

To

The Honourable Chairman

TGERC,

Hyderabad

Sir,

Sub: Sadasiva reddy ,group of farmers under PM kusum-Submission of objections to the proposed reduction of tariff-reg

I would like to submit the following regarding the proposal of reduction of tariff by TGSPDCL

1)GST reduction from 12%to 5% is applicable to some of the components in the project ,only like PV modules and inverters and not for all items

2)If the project cost is taken as 3.0cr per MW(As originally estimated) ,GST reduction is applicable(pv modules and inverters cost) for approx.50% on the project cost i.e only on 1.5cr. It works out to 10.5lakh savings @7%reduction in GST for an SPG.

But 50% of state gst i.e 5.25 lakh,,(whatever the amount is) is to be reimbursed to SPG by the Discoms.Hence the net saving may be around 5.25 lakh only in gst on project cost of 3.0cr per MW.

3)Thus percentage saving for SPG is 5.25 lakh per 3.0 cr. works out to 1.75% only.But proposed tariff reduction is 15paise on Rs3.13comes out to 4.79% which is misleading and wrong.

4,)TGREDCO and Discoms have lured farmers in to their trap by misguiding by stating that investment required for 1mw is around 3.0cr but actually it increased upto 3.7cr per MW .It can be cross checked through DPRs approved by TGREDCO,EPC agreements and with lending agencies.It further increased due to rise in prices of copper,pv modules ,iron and services cost etc.It became difficult for farmers to come out of it as they are already drowned in it.

5) While finalising the levelised tariff ,TGERC has taken into account of 19%CUF over 25years @1.664MU generation each year, all along 25years for 1MW unit while finalising the tariff of Rs3.13.Degradation of PV modules@0.5% every year and loss in generation @0.5%every year because of it is not taken in to account

6) Are Discoms acceptable to adopt all changes in law during payments also ?In case of increase or decrease in IT charges in future by government,are Discoms going to adopt same changes?

Hence it is requested to consider all the variations took place while execution of the project and revise the tariff based on actual project cost incurred by SPG s and financing agencies please

Yours faithfully

Sadasiva reddy kondakindi

Group of farmers

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