

To,
The Secretary,
Telangana State Electricity Regulatory Commission (TGERC),
Kalyan Nagar, Hyderabad.

Subject: Objections to the proposed reduction of PM-KUSUM Component-A tariff from Rs. 3.13/kWh to Rs. 2.98/kWh – Regarding.

Respected Sir,

I, Yelavarthi Srinivas Rao, am a Solar Power Generator (SPG) under the PM-KUSUM Component-A scheme, holding Power Purchase Agreement (PPA) No. 313/26-07-2026 with TGNPDCL.

I am writing to formally submit my strong objections to the proposed reduction of the solar tariff from Rs. 3.13/kWh to Rs. 2.98/kWh. I request the Hon'ble Commission to consider the following points:

1. Financial Viability and Investor Confidence

- **Basis of Investment:** The original tariff of Rs. 3.13/kWh was approved by the Hon'ble Commission. It formed the absolute basis for our investment, financial modelling, and business feasibility decisions.
- **Banking and Loan Sanctions:** Commercial banks evaluated and sanctioned project loans based strictly on the approved tariff of Rs. 3.13/kWh. Any reduction at this stage will jeopardise loan repayment schedules and risk turning these projects into Non-Performing Assets (NPAs).
- **Investor Trust:** Retrospectively reducing the tariff after capital deployment severely damages investor confidence and undermines the credibility of government-backed renewable energy schemes.

2. Escalation of Project Costs

- **Global Market Inflation:** Due to geopolitical conflicts and supply chain disruptions, project execution costs have surged. We have faced steep escalations in the prices of solar modules, copper, steel, electrical equipment, and logistics.
- **Inadequacy of GST Relief:** The minor reduction in GST rates does not offset the massive overall increase in raw material and financing costs.
- **Justification for Hike:** Given these unprecedented macroeconomic pressures, the tariff should realistically be enhanced to Rs. 3.35/kWh to support agricultural farmer growth, rather than being decreased.

3. Delays Beyond the Control of the SPG

- **Administrative Delays:** The project commissioning was delayed by approximately 60 days due to administrative delays, bank loan sanction delay, in executing the Escrow Agreement by the Discom. This delay was entirely beyond the control of the generator.

- **Financial Burden:** This extension resulted in a higher Interest During Construction (IDC), increased overhead costs, and an unfair financial burden on the developer. Penalising the developer with a lower tariff after systemic delays is unjust and inequitable.

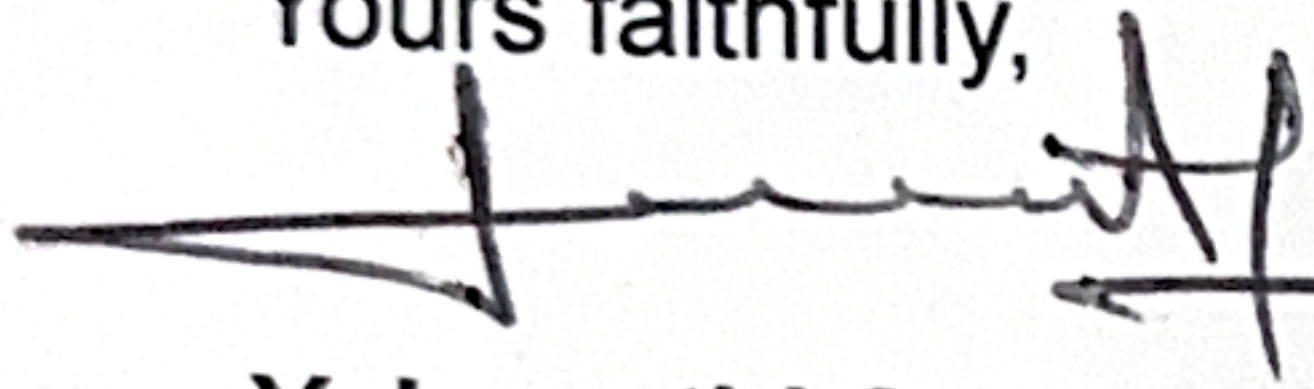
Prayer to the Hon'ble REC Commission.

In light of the above facts, it is respectfully prayed that the Hon'ble Commission may be pleased to:

1. **Reject** the proposal to reduce the PM-KUSUM Component-A tariff from Rs. 3.13/kWh to Rs. 2.98/kWh.
2. **Protect** the financial viability of these rural solar projects by continuing the originally approved tariff of Rs. 3.13/kWh for all existing PPAs.
3. **Consider** an upward revision of the tariff to Rs. 3.35/kWh to compensate for extraordinary market inflation and administrative delays.

Thanking you.

Yours faithfully,



Yelavarthi Srinivas Rao 24/06/2026
Solar Power Generator (SPG), TGNPDCL
PPA No: 313/26-07-2026
8143000709.