

To

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

Dated: 29.06.2026.

Subject: Objections to the Proposed Reduction of PM-KUSUM Tariff from ₹3.13/kWh to ₹2.98/kWh in O.P. No. 24 of 2020 – I.A. No. 4 of 2026.

Respected Sir,

We, **Prudvi Power Projects, 2 MW** Solar Plant at Indugula(V) Madugulapally (M) Nalgonda Dist., PPA No 456 under PM-KUSUM Component-A Solar Power Generators (SPGs), respectfully submit the following objections to the proposal seeking reduction of the tariff applicable to PM-KUSUM Component-A Solar Power Projects from **₹3.13/kWh to ₹2.98/kWh**.

At the outset, we respectfully submit that the existing tariff of ₹3.13/kWh was determined after considering the prevailing project economics and has formed the basis on which numerous farmers across Telangana invested substantial financial resources for establishing decentralized solar power plants under the PM-KUSUM Scheme. These investments were made by pledging agricultural lands, arranging institutional finance, and committing long-term resources based on the tariff approved by the Hon'ble Commission.

The proposed reduction appears to be based primarily on the reduction in GST applicable to certain solar equipment. However, the overall project economics cannot be assessed by considering GST alone. While there has been some reduction in GST, almost every other component of project cost has increased significantly over the years.

Since the implementation of the Scheme, there has been a steep increase in labour wages, transportation charges, logistics costs, insurance premiums, interest on loans, operation and maintenance expenses, security arrangements, statutory compliance costs, replacement of electrical equipment, and various incidental expenditures. Further, the ongoing global geopolitical conflicts and supply-chain disruptions have resulted in increased prices of electrical equipment, cables, transformers, steel structures, electronic components, and spare parts. These increases have substantially offset any financial benefit arising from GST reductions.

Further, PM-KUSUM Solar Power Generators continue to face several operational challenges beyond their control, including:

- Scheduled and unscheduled feeder shutdowns.
- Transformer failures.
- Grid outages and transmission interruptions.

- Evacuation constraints.
- Voltage fluctuations and line faults.
- Maintenance shutdowns by DISCOMs.
- Delays in restoration of supply after faults.

In addition, rural transmission infrastructure frequently suffers accidental damage due to tractors, harvesters, agricultural machinery, livestock movement, road widening works, heavy rains, cyclones, thunderstorms, and other natural or human-induced causes. Such interruptions result in significant generation losses and corresponding loss of revenue to the farmers without any compensatory mechanism.

It is also pertinent to submit that PM-KUSUM projects do not enjoy any annual tariff escalation despite continuous inflation and rising operational costs. Consequently, the real value of the tariff diminishes every year while operating expenses continue to increase. In these circumstances, reducing the tariff would impose an additional financial burden on farmers and adversely affect the long-term viability of the projects.

The PM-KUSUM Scheme is not merely a power procurement programme. It is a flagship initiative of the Government of India aimed at providing assured supplementary income to farmers, promoting decentralized renewable energy generation, improving rural livelihoods, reducing dependence on conventional energy sources, and strengthening the rural economy. Therefore, tariff determination should consider these larger policy objectives in addition to procurement cost alone.

The Hon'ble Commission has consistently upheld the principles of regulatory certainty and investor confidence. Farmers participated in the Scheme based on the tariff approved by the Commission and had a legitimate expectation that the approved tariff would provide stable returns over the project period. Any reduction after investments have already been made would weaken confidence in Government-sponsored renewable energy programmes and discourage future investments in decentralized clean energy projects.

It is further submitted that the proposed reduction of ₹0.15 per unit may appear nominal from the perspective of the procuring utilities; however, over the 25-year project life, it would result in a substantial reduction in farmers' income. The cumulative loss to thousands of PM-KUSUM beneficiaries would far outweigh the limited financial benefit that may accrue to the DISCOMs.

It is also relevant to note that farmers continue to bear the risks associated with operation and maintenance, equipment failures, security of installations, natural calamities, and generation losses arising from grid-related issues, while receiving no additional compensation for such risks. The present tariff only provides a reasonable opportunity to recover investment and sustain project operations.



In view of the above facts and circumstances, we most respectfully pray that the Hon'ble Telangana Electricity Regulatory Commission may be pleased to:

1. **Reject the proposal** seeking reduction of the PM-KUSUM Component-A tariff from **₹3.13/kWh to ₹2.98/kWh**.
2. **Retain the existing tariff of ₹3.13/kWh** for all PM-KUSUM Component-A Solar Power Projects.
3. Consider the rising costs of labour, transportation, finance, insurance, maintenance, inflation, supply-chain disruptions, and operational risks while evaluating the overall project economics.
4. Uphold the principles of regulatory certainty, farmer welfare, renewable energy promotion, and investment confidence.
5. Pass such other order or orders as may be deemed fit and proper in the interests of justice, equity, and the successful implementation of the PM-KUSUM Scheme in the State of Telangana.

We therefore humbly request the Hon'ble Commission to protect the interests of thousands of participating farmers and continue the existing tariff of ₹3.13/kWh, thereby ensuring the long-term sustainability of the PM-KUSUM Scheme and preserving confidence in Government-backed renewable energy initiatives.

Submitted respectfully,

Yours faithfully,



Prudvi Power Projects

Komatireddy Prudveedhar Reddy
Managing Partner

PM-KUSUM Component-A Solar Power Generator

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