

Objections to the proposal to reduce the tariff from ₹3.13/kWh to ₹2.98/kWh under PM-KUSUM

jeevan321@gmail.com | TUE JUN 30 8:30 PM | 2 minute(s) read

Respected Sir/Madam,

I, Mrs. Pranathi Sandupatla, Solar Power Generator (SPG) under PM-KUSUM Component-A holding PPA No. 72/2025-26, respectfully submit these objections. The proposed reduction is contrary to the assurances given to farmers, adversely affects the financial viability of my project and undermines the sanctity of the executed Power Purchase Agreement.

Chronology of Events

Date

Event

09/06/2025

Execution of Power Purchase Agreement (PPA No. 72/2025-26).

25/06/2025

Execution of EPC Agreement for establishment of the solar power plant.

26/07/2025

Application submitted to State Bank of India, Ramannapeta Agricultural Branch for project finance.

19/08/2025

Loan sanctioned after appraisal based on the approved tariff of ₹3.13/kWh and prevailing project cost.

Before 22/09/2025

Substantial loan amount disbursed and paid to the EPC contractor before the GST reduction took effect.

Grounds of Objection

1. Fixed Tariff Assurance

Officials assured that ₹3.13/kWh would remain fixed for the entire 25-year PPA period. I invested relying on that assurance.

2. Project Costs Crystallized Before GST Reduction

The PPA, EPC contract, loan sanction and substantial payments were completed before 22/09/2025. Therefore, any subsequent GST reduction did not reduce my actual project cost and cannot justify reducing the agreed tariff.

3. Increase in Overall Project Cost

Costs of modules, structures, transformers, cables, labour, civil works, transportation and other infrastructure increased significantly. A 1 MW project cost approximately ₹3.70–₹4.10 crore.

4. Agricultural Land Contribution

My agricultural land has been permanently dedicated to the project for 25 years and its value was not considered in tariff determination.

5. Sanctity of PPA

The executed PPA is a binding long-term contract and should not be altered to my detriment after investments were made.

6. Financial Viability

The loan was sanctioned based on ₹3.13/kWh. Reducing the tariff would jeopardize loan repayment and project sustainability.

7. PM-KUSUM Objectives

The scheme was intended to provide stable long-term income to farmers and encourage renewable energy investments.

8. Existing Tariff is Inadequate

Even ₹3.13/kWh is insufficient considering escalating operation, maintenance and financing costs. A tariff of ₹4.00/kWh would be more appropriate.

Prayer

Reject the proposal to reduce the tariff from ₹3.13/kWh to ₹2.98/kWh.

Continue the existing tariff of ₹3.13/kWh for the entire 25-year PPA period.

In the alternative, enhance the tariff to ₹4.00/kWh considering the actual project cost, land contribution and long-term sustainability.

Protect the legitimate expectations of PM-KUSUM farmers and uphold the sanctity of the executed PPA.

Pass any other order deemed fit in the interests of justice, equity and the objectives of the PM-KUSUM Scheme.