

To

The Commission 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.

Respected Sir,

I respectfully submit this representation as a stakeholder and prospective Solar Power Generator (SPG) under PM-KUSUM Component-A Scheme.

I strongly 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 tariff of ₹3.13/kWh was determined based on cost assumptions prevailing in 2021 and does not reflect present-day market realities.
2. The proposed reduction is based solely on GST reduction from 12% to 5%, whereas GST constitutes only a small component of total project cost.
3. The benefit arising from GST reduction is marginal and cannot justify a tariff reduction of 15 paise per unit.
4. Solar project economics should be evaluated based on total project cost and lifecycle viability rather than a single tax component.
5. Since 2021, inflation has significantly increased the cost of materials, labour, transportation, and services.
6. Land development costs, fencing, internal roads, drainage systems, and site preparation expenses have increased substantially.
7. The prices of transformers, HT equipment, switchgear, cables, and evacuation infrastructure have risen sharply over the last five years.
8. Financial institutions are demanding higher margin money contributions, increasing the capital burden on developers.
9. Interest rates on project loans have increased, resulting in higher debt servicing obligations.
10. Small farmers and rural entrepreneurs participating under PM-KUSUM do not enjoy the financial advantages available to large corporate developers.
11. PM-KUSUM projects are decentralized projects with limited economies of scale and therefore require higher tariff support.
12. The entire risk of project execution, operation, maintenance, and generation performance is borne by the developer.
13. O&M expenses continue to increase every year, while the tariff remains fixed throughout the PPA period.
14. Insurance premiums and security costs have increased considerably due to rising replacement costs and theft risks.
15. Solar projects under PM-KUSUM contribute directly to rural development and farmer income enhancement.

16. Decentralized solar generation reduces technical losses and improves feeder-level efficiency.
17. PM-KUSUM projects reduce the need for expensive transmission infrastructure and associated investments by DISCOMs.
18. These projects help Telangana DISCOMs meet Renewable Purchase Obligation (RPO) targets and avoid future compliance costs.
19. Thermal power procurement costs continue to rise due to increasing coal, transportation, and environmental compliance expenses, whereas PM-KUSUM provides fixed-cost clean energy for 25 years.
20. Reduction of tariff will adversely affect project bankability and may discourage future participation under PM-KUSUM.
21. Regulatory certainty is essential for investor confidence. Any downward revision after developers have planned investments creates uncertainty and undermines confidence in government-backed schemes.
22. The environmental benefits, carbon emission reduction, energy security benefits, and social benefits of decentralized solar generation have not been adequately factored into tariff determination.
23. Telangana is facing increasing electricity demand and PM-KUSUM projects provide affordable daytime power close to agricultural loads.
24. Reduction in tariff may render many approved projects financially unviable and delay achievement of renewable energy targets.
25. The Commission may kindly note that while GST reduction provides only a limited saving, cumulative inflation and financing cost escalation since 2021 have increased project costs by more than 25–30%.

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,

On 24 Jun 2026, at 17:27, P THIMMARAJU <thirumala6275@gmail.com> wrote:

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

Subject: Petition for Revision and Enhancement of PM-KUSUM Solar Power Tariff Fixed at ₹2.85 per Unit

Respected Sir/Madam,

I, P. Thimmaraju, resident of Ieeja Mandal, Jogulamba Gadwal District, Telangana, respectfully submit this petition seeking revision of the tariff fixed for solar power generation under the PM-KUSUM Scheme.

The present tariff of ₹2.85 per unit is inadequate considering the substantial increase in project costs and market prices. The tariff does not provide a reasonable return on investment for farmers participating in the PM-KUSUM Scheme and therefore requires urgent review.

Although the reduction in GST on solar modules was expected to lower project costs, the actual market trend has been the opposite. Before the GST reduction, solar module prices were approximately ₹11–12 per watt. However, despite the GST benefit, module prices have increased to approximately ₹14–15 per watt, leading to a significant increase in project costs.

In addition, the following cost escalations have adversely affected the viability of PM-KUSUM projects:

- Steel prices increased by approximately 12%, adding nearly ₹6.6 lakh to project costs.
- Cable prices increased by approximately 15%, adding nearly ₹2.7 lakh.
- Labour costs increased by approximately 15%, adding nearly ₹4.5 lakh.
- Logistics and transportation expenses increased by approximately ₹1–2 lakh.

While GST reduction on modules may theoretically result in savings of about ₹10 lakh, these savings have been completely offset by the increase in module prices and other project components. Consequently, the overall project cost has increased substantially.

Further, it is respectfully submitted that the Power Purchase Agreement (PPA) executed under the PM-KUSUM Scheme is a legally binding agreement. At the time of entering into the PPA, farmers and project developers relied upon the tariff, payment terms, and commitments contained therein. Based on these assurances, beneficiaries commenced development activities on their lands, invested substantial financial resources, and in many cases have already completed a significant portion of the project work.

There is no provision in the PPA that permits the tariff or agreed terms to be arbitrarily increased or reduced at will after execution of the agreement. A PPA is a formal and binding contractual arrangement, and its terms cannot be altered unilaterally after farmers have acted upon the commitments made therein. Any such change would undermine the very basis on which investments were made and would cause serious financial hardship to beneficiaries.

The beneficiaries entered into the project in good faith, relying on the terms specified in the PPA regarding government payments and tariff commitments. Having already completed nearly half of the development work and incurred substantial expenditure, farmers now face uncertainty due to changes that were never contemplated under the agreement.

Therefore, we respectfully request that the executed PPA be implemented strictly in accordance with its original terms and conditions and that no adverse changes be made to the agreed tariff or payment structure after beneficiaries have made investments based on the commitments contained therein.

The PM-KUSUM Scheme was launched to strengthen farmers' incomes, promote renewable energy, and encourage decentralized power generation. However, the existing tariff of ₹2.85 per unit does not adequately reflect current market conditions and may discourage farmers from investing in solar power projects.

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

1. Review the present PM-KUSUM tariff of ₹2.85 per unit.
2. Consider the significant increase in solar module, steel, cable, labour, and logistics costs.
3. Reassess the project economics based on current market realities.

4. Revise and enhance the tariff to a fair and financially sustainable level.
5. Ensure that the exe

On Tue, 23 Jun, 2026, 12:06 Cgm, <cgm_ipc@tgsouthernpower.org> wrote:

Sir,

The Public Notice issued by Hon'ble TGERC inviting objections/suggestions/comments in respect of determination of pre-fixed levelized tariff is herewith enclosed.

The public hearing on the subject matter is scheduled on 08.07.2026 at 11 AM in the Court Hall of TGERC, Vidyut Niyantran Bhavan, GTS Colony, Hyderabad.