Objection to the proposed reduction of PMKUSUM component _A tarriff from 3.13 /kwh and request for tarriff enhancement.

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To
The Secretary,
Telangana Electricity Regulatory Commission (TGERC)
Vidyuth Niyantran Bhavan,
G.T.S. Colony, Kalyan Nagar,
Hyderabad – 500045.

*Subject: Objections regarding the proposed reduction of tariff under PM-KUSUM Component-A and request for retention/enhancement of tariff – PPA No. 239

Respected Sir/Madam,

I, GUNTUKU NARSIMHA REDDY*, Solar Power Generator (SPG) under the *PM-KUSUM Component-A Scheme*, holding *PPA No. 239*, respectfully submit my objections to the proposal for reducing the tariff from * 3.13/kWh to 2.98/kWh* as communicated through the notification received via email.

I most respectfully request the Hon'ble Commission to reject the proposed tariff reduction and, instead, consider an upward revision of the tariff in view of the present economic realities. My objections are as follows:

1. Assurance of Fixed Tariff for 25 Years

Before execution of the Power Purchase Agreement (PPA), awareness meetings were conducted by officials of TGREDCO and the DISCOMs. During these meetings, all participating farmers were categorically assured that the tariff of * 3.13 per unit* would remain fixed for the entire *25-year PPA period*. Pamphlets confirming this assurance were also distributed to the farmers. Based on this assurance, we invested substantial amounts and entered into the PPA. Any reduction at this stage would defeat the legitimate expectations created by the authorities.

2. Significant Increase in Overall Project Cost

While GST represents only a minor component, the overall cost of establishing solar power projects has increased substantially. The prices of solar modules, mounting structures, transformers, cables, steel, civil works, labour, transportation, and other infrastructure have all risen significantly.

Accordingly, financial institutions have sanctioned loans based on current project costs, which are approximately * 7.3 crore to 7.9 crore for a 2 MW project*. Reducing the tariff

would severely affect the financial viability of the project and make repayment of bank loans extremely difficult.

3. Land Value Has Not Been Considered

The value of our own agricultural land, which has been dedicated for the establishment of the solar power plant, was not considered while determining the project cost and tariff. Since the land is a valuable capital contribution made by the farmer, we respectfully request the Hon'ble Commission to consider this factor and direct the DISCOMs to suitably enhance the tariff.

4. Legal and Regulatory Principles

The Hon'ble Supreme Court, various High Courts, and several State Electricity Regulatory Commissions have consistently emphasized the importance of honoring executed Power Purchase Agreements and maintaining regulatory certainty. Retrospective reduction of tariff after execution of PPAs adversely affects investor confidence, project viability, and the credibility of Government-supported renewable energy programmes.

5. Protection of PM-KUSUM Objectives

The PM-KUSUM Scheme was introduced to provide farmers with a stable and long-term source of income while promoting clean and renewable energy. Farmers participating in this scheme have invested their lands, financial resources, and borrowed capital based on Government assurances. A reduction in tariff would not only jeopardise individual projects but also discourage future participation in renewable energy initiatives.

We are proud partners in the vision of *Hon'ble Prime Minister Shri Narendra Modi* for the development of Green Energy in India and contributors to the *Net-Zero* goals of the Government of Telangana. We continue to support the State DISCOMs by supplying reliable, clean, and decentralized solar power.

Prayer

In view of the above facts and circumstances, I most respectfully pray that the Hon'ble Commission may kindly:

1. Reject the proposal to reduce the tariff from * 3.13/kWh to 2.98/kWh*.
2. Continue the existing tariff of * 3.13/kWh* without any reduction.
3. Our land has completely gone into this project, and we were promised 3.13 for the entire 25 years. However, in reality, even 3.13 would fall short for the maintenance of the project. Therefore, it would be more appropriate if the tariff is increased to 4 per unit.
4. Protect the legitimate interests of PM-KUSUM farmers and uphold the sanctity of the commitments made at the time of execution of the PPA.

I shall remain grateful for your kind consideration.

Yours faithfully,

GUNTUKU NARSIMHA REDDY
Solar Power Generator (SPG)
PM-KUSUM Component-A
*PPA No.: 239/2025
Place: Hyderabad