



Lr No: ASPL/FY27/TGERC/001

Date: 30 June 2026

To,
The Commission Secretary,
TGERC,
Vidyut Niyantrana Bhavan', G.T.S. Colony,
Kalyan Nagar, Hyderabad 500 045

Ref: TGERC Public Notice in the matter of the I.A. No: 4 in OP No. 24 of 2020:

Respected Sir,

We, **Argo Solar Private Limited**, are a leading Solar EPC company from Telangana, currently executing Solar Projects of 25 MW capacity in KUSUM-A scheme for various farmers and developers in Telangana state, 27 MW of KUSUM-C Projects in Maharashtra and 107 MW of KUSUM-C Projects in the state of Andhra Pradesh.

We are also in talks with multiple farmers who have signed Power Purchase Agreements with TGDISCOMs under KUSUM-A Scheme, to undertake the EPC work for their Projects in the coming months.

We are hereby submitting our objections, as a key stakeholder in this scheme, for your kind perusal.

Thanking you, Sir,
Yours sincerely

For **Argo Solar Private Limited**


Rajesh Peddu
Director



ARGO SOLAR PRIVATE LIMITED

Registered office: Plot No: 1217/A, Veda Ark, 4th Floor, Road No: 36, Jubilee Hills, Hyderabad, Telangana, India, 500 033

☎ www.argo-solar.in | ✉ info@argo-solar.in | ☎ 040-29326789 | CIN: U40108TG2013PTC086967 | MSME Reg No.: UDYAM-TS-09-0002656

1. Failure to notify the Renewable Power Generators (RPGs)

In the instance when a Change in Law event is triggered the financially aggrieved party should notify the other party of the purposed loss it is likely to suffer on account of the said event or the undue gain the other party is likely to get. In this instance, none of the Renewable Power Generators (RPGs) who signed the Power Purchase Agreements have received any notice from the petitioners about the change in law event and their intent to pursue a 0.15 ₹ /kWh downward revision in the normative tariff determined by the Honourable Commission. This failure to notify any of the renewable energy generators and/or publish their I.A Application on their websites or notify the RPGs and stake holders through newspapers or electronic media in reasonable timeframe has misled the RPGs in to believing that the Tariff remains at 3.13 ₹/kWh and they have presented their cash flows and CMA data based on the said tariff to their lenders. The RPGs are now left to face the ire of the lenders, and possibly reduction in the amount of loan disbursed by the lenders to maintain the debt service coverage ratio as earlier.

We also bring to the kind notice of the Hon'ble Commission that the petitioners continued to sign Power Purchase Agreements at same tariff rate of 3.13 ₹/kWh under this scheme even after submission of their original petition dated 10 Oct 2025 seeking downward revision of tariff. They have neither disclosed their intent of pursuing downward tariff revision nor their act of filing this tariff re-determination petition to the prospective RPGs who were offered to sign the PPAs at original rate of 3.13 ₹/kWh. This is a gross failure in material disclosure of facts to counter-signatories, which is violative of the doctrine of fairness and transparency.

The affected RPGs have been deprived of the opportunity to review their investments and proposals to sign fresh PPAs considering the petitioners application for tariff redetermination. Hence, we strongly object to the application filed surreptitiously by the petitioners while failing to notify the counter signatories of the Power Purchase Agreements. This whole episode of lack of transparency and good faith has left an indelible image in the eyes of lenders who will now evaluate any power purchase agreement with utmost suspicion and concern making financing extremely difficult for these projects going forward.

2. Factually incorrect claims in the Interlocutory Application dated 10.10.2025

The petitioner in his application dated 10.10.2025 inter alia has made the following submission:

“2. The Commission, while determining the pre-fixed levelized tariff of 3.13 ₹/kWh under O.P No. 24 of 2020 dated 02.01.2021, had considered the capital cost and associated financial parameters based on the then-prevailing fiscal and taxation structure, including the applicable Goods and Services Tax (GST) rate on Solar PV Modules and related renewable energy equipment. Subsequently, the 56th Meeting of the GST Council held at New Delhi in September 2025 recommended a reduction in the GST rate from 12% to 5% on Solar PV Modules, Solar Cells, and associated renewable energy components, with the same being notified by the Ministry of Finance, Government of India. The said revision in GST rate has a direct bearing on the overall project cost and financial parameters considered at the time of tariff determination, thereby warranting a re-examination. and appropriate revision of the pre-fixed levelized tariff to reflect the, changed fiscal conditions.”

We would like to bring to the kind notice of Hon'ble Commission that the above submission is patently false. The GST rate on Solar Panels, Cells and other renewable energy equipment was 5% as on the date of the original order in the matter of O.P No. 24 of 2020, i.e 02.01.2021. The GST rate was revised upwards to 12% w.e.f 01 Oct 2021 and again reverted to the original rate of 5% w.e.f 22 Sep 2025. Filing a tariff redetermination petition on the pretext of change in GST rate which has remained the same from the date of order to the date of filing this petition is bereft of any logic. Hence this petition is devoid of any factual basis and thus should alone constitute the basis for summary dismissal.

The petitioners have also failed to mention the following changes in the tax regimes since the original order was passed:

- a. Imposition of Basic Customs Duty of 20% on Solar Grid Tied Inverters w.e.f 01 Feb 2021
- b. Imposition of Basic Customs Duty of 40% on Solar Modules and 20% on Solar Cells w.e.f 01 April 2022
- c. Imposition of Anti-Dumping Duty on Solar Glass w.e.f 04 Dec 2024

Further the petitioners have requested the Hon'ble Commission to redetermine the tariff considering the changed fiscal conditions. If that is the true intent of the petition then it should encompass all the tax changes that have happened, the rapid increase in prices of various commodities that directly impact the solar projects, increase in cement prices, the rupee depreciation etc.

If the Hon'ble Commission is willing to redetermine the tariff holistically considering all the above changes and any such that have happened since the original order was passed on 02.01.2021, we would welcome such a decision and we are confident that such an exercise would actually lead to an upward revision of tariff benefitting the RPGs.

3. Violation of TGERC Order in the matter of R. P. (SR) No. 19 of 2021 in O.P No. 24 of 2020

The petitioners have already filed a review petition against the original order in O.P No. 24 of 2020 vide their review petition R.P (SR) No. 19 of 2021. In the review petition the petitioners contended that the Hon'ble Commission had erred by considering a higher capital cost than prevalent at that point of time. The petitioners have presented a project cost breakup in which they have shown that GST is 5% on Solar Panels, therefore attesting to the fact that the GST rate was indeed the same 5% as today.

Secondly, the Hon'ble Commission heard the petitioners and passed order 23rd Sep 2021 duly dismissing the petition as devoid of merits. The Hon'ble Commission inter alia has made the following observations in the order:

"11. For entertaining the review petition, the following should be satisfied. The review of an order passed by a Commission is dependent on the following aspects under the Code of Civil Procedure, 1908:

- a. Where there is a typographical mistake that has crept in the order;*
- b. When there is an arithmetical mistake that has crept in while effecting calculation or otherwise;*
- c. When there is a mistake committed by Commission, which is apparent from the material facts available on record and/or in respect of application of Law;*
- d. When the Commission omitted to take into consideration certain material facts on record and 'law on the subject' and that if on taking into consideration those aspects, there is a possibility of Commission coming to a different conclusion contrary to the findings given;*

- e. *If the aggrieved party produced new material which he could not produce during the enquiry in spite of his best efforts and had that material or evidence been available, the Commission could have come to a different conclusion; The review petitioners have sought only the relief of review of the order passed in O.P.No.24 of 2020 in the present petition raising the plea of reviewing the order dated 02.01.2021. They gave no proper reason / submission which would fit into any of the above principles on which review petition is to be entertained;"*

It is pertinent to note that once again none of the above stated conditions are satisfied in the current petition by the petitioners, except for falsely claiming that the GST rate was 12% at the time of tariff determination and has now been reduced to 5%. Hence the current petition filed by the petitioners is in direct violation of the order passed by the Hon'ble Commission in the matter of R.P (SR) No. 19 of 2021.

Furthermore, it is also important to note that the petition copy uploaded on the website of TGERC does not offer any calculations supporting their claim for reduction of tariff by ₹ 0.15/kWh. In this scenario, there is no logical explanation as to how their claimed figure of ₹ 2.98/kWh can be opposed by the objectors or adjudicated by the Commission, without any supporting calculations.

4. APTEL Judgement in the matter of Appeal No. 279 of 2013 in the matter of GUVNL vs. GERC and others

We would like to bring to the kind notice of Hon'ble Commission about similar precedent in the case of GUVNL vs Solar Developers in which GUVNL the nodal agency that signed Power Purchase Agreements with Solar Developers have moved GERC unsuccessfully and later appealed with APTEL claiming that the tariffs need to be revised downwards on account of reduced capital costs and change in taxes and duties. Their petition was dismissed both by GERC and the subsequent appeal later by APTEL.

Hon'ble APTEL, while dismissing the appeal of GUVNL has inter alia made the following observations that also apply to the petitioners:

"177. Summary of our findings:

“(3) The State Commission has correctly rejected the Petition of the Appellant for re-determination of tariff as not maintainable due to following:”

“(d) Generic Tariff Order on normative parameters is not permissible to be re-visited on the basis of the actual cost incurred in setting-up the Project and actual equity deployed.”

“(e) The tariff determined by the State Commission by the 2010 order was a promotional tariff and an incentive offered to the renewable energy Generators who invested during the first control period. The parties acted upon the tariff order. The said tariff order was also accepted by the State Government and notified. The tariff itself was a promotional measure to incentivise the Solar Project Developers. This cannot be sought to be taken away long after the renewable energy Generators have acted upon the same.”

“(g) PPA can be re-opened only for the purchase of giving thrust to the renewable energy projects and not for curtailing the incentives.”

“(h) When it was not established by the Appellant that there is a legal right available to the Appellant to seek re-determination of tariff by re-opening the PPA, the State Commission would not be expected to revisit the generic tariff thereby to disincentivise the project developers and consequently discourage future investment in the Sector.”

We request the Hon’ble TGERC to take note of the above findings of APTEL in similar matter and give importance to the fact that the tariff determined by TGERC in OP No. 24 of 2020 is a normative tariff balancing the interests of all stakeholders. The tariff order also doesn’t provide for revision of the tariff against any material changes. The petitioners should file a separate petition for determination of new tariff for a new control period that would apply to future PPAs and not try to penalise the current RPGs who have been offered a fixed tariff through the Expression of Interest floated by TGREDCO for signing Power Purchase Agreements under this scheme.

5. Promissory Estoppel and violation of Res Judicata

The current RPGs have signed Power Purchase Agreement against the Expression of Interest published by Telangana Renewable Energy Development Corporation (TGREDCO). The Expression of Interest (EOI) states the following:

“2. MNRE Guidelines, Terms & Conditions related to Component A of PM-KUSUM Scheme

1. Background

g) On 02.01.2021, Hon’ble ERC approved pre-fixed levelized tariff of Rs. 3.13/Kwh per unit under Component A of the PM-KUSUM Scheme. However, a fresh acceptance will be obtained from TGERC by the TGDISCOMS towards tariff determined.”

“7. Scope of Work:

VII. In no case TGREDCO/TGDISCOMS shall be responsible to pay or increase the tariff for any additional work if required to be done for completion of the Project.”

The EOI was published along with a Frequently Asked Questions (FAQ) document which inter alia has the following question and clarification:

“3. What are the provisions if the Telangana government or DISCOM attempts to renegotiate tariffs in the future?

Answer: Tariff in Power Purchase Agreement (PPA) is fixed for 25 Years and it cannot be altered.”

After the Expression of Interest and shortlisting of bidders the petitioners have approached TGERC for acceptance of the pre-fixed levelized tariff and permission to enter into Power Purchase Agreements vide OP No. 32 of 2025. Hon’ble TGERC has sought public comments/ suggestions and objections and the order was passed on 22.04.2025 after conducting public hearing.

The Hon’ble Commission has listed out the objections / suggestions/ comments of stake holders, replies of the petitioners, and Commission’s Analysis and Findings. Given below are the few relevant objections, replies from the petitioners and commission’s analysis, reproduced from the order and highlighted as necessary:

“64. Another stakeholder has mentioned about significant changes which impacted project costs since 02-01-2021, such as INR depreciation (from Rs.73.2/USD in Jan 2021 to Rs. 86.8/USD currently), steep fluctuations in module prices and shipping costs post-

COVID, rising interest rates and financing challenges. **As of October 2021 the GST rate on solar modules and related components was increased from 5% to 12%**, imposition of Approved list of Module Manufacturers by MNRE and import duty changes. Hence, the tariff fixed in early 2021 is no longer reflective of the current market realities and is therefore not appropriate basis for inviting fresh Eols. ...”

Petitioners Replies:

“69. The petitioner further submitted that the proposed tariff of Rs. 3.13/kWh was determined based on the prevailing market rates of panels and other materials for solar power, assuming a project cost of Rs. 3.6 Crores, during the year 2021. With advancements in technology, the cost of solar panels has decreased, and their efficiency has increased. **However, TGDISCOMs will adhere to the price determined by the TGERC.**”

Commission's Analysis and Findings

“73. The Commission has determined prefixed levelized tariff at Rs. 3.13/kWh in order dated 02.01.2021 in O.P. No. 24 of 2020. The implementing agency has invited Eols on the basis of the prefixed levelized tariff at Rs. 3.13/kWh. The applicants must have given their Expression of Interest to install solar plant as they will get Rs 3.13/kWh. If at this stage this Commission alters the tariff it may upset either of the parties. Therefore, the Commission deems it fit not to revise the tariff at this stage and as of now the prefixed levelized tariff of Rs.3.13 /kWh stands continued.”

A harmonious reading of relevant clauses from TGREDCO's Expression of Interest and FAQs, objections raised by the stakeholders in the matter of OP No. 32 of 2025, specifically regarding increase in GST Rate, subsequent reply of petitioners vouching to abide by the tariff determined by the Hon'ble Commission and commissions findings in the matter, it can be legitimately concluded that the normative tariff decided by Hon'ble Commission is fixed and not subject to revision. Hence it is our strong objection that the present petition filed by TGDISCOMs would squarely fall under the doctrine of promissory estoppel and it is our humble request that the Hon'ble Commission should summarily reject the petitioners claim.

Further, the stakeholders have raised objection during the hearing in the matter of OP No. 32 of 2025 duly bringing the issue of GST Rate increase from 5% to 12% and seeking upward revision of the tariff. This objection was neither accepted by the petitioners nor supported by the Hon'ble Commission in its analysis and findings and hence should be treated as settled in favour of the petitioners back then in the manner that GST rate impact would not increase the tariff.

So, now the petitioners cannot ask the Hon'ble Commission to revise the tariff on account of reduction in GST Rate from 12% to 5%. If it was not covered under the ambit of change in law then, it cannot be covered under change in law now. Since the matter of GST rate change is already settled by the Hon'ble Commission in OP No. 32 of 2025, the petitioners trying to reagitate on the same matter would tantamount to violation of the doctrine of res judicata.

