

To
The Secretary,
Telangana Electricity Regulatory Commission (TGERC),
Vidyut Niyamtran Bhavan, GTS Colony, Kalyan Nagar,
Hyderabad – 500045.

Subject: Objections to the proposed reduction of PM-KUSUM Component-A tariff from ₹3.13/kWh to ₹2.98/kWh and request for tariff enhancement to at least ₹4.00/kWh.

Respected Sir,

I am Y. Bhagya Sree – PPA No. 5 and Solar Power Generator (SPG) under PM-KUSUM Component-A Scheme. I am developing 1MW solar power plant at Peddaummenthal village, Pudur mandal, Vikarabad district, Telangana.

I respectfully oppose the proposal to reduce the pre-fixed levelized tariff from ₹3.13/kWh to ₹2.98/kWh. On the contrary, the tariff requires upward revision considering the substantial increase in project costs and financial burden since the tariff was determined in January 2021.

My objections and submissions are as follows:

1. The commission's existing tariff of ₹3.13/kWh was determined based on benchmark capital cost assumptions prevailing in 2021 under a 5% GST Regime. Therefore, the tariff of ₹3.13/kWh was not determined on the basis of 12% GST Regime.
2. The proposed reduction in tariff is based solely on GST reduction from 12% to 5%, whereas GST constitutes only one component of total project cost and GST reduction provides only a limited saving. The overall cost of the project has increased despite the GST reduction. Thus, GST reduction cannot solely justify a tariff reduction of 15 paise per unit.
3. Mandatory increase in DC capacity requirement by Hon'ble commission, i.e., 1.1 MW DC capacity for every 1 MW AC requires significant additional investment in Solar PV modules, Mounting Structures, Cables, Installation and transportation. Thus, present project involves higher capital investment compared to investment determined in 2021.
4. The prices of Transformers, HT / LT equipment, Structure cost, cables, Transmission line cost have risen sharply due to increase in cost of metals like iron, copper, aluminium and also increase in price of diesel due to instability in middle east countries have increased transportation cost significantly.
5. Financial institutions are demanding higher margin money contributions or equity amount, increasing the capital burden on developers.
6. Project implementation timelines and loan disbursement schedules have resulted in significant amount of Interest During Construction (IDC). In my Project of 1MW, I have incurred a IDC of ₹7,10,000. Farmers in PM KUSUM are taking up all these financial burdens.

7. Reduction of tariff will adversely affect project bankability and may discourage future participation under PM-KUSUM. Since most solar power generators under PM KUSUM scheme are farmers, any change in tariff should consider all components relating to the project without focusing on single component.

In view of the above facts and circumstances, I humbly request the Hon'ble Commission to:

A. Reject the proposal to reduce the tariff from ₹3.13/kWh to ₹2.98/kWh.

B. Continue the existing tariff of ₹3.13/kWh without any reduction.

C. Consider revising and enhancing the tariff to at least ₹4.00/kWh to reflect current project costs and ensure financial viability.

D. Protect the interests of farmers, small investors, and renewable energy developers participating under PM-KUSUM Component-A Scheme.

I sincerely request the Hon'ble Commission to consider the above submissions in the interest of renewable energy development, farmer welfare, investor confidence, and long-term sustainability of PM-KUSUM projects in Telangana.

Thanking you.

Yours faithfully,

Y. BHAGYA SREE,

PM KUSUM Component-A,

PPA No. – 005/2025-26.