

To
The Secretary,
Telangana Electricity Regulatory Commission (TGERC),
Vidyut Niyantran Bhavan, G.T.S. Colony, Kalyan Nagar,
Hyderabad – 500 045

Respected Sir/Madam,

My name is T. Vamsi Mohan, and I am a Solar Power Generator (SPG) with PPA No. 574/ 2025 - 2026, participating under the PM-KUSUM Component-A Scheme from Peddagundavelly Village, Dubbak Mandal, Siddipet District., and I respectfully submit this response to the Notice issued by the Hon'ble Telangana Electricity Regulatory Commission inviting objections and comments on the Petition seeking revision of the approved levelized tariff from ₹3.13/kWh to ₹2.98/kWh under PM-KUSUM Component-A.

At the outset, **I respectfully and unequivocally oppose the proposed reduction in the approved tariff.** As a participant under the PM-KUSUM Component-A Scheme based on the tariff determined by this Hon'ble Commission, I accepted the tariff of **₹3.13/kWh** in good faith and planned my project accordingly. The approved tariff became the basis for obtaining bank finance, investing my own capital, executing EPC contracts, placing purchase orders for major equipment and commencing construction. My project is now in the final stages of execution, and substantial financial commitments have already been made based on the tariff approved by this Hon'ble Commission.

The Petitioner seeks reduction of the tariff primarily on account of the reduction in GST from **12% to 5%** pursuant to the recommendations of the **56th GST Council Meeting** and the subsequent notification issued by the Government which is **unjust and unfair**. The tariff of **₹3.13/kWh** approved by this Hon'ble Commission was determined to be adopted from the MNRE Office Memorandum dated 21.07.2020 together with the financial assumptions prevailing at that point in time. The benchmark cost adopted by the Commission was originally prepared under a GST regime of **5%**. The effective GST applicable to specified renewable energy devices was increased from **5% to 12%** on the recommendations of the **45th GST Council Meeting**, effective **1 October 2021**. Despite the increase in GST and the resulting increase in project costs, no revision of tariff or corresponding relief was considered at that stage. The Distribution Licensees voluntarily executed the Power Purchase Agreements with full knowledge of the prevailing GST structure. The subsequent reduction of GST from **12% back to 5%** in September 2025 on recommendations of the **56th GST Council Meeting**, **merely restored the tax position that existed when the original benchmark cost was formulated. Therefore, the 2025 GST reduction cannot, by itself, justify reopening the tariff determined by this Hon'ble Commission.**

During the implementation of my project, I have experienced substantial increases in the cost of several critical project components including solar modules, module mounting structures, structural steel, transformers, HT and LT cables, switchgear, copper, aluminium, civil construction materials, labour, transportation and logistics. Similarly, fluctuations in fuel prices have increased transportation costs, have increased financing costs and incurred interest during construction. These increases have materially affected the economics of project implementation. In addition to cost escalation, I and other SPGs have faced supply-chain disruptions, longer procurement timelines for critical electrical equipment, fluctuations in international prices and geopolitical developments with the Iran-US conflict affecting global and local logistics. These factors collectively along with inflation have resulted in increased project costs and delays in execution. Despite all these factors, I continued implementing my project based on the approved tariff because I relied upon the regulatory certainty provided by the tariff determined by this Hon'ble Commission.

I also respectfully submit that PM-KUSUM was introduced with the objective of encouraging private investment in decentralized renewable energy generation through a stable and predictable regulatory framework. SPGs participated in the Scheme because they trusted the tariff determined by this Hon'ble Commission and arranged long-term finance accordingly. Any reduction in the approved tariff after execution of Power Purchase Agreements and after substantial implementation of projects would adversely affect the confidence of existing SPGs, financial institutions and future investors in Government-backed renewable energy programmes.

In view of the above facts and circumstances, I respectfully request this Hon'ble Commission to reject the proposed reduction of the approved tariff from ₹3.13/kWh to ₹2.98/kWh and permit the tariff approved under the executed Power Purchase Agreement to continue unchanged in the interest of fairness, regulatory certainty, investor confidence and the successful implementation of our projects under the PM-KUSUM Scheme.

Yours faithfully,

T Vamsi Mohan

PPA N: 574/ 2025- 2026

Contact No: 8341013404

Email: vamsi.thimmaraju@gmail.com