

SBEL/TS/02

Date: 16th April 2025

To
 The Commission Secretary/TGERC,
 Vidyut Niyanttran Bhavan, Sy.No.145-P, G.T.S. Colony,
 Kalyan Nagar, Hyderabad 500 045. Email id: secy@tserc.gov.in

Subject: Comments and Suggestions on Petition filed by TGDISCOMs for Procurement of 4000 MW (including 1000 MW for Women SHGs under INDIRA MAHILA SHAKTI Scheme) and Draft Model PPA under Component-A of PM KUSUM Scheme (OP No. 32/2025)

Dear Sir,

SolarBull Energy LLP is a solar solutions provider with project execution experience across Andhra Pradesh, Telangana, Tamil Nadu, and Karnataka.

We commend the Hon'ble Commission for proactively initiating and finalizing the tariff order on a *suo motu* basis for the determination of pre-fixed levelized tariff under Component-A of the PM KUSUM scheme.

We respectfully submit our observations and suggestions regarding certain assumptions and clauses proposed in the draft tariff order and model PPA, as outlined below:

I. Comments on Key Assumptions in Draft Tariff Order

S. No.	Assumption by Hon'ble Commission	Comments & Suggestions
1	Interest on Long-Term Loan at 10%	Most banks are currently quoting interest rates exceeding 11%, especially when CGTMSE charges are factored in. Suggest revisiting the assumption.
2	Working Capital for One Month	Since the PPA proposes a payment cycle of 45 days post-invoice, the working capital requirement should be increased accordingly.
3	Income Tax Reimbursement	While the tariff assumes reimbursement of income tax upon submission of challans, the draft PPA does not provide any such clause. We request explicit inclusion in the final PPA.
4	CUF of 19%	This equates to ~16.64 lakh units/MW/year, which is not achievable in Telangana without DC overloading. Achieving this CUF would necessitate 10–20% additional module capacity, raising capital costs. The assumption may be valid in higher-

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		radiation states like Rajasthan or Gujarat but not in Telangana. Hence, we request the Commission to consider a higher tariff than ₹3.13/unit to ensure project viability.

II. Comments on Draft Model PPA

1. Terminology Consistency

The terms *Solar Power Developer (SPD)* and *Solar Power Generator (SPG)* are used interchangeably. We recommend consistently using “SPG” throughout the document to avoid ambiguity.

2. Definition of CUF (Page 7)

The current definition calculates CUF based on DC (kWp) capacity.

We recommend changing this to AC (kW) capacity in alignment with:

- Practical field conditions (DC-based 19% CUF is unrealistic in Telangana),
- CERC guidelines (CUF is calculated on AC basis),
- The PPA definition of Project Capacity (max AC output at delivery point).

Suggested revision:

$$CUF = (\text{Cumulative Energy Output in kWh}) / (\text{Installed AC Capacity in kW} \times 24 \times 365)$$

3. Clause 4.3.2 – Minimum CUF Obligation

- The mandate of 19% CUF with $\pm 10\%$ variation is stringent.
- We propose reducing the minimum CUF to **17%**, considering:
 - Seasonal fluctuations outside the SPG’s control,
 - Module degradation ($\sim 2\%$ in Year 1; $\sim 0.55\%$ /year thereafter),
 - Developers would typically overdesign early years to manage degradation and variability.

4. Clause 4.3.4 – Shortfall Penalty and Excess Generation Treatment

- A 25% tariff penalty for CUF shortfall is severe.
- Treating excess generation as “inadvertent” and accepting it free of cost disincentivizes efficiency.

Suggestions:

- Allow excess generation up to **+20%** instead of +10%, or
- Reduce the minimum CUF requirement to **17%**, and/or
- Waive or soften shortfall penalties during initial years.

5. Clause 5.1 – Interconnection Responsibility

The clause appears to assign full interconnection responsibility to the SPG.

We request clarification on whether this applies uniformly to both the **3000 MW general tender** and the **1000 MW SHG tender**, especially since the latter may involve multiple small farmer-SPGs.

6. **Clause 16.1 – Assignment of PPA**

The current PPA prohibits assignment/novation.

We request that the Commission allow PPA assignment to third parties, subject to facilitation fees. This is crucial for enabling financing and flexible partnership models involving land-owning farmers.

III. Comments on Clause 3.22 of OP No. 32 of 2025: Role of State Implementing Agency (SIA)

Clause 3.22 rightly entrusts the SIA (TGREDCO) with handholding responsibilities, including facilitating bank finance and coordination with local authorities.

While we appreciate the orientation programs conducted at DISCOM Circle Offices, we wish to bring the following gaps to the Commission's attention:

Unaddressed Farmer Queries Include:

- Can multiple plants be connected via a single transmission line?
- Are bank loans available, and under what terms?
- Can the 2 MW capacity be split into smaller sub-projects (e.g., 0.5–1 MW)?
- Required permissions from government departments
- Post-installation eligibility for **Rythu Bharosa** and other schemes

In the absence of consolidated guidance, many farmer-developers are repeatedly visiting TGREDCO offices for clarification, placing avoidable strain on SIA officials.

IV. Suggestions for Better Implementation: Inspired by Best Practices in Rajasthan

We respectfully request the Hon'ble Commission to kindly **advise TGREDCO** to compile and publish:

- A comprehensive **FAQs document** or circular covering the above farmer queries,
- And make it publicly accessible via the TGREDCO and DISCOM websites.

We also request that the Hon'ble Commission advise **TGDISCOMs** to publish:

- All relevant internal circulars/memos on metering, transmission lines, substation connectivity, inspection, and synchronization processes.
- Standardized **timelines for service-level approvals**.

Model Reference: Rajasthan PM-KUSUM SOP (JVVNL)

JVVNL has published a well-structured SOP with:

- **Approval timelines:**
 - 11 kV Line – 7 days (by AEN); 33 kV Line – 10 days (by XEN)
- **Line shifting:**
 - LT – 15 days, HT – 30 days
- **PDI & ABT Meter Testing:**
 - 7 days for inspection, 5 days for testing
- **Synchronization & Commissioning:**
 - Site visit report within 5 working days
- **Redressal Mechanism:**
 - Consumer Grievance Redressal Forum and Electricity Ombudsman

Benefits of this Model:

- Time-bound and transparent processes
- Reduced ambiguity and delays
- Empowered farmer-developers
- Efficient use of institutional resources

V. Conclusion

We request the Hon'ble Commission to consider the above submissions in the spirit of enabling long-term project viability, enhancing implementation efficiency, and ensuring widespread participation—particularly from farmers and women SHGs—under the PM KUSUM scheme.

We remain committed to supporting the Commission and the implementing agencies in realizing the goals of this transformative scheme.

Thank you for the opportunity to submit our feedback.

Warm regards,



K. Srinivas

CEO, SolarBull Energy LLP

Co-Chair – Energy Committee, Federation of Telangana Chambers of Commerce & Industry (FTCCI)

Jt. Secretary – Telangana Solar Energy Association (TSEA)