

Dt 29/06-2026.

To
The Commission Secretary,
Telangana Electricity Regulatory Commission (TGERC),
Vidyut Niyantran Bhavan,
GTS Colony, Kalyan Nagar,
Hyderabad – 500045.

Sub :- Objections to the proposed reduction of PM-KUSUM Component-A tariff from ₹3.13/kWh to ₹2.98/kWh and request for tariff enhancement.

Ref :- Notice IA No.4 in OP No. 24 of 2020.

Respected Sir,

I Nagineni Venkata Kishan Rao respectfully submit this representation as a stakeholder and prospective Solar Power Generator (SPG) under PM-KUSUM Component-A Scheme I entered into PPA agreement with TGNPDCL with PPA No. 363/2025-26 dt.12.11.2025.

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.

The Odisha Example:

In Odisha, DISCOMs (TPCODL, TPWODL, etc.) initially had a low approved tariff of ₹3.08/kWh, resulting in zero progress. Due to poor response, they recently had to push discovered tariffs up to ₹4.40/kWh** via competitive bidding just to make the projects viable for farmers, despite national tax reductions.

The Hon'ble Commission be pleased to reject the proposal filed by the State Discoms seeking a reduction in the tariff from ₹3.13/kWh to ₹2.98/kWh, as the proposal is contractually unsustainable, legally flawed, and contrary to the executed Power Purchase Agreement (PPA). For the following, among others, reasons:

1. The current tariff of ₹3.13/kWh was mutually agreed upon, finalized, and locked by both parties within the legally binding PPA.
2. The Discom seeks a downward revision to ₹2.98/kWh by citing a benchmark capital cost reduction (to ₹3.60 Crore/MW) due to a Goods and Services Tax (GST) rate cut from 12% to 5% under the PM-KUSUM scheme.

3. The reduction in the GST rate occurred prior to the execution of the PPA which was already taken in to consideration before execution of PPA.
4. a) The GST rate reduction was already in effect before the signing of the PPA. The impact of this tax structure was fully factored into the financial calculations, project bidding, and final negotiations by both parties at the time of executing the PPA.
- b) A PPA is a legally binding contract. Discoms cannot unilaterally reopen or alter agreed-upon commercial terms, including tariffs, based on historical regulatory changes that occurred prior to the contract date.
- c) A 'Change in Law' clause under regulatory frameworks protects parties from unforeseen, subsequent legislative or tax alterations occurring after the contract execution. It cannot be invoked retroactively for tax amendments enacted before the PPA was signed.
- d) Altering the tariff post-facto upsets the financial closure, debt-equity ratios, and viability of the solar power project. This acts to the severe economic detriment of the generator who relied on the promised ₹3.13/kWh rate.

Prayer:

- Dismiss the Discoms' proposal for a tariff reduction to ₹2.98/kWh in its entirety.
- Direct the Discoms to strictly adhere to the terms, conditions, and the tariff rate of ₹3.13/kWh as finalized in the executed PPA.
- Pass any other order that this Hon'ble Commission deems fit in the interest of equality and justice.

Thanking you.

Yours faithfully,

Nagineni Venkata Kishan Rao
Solar Power Generator.

PPA No. 363/2025, dt.12.11.2025.

Lohitha (V), Kapula Kanaparthi,
Warangal Rural.

Ph No. 8712592223.