

To

The Secretary,
Telangana Electricity Regulatory Commission (TGERC)
Vidyuth Niyantran Bhavan,
G.T.S. Colony, Kalyan Nagar,
Hyderabad – 500045.

Subject: Objections to the Proposed Reduction of Tariff under PM-KUSUM Component-A and Request for Retention/Enhancement of Tariff – PPA No. 377/2025-26, dt.17.07.2025

Respected Sir/Madam,

I, **Popuri Srinivasu**, Solar Power Generator (SPG) under the **PM-KUSUM Component-A Scheme**, holding **PPA No. 377/2025-26 dt.17.07.2025**, most 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 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 prevailing economic conditions and the substantial investments made by farmers under the scheme.

1. Assurance of Fixed Tariff for 25 Years

Before the execution of the Power Purchase Agreement (PPA), awareness meetings were conducted by officials of TGREDCO and the DISCOMs. During these meetings, participating farmers were unequivocally assured that the tariff of **₹3.13 per unit would remain fixed throughout the 25-year PPA period**. Printed pamphlets conveying the same assurance were also distributed.

Relying upon these official assurances, we invested substantial financial resources, committed our agricultural lands, secured bank loans, and executed the PPA. Any reduction in tariff after execution of the agreement would violate the legitimate expectations created by the Government agencies and undermine the confidence of farmers who acted in good faith.

2. Substantial Increase in Project Cost

Although GST forms only a small component of the project cost, the overall cost of establishing a solar power project has increased significantly. The prices of solar modules, mounting structures, transformers, cables, steel, civil works, labour, transportation, electrical equipment, and other infrastructure have all risen considerably.

As a result, financial institutions have sanctioned loans based on present-day project costs, which are approximately **₹7.3 crore to ₹7.9 crore for a 2 MW solar power project**. Any reduction in tariff would seriously affect the financial viability of these projects and make repayment of bank loans extremely difficult.

3. Value of Agricultural Land Has Not Been Considered

The project has been established on our own agricultural land. The value of this land, which is a significant capital contribution by the farmer, has not been considered while determining the project cost or tariff.

By dedicating our land permanently for the solar power project, we have sacrificed its agricultural use and future earning potential. This substantial contribution deserves due recognition while determining a fair and reasonable tariff.

4. Legal and Regulatory Principles

The Hon'ble Supreme Court of India, various High Courts, and several State Electricity Regulatory Commissions have consistently emphasized the importance of maintaining the sanctity of executed Power Purchase Agreements and ensuring regulatory certainty.

Any retrospective reduction of tariff after execution of PPAs adversely affects investor confidence, project viability, and the credibility of Government-supported renewable energy programmes. Such actions also discourage future participation by farmers and private investors in clean energy initiatives.

5. Protection of the Objectives of PM-KUSUM

The PM-KUSUM Scheme was launched with the objective of providing farmers with a stable, long-term, and reliable source of income while promoting clean and renewable energy generation.

Farmers participating in this scheme have invested their lands, personal savings, and borrowed funds solely based on the assurances extended by Government agencies. A reduction in tariff would not only jeopardize existing projects but would also defeat the very objectives of the PM-KUSUM Scheme by discouraging future participation.

We are proud partners in the vision of **Hon'ble Prime Minister Shri Narendra Modi** for promoting green energy and strengthening India's renewable energy sector. Through our decentralized solar power plants, we are contributing towards the clean energy goals and Net-Zero commitments of the Government of Telangana while supplying reliable renewable power to the State DISCOMs.

6. Existing Tariff Is Also Inadequate

Our entire agricultural land has been dedicated to this project based on the assurance that we would receive **₹3.13 per unit for the full 25-year period**. However, considering the steep increase in capital costs, financing costs, operation and maintenance expenses, inflation, and the opportunity cost of permanently committing our land, even the existing tariff of **₹3.13 per unit** is insufficient to ensure the long-term sustainability of the project.

Therefore, instead of reducing the tariff, the Hon'ble Commission may kindly consider enhancing the tariff to **₹4.00 per unit**, which would more accurately reflect the actual cost of generation and enable farmers to operate their projects in a financially sustainable manner throughout the PPA period.

Prayer

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

1. Reject the proposal to reduce the tariff from **₹3.13/kWh to ₹2.98/kWh**.
2. Continue the existing tariff of **₹3.13/kWh** without any reduction.
3. Consider enhancing the tariff to **₹4.00 per unit**, taking into account the substantial increase in project costs, the value of farmers' land, inflation, and the long-term sustainability of PM-KUSUM projects.
4. Protect the legitimate interests of PM-KUSUM farmers and uphold the sanctity of the commitments and assurances made at the time of execution of the Power Purchase Agreements.

I shall remain grateful for your kind and sympathetic consideration.

Yours faithfully,

P Srinivasu

Solar Power Generator (SPG)

PM-KUSUM Component-A

PPA No.: 377/2025-26

Date: 17-07-2025

Place: Hyderabad