

To,
The Commission Secretary,
TGERC,
Vidyuth Niyamtran Bhavan,
G.T.S.Colony,
Kalyan Nagar,
Hyderabad,
Telangana – 500 045

Dt 30/06/2026

Sub:- Objections/ Comments/ Suggestions against the petition filed by TGSPDCL on behalf of TGDISCOMs seeking a revision of pre-fixed levelized tariff of Rs 3.13/ kWh to Rs 2.98/ kWh for the Solar power generated under component – A of PM KUSUM scheme Submission - Regarding.

Ref.: 1. PPA – KUSUM-A SOLAR PPA.No. 201/ 2025-26, Dt 28/06/2025
2. Notice from Telangana Electricity Regulation Commission Vide No I.A. No. 4 in O.P No. 24 of 2020.

Respected Sir,

Submitting to your good self that with reference to the cited above 1, I Mr. BOTCHA SATISH KUMAR completed the synchronization of our 2 MW AC Solar plant to Chinthapalli Substation under component A of PM KUSUM Scheme, at Varkal Village, Chinthapalli Mandal, Nalgonda – Dist, Telangana 508250, Connected to 33/11kv Chinthapalli Sub Station, Chinthapalli Section, Nampally Subdivision, Devarakonda Division, Nalgonda Circle.

With reference to cited No.2 a notice from Telangana Electricity Regulation Commission Vide No I.A. No. 4 in O.P No. 24 of 2020, we hereby submitting the following for your kind consideration while taking an appropriate decision.

1) The financial Commitments were taken Based on the Approved Tariff.

The tariff of ₹3.13/kWh specified in the Power Purchase Agreement (PPA). Based on the approved tariff

- Financial institutions appraised and sanctioned project loans.
- The sanctioned loan has already been disbursed.
- Interest payments on the loan are already being serviced.
- The balance loan amount is scheduled for disbursement based on receipt of revenue generation with the Power tariff at Rs 3.13/ kWh.
- Any reduction in tariff at this advanced stage would adversely affect project viability.

2) Financial burden to the SPG (Solar Power Generator).

Submitting to your good-self that.,

1. Power tariff Rs 3.13/ kWh was fixed in the year 2021 Dt 02.01.2021.
2. From the year 2021 to the year 2026, the price of Copper, Aluminum and service/ Labour charges had increased substantially.
 - a. Copper price had increased by around 75.9%. [Data from www.ofbusiness.com](http://www.ofbusiness.com).
[Google reference](#)
 - b. Aluminum price had increased by around 38.60% [Data from www.ofbusiness.com](http://www.ofbusiness.com).
[Google reference](#).

- c. Steel and Hot Dipped Galvanized steel price reduced by 11.7% [Data from dealonsteel.com](#). [Google reference](#).
 - d. Labour/ Services cost increased by minimum 40%. [Data from Chief commissioner of labour, New Delhi](#) . [Google reference](#).
3. The SPV module technology changed from Mono Perc to Topcon. The cost of module per wp had reduced by around 15.70%. [Data from epmagpro.com](#). [Google Reference](#).

Considering the above change in the price, the net financial loss to per MW capacity solar power generator is Rs 28.86 L (Loss of Rupees twenty-eight lakh eighty-six thousand) only.

The detailed workings provided in the below table:

Per MWp Capacity Solar power project			
Sl	Financial impact to SPG due to ,,,	Unit	Amount
A	Reduction in GST on SPV module and string inverters	Rs Lakhs	9.34
B	Reduction in GST on SPV module and string inverters	Rs Lakhs	-2.34
C	Increase in Copper price in between FY 2021-22 to 2025-26	Rs Lakhs	-24.63
D	Increase in Aluminum price in between FY 2021-22 to 2025-26	Rs Lakhs	-17.08
E	Increase in Labour service charges in between FY 2021-22 to 2025-26	Rs Lakhs	-17.70
F	Reduction in SPV module price in between FY 2021-22 to FY 2025-26	Rs Lakhs	20.30
G	Reduction in steel price in between FY 2021-22 to 2025-26	Rs Lakhs	3.25
	Net Financial Impact to SPG	Rs Lakhs	-28.86

Further, to the above financial loss, the proposed reduction in power tariff from Rs 3.13/ kWh to Rs 2.98/ kWh as per petition filed by TGSPDCL on behalf of TGDSCOMs, the Solar Power Generator per Mwp capacity, will incur huge loss of Rs 61.56 Lakhs (Rupees Sixty-one lakhs fifty-six thousand) only during the Power Purchase Agreement (PPA) period of 25 years.

Please refer the below table having the detailed workings:

Loss due to reduction in Tariff from Rs 3.13 to Rs 2.98/ kWh			
SL	Parameter	Unit	Amount
1	Power tariff as per PPA	Rs/ kWh	3.13
2	TGSPDCL proposed new tariff	Rs/ kWh	2.98
3	Reduction in the Tariff	Rs/ kWh	-0.15
4	Plant Capacity AC Power	KW	1000
5	No of Hrs/ Day	Hrs	24
6	Capacity Utilisation factor (CUF)	%	19%
7	Power Gen Per Day	KW	4560
8	Loss per day	Rs	-684
9	Operating days per month	Days	30
10	Financial loss per month	Rs	-20520
11	No of months per year	Months	12
12	Financial loss per year	Rs	-246240
13	Duration of PPA	Years	25
14	Total loss during the PPA period	Rs	-6156000
15		Rs Lakhs	-61.56

Submitting to your good-self that, it is noted that Rs 360 Lakh per Mwp had been considered/ approved by TERC. Please find the below table having detailed working of financial impact to SPG due to reduction in GST on Solar SPV module, Inverter, Steel price and increase in Copper, Aluminum, Labour charges.

Sl	Parameter	Unit	Project cost Before GST reduction				Project cost After GST reduction			Project cost with increased Copper, Aluminum, Transformer oil, Freight, labour charges, reduced Solar PV module, steel price and GST%						Variance
			Basic price	GST %	GST Amount	Total amount	GST %	GST Amount	Total amount	Increase % in the price of Copper, Al	Decrease% in the price of Solar PV module and GST	Revised Basic price	GST %	GST amount	Total	
1	Cost of per MW Solar power project considered/ approved by TERC, excluding the land cost	Rs Lakhs				360			360							
2	Estimated cost break up for															
a	Design	Rs Lakhs	8.00	18%	1.44	9.44	18%	1.44	9.44	0	0	8.00	18%	1.44	9.44	0.00
b	Solar PV modules	Rs Lakhs	116.00	12%	13.92	129.92	5%	5.80	121.80		10%	104.4	5%	5.22	109.62	-20.30
a	String inverters	Rs Lakhs	17.50	12%	2.10	19.60	5%	0.88	18.38	0	0	17.50	5%	0.875	18.38	-1.23
b	Module mounting structure	Rs Lakhs	25.00	18%	4.50	29.50	18%	4.50	29.50		11%	22.25	18%	4.005	26.26	-3.25
a	DC cable and connectors	Rs Lakhs	12.50	18%	2.25	14.75	18%	2.25	14.75	75.9%		21.9875	18%	3.95775	25.95	11.20
b	AC Cable	Rs Lakhs	12.50	18%	2.25	14.75	18%	2.25	14.75	38.6%		17.325	18%	3.1185	20.44	5.69
a	Transformer and switch gear	Rs Lakhs	15.00	18%	2.70	17.70	18%	2.70	17.70	75.9%		26.385	18%	4.7493	31.13	13.43
b	SCADA Remote monitoring station	Rs Lakhs	2.50	18%	0.45	2.95	18%	0.45	2.95			2.50	18%	0.45	2.95	0.00
a	Civil works	Rs Lakhs	17.50	18%	3.15	20.65	18%	3.15	20.65	40%		24.5	18%	4.41	28.91	8.26
b	Installation and commissioning charges	Rs Lakhs	20.00	18%	3.60	23.60	18%	3.60	23.60	40%		28	18%	5.04	33.04	9.44
a	Transmission line and Bay construction	Rs Lakhs	25.00	18%	4.50	29.50	18%	4.50	29.50	38.6%		34.65	18%	6.237	40.89	11.39
b	Energy meters, CTs and PTs	Rs Lakhs	5.00	18%	0.90	5.90	18%	0.90	5.90			5.00	18%	0.9	5.90	0.00
a	LT & HT Panel, feeder & Transformer relay control panel	Rs Lakhs	12.50	18%	2.25	14.75	18%	2.25	14.75			12.50	18%	2.25	14.75	0.00
b	Earth pits with electrode, filling material, GI/ Copper flat	Rs Lakhs	5.00	18%	0.90	5.90	18%	0.90	5.90			5.00	18%	0.9	5.90	0.00
a	Fencing	Rs Lakhs	5.00	18%	0.90	5.90	18%	0.90	5.90			5.00	18%	0.9	5.90	0.00
b	Statutory fees	Rs Lakhs	5.00	18%	0.90	5.90	18%	0.90	5.90			5.00	18%	0.9	5.90	0.00
b	Module cleaning system	Rs Lakhs	1.00	18%	0.18	1.18	18%	0.18	1.18			1.00	18%	0.18	1.18	0.00
a	Consultant fees - Loan sanctioning	Rs Lakhs	5.00	18%	0.90	5.90	18%	0.90	5.90			5.00	18%	0.9	5.90	0.00
b	Contingency	Rs Lakhs	1.87	18%	0.34	2.21	18%	0.34	2.21			1.87	18%	0.3366	2.21	0.00
	Total cost per MW	Rs Lakhs	311.9			360.00			350.65						394.64	34.64
3	Variance								-9.34							34.64
4	Project cost considered/ approved by TERC	Rs Lakhs							360							360.00
5	Project cost worked out with reduced GST	Rs Lakhs							350.65							394.64
6	Tariff considered with the project cost Rs 360 L	Rs/ kWh							3.13							3.13
7	Tariff with project cost with reduced GST							Rs/ kWh	3.05							
8	Tariff with project cost with reduced GST and increased Copper, Aluminium and Labour cost														Rs/ kWh	3.43

Submitting that even with the reduction in GST% on Solar SPV module and inverter and based on TERC approved project cost ie Rs 360.00 Lakhs per Mwp, the net reduction in GST is Rs 9.34 Lakhs. With this reduction, the estimated project cost would be Rs 350.65 Lakhs and the tariff work out Rs 3.05 per kWh.

Whereas, if we consider the increase in the price of Copper, Aluminum, Labour charges, reduction in Solar SPV module price, Steel price and GST reduction on Solar SPV module and inverter, the estimated project cost would be Rs 394.64 Lakhs per Mwp and then the tariff would be Rs 3.43 per kWh.

As per above statement and table working, the tariff worked out had increased from Rs 3.13/ kWh to Rs 3.43/ kWh. Though the revised tariff Rs 3.43/ kWh is as per present market rates, we are not requesting for increased tariff ie Rs 3.43 per kWh. But requesting to retain the power Tariff Rs 3.13 per kWh as per PPA.

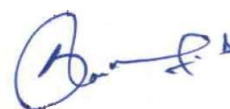
3) Increasing O&M, Insurance and Security Costs.

While the tariff remains fixed throughout the 25-year PPA period.

- Operation and maintenance costs continue to rise annually.
- Insurance premiums have increased substantially.
- Security costs have increased due to theft and vandalism risks.
- Replacement costs for equipment have escalated.

Hence, we humbly request your goodself not to consider the reduction in the tariff as per the petition filed by TGSPDCL on behalf of TGDISCOMs and retain at Rs 3.13 per kWh.

Thanking you.
Yours sincerely,



Botcha Satish Kumar
PPA No 201