

Respected Sir,

I Jagilam shankariah respectfully submit this representation as a stakeholder and prospective Solar Power Generator (SPG) under PM-KUSUM Component-A Scheme I entered into PPA agreement with TGNPDCL with PPA No. 023/2025-26 dt.26.11.2025.

I strongly oppose the proposal to reduce the pre-fixed levelized tariff from ₹3.13/kWh to ₹2.98/kWh. On the contrary, the tariff requires upward revision considering the substantial increase in project costs and financial burden since the tariff was determined in January 2021. My objections and submissions are as follows:

The tariff of ₹3.13/kWh was determined based on cost assumptions prevailing in 2021 and does not reflect present-day market realities. The proposed reduction is based solely on the GST reduction from 12% to 5%, whereas GST constitutes only a small component of total project cost.

The benefit arising from GST reduction is marginal and cannot justify a tariff reduction of 15 paisa per unit.

The Hon'ble Commission be pleased to reject the proposal filed by the State DISCOMS seeking a reduction in the tariff from ₹3.13/kWh to ₹2.98/kWh, as the proposal is contractually unsustainable, legally flawed, and contrary to the executed Power Purchase Agreement (PPA). For the following, among others, reasons:

1. The current tariff of ₹3.13/kWh was mutually agreed upon, finalized, and locked by both parties within the legally binding PPA.
2. The DISCOM seeks a downward revision to ₹2.98/kWh by citing a benchmark capital cost reduction (to ₹3.60 Crore/MW) due to a Goods and Services Tax (GST) rate cut from 12% to 5% under the PM-KUSUM scheme.
3. The reduction in the GST rate occurred prior to the execution of the PPA, which was already taken into consideration before the execution of the PPA.
4. a) The GST rate reduction was already in effect before the signing of the PPA. The impact of this tax structure was fully factored into the financial calculations, project bidding, and final negotiations by both parties at the time of executing the PPA.
b). A PPA is a legally binding contract. DISCOMs cannot unilaterally reopen or alter agreed-upon commercial terms, including tariffs, based on historical regulatory changes that occurred prior to the contract date.
c) A "Change in Law" clause under regulatory frameworks protects parties from unforeseen, subsequent legislative or tax alterations occurring after the contract execution. It cannot be invoked retroactively for tax amendments enacted before the PPA was signed.
d) Altering the tariff post facto upsets the financial closure, debt-equity ratios, and viability of the solar power project. This acts to the severe economic detriment of the generator who relied on the promised ₹3.13/kWh rate.
- e) Revision of Capacity Utilization Factor (CUF): The present benchmark Capacity Utilization Factor (CUF) of 18% does not reflect the actual generation potential of modern solar power plants. With advancements in solar module efficiency, inverter technology, improved project design, and the favourable solar irradiation conditions in Telangana, these projects are capable of achieving higher energy generation. Therefore, we respectfully request the Hon'ble Commission to revise the benchmark CUF from 18% to at least 23%. Such a revision would improve project viability, enable farmers to meet their financial obligations, maximize renewable energy generation from existing infrastructure, and support the State's clean energy and Net-Zero goals.

Relief Sought:

Direct the DISCOMs to withdraw their proposal for reducing the agreed tariff to ₹2.98/kWh.

We respectfully request the Honourable Commission to revise and enhance the tariff from ₹3.13/kWh to ₹3.30/kWh so as to compensate for the increased project costs and ensure the viability of the projects while continuing to support the State's renewable energy objectives. Revise the benchmark Capacity Utilization Factor (CUF) from 18% to at least 23% to reflect the actual generation potential of PM-KUSUM solar projects and improve their long-term financial sustainability.

Pass any other order that this Hon'ble Commission deems fit in the interest of equality and justice.

Thank you

Jagilam shankariah