

Respected Sir, With reference to the public notice issued by the Hon'ble Telangana Electricity Regulatory Commission inviting objections and suggestions in the above matter, we respectfully submit that the proposed reduction of PM-KUSUM tariff from ₹3.13/kWh to ₹2.98/kWh may kindly not be considered, as the existing tariff remains necessary for sustaining farmer-owned solar projects established under the PM-KUSUM Scheme. While the proposal appears to be based primarily on the reduction in GST rates applicable to solar components, the actual field realities experienced by farmers indicate that overall project economics have not improved proportionately. Labour costs, transportation charges, logistics expenses, insurance premiums, financing costs, maintenance expenditure, security arrangements, and compliance-related costs have increased significantly over the years, offsetting any perceived benefit arising from GST reductions. Further, PM-KUSUM farmers continue to face substantial operational risks including scheduled and unscheduled shutdowns, feeder interruptions, evacuation constraints, transformer failures, line faults, and other grid-related interruptions, all of which directly affect energy generation and revenue realization. In rural areas, transmission and distribution infrastructure is also vulnerable to accidental damage caused by tractors, harvesting machinery, livestock movement, road works, storms, and other external factors, resulting in generation losses for which farmers receive no compensation. It is also submitted that PM-KUSUM projects are established with a long-term investment horizon and farmers have committed their lands and resources based upon the tariff framework approved by the Hon'ble Commission. The principle of regulatory certainty and legitimate expectation warrants that the economic basis on which farmers participated in the Scheme should not be weakened after investments have been committed. Importantly, PM-KUSUM is not merely a power procurement programme but a farmer income support and rural development initiative intended to create stable supplementary income for agricultural families while promoting decentralized renewable energy generation. The tariff therefore deserves consideration not only from the perspective of procurement cost but also from the standpoint of farmer welfare, rural economic sustainability, and achievement of national renewable energy objectives. It may also be noted that PM-KUSUM tariffs do not provide any annual escalation mechanism despite continuing inflation and increasing operational costs. In such circumstances, a further reduction in tariff would disproportionately impact participating farmers and adversely affect the long-term viability of the Scheme. Accordingly, it is respectfully requested that the Hon'ble Commission may kindly consider retaining the existing tariff of ₹3.13/kWh in the larger interests of farmer welfare, renewable energy promotion, rural development, investment confidence, and the successful implementation of the PM-KUSUM Scheme in Telangana.

Thanking You

Patlolla Sudarshan Reddy

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