

Dear Sir/Madam,

Reference: Petition filed by TGDISCOMs seeking a downward revision of the pre-fixed levelized tariff from Rs. 3.13/kWh to Rs. 2.98/kWh for Solar Power Generators (SPGs) under PM-KUSUM Component-A (I.A. No. 4 in O.P. No. 24 of 2020).

I am writing to place on record my request as an individual Solar Power Generator (SPG) under the PM-KUSUM Component-A scheme in Telangana to the Interlocutory Application filed by the TGDISCOMs.

I am a Solar Power Generator (SPG) executing a 2 MW solar power generation plant at Raghunathapalle, Jangaon District Telangana, under the PM-KUSUM Component-A Scheme, governed by the formal Power Purchase Agreement (PPA) executed with your department under PPA No: ABC/2025-26

While your petition is premised entirely on the reduction of GST from 12% to 5% by the GST Council, it selectively isolates a single tax parameter. In doing so, it completely ignores the staggering 28% to 30% cumulative macroeconomic inflation (India CPI) that has driven up general project overheads, labor, and transport since 2021. It further ignores massive geopolitical disruptions and regulatory tax hikes that have heavily penalized my project’s economics and capital outlays over the last five years

As an farmer heavily invested in the state's renewable energy goals, I highlight the following critical realities regarding my project:

1. The 2021 Baseline vs. Tax Realities

When the Hon’ble TSERC fixed the tariff at Rs. 3.13/kWh vide its order dated January 2, 2021, it was done under a specific tax framework. The subsequent GST correction back to 5% merely restores the baseline equity intended when the scheme was originally conceptualized by MNRE. It cannot be extracted in isolation to penalize independent developers like myself.

2. Comprehensive Cost Escalation & Regulatory Impact Matrix (2021 vs. 2026)

To contrast your selective claims, I provide below the quantified financial and tax realities directly impacting my project's capital expenditure:

Category	Parameter / Material Asset	2021 Baseline Status	2026 Current Status	Net Trend & Quantified Change	Financial & Project Impact
Regulatory & Taxes	Goods & Services Tax (GST)	12% GST framework	5% GST framework	▼ Down 7%	Minor accounting relief; completely wiped out by all other asset inflation listed below.
Basic Customs Duty (BCD) on Non-DCR Components					
	Duty on imported modules/cells	40% BCD on Modules	25% BCD on Cells	▲ Up 40% / 25%	

Massive "Change in Law" cost spike. Because my project strictly utilizes Non-DCR components, this regulatory duty imposition fundamentally inflates my core capital expenditure, making a downward revision financially ruinous.

Core Solar Equipment Solar Inverters

Rs. 3,200 / kW

Rs. 4,400 / kW

▲ Up 37.5%

Driven heavily by severe global semiconductor shortages and steep logistics constraints.

DC Cables & Transformers (Copper)

~Rs. 610 / kg base copper rate

~Rs. 860 / kg current market rate

▲ Up 38% to 42%

Ongoing geopolitical conflicts and a global scarcity of sulphuric acid heavily restricted copper processing, exponentially driving up my cost for DC cables and distribution transformers.

Balance of Plant (BoP) Transformer Oil

~Rs. 54 / Liter base rate

~Rs. 83 / Liter current market rate

▲ Up 52% to 55%

Geopolitical tensions have heavily inflated the price of crude-linked oils, further compounding the procurement cost of my distribution transformers.

Switchgear & Heavy Electrical Yard Equipment

Normal manufacturing cycles

Factory production constraints

▲ Multi-tier Production Cost Rise

A severe shortage of essential industrial gases restricted manufacturing output, forcing a steep rise in the cost of all critical heavy electrical equipment.

AC Cables & 11kV Conductors

Domestic aluminum baseline

Imported chemical constraints

▲ Sharp Raw Material Spike

Disrupted supply chains for imported chemical materials severely hindered domestic aluminum smelting, driving up my power evacuation line costs.

Module Mounting Structures (Steel)

Rs. 55,000 / Ton

Rs. 78,000 / Ton

▲ Up 41%

Crushing structural cost increase for the entire physical layout footprint of my solar plant.

Soft Costs Interest During Construction (IDC)

Standard execution timeline financing

Accumulated IDC over prolonged delays

▲ Compounding Financing Penalty

Regulatory and systemic grid connectivity delays beyond my control have extended project timelines, accumulating heavy IDC and destroying my project's bankability and Debt Service Coverage Ratio (DSCR) at lower tariffs.

A single-parameter change simply cannot balance the real-world weight of a 28% to 30% macroeconomic inflation rate alongside these crushing raw material and customs duty hikes. Reducing the tariff at this stage would make it impossible for an independent project like mine to survive financially.

I am sharing these detailed cost realities with the Hon'ble TSERC so the true ground constraints of small-scale rural projects are fully understood.

Sir, I am a proud partner in our Honorable Prime Minister’s vision for India's Green Energy Development, as well as active contributors to our Honorable Chief Minister’s Net-Zero emission development goals for our state. I have put my heart and hard-earned resources into making this clean energy transition a reality on our lands. Therefore, I earnestly request you to protect my interest, support rural farming livelihoods, and kindly reconsider and withdraw this proposal for a downward tariff revision.

Your Faithfully,