

To
The Hon’ble Chairperson & Members,
Telangana Electricity Regulatory Commission
Vidyut Niyamtran Bhavan, Hyderabad.

Subject: Objections to Petition seeking revision of PM-KUSUM Component-A tariff of ₹3.13/kWh based on reduction of GST.

Respected Sir/Madam,

We, the undersigned Solar Power Generators (SPGs) under PM-KUSUM Component-A Scheme, respectfully submit the following objections to the petition filed by the DISCOMs seeking downward revision of the tariff fixed under O.P. No. 24 of 2020.

1. Tariff already determined and PPAs executed

The tariff of ₹3.13/kWh was determined by the Hon’ble Commission after considering all relevant technical and financial parameters. Based on the said tariff, SPGs participated in the scheme, invested substantial capital, obtained bank loans, executed PPAs and proceeded with project implementation.

2. Investments already incurred

Most SPGs have already:

- * Purchased solar modules, inverters, structures and electrical equipment.
- * Executed EPC contracts.
- * Obtained bank finance and incurred interest during construction.
- * Completed or substantially completed project works.

The project costs were incurred based on prevailing market prices and not on any future GST reduction.

3. Increase in other project costs

While GST on certain solar components may have been reduced, there has been a significant increase in:

- * Module prices during procurement periods.
- * Copper and aluminium prices.
- * Transportation and logistics costs.
- * Civil and electrical works costs.
- * Labour costs.
- * Interest during construction due to delays in approvals and synchronization.

Therefore, overall project economics have not improved to the extent claimed by the petitioners.

4. Sanctity of executed PPAs

The PPAs executed between DISCOMs and SPGs constitute legally binding agreements. Revising tariff after execution of PPAs would adversely affect the financial viability of projects and undermine investor confidence in Government-backed renewable energy schemes.

5. Impact on bankability

Financial institutions sanctioned loans based on the approved tariff of ₹3.13/kWh. Any reduction in tariff after financial closure would:

- * Affect debt servicing capability.
- * Increase risk of loan defaults.

* Render several projects financially unviable.

6. Principle of Promissory Estoppel

SPGs acted upon the representations and tariff approved by the Commission and entered into irreversible financial commitments. Therefore, the tariff should not be altered to the detriment of developers who relied upon the approved framework.

7. Relief Sought

In view of the above, the Hon’ble Commission may kindly:

- 1. Reject the petition seeking reduction of tariff for already executed PPAs under PM-KUSUM Component-A.
- 2. Protect the tariff of ₹3.13/kWh for projects where PPAs have already been executed.
- 3. Safeguard the legitimate expectations and investments of Solar Power Generators.
- 4. Pass such further orders as deemed fit in the interest of justice and renewable energy development.

Yours faithfully,

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