



**SOUTHERN POWER DISTRIBUTION COMPANY**  
**OF TELANGANA LIMITED**

From  
Chief Engineer (IPC),  
TGSPDCL, Corporate Office,  
6-1-50, Mint Compound,  
Hyderabad - 500 063.

To  
The Commission Secretary,  
TGERC,  
Vidyut Niyantran Bhavan,  
GTS Colony  
Hyderabad - 500 045.

Lr. No.CE(IPC)/DE(IPC)/ADE-K/F.No.KUSUM A/D.No. 111 /25-26, Dt: 5 -04-2025.

Sir,

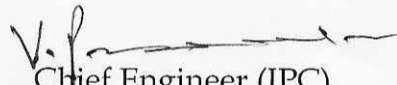
Sub:- TGSPDCL- IPC - Replies to the objections/suggestions raised by the stakeholders on petition filed by TGDISCOMS seeking consent for procurement of 4000 MW (inclusive of 1000 MW capacity for Women SHGs under INDIRA MAHILA SHAKTI SCHEME) and Model Power Purchase Agreement (PPA) for decentralized Ground Mounted Grid-Connected solar power for a period of 25 years from the Commercial Operation Date (COD) by TGDISCOMs under Component-A of PM KUSUM Scheme vide OP.NO: 32/2025 - Submission - Reg.

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With reference to the subject cited above, the replies to the objections raised by the stakeholders on aforesaid subject are herewith enclosed with a request to kindly place the same before the Hon'ble Commission for approval.

Enclosures: As above

Yours faithfully,



Chief Engineer (IPC),

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**Replies to Comments from M. Thimma Reddy on the petition by TG DISCOMs for consent for procuring 4000 MW distributed solar (including 1000 MW for SHGs)**

<b>S.No.</b>	<b>Observation/ Comment</b>	<b>Rationale by TG DISCOMs</b>
1.	In response to the above-mentioned Public Notice calling for comments on TGDISCOMs' petition seeking consent of TGERC for procurement of 4000 MW (inclusive of 1000 MW capacity for Women SHGs under INDIRA MAHILA SHAKTI SCHEME) and Model Power Purchase Agreement (PPA) for decentralized Ground Mounted Grid-Connected solar power for a period of 25 years from the Commercial Operation Date (COD) by TGDISCOMs under Component-A of PM KUSUM Scheme we are submitting the following comments for consideration of the Commission.	-
2.	While Public Notice on the above subject was published on 03-04-2025 comments on the same were sought to be submitted by 11-04-2025. Public was given just 8 days time to respond. This is too short time to submit meaningful comments. Usually, 21 days time is given to the public to submit comments. There seems to be unseemly hurry in taking up capacity addition of 4,000 MW of solar power. Things done in hurry will end up as failures.	-
3.	In the background of global warming and climate change the need for promotion and deployment of renewable energy sources like solar power cannot be denied. At the same time setting up of solar power plants shall be in an	The State of Telangana has witnessed steady growth in demand over the years and the same is expected to continue due to conducive economic and policy environment. Keeping in view the growing energy needs, TGDISCOMS have planned addition of capacities in an

	orderly manner taking into account capacity of various stakeholders to implement it and its financial implications, particularly in the context of surplus power available in the state.	economical manner. Solar capacity additions have been planned after considering the technical, financial implications to ensure smooth and reliable operation of the grid.
4.	Capacity addition of renewable energy sources in general and solar power in particular shall take place after proper estimation of energy requirement and peak demand. TGDISCOMs in their present petition included estimates as approved by the Commission for Resource Plans of 5th and 6th control periods and CEA's Energy Adequacy Report. One of the issues will be which one of the estimates will be taken into account for planning RE/solar capacity addition. TGDISCOMs in their present petition at para 11 used CEA's estimate to arrive at the deficit in RE generation. The information provided in the present petition shows that CEA's estimates are nearly 10% higher than the Commission's approved quantities. Over the period CEA's estimates of energy requirement proved to be overestimates. It is advisable to take into account estimates approved by the Commission for Resource Plans of 5th and 6th control periods while planning RE/solar power capacity additions.	<p>The actual power purchase by the state in FY24 was 86,823 MUs, surpassing the projected requirement for FY25 as per the resource plan.</p> <p>With regard to CEA projections, the TGDISCOMs submits that for FY 25, a peak demand of 17,162 MW was successfully met by TGDISCOMs as against the projected CEA peak demand of 16,877 MW.</p> <p>The TGDISCOMs submits that the projected load growth is reflective of the increasing demand in the State of Telangana.</p>
5.	At para 17 of the present petition TGDISCOMs noted that demand was growing approximately at 10% annually. But this is not supported by the information provided by them in the petition. In the case of estimates approved by	<p>The actual power purchase by the state in FY24 was 86,823 MUs, surpassing the projected requirement for FY25 as per the resource plan.</p> <p>With regard to CEA projections, the TGDISCOMs submits that for FY 25, a peak demand of 17,162 MW was</p>

	the Commission growth rates did not cross 6%. In the case of estimates prepared by CEA in majority of the years growth rates are less than 6%. Capacity additions carried out using overestimated energy requirements will end up burdening DISCOMs as well as consumers in the state.	successfully met by TGDISCOMs as against the projected CEA peak demand of 16,877 MW. The TGDISCOMs submits that the projected load growth is reflective of the increasing demand in the State of Telangana.
6.	The Commission's Order on Resource Plans for 5th and 6th control period shows that the state will be experiencing surplus power situation until the year 2027-28. Adding 4,000 MW of solar power during the next one year will further add to the surplus power availability. Rolling out of this solar capacity shall be done in such a way that it will not destabilise the DISCOM finances, further burdening the consumers.	The TGDISCOMs respectfully submits as follows – Though the TGDISCOMs is able to meet energy requirements, there is still a need to procure power during certain period to meet the peak demand requirement.  The State of Telangana has been witnessing peak power demand during day hours.
7.	Many states have taken up solar power plants under KUSUM-C component. TGDISCOMs have not made out a case for preferring KUSUM-A to KUSUM-C component.	The State Government is actively pursuing with MNRE for the restoration of the origin all allocated 4000MW under Component-A and new allocations under Component B and C to enable comprehensive implementation of the KUSUM scheme in Telangana.
8.	According to TGDISCOMs' proposals solar power plants need to be erected within 9 months from the date of signing of PPA. Guidelines under KUSUM-A provides for 15 months period from the date of signing of PPA to set up a solar power plant. TGDISCOMs seem to be in a hurry to meet the scheme's deadlines. Doing things in hurry will result in adverse outcomes. It is important to take in to account implementation feasibility. As the present proposal aims to involve farmers and SHGs in	The TGDISCOMs will abide based on the orders of Hon'ble TGERC

	setting up solar power plants in rural areas it requires even more time to ground these solar power plants. It is better to approach the GoI to extend the Scheme period.	
9.	Solar power plants require 5 acres of land per MW. The present proposal will require 20,000 acres. This much of land has to be diverted from agriculture purposes. Due to this not only hundreds of households will forgo livelihoods but the country will also lose agriculture produce impacting food security. Alternatives like agrivoltaics could be explored to address these issues of loss of livelihoods and food security. Under agrivoltaics land can be used simultaneously for solar power generation as well as agriculture. Professor Jayashankar Telangana State Agriculture University is also reported to have taken up a pilot on agrivoltaics.	The intent of the scheme is to give an opportunity for utilizing unused barren land for setting up of solar projects. This provides an avenue to farmers/ FPOs to sell solar power to TGDISCOMs at a rate determined by the Hon'ble Commission.
10.	Solar Power Generators under proposed capacity addition through KUSUM scheme shall be selected through open competitive bidding. In this price determined by the TGERC shall be taken as the base price in reverse bidding. The price of Rs. 3.13 per unit of solar power was determined by the Commission in the year 2021. The last four years have seen considerable reduction in solar power price. As such Expression of Interest (EoI) route shall not be used to select solar power developers. Many states like Maharashtra, Rajasthan, Gujarat, Madhya Pradesh, Odisha, Uttar Pradesh, Karnataka, Tamil Nadu, Punjab, Bihar, West Bengal have used open competitive bidding route to select developers to implement KUSUM scheme. In the interest of	Competitive bidding is not mandatory under the KUSUM <i>Component-A</i> scheme However, in instances where the number of eligible applications received exceeds the notified capacity at a particular substation, a transparent selection process becomes unavoidable. In such cases, competitive bidding may be adopted to ensure fairness and adherence to scheme guidelines. Regarding the Performance Bank Guarantee (PBG), in line with MNRE guidelines. The State has already initiated steps to collect a reduced PBG of Rs.1 lakh/MW Necessary approvals are being <i>obtained</i> from the Hon'ble TGERC.

	transparency and economical procurement of solar power Telangana State shall also follow the same path of open competitive bidding to select solar power generators.	
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