. 								
9. Responsibilities of Provincial Councils (PC)	<ul style="list-style-type: none"> • Create awareness among constituents 								
10. Release of Subsidy	<ul style="list-style-type: none"> • Solar company to provide the customer an upfront discount equal to the eligible subsidy amount • Solar company to submit to AU validated CARs in electronic format in respect of AU-registered SHS installed. The information provided will include the price paid by the customer. 								
11. Responsibilities of the AU	<ul style="list-style-type: none"> • Approve CARs and make payments to solar companies • Forward to the relevant PC and solar company a summary of CARs processed • Furnish details of the Subsidy Account to ERD / Treasury and initiate action to replenish the Account quarterly • Ensure that SHS installations are verified as per RERED Project requirements (technical specifications, duplication of claims, physical verification). • Ensure that the RERED Project Auditor verifies CAR data and the price paid by the customer with supporting documents at the solar company. • Maintain consumer protection scheme • Ensure compliance with RERED Operating Guidelines. 								