

Respected Sir,

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

The unit price is clearly specified as ₹3.13 in the Power Purchase Agreement (PPA) executed between us. Once a PPA comes into effect, unilaterally reducing the unit price to ₹2.98, contrary to the existing rules and guidelines, is not only unjust but also legally untenable.

It is true that the GST on certain solar equipment has been reduced to 5%. However, at the same time, the costs of solar equipment, other raw materials, transportation, labor wages, finance costs, and other construction expenses have increased significantly.

To illustrate this steep escalation in expenses, please take the following price increases from 2021 to the present into consideration:

Copper: The price was approximately ₹360 per kg in 2021; today it has increased to ₹1,300 per kg.

Aluminum: The price was ₹170 per kg in 2021; today it is approximately ₹450 per kg.

Transmission Line (with Bay Extension): The cost per kilometer was ₹5,00,000 in 2021; today it has surged to ₹10,00,000.

Steel (for Solar Construction): The price was ₹70,000 per ton in 2021; in the current year, it stands at ₹1,40,000 per ton.

Silver (used in Solar Panels): The price was ₹60,000 in 2021; it is now approximately ₹2,45,000.

Foreign Exchange Rate: The overall construction cost of a solar plant is heavily dependent on the US Dollar. The USD exchange rate was ₹74 in 2021, whereas it is approximately ₹94 today.

Therefore, the reduction in GST has not decreased the project cost; in reality, the overall expenditure has drastically increased. Beneficiaries have made investments, taken bank loans, and established these projects based on the ₹3.13 unit price mentioned in the PPA. Reducing the tariff now will severely damage the financial viability of the projects and cause grave injustice to the beneficiaries.

Taking the current project costs into consideration, we humbly request you to increase the tariff from the existing ₹3.13 per unit rather than decreasing it.

Yours faithfully,

Name: Katla Jayendar

PPA Holder No.: 372

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