

Draft Objections Submission

BEFORE THE TELANGANA ELECTRICITY REGULATORY COMMISSION (TGERC), HYDERABAD

In the Matter of: Objections/Suggestions to I.A. No. 4 in O.P. No. 24 of 2020 filed by TGDISCOMs regarding the revision of pre-fixed levelized tariff for Solar Power Projects under Component-A of the PM-KUSUM Scheme. [2]

Filing By:

Thuppari Venkatalaxmi

Solar Power Generator (SPG)

PPA No. 149, Elkurthy Substation Area, Telangana. [3]

To,

The Commission Secretary,

Telangana Electricity Regulatory Commission (TGERC),

Vidyut Niyantran Bhavan, GTS Colony, Kalyan Nagar,

Hyderabad – 500045.

Subject: Strong objections against the proposed reduction of PM-KUSUM Component-A tariff from 3.13/kWh to 2.98/kWh and request to safeguard project viability by retaining or enhancing the baseline tariff.

Respected Sir,

I, Thuppari Venkatalaxmi, holding PPA No. 149, associated with the Elkurthy 33/11 kV substation area, respectfully submit my formal objections regarding the Interlocutory Application filed by the TGDISCOMs to reduce the levelized solar tariff from 3.13/kWh to 2.98/kWh. [2, 3]

As a rural solar entrepreneur and farmer stakeholder, I vehemently oppose this proposed reduction. I request the Honorable Commission to maintain the original tariff of 3.13/kWh or consider an upward revision due to pressing economic factors: [1]

1. Severe Threat to Project Financial Viability

A reduction to 2.98/kWh severely undermines the financial model under which this project was envisioned. Small decentralized solar plants (500 kW to 2 MW) lack the massive purchasing power and scale of institutional solar parks. Slicing the tariff directly impacts our Debt Service Coverage Ratio (DSCR), making it nearly impossible to service our bank loans and leaving local solar farmers highly vulnerable to financial distress. [2, 3]

2. Rising Capital Costs Outweigh Minor GST Adjustments

While DISCOMs point to the GST council's rate adjustment as a "Change in Law" event to cut tariffs, ground realities paint a drastically different picture. The absolute cost of essential materials—including solar PV modules, robust mounting structures, high-efficiency

inverters, copper cables, and structural steel—has experienced significant inflation. Minor tax restructures do not compensate for the steep surge in overall equipment procurement costs. [1, 2]

3. Prohibitive Cost of Rural Financing

Unlike large corporate power developers, individual rural applicants do not have access to low-interest international funds. We rely on local commercial banks and NBFCs that charge steep commercial interest rates for agricultural-allied clean energy projects. Lowering our return threshold via a reduced tariff ensures that the interest burden will consume our thin operational margins entirely.

4. Heightened Operations, Maintenance, and Civil Expenses

Decentralized solar setups built on rural agricultural or barren lands require substantial local site leveling, land development, and specialized grid connectivity. Furthermore, routine Operations & Maintenance (O&M) expenses—such as procuring water for module cleaning, maintaining local security, and dealing with rural labor inflation—have steadily scaled up. The proposed tariff of 2.98/kWh completely ignores these recurring premium costs. [1, 2, 3]

5. Preservation of the Spirit of PM-KUSUM

The core objective of the PM-KUSUM scheme is to uplift the rural agrarian economy by helping farmers monetize their lands and earn a secure, alternative livelihood. Implementing a retrospective tariff reduction penalizes pioneering solar farmers who took immense personal financial risks. It deeply hurts investor sentiment and risks stalling clean energy targets across Telangana. [3]

Prayer to the Honorable Commission

Given the deep economic hardships outlined above, I respectfully pray that the Honorable Commission:

- Reject the DISCOMs' petition to lower the levelized tariff to 2.98/kWh.
- Retain the original tariff of 3.13/kWh to protect existing signed PPAs and financial commitments.
- Order an upward escalation above 3.13/kWh if necessary, factoring in real-world component inflation, high rural interest rates, and actual development expenses to keep the PM-KUSUM vision alive in our state. [1, 2, 3]

Thanking you.

Yours faithfully,

(Thuppari Venkatalaxmi)
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