

Let's not repeat the history of "Farmers committing Suicide"

singiamar@gmail.com | TUE JUN 30 4:49 PM | 9 minute(s) read

To,
The Commission Secretary,
Telangana State Electricity Regulatory Commission (TGERC),
Vidyut Niyantaran Bhavan, G.T.S. Colony, Kalyan Nagar,
Hyderabad – 500045.

Sub: Submission of my concerns (in the form of objections) pertaining to the revision of Tariff, proposed by TG-DISCOM's, for the Projects under PM-KUSUM, whether commissioned or work under Progress.

Ref: Public Notice issued by TGERC inviting objections in I.A. No. 4 in O.P. No. 24 of 2020, dated 23.06.2026; (DIPR R.O. No. 4762-PP/CL/ADVT/2026-27, dated: 22-06-2026, in newspaper advert).

Respected Sir / Madam,

Myself, Singireddy Amarendra Reddy, S/o Late Sri. Singireddy Vijay Reddy, is developing a Solar PV Power Plant under the Scheme PM-KUSUM, in accordance with the agreed "Power Purchase Agreement", duly signed by me (as first party) and M/s SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL) (as Second Party), for supply of energy from a 2 MW(AC) decentralized grid connected solar PV power plant along with its associated 11 KV line, 11 KV Bay and Switchgear at the connected 33/11 KV Kammarlapally substation (Solar PV Power Plant / Project), under the PM-KUSUM Component-A scheme.

PPA reference no: KUSUM-A Solar PPA No. 313/2025-26, Date: 07.07.2025

I respectfully submit, my concerns as well as my objections as an individual Solar Power Generator (SPG), under the PM-KUSUM Component-A Scheme in response to the proposal given by TGDISCOM's, for seeking reduction (downward revision) of the tariff from ₹3.13/kWh to ₹2.98/kWh.

I am not a Lawyer nor a Corporate Client, I am an Educated Farmer, who is in the profession of Farming.

I, prefer to put forward all details to the best of my knowledge, in point-by-point mode, so that, my concerns are clearly visible, as well as audible to the commission, in layman terms

Please find below, clear, concise, Crisp, self explanatory and need basis elaborative, POINT-BY-POINT SUBMISSION, substantiating the need to Reject as well as Oppose the Proposal given by TGSPDCL.

POINT-1: GST Reduction Alone Cannot Justify Tariff Reduction

Let's examine the impact of GST reduction from 12% to 5%, I have obtained Financial approval for the said project from the prime nationalized bank, with an estimated Project Cost of Rs 8.0 Cr.

Please find the tables below, the exhibit is self explanatory

Description	Tax Slab	Taxable amount	Tax Amount
Solar Power Generating System- OLD GST REGIME			
Supplies @ 70% of 8.0 Crore	12%	70% x 8 = 5.6 Cr	5.6 Cr x 12% = 67.2 Lakhs

Services @ 30% of 8.0 Crore	18%	$30\% \times 8 = 2.4 \text{ Cr}$	$2.4 \text{ Cr} \times 18\% = 43.2 \text{ Lakhs}$
	Old Regime	Total GST value	110.4 Lakhs

Description	Tax Slab	Taxable amount	Tax Amount
Solar Power Generating System- NEW GST REGIME			
Supplies @ 70% of 8.0 Crore	5%	$70\% \times 8 = 5.6 \text{ Cr}$	$5.6 \text{ Cr} \times 5\% = 28 \text{ Lakhs}$
Services @ 30% of 8.0 Crore	18%	$30\% \times 8 = 2.4 \text{ Cr}$	$2.4 \text{ Cr} \times 18\% = 43.2 \text{ Lakhs}$
	New Regime	Total GST value	71.2 Lakhs

As you have noted from the exhibit above:

The absolute Rupee value terms, due to change in the GST Regime is: 67.2 Lakh(minus) 28.0 Lakh = **39.20 Lakh**

Basis of computation is as below:

- As per the GST norms, the solar power generating system has to billed @ 70% as supplies portion and 30% as Services portion.
- As per GST norms, the applicable tax slabs for
 - a. Supplies portion is: 5% currently and previously it was 12%.
 - b. Servies portion is: 18% currently and previously it was 18%.

Against the GST impact of 39.20 Lakh, let's examine what are the impacts which I have faced during the last 1 year after signing the PPA.

- 1) war happened between Russia and Ukraine
- 2) war happened between Israel with Iran
- 3) Govt of India, introduced made in India + make for India
- 4) Govt of India, imposing Basic Customs duty on Solar cells
- 5) Crude oil prices surged

I don't need to explain the Consequences of such wars, the commission is learnt enough and have experienced by their ownelves, all the consequences of such wars, every country had bruises.

However, I would like to put forward the applicable Consequences to solar pv power plants,

- A) Indian Rupee weaked against the US Dollar. Leading to Increase in the Solar Module prices.
- B) Fuel Cost increased. I do not need to explain here anymore. Every citizen in India is impacted by this. Solar is not an exception
- C) Copper Prices increased. Leading to increase in the DC cable cost
- D) Aluminium Prices increased. Leading to increase in AC cable cost
- E) Steel Prices increased. Leading to increase in the Module Mounting Structure cost
- F) Manpower Cost increase. Leading to increase in the Cost of installation and Cost of Operation and Maintenance

Please find below the Synopsis, of above causatives

The steep upward trajectory of core raw materials and commercial indicators from 2021 to the current year (2026) is detailed below:

Component / Raw Material	Price in Year 2021	Price in Current Year (2026)
Copper	~ ₹360 / kg	~ ₹1,300 / kg
Aluminium	~ ₹170 / kg	~ ₹450 / kg
Steel (Solar Construction)	~ ₹70,000 / ton	~ ₹140,000 / ton
Silver (Used in Solar Panels)	~ ₹60,000 / kg	~ ₹245,000 / kg
Transmission Line & Bay Extension	~ ₹5,00,000 / km	~ ₹10,00,000 / km
US Dollar (USD to INR Exchange Rate)	~ ₹74	~ ₹94

Further, I have presented the graphical representation of Year on Year increase in the 3 important metals (AL, CU and Steel), as a representation.

The absolute value terms on cost contribution of these 4 important materials (namely Solar Modules, Solar DC Cable, AC Cable and Solar Module Mounting Structures) in the overall Solar PV power plant Cost is more than 80%.

The absolute value terms of increase component is more than Rs 39.20 Lakhs. Thereby negating the advantage of reduction in the GST.

POINT-2: Regulatory Certainty and Fail to meet Legitimate Expectation

As an Individual Solar Power Generator, apart from my own funds, I have approached prime lenders, in this case Nationalized Banks, for providing the financial assistance in the form of Term Loan.

The tariff determined by this Hon'ble Commission, for PM-KUSUM, Component – A, projects in the year 2025, was fully relied upon and accepted by Nationalized Banks.

Any changes to this regulations or on agreed PPA's, reflect the stability and reliability of Hon'ble Commission. Long-term PPAs will no more become BANKABLE, and the whole investor sentiments will be lost. This would lead to NO More, SOLAR PV POWER PLANTS in the Telagana State. This behaviour of the TGSPDCL, being a Govt entity, will also have ripple effects on other sectors. The commission shall be cautious about this, before making any futher steps in this regard,

The Generator will loose, the state itself will loose:

- § Investor confidence and regulatory certainty in the state
- § Project bankability and credit ratings
- § Debt servicing capabilities with institutional lenders
- § Overall financial viability, pushing projects into Non-Performing Assets (NPAs).

The Hon'ble shall note, the TGSPDCL, will also loose accrued benefits from MNRE, attached to the current PM-KUSUM Scheme, Component -A or any other upcoming schemes.

It goes without saying, the Farmers of the State of Telangana, have already lost, PM-KUSUM Scheme component- C, which is basing on Capital Subsidy. Whereas, neighbouring states like Karnakata and Maharastra has chosen to be part of that scheme and enabled their Farmers with the Subsidy advantage. Being citizes of state of telangana, we all shall introspect, why we could not take that capital subsidy scheme.

POINT-3: PM-KUSUM Genertors having solar projects which are small in capacity and small in financial ability, Cannot Be Equated with Utility-Scale Developers

PM-KUSUM Component-A projects are decentralized renewable energy systems designed specifically to be implemented by local farmers and small rural entrepreneurs. Unlike large utility-scale developers,

We small scale PM-KUSUM Generators are and have,

- § NO, leverage of economies of scale
- § limited access to low-cost institutional finance or foreign direct investments
- § Bear significantly higher per-MW execution, balancing, and interconnection costs
- § face greater localized structural and financing constraints

POINT-4: TGREDCO, assurance on No Change in Tariff, and is being published

TGREDCO, being the tendering partner, who has called for EOI, under PM-KUSUM Component- A, on behalf of TGSPDCL, has assured on. “No Change in Tariff”, during the tenure of the PPA.

Please find below the snapshot of published information in the REDCO website,



POINT-5: The Proposal by TGSPDCL, is CONTRARY TO THE OBJECT AND SPIRIT OF PM-KUSUM Scheme

§ Component-A of PM-KUSUM is designed to promote decentralised, ground-mounted solar generation and **to provide a stable, assured income to farmers and rural landowners** who host or invest in such projects. The viability of these small, distributed projects is finely balanced and acutely tariff-sensitive.

§ Depressing the determined tariff undermines the income security of the very farmers the Scheme, which is meant to uplift, and signals to increased financial stress, that determined tariffs in Telangana are liable to downward revision.

POINT-6: The signed Power Purchase Agreement, did not speak about Price Revisions, or even described an instance upon which the Second Party (TGSPDCL), can initiate a Price Revision.

At no point and under no clause, both myself (the First party) and TGSPDCL (the Second Party), has agreed for such possibility to initiate a Price Revision.

Therefore, the proposal by TGSPDCL is unlawful.

CONCLUSION & PRAYER:

In view of the presented facts, exhibits and actual circumstances, I conclude that the Proposal by TGDISCOM (TGSPDCL) is not accepted and is unlawful.

I most respectfully pray that this Hon'ble Commission may be pleased to:

§ Reject the proposal of TGDISCOMs seeking reduction of the PM-KUSUM Component-A tariff from ₹3.13/kWh to ₹2.98/kWh

(AND)

§ Order for the continuation of the existing tariff of ₹3.13/kWh without any modifications in the Legally binding Power Purchase Agreement.

I respectfully submit that I am a proud participant in the Hon'ble Prime Minister's vision of expanding clean, decentralized renewable energy under the national PM-KUSUM Scheme and in Telangana's commitment toward sustainable development.

I have invested my family's entire life resources and undertaken immense financial debt obligations for the establishment of this project.

I therefore humbly request the Hon'ble Commission to protect the interests of genuine farmers and small renewable energy generators by rejecting this adversarial application.

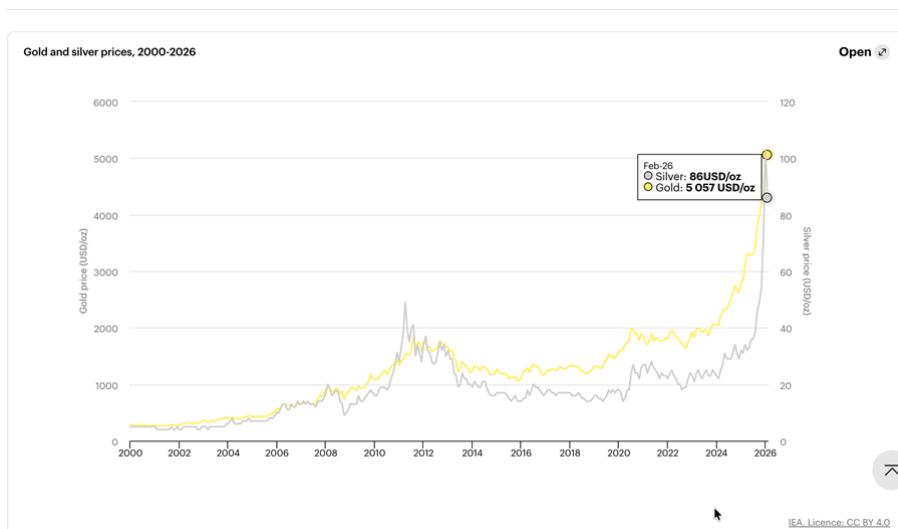
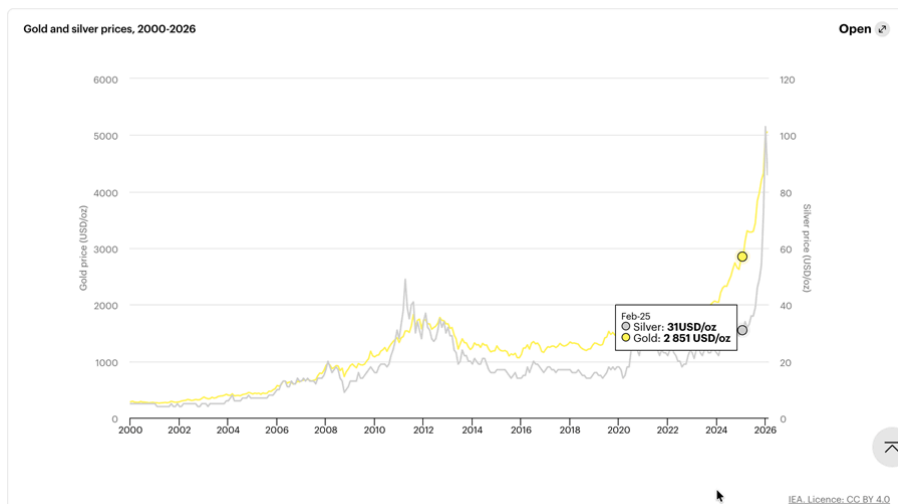
Let's not repeat the history of "Farmers committing Suicide". This was and as per my opinion shall be black spot on the State of Telangana.

Synopsis of changes in metal prices:





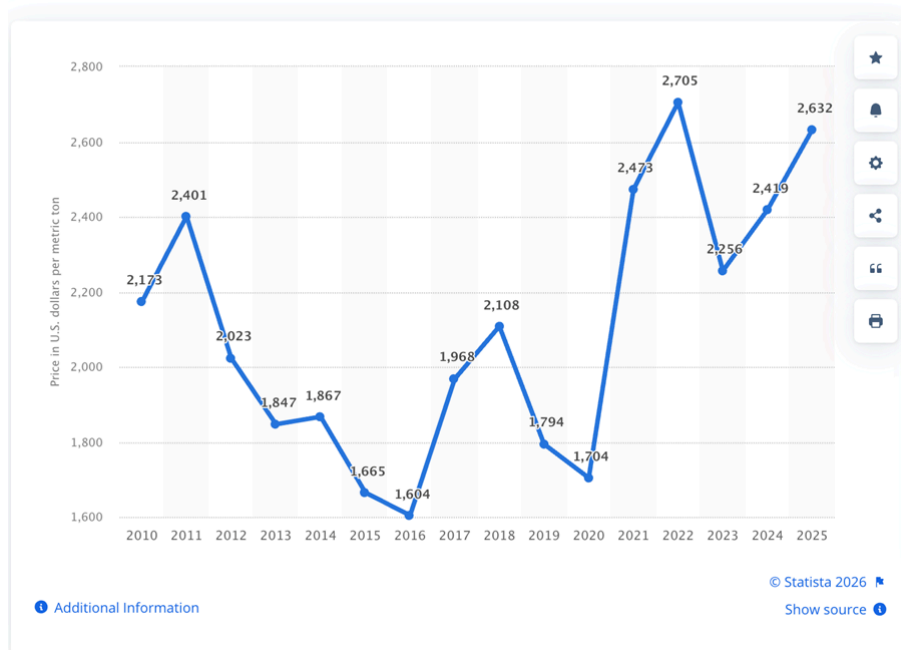
Citation: IEA (2026), Copper monthly average price, 1990-2026, IEA, Paris <https://www.iea.org/data-and-statistics/charts/copper-monthly-average-price-1990-2026>, Licence: CC BY 4.0



Citation: IEA (2026), Gold and silver prices, 2000-2026, IEA, Paris <https://www.iea.org/data-and-statistics/charts/gold-and-silver-prices-2000-2026>, Licence: CC BY 4.0

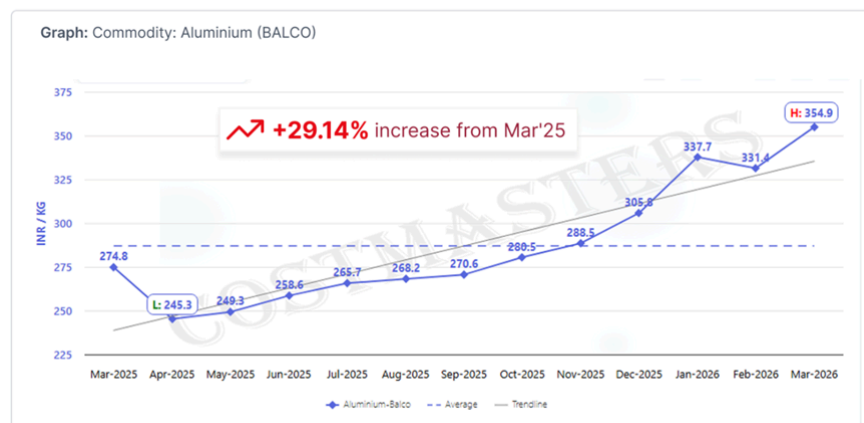
Average aluminum prices from 2010 to 2025

(in U.S. dollars per metric ton)



Aluminium | Latest Price Trends – March 2026

Article Admin March 20, 2026 Raw Material Reports No Comments



Yours Faithfully,

Singireddy Amarender Reddy

Project Capacity: 2 MW Solar Power Plant

PPA Details: PPA No. 313 / 2025-26 Dated 07.07.2025

Project Location: Village: Yelliahpally, Mandal: Chinna

Kodur, District: Siddipet.

Mobile: 7799103333

Be a Reason for Million Smiles....

But Never be a reason for even a single Grudge.....