

Request for Revision of PM-KUSUM Component-A Tariff in View of Escalation in Project Costs

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To

The Hon'ble Chairman and Members,
Telangana Electricity Regulatory Commission (TGERC),
Hyderabad, Telangana.

Subject: Request for Revision of PM-KUSUM Component-A Tariff in View of Escalation in Project Costs

Respected Sir/Madam,

We respectfully request the revision of the current tariff under PM-KUSUM Component-A from **₹3.13 per kWh to ₹5.00 per kWh**.

Since the tariff was determined, there has been a substantial increase in the cost of key project components, including:

- Solar PV modules
- Mounting structures (steel)
- Inverters
- Transformers and switchgear
- Cables and electrical balance-of-system materials
- Civil works and transportation
- Land development and installation costs
- Interest rates and financing costs
- Operations and maintenance expenses

These cost escalations have significantly increased the capital cost of solar power projects, making the existing tariff of ₹3.13/kWh financially unviable.

As a result, many developers are unable to achieve reasonable returns, leading to delays and reduced participation in the PM-KUSUM scheme.

Revising the tariff to **₹5.00 per kWh** would:

- Restore project financial viability.
- Support the timely implementation of PM-KUSUM Component-A projects.
- Help achieve renewable energy and farmer-income enhancement objectives.

We therefore request the Government and the appropriate regulatory authorities to review the prevailing tariff based on current market conditions and

Approve a revised tariff of **₹5.00 per unit**.

We look forward to your kind consideration and positive action.

Yours faithfully,

A. Madhusudhan Reddy

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