

Dear Officer,

I strongly oppose the proposal reduce the tariff from 3.13 Rupees to 2.98 /kWh.

I have signed PPA number 262(Buttapur substation in Nirmal district) and PPA number 191 (Gayadpalle substation in Nirmal district).

My objections are as follows:

1. Our financial commitments were based on a tariff rate of Rs 3.13/kWH.

Land preparation costs including fencing, project financing, equipment procurement and EPC contract was based on above rate. Reducing the tariff rate now effects the project viability.

2. We paid GST of 18% to EPC contractor as per our contract. The reduction in GST did not benefit us. It benefited the EPC contractor and developers.

3. In the last 1 year, the prices of all commodities have increased significantly increasing the overall costs of our projects. So, the price paid for solar modules , cables, MMS strictures, transformers and inverters is higher.

4. Right of way payments and grid connectivity expenses were much higher than expected.

5. Interest rates are higher and valuation charges and bank vetting charges are higher.

6. O&M expenses are much higher than expected due to lack of skilled technicians in rural areas affecting project viability. Insurance costs and security costs are also much higher than anticipated.

7. The reduction in GST benefited the developers and EPC contractors but not the farmers who signed contracts with them.

In view of the above facts, I request the Regulatory Commission to reject the proposal to reduce the tariff and consider increasing the tariff to at least Rs 4.00/kWH .

Thank you.

Sincerely,

Sridhar Vennamaneni