

Submission of Objections against the petition filed by the DISCOMs seeking revision of the discovered tariff from ₹3.13 per kWh to ₹2.98 per kWh.

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BEFORE THE TELANGANA ELECTRICITY REGULATORY COMMISSION (TGERC)

In the matter of:

Objections to the Petition filed by TSSPDCL/TGNPDCL seeking revision of the tariff under PM-KUSUM Component-A from ₹3.13/kWh to ₹2.98/kWh.

SUBMISSION OF OBJECTIONS

Respected Sir/Madam,

I/We, M/s Arvind Recon (India) Pvt. Ltd., the successful developer(s) under the **PM-KUSUM Component-A Scheme**, respectfully submit the following objections against the petition filed by the DISCOMs seeking revision of the discovered tariff from **₹3.13 per kWh to ₹2.98 per kWh**.

1. Strong Objection to Tariff Revision

We strongly oppose the proposed reduction of the tariff from **₹3.13/kWh to ₹2.98/kWh**. The proposal is arbitrary, unjustified and contrary to the commitments made by the Government agencies and the DISCOMs during the bidding and execution process.

The tariff of **₹3.13/kWh** formed the fundamental basis on which we participated in the tender, accepted the Letter of Award (LoA), executed the Power Purchase Agreement (PPA), arranged project finance, procured equipment and substantially completed the project.

Changing the tariff after execution of the PPA and after the developer has made irreversible investments is unfair, inequitable and contrary to the principles of contractual certainty.

2. Huge Investments Already Made

Based on the tariff of **₹3.13 per kWh**, we have:

- Invested substantial capital in land development, solar modules, inverters, transformers, structures and electrical infrastructure.
- Availed bank loans and financial assistance after submitting the executed PPA and financial projections based on the tariff of ₹3.13/kWh.
- Entered into binding contracts with suppliers and EPC vendors.
- Nearly completed the project, which is expected to be commissioned shortly.

The financial viability of the project has been evaluated entirely on the approved tariff of ₹3.13/kWh. Any reduction at this advanced stage will severely impact debt servicing, project cash flows and overall financial sustainability.

3. Serious Financial Impact

The proposed reduction to **₹2.98/kWh** would substantially reduce the project revenue over the entire 25-year tenure of the PPA.

This reduction was never contemplated when bids were submitted or when the PPA was executed.

Such a unilateral revision would:

- Disturb the financial closure already achieved.

- Affect repayment of bank loans.
- Increase the risk of loan defaults.
- Make the project commercially unviable.
- Undermine investor confidence in Government renewable energy programmes.

The developers cannot be expected to absorb such losses after acting upon the commitments made by the procuring entities.

4. Sanctity of the Executed PPA

The executed Power Purchase Agreement is a legally binding contract between the developer and the DISCOM.

The tariff agreed under the PPA forms one of its essential terms and cannot be altered unilaterally after execution and after the developer has altered his position based on the contract.

The principles of contractual certainty, legitimate expectation and fairness require that the tariff agreed under the executed PPA be honoured throughout the contractual period.

5. Legitimate Expectation Created by TGREDCO

The official information published by **TGREDCO** clearly states that the tariff discovered under the scheme shall remain applicable for the **entire PPA period of 25 years**.

This representation was relied upon by all developers while making investment decisions.

Developers acted in good faith on this assurance. Altering the tariff after execution of the PPA would defeat the legitimate expectations created by the implementing agencies and seriously erode confidence in Government-backed renewable energy programmes.

6. Principle of Fairness

The developers have fulfilled all obligations under the scheme and have continued execution despite rising costs of materials, logistics, financing and construction.

It would be wholly inequitable if the developers alone are required to bear the financial burden after making substantial investments based upon the agreed tariff.

The financial consequences of such revision cannot be shifted entirely onto developers who acted strictly in accordance with the tender conditions, the LoA and the executed PPA.

Prayer

In view of the facts stated above, we most respectfully pray that the Hon'ble Commission may be pleased to:

1. Reject the petition filed by the DISCOMs seeking revision of the tariff from **₹3.13/kWh to ₹2.98/kWh**.
2. Direct the DISCOMs to honour the tariff of **₹3.13/kWh** as agreed under the executed Letter of Award and Power Purchase Agreement.
3. Protect the sanctity of the executed contracts and uphold the legitimate expectations of the developers who have invested substantial capital based on the agreed tariff.
4. Pass such other order(s) as may be deemed fit and proper in the interest of justice, equity and the successful implementation of the PM-KUSUM Component-A Scheme.

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Regards,

Naresh Kumar G

Director and CEO

Arvind Energies

Arvind Recon India Pvt. Ltd.

