

To
The Commission Secretary,
Telangana Electricity Regulatory Commission (TGERC),
Vidyut Niyantran Bhavan,
GTS Colony, Kalyan Nagar,
Hyderabad – 500045.

Subject: Objection to the proposed reduction of PM-KUSUM Solar Tariff from ₹3.13/kWh to ₹2.98/kWh

Respected Sir,

I respectfully submit my strong objection to the proposal for reducing the tariff under the PM-KUSUM Scheme from ₹3.13 per unit to ₹2.98 per unit, particularly on the ground that the Goods and Services Tax (GST) on solar components has been reduced.

The tariff of ₹3.13 per unit was finalized in January 2021, when the applicable GST on solar power projects was 5%.

However, with effect from 1 October 2021, the GST on major solar project components was increased to 12%, and this higher GST remained applicable until 21 September 2025. During this entire period of nearly four years, the tariff continued at ₹3.13 per unit without any upward revision to compensate developers and farmers for the additional tax burden.

Subsequently, GST has been restored to 5% with effect from 22 September 2025. Therefore, it is neither logical nor equitable to reduce the tariff solely because GST has reverted to its earlier level, especially when no corresponding tariff increase was granted during the period when GST had increased from 5% to 12%.

Further, the cost of establishing solar projects has witnessed significant escalation due to the increase in the prices of essential commodities such as silver, copper, aluminium, electrical cables, and other balance-of-system components. Recent global geopolitical developments have further contributed to volatility in commodity prices, leading to a substantial increase in the cost of solar panels, electrical wires, and associated equipment.

Considering these facts, rather than reducing the tariff, there is a strong justification for enhancing the existing tariff of ₹3.13 per unit by at least ₹0.15 per unit. Such a revision would partially compensate farmers and project developers for the increased capital cost and ensure the long-term financial viability of PM-KUSUM solar projects.

Reducing the tariff to ₹2.98 per unit based solely on the reduction in GST overlooks the historical increase in GST, ignores the substantial escalation in material costs, and adversely impacts the interests of farmers who have invested under the PM-KUSUM Scheme.

I therefore humbly request the Hon’ble Commission to reject the proposed reduction and instead consider enhancing the tariff by ₹0.15 per unit, thereby fixing the tariff at ₹3.28 per unit in the interest of fairness, sustainability, and the long-term success of the PM-KUSUM programme in Telangana.

I shall be grateful for your kind consideration.

Yours faithfully,

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