

To

The Hon'ble Chairman and Members,
Telangana Electricity Regulatory Commission (TGERC),
Hyderabad, Telangana.

Subject: Request for Urgent Tariff Review and Protection of PPA Terms under the PM-KUSUM Scheme

Respected Sir/Madam,

I, N.Hamendra Devi, resident of Hanamkonda, Telangana, respectfully submit this petition seeking revision of the tariff fixed for solar power generation under the PM-KUSUM Scheme.

The existing tariff of ₹3.13 per unit has become entirely unviable given the steep rise in both project execution costs and market prices. This rate no longer ensures a fair return on investment for farmers under the PM-KUSUM Scheme, making an immediate review absolutely essential.

While the reduction in GST on solar modules was intended to lower expenses, market realities have shifted in the opposite direction. Prior to the GST cut, solar modules were priced at roughly ₹11–12 per watt. Following the reduction, however, prices actually climbed to around ₹14–15 per watt, significantly driving up the overall capital requirement.

Furthermore, the financial viability of these projects has been severely strained by escalating costs across several key components:

- **Steel Prices:** Rose by roughly 12%, adding an unexpected burden of nearly ₹6.6 lakh.
- **Cabling:** Increased by approximately 15%, adding around ₹2.7 lakh to expenses.
- **Labor Costs:** Scaled up by roughly 15%, resulting in a further increase of nearly ₹4.5 lakh.
- **Logistics & Transport:** Surged by approximately ₹1–2 lakh.

Consequently, while the GST relief theoretically offered around ₹10 lakh in savings, this benefit has been completely erased by the combined price hikes in solar modules and other vital infrastructure components, culminating in a much higher final project cost.

Contractual Sanctity of the Power Purchase Agreement (PPA)

It is respectfully submitted that the Power Purchase Agreement (PPA) executed under the PM-KUSUM Scheme stands as a legally binding contract. Farmers and developers moved forward in reliance on the specific tariffs, payment structures, and mutual commitments detailed in the agreement. Based on these firm assurances, beneficiaries cleared their land, allocated substantial capital, and have already executed a major portion of the project infrastructure.

The PPA contains no provision allowing for the arbitrary alteration of tariffs or agreed terms post-execution. As a formal contract, its conditions cannot be unilaterally modified after the farmers have already acted upon those promises. Any such modification would disrupt the foundational basis of their investment and inflict severe financial distress upon the beneficiaries.

The participating farmers entered this initiative in good faith, trusting the government's tariff and payment commitments as outlined in the contract. With nearly half of the development work already completed and heavy expenses incurred, these farmers now face unforeseen financial uncertainty due to changes never envisioned in the original agreement.

Therefore, we respectfully urge that the executed PPA be enforced strictly according to its original provisions, and that no detrimental alterations be made to the tariff or payment terms after the beneficiaries have already invested based on those prior commitments.

Conclusion and Prayer

While the PM-KUSUM Scheme was envisioned to uplift rural incomes, champion green energy, and decentralize power generation, the current ₹3.13 per unit tariff fails to mirror today's economic climate and threatens to disincentivize future solar investments by farmers.

In light of these pressing realities, I humbly request the Hon'ble Commission to:

1. **Review** the current PM-KUSUM tariff of ₹2.85 per unit.
2. **Account** for the sharp inflationary spikes in solar modules, steel, cabling, labor, and logistics.
3. **Re-evaluate** the underlying project economics to align with contemporary market conditions.
4. **Revise and upwardly adjust** the tariff to a level that is both fair and commercially viable.
5. **Safeguard** the implementation of the executed PPA according to its original terms and conditions.
6. **Protect** the long-term viability of the project to ensure justice for the participating farmers.
7. **Afford** the affected farmers an opportunity for a personal hearing before any final decision regarding the tariff or PPA terms is finalized.

I earnestly request the Hon'ble Commission to review this representation empathetically, safeguarding both the welfare of Telangana's farming community and the future of renewable energy development in the state.

Thanking you.

Yours faithfully,

N. Hamendra Devi

Date: 29-06-2026