

To,

The Secretary,

Telangana Electricity Regulatory Commission (TGERC)

Respected Sir/Madam,*

I, **N.Varshanandini**, Solar Power Generator (SPG) under the **PM-KUSUM Component-A Scheme**, holding **PPA No. 238**, respectfully submit my objections to the proposal for reducing the tariff from **₹3.13/kWh to ₹2.98/kWh** as communicated through the notification received via email.

I most respectfully request the Hon'ble Commission to reject the proposed tariff reduction and, instead, consider an upward revision of the tariff in view of the present economic realities. My rationale for objections are as follows:

1. Statement of Facts & The Counter-Claim

- **The Original Agreement:** The Power Purchase Agreement (**PPA-238**) for our **1.5 MW solar asset** was executed in **July 2025** at an approved baseline tariff of **₹3.13 per kWh**.
- **The Flawed Proposal:** TGREDCO has arbitrarily proposed to reduce the tariff from ₹3.13 to **₹2.98 per kWh**, falsely citing a drop in component GST from 12% to 5% as a "Change in Law" saving.
- **The Reality Mandating an Upward Revision:** Due to the extraordinary confluence of global warfare, unprecedented material spikes, and severe administrative delays caused by the Respondent, the original ₹3.13 rate is no longer financially viable. The Petitioner respectfully submits a counter-claim requesting an upward revision of the tariff to **₹3.30 per kWh** to prevent immediate project insolvency.

2. Comprehensive Grounds for Tariff Increase to ₹3.30 and State Subsidy

A. Geopolitical Warfare and Escalated Market Losses

- **Impact of Middle East Conflict:** Following our April 2025 signing, sudden escalations in the Middle East war heavily disrupted international shipping lanes and maritime logistics. This regional crisis triggered record spikes in global freight rates and raw energy costs, directly inflating our localized procurement bills.
- **Severe Material Cost Inflation:** Driven by war-linked supply chain shocks and domestic anti-dumping duties on solar glass, finished solar PV module procurement costs plummeted our project into a **25% to 33% price surge** post-April 2025.
- **Elevated Structural Costs:** The cost of fabricated galvanized steel mounting structures required to safely anchor a 1.5 MW array rose by **10% to 15%**, carrying a heavy, un-rationalized **18% GST rate** that completely swallowed any nominal tax savings on modules.

B. Administrative Bottlenecks and Compounding Debt Delays

- **Lack of Right of Way (RoW) Support:** Total passivity from TGREDCO regarding unaddressed RoW issues during transmission line routing stalled physical grid connection for months.
- **Inordinate Meter Procurement & Paperwork Delays:** Extreme delays in meter procurement, testing, and final Commercial Operation Date (COD) synchronization forced a fully capitalized asset to remain idle.

- **Social and Financial Distress on Farmers:** While the plant stood dark due to bureaucratic delays, bank construction loans fully transitioned into active repayment cycles. This has inflicted **severe financial hardship on local Telangana farmers** who stood as land-poolers, guarantors, or co-investors in this green infrastructure project.

3. Financial Viability and Loss Matrix

Impediment / Component	Projected Cost (April 2025)	Operational Reality (2026)	Direct Financial Impact
Middle East Conflict	Stable Freight Costs	Global Shipping Disruption	Drastic inflation on imported parts & inland transit.
Project GST Rate	12% Flat on Components	70:30 Rule (~8.9% Effective)	Failed to provide the full 7% relief claimed by TGREDCO.
Solar PV Modules	Optimized Base Budget	Market Spike of 25%–33%	Distorted Capex limits and equity-to-debt ratios.
Mounting Structures	Standard Metal Budget	Market Spike of 10%–15% + 18% GST	Drastically reduced Balance of System (BOS) margins.
Meter & Paperwork Delays	Streamlined Synchronization	Extended TGREDCO Bottlenecks	Zero revenue generation during active loan billing.
Final Tariff Value	Designed at ₹3.13 /kWh	Requires Upward Shift to ₹3.30 /kWh	₹2.98 forces debt default; ₹3.30 restores project survival.

4. Reliefs / Remedies Sought

The Petitioner respectfully prays that this Honorable Commission may be pleased to:

1. **Reject TGREDCO's Proposal** to down-revise the tariff rate to ₹2.98 per kWh as economically invalid and contractually destructive.
2. **Upwardly Revise the Project Tariff to ₹3.30 per kWh** under the Commission's statutory powers to ensure a fair return on investment for an asset crippled by extraordinary macroeconomic shocks.
3. **Direct TGREDCO to Liaison with the State Government** to immediately provide an institutional capital **subsidy or viability gap funding (VGF)** to cover the sudden market losses inflicted by the Middle East war.
4. **Issue an Interim Order** directing the DISCOM to pay a temporary baseline rate of **₹3.13 per kWh** during the pendency of this petition, protecting the developer from active loan default.

Regards,

N. Varshanandini

Solar Power Generator (SPG)

PM-KUSUM Component-A

PPA No.: 238/2025-26

Date: 29-06-2026

Place: Hyderabad