

To
The Hon'ble Chairman and Members,
Telangana Electricity Regulatory Commission (TGERC),
Hyderabad, Telangana.

Respected Sir/Madam,

We respectfully submit this representation regarding the proposed reduction of the levelized tariff from **₹3.13/kWh** to **₹2.98/kWh** on account of the reduction in GST .

While the GST reduction has resulted in a marginal decrease in the procurement cost of certain components, it does not proportionately reduce the overall project cost or justify a 15 paise per unit reduction in the levelized tariff. The benefit of GST reduction is a one-time saving on a limited portion of the capital expenditure, whereas the tariff is intended to sustain the project over its 25-year operating life.

The overall economics of renewable energy projects continue to be adversely impacted by significant increases in project costs, including:

- Increase in the prices of solar modules, steel structures, transformers, inverters, cables, and other Balance of System (BoS) components.
- Escalation in freight, transportation, and logistics costs.
- Higher land acquisition and site development expenses.
- Increased transmission and grid connectivity costs.
- Rising labour costs, civil works expenses, and statutory compliance charges.
- Higher interest rates, financing costs, and bank guarantee charges.
- Escalation in annual Operation & Maintenance (O&M) expenses due to inflation.

These cost increases have substantially offset the financial benefit arising from the GST reduction.

Further, project financing was secured based on the approved tariff of **₹3.13/kWh**. Any post-award reduction in tariff would adversely affect project cash flows, debt servicing capability, and the financial viability of the project. Such revisions also create regulatory uncertainty and may impact investor confidence in future renewable energy investments in Telangana.

In view of the above, we respectfully request you to retain the approved levelized tariff of **₹3.13/kWh**.

Retaining the existing tariff will ensure project viability, safeguard lender confidence, and encourage continued investment in Telangana's renewable energy sector.

We request your kind consideration of this representation.

Yours faithfully,

Koppaka Veera Venkata Satyanarayana

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Warm Regards,

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