

To
The Secretary
Telangana Electricity Regulatory Commission (TGERC)
Vidyuth Nyantran Bhavan
G.T.S. Colony, Kalyan Nagar
Hyderabad – 500045

Subject: Objections to the proposed reduction of tariff under PM-KUSUM Component-A and request for retention/enhancement of tariff – PPA No. 378/2025-26 dated 17.07.2025.

Respected Sir/Madam,

I, **Devarapalli Revathi**, Solar Power Generator (SPG) under the **PM-KUSUM Component-A Scheme**, holding **PPA No. 378/2025-26 dated 17.07.2025**, respectfully submit this representation objecting to the proposed reduction of the tariff from **₹3.13/kWh to ₹2.98/kWh**, as communicated through the notification issued by the Commission.

I most respectfully request the Hon'ble Commission to reject the proposed tariff reduction and, instead, consider an upward revision of the tariff in view of the prevailing economic conditions and the substantial increase in project costs since the tariff was originally determined.

1. Assurance of Fixed Tariff for 25 Years

Prior to the execution of the Power Purchase Agreement (PPA), awareness programmes were conducted by officials of TGREDCO and the DISCOMs. During these meetings, farmers were categorically assured that the tariff of **₹3.13 per unit would remain fixed throughout the 25-year PPA period**. Pamphlets conveying this assurance were also distributed to the participating farmers.

Relying upon these representations, we invested our life savings, committed our agricultural land, and entered into long-term financial obligations. Any reduction in tariff after execution of the PPA would defeat the legitimate expectations created by the authorities and undermine confidence in Government-sponsored renewable energy programmes.

2. Substantial Increase in Overall Project Cost

The proposal for tariff reduction appears to be based primarily on the reduction of GST from 12% to 5%. However, GST represents only a small fraction of the total project cost.

Since 2021, there has been a significant increase in the prices of solar modules, mounting structures, transformers, HT equipment, cables, steel, civil works, labour, transportation, insurance, security, and other project-related expenses.

Financial institutions have sanctioned loans based on the present project cost, which is approximately **₹7.3 crore to ₹7.9 crore for a 2 MW solar project**. A reduction in tariff would seriously impair the financial viability of the project and make timely repayment of bank loans extremely difficult.

3. Value of Agricultural Land Has Not Been Considered

The agricultural land dedicated for establishing the solar power plant is one of the most valuable contributions made by the farmer. The opportunity cost and market value of this land have not been considered while determining the tariff.

The project permanently utilizes our land for power generation, depriving us of future agricultural income. Therefore, the value of the land should be recognized as part of the overall project investment, and the tariff should be revised accordingly.

4. Regulatory Certainty and Sanctity of Executed PPAs

The Hon'ble Supreme Court of India, various High Courts, and Electricity Regulatory Commissions have consistently recognized the importance of maintaining regulatory certainty and honoring executed Power Purchase Agreements.

Any retrospective reduction of tariff after execution of PPAs adversely affects investor confidence, project bankability, and the credibility of Government-backed renewable energy initiatives. Such actions may discourage future participation by farmers and small investors in decentralized renewable energy programmes.

5. Protection of the Objectives of PM-KUSUM

The PM-KUSUM Scheme was introduced with the objective of providing farmers with a stable and long-term source of income while promoting decentralized clean energy generation.

Farmers participating under the scheme have invested their land, borrowed substantial funds, and undertaken long-term financial commitments based on Government assurances. Any reduction in tariff would seriously jeopardize the financial sustainability of these projects and defeat the very objectives of the scheme.

We are proud partners in the vision of the Hon'ble Prime Minister of India for expanding renewable energy and achieving national clean energy goals. Our projects also contribute towards the Government of Telangana's renewable energy targets by supplying reliable, decentralized, and environmentally sustainable power to the State DISCOMs.

Prayer

In view of the facts and circumstances stated above, I most respectfully pray that the Hon'ble Commission may kindly:

- 1. Reject the proposal to reduce the tariff from ₹3.13/kWh to ₹2.98/kWh.**
- 2. Continue the existing tariff of ₹3.13/kWh without any reduction.**
- 3. Consider enhancing the tariff to at least ₹4.00/kWh**, as the present tariff of ₹3.13/kWh itself has become inadequate due to the substantial increase in project costs, financing expenses, operation and maintenance costs, and inflation. Our agricultural land has been permanently dedicated to this project based on the assurance that the tariff of ₹3.13/kWh would remain applicable for the entire 25-year PPA period. Sustaining the project over this period requires a financially viable tariff.
- 4. Protect the legitimate interests of PM-KUSUM farmers and uphold the sanctity of the commitments and assurances given by TGREDCO and the DISCOMs at the time of execution of the Power Purchase Agreement.**

I sincerely request the Hon'ble Commission to consider these submissions in the interest of farmer welfare, renewable energy development, regulatory certainty, investor confidence, and the successful implementation of the PM-KUSUM Scheme in Telangana.

Thanking you.

Yours faithfully,

(Devarapalli Revathi)

Solar Power Generator (SPG)

PM-KUSUM Component-A

PPA No.: 378/2025-26

Date: 17-07-2025

Place: Hyderabad