BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY COMMISSION (TGERC), HYDERABAD

I.A. No. 4 of 2026 in O.P. No. 24 of 2020

OBJECTIONS FILED BY THE OBJECTOR
(Farmer / Solar Power Generator under PM-KUSUM Component-A)

Objector Details:

Name: Poddatur Shravan Kumar Reddy

Village: Uppununthala

Mandal: Uppununthala

District: Nagarkurnool

To
The Commission Secretary,
Telangana Electricity Regulatory Commission (TGERC),
Hyderabad.

Ref: PPA No.340/2025-26 dated 09.07.2025

Respected Sir,

I, Poddatur Shravan Kumar Reddy , being a farmer and Solar Power Generator (SPG) / beneficiary under PM-KUSUM Component-A, respectfully submit the following objections regarding the proposal seeking reduction of pre-fixed tariff from ₹3.13/kWh to ₹2.98/kWh.

OBJECTIONS

1. The objector participated in PM-KUSUM and planned the project based on the tariff approved by this Hon'ble Commission. Project implementation, loan arrangements and investment decisions were undertaken relying upon the existing tariff framework.
2. At the time of original tariff determination during 2021, the applicable GST on solar equipment was 5%. At present also, the GST applicable has effectively returned to the same level. Therefore, reduction in GST does not create any new financial advantage compared to the original tariff assumptions.
3. While GST may presently be at the same level as considered earlier, the overall project cost has increased substantially over the years. The cost of major project materials including modules, structures, electrical equipment, cables, transformers, erection activities and associated infrastructure has increased approximately by 25% to 30%.
4. A considerable amount of time has been lost in obtaining loan approvals from banks and financial institutions. Farmers faced repeated procedural requirements, technical scrutiny and financial compliance before sanction of loans.

5. In addition to financing delays, substantial time and expenditure were incurred for obtaining Right of Way (ROW) clearances and completion of evacuation line works between the Solar Power Generator and Sub-station.
6. Many project developers and farmers were required to spend significant additional amounts for ROW settlements, permissions, line completion and associated field-level execution.
7. Operation and Maintenance (O&M) expenditure assumed at the time of tariff determination no longer reflects practical conditions. O&M expenses including security, vegetation clearing, inverter servicing, preventive maintenance, insurance, manpower and periodic replacement costs have increased by approximately 25% to 30%.
8. Therefore, any perceived benefit arising from present GST conditions is substantially offset by increased EPC costs, O&M expenditure, financing costs, implementation delays and operational expenses.
9. Most of the projects have already obtained bank sanctions based on the approved tariff of ₹3.13/kWh and corresponding projected cash flows.
10. If tariff is reduced at this stage:
    (a) loan repayment schedules may become unviable;
    (b) banks may insist upon additional margin contribution;
    (c) sanctioned loan amounts may be reassessed or reduced;
    (d) debt servicing capability of farmers may be adversely affected.
11. Farmers have already invested substantial time and financial resources and have undertaken contractual and financing obligations. Any reduction after such commitments would create serious financial hardship.
12. Synchronisation, operation and long-term maintenance of solar plants have become increasingly challenging due to increase in implementation and recurring expenditure.
13. Further, PM-KUSUM projects are based on Distributed Energy Resources (DER), which provide multiple long-term benefits to DISCOMs including:
    (a) reduction in transmission losses;
    (b) localised generation and improved grid support;
    (c) reduced requirement of large transmission infrastructure;
    (d) supply closer to agricultural load centres; and
    (e) improvement in overall energy security and system efficiency.
14. Therefore, PM-KUSUM projects create long-term operational and economic benefits for DISCOMs in addition to supporting farmers.
15. Reduction of tariff at this stage may discourage future participation by farmers and adversely affect implementation of decentralized renewable energy programmes.

PRAYER

In view of the above submissions, it is respectfully prayed that this Hon'ble Commission may be pleased to:

a) Reject the proposal seeking reduction of tariff from ₹3.13/kWh to ₹2.98/kWh;

b) Continue the existing pre-fixed levelized tariff under PM-KUSUM Component-A;

c) Consider actual implementation challenges, increased EPC cost, O&M escalation, financing delays and ROW-related expenditure incurred by farmers;

d) Protect financial viability of already sanctioned and ongoing projects; and

e) Pass such other order(s) as deemed fit and proper in the interest of justice.

Place: Hyderabad

Date: 30.06.2026

Objector

(Signature)

Name Poddatur Shravan Kumar Reddy: