

To

The Commission Secretary,

Telangana Electricity Regulatory Commission (TGERC)

Hyderabad, Telangana

From ,

Somannagari JayaRami Reddy

PPA no - 386/2025-26 dated 18/07/2025

Parada Village, Nalgonda district

Subject: Objections to the proposed reduction of PM-KUSUM Component-A tariff from ₹3.13/kWh to ₹2.98/kWh and request for tariff enhancement. Ref : 1) Notice I.A.No.4 in op no.24 of 2020 and 2) PPA no - 386/2025-26 dated 18/07/2025

Respected Sir/Madam,

I, the undersigned Solar Power Generator (SPG) under the PM-KUSUM Component-A Scheme in Telangana, respectfully submit this representation regarding the proposal to revise the tariff of ₹3.13/kWh fixed by TGERC

At the outset, we submit that the tariff of ₹3.13/kWh formed the fundamental basis on which developers invested in the scheme, executed Power Purchase Agreements (PPAs), obtained financial closure from banks, procured land, and established solar power projects. The PPAs were executed in June and July and the GST was reduced in September. Some SPGs(including us) bought the solar panels before the GST was reduced and our plant is already synchronised and exporting the power to grid. So any downward revision of tariff at this point would severely impact the financial viability of the project and defeat the legitimate expectations created by the regulatory framework.

Significant increase in project cost compared to assumptions considered in the 2021 Tariff Order. The capital cost assumptions considered in the tariff determination process no longer reflect actual project expenditure incurred during implementation.

The following cost escalations have been experienced:

1. Increase in module prices.
2. Increase in steel and structural material costs.
3. Increase in cable and electrical equipment costs.
4. Increase in transformer and switchgear prices.
5. Increase in transportation and logistics costs.
6. Increase in labour and civil construction costs.

Overall project costs have increased substantially compared to the assumptions adopted while determining the tariff in 2021. Therefore, there is no reason for reducing the tariff; rather, actual project economics indicate the need for a review towards enhancement.

POINTS TO CONSIDER TO REVISE THE RATE UPWARDS IF ANY -

1. Impact of inflation and escalation in operating expenses.
2. Since the issuance of the tariff order, inflation has significantly increased the cost of:
3. Preventive and corrective maintenance.
4. Security arrangements.

- 5. Spare parts and replacement equipment.
- 6. Insurance premiums.
- 7. Statutory compliance expenses.
- 8. Skilled manpower costs.
- 9. Solar Panels were purchased before the GST was reduced to 5%

Ground-level implementation challenges not considered in tariff calculations -

During implementation, developers faced several challenges which were not envisaged during tariff determination, including:

- Delays in approvals and permissions.
- Delay in providing COD and billing start date after the successful synchronization and injection of power to tgsdpcl grid.
- Difficulties in obtaining evacuation infrastructure.
- Coordination issues with multiple agencies.
- Delays associated with first-time implementation of PM-KUSUM projects in Telangana.
- Additional expenses incurred for compliance with local requirements and utility conditions.

These costs were unavoidable and directly increased project expenditure.

Grid outages and failures reduce generation despite plant availability. A major issue faced by SPGs is the occurrence of grid failures and outages during solar generation hours. Although the generating plant remains available, energy injection is restricted due to:

- Grid interruptions.
- Feeder outages.
- Maintenance shutdowns.
- Utility-side operational constraints.

These events result in loss of generation for reasons entirely beyond the control of SPGs.

Our humble request to take necessary steps to ensure long-term sustainability of PM-KUSUM Component-A projects and protect investments already made by SPGs.

We trust that the Hon'ble Commission and MNRE will consider the genuine concerns of Solar Power Generators and take an equitable decision in the interest of renewable energy development and investor confidence.

Yours faithfully,
S.Jayarami Reddy

Date: 29/06/2026.

On Tue, Jun 23, 2026 at 11:50 AM Cgm <cgm_ipc@tgsouthernpower.org> wrote:

Sir,
Sir,
The Public Notice issued by Hon'ble TGERC inviting objections/suggestions/comments in respect of determination of pre-fixed levelized tariff is herewith enclosed.
The public hearing on the subject matter is scheduled on 08.07.2026 at 11 AM in the Court Hall of TGERC, Vidyut Niyantran Bhavan, GTS Colony, Hyderabad.