

Subject: Objections on proposal to reduce unit tariff from ₹3.13 to ₹2.98 under PM-KUSUM scheme by the TGSPDCL -

Telangana

Dear Sir,

As per the public notice issued by the Telangana Electricity Regulatory Commission (TGERC), we humbly express our objections to the proposal to reduce the unit tariff from ₹3.13 to ₹2.98 citing reduction in GST.

In the Power Purchase Agreement (PPA) between us, the unit price is clearly mentioned as ₹3.13. Once the PPA is in place, unilaterally reducing the unit price to ₹2.98 contrary to the norms and guidelines already in place is not only unfair but also not legal.

It is true that GST has been reduced to 5% on some solar devices. But at the same time solar equipment, other raw materials, transportation costs, labor wages, finance costs and other construction costs have increased significantly. So the reduction in GST did not reduce the cost of the project; In fact the overall cost has increased. The following table gives the cost increase over a period, when the present Tariff of Rs.3.13 is fixed in 2021 to present level.

Cost difference of various components of Solar Plant when compared to 2021 and 2026

			Year 2021		Year 2026		
Sl.No	Major Components of Solar Plants	Unit	Range	Avg	Range	Avg	% increase
1	GST on Solar Panels	%		5		5	0.0
2	Steel - for Structure	Rs./Ton	55000 - 65000	60000	70000 - 80000	75000	25.0
3	Copper	Rs/Kg		360		1300	261.1
4	Aluminium	Rs/kg	160 -170	165	400-450	425	157.6
5	Cost of Diesel	Rs/lit		73		105	43.8
6	Transmission line including bay extn	Rs./KM		500000		1000000	100.0
7	US Dollar Cost	Rs/\$		75		95	26.7

Based on the unit price of ₹3.13 mentioned in the PPA, the beneficiaries invested and took bank loans to set up the projects. Reducing the tariff now will seriously damage the financial viability of the project.

Therefore, we humbly request ERC to appoint a technical committee and increase the existing tariff from the existing ₹3.13 per unit to a higher level, considering the present cost of the solar project.

Sincerely,

Name: Ganumukkala Subramanyam
PPA Holder No.: 337/ dated 9/8/2025
Date: 28/06/2026

On Sun, Jun 28, 2026 at 11:16 AM Siri Exergy Carbon Advisory services <sirixergy@gmail.com> wrote:

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With Warm Regards
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