

Telangana Southern Power Distribution Company Limited (TGSPDCL)

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Telangana Northern Power Distribution Company Limited (TGNPDCL)

Responses to Objections / Suggestions

On

**TGDISCOMs seeking revision of the prefixed levelized tariff for the Solar Power Generators (SPGs)
under Component-A of PMKUSUM Scheme**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1. Response to queries of Sri Mora Raviteja (S.No. 31)		
	With reference to the above-mentioned PM-KUSUM Component-A Solar Power Project, it is submitted that any reduction in the approved tariff will have a direct adverse impact on the financial viability of the project and the livelihood benefits intended for the farmer/project developer. The project has been developed by investing substantial capital towards procurement and installation of solar PV modules, module mounting structures, inverter systems, transformers, electrical equipment, civil works and other infrastructure. The project cost has already increased due to escalation in the prices of major components and execution costs. The tariff approved under the project was calculated considering the prevailing project cost, loan repayment obligations, operation and maintenance expenses and a reasonable return to the farmer/project developer. Any reduction in tariff will reduce the annual revenue generated from the solar plant, making it difficult to recover the investment and meet financial commitments. The PM-KUSUM scheme is aimed at providing additional income support to farmers by enabling them to generate renewable energy from their land. Reduction in tariff will directly reduce the benefit received by the farmer and may affect the economic sustainability of the project. Further, farmers/project developers have taken financial risks by arranging funds and investing based on the approved tariff and PPA terms. A reduction in tariff after project commitment will create additional financial burden and may discourage participation of farmers in renewable energy projects. Therefore, considering the increased project cost, financial obligations and the objective of PM-KUSUM to support farmers, it is requested that the approved	TGDISCOMs respectfully submit that the tariff of ₹3.13/kWh was determined based on the prevailing cost parameters and market conditions at the relevant point of time. Subsequently, there has been a reduction in GST rates and a significant decline in major capital cost components, particularly solar modules, resulting in improved project economics. The contention regarding increase in project costs, financing obligations, investment commitments, and project viability relates to project-specific circumstances. Tariff determination, however, is based on normative cost parameters and overall market trends rather than individual project costs or financing arrangements. TGDISCOMs further submit that while the PM-KUSUM Scheme aims to support farmers and promote decentralized renewable energy generation, it is equally important to ensure that the benefits arising from reduction in project costs are appropriately passed on to consumers. Accordingly, TGDISCOMs respectfully submit that the present petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects is not adversely impacted.

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	tariff may kindly be maintained without reduction to ensure the viability of the project and protect the interests of the farmer.	
2.	Response to queries of Sri Mubeen Sultan & Archana Ramesh (S.No. 32)	
	With great difficulty farmers have raised funds borrowed money based on the rate approved and signed @3 .13/unit , the ongoing war has increased the rates of all materials from what was calculated at the time of signing the LOA , the only saving grace was the reduction in gst that would cover some of the cost of the increased rate in materials due to the war in Iran ,else this project would not be viable at all. Reduction of 15 paise/ unit from 3.13 to 2.98 at this stage will be huge loss for the farmers and we will be unable to bear the losses. Everything was based on the calculation at 3 .13 / unit We were happy that gst was reduced so the project would now be in a better position and viable, but because of the sudden price hike in raw materials even after absorbing the gst rate reduction it is still difficult to manage and thats the reason many projects are delayed and not been completed as EPC contractors are not able to complete the project on the quotations that they had given before the war, and the completion date was extended due to many projects being not completed. As it is we are struggling to complete the project because of these hike in prices in raw materials and to maintain the rate for 25yrs without consideration of inflation itself is a tough asking. It is our humble request to please do not reduce the rate as many farmers will be forced to let go of the project that have already been sanctioned, Thus causing huge distress and losses to the farmers	TGDISCOMs respectfully submit that while geopolitical developments and temporary fluctuations in raw material prices may have impacted certain project cost components, tariff determination is based on overall market trends and normative costs rather than individual project-specific expenditures. Funding arrangements, borrowing costs, project delays, and financial commitments pertains to project-specific and cannot form the basis. Tariff is required to reflect prevailing market conditions and ensure that the benefits arising out of it are appropriately passed on to consumers. Accordingly, TGDISCOMs respectfully submit that the present petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects is not adversely impacted.

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3.	Response to queries of Sri Satturu Jayalaxmi (S.No. 35)	
	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	1. TGDISCOMs respectfully submit that the tariff of ₹3.13/kWh was determined by the Hon'ble Commission based on the prevailing cost parameters and market conditions. Subsequently, there has been a reduction in GST rates and a decline in major capital cost components, particularly solar modules, resulting in improved project economics. 2. TGDISCOMs further submit that the contentions relating to investments already incurred, procurement of equipment, execution of EPC contracts, financial closure, and project expenditure incurred prior to the reduction in GST rates are project-specific circumstances. In cases where developers contend that substantial investments had already been made prior to the occurrence of the Change in Law event, the decision, including its treatment in respect of investments already made, is within the exclusive purview of the Hon'ble Commission. 3. TGDISCOMs submit that while certain project cost components may have witnessed increases during specific periods, the overall reduction in GST and significant decline in solar module prices have resulted in a reduction in project costs.

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	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 ₹ 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 ₹ 13/kWh for projects where PPAs have already been executed.	4. TGDISCOMs respectfully submit that the PPAs executed between DISCOMs and developers contain provisions relating to "Change in Law", including changes in taxes and duties having a direct impact on project costs. The present petition has been filed within the applicable provisions, and the determination of the applicable tariff remains within the jurisdiction of the Hon'ble Commission. 5. TGDISCOMs submit that financing arrangements, loan sanctions, repayment schedules, and debt servicing obligations are project-specific commercial decisions between the developers and their lenders. 6. TGDISCOMs respectfully submit that the present petition does not seek any unilateral modification of the tariff. The matter has been placed before the Hon'ble Commission for consideration in light of the reduction in GST rates and requests the Hon'ble Commission to pass on the benefits of reduced GST to the consumers by balancing the interests of the Developers.

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	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.	
4.	Response to queries of Sri Sudheer Vennam (S.No. 37)	
	3. ISSUES FOR CONSIDERATION 3.1 Whether tariff can be reduced by considering only GST reduction 3.2 Whether increase in Balance of System (BoS) costs and capital expenditure can be ignored 3.3 Whether such revision complies with: • Change in Law jurisprudence • Tariff certainty principles • Objectives of PM-KUSUM Scheme 4. Grounds 4.1 Violation of “Change in Law” Principle 4.1.1 It is a settled principle that Change in Law must be applied on a restitutionary basis, restoring parties to the same economic position. 4.1.2 The Hon’ble Supreme Court in GMR Warora Energy Ltd. v. CERC (2023) held: Compensation must restore affected parties to the same economic position as if the change had not occurred. 4.1.3 Similarly, in Adani Power Rajasthan Ltd. vs DISCOMs (2025), the Hon’ble Supreme Court reaffirmed: Change in Law relief must ensure restoration of economic equilibrium. 4.1.4 In the present case: GST reduction → considered, Cost escalation → ignored 4.1.5 Such selective treatment violates the doctrine of restitution. 4.2 Holistic Cost Impact Must Be Considered 4.2.1 The Hon’ble Supreme Court has consistently held that Change in Law includes all statutory and economic impacts affecting cost. 4.2.2 In WBSEDCL v. Adhunik Power (2026), it was held: Compensation must	1. TGDISCOMs respectfully submit that the present petition is on the reduction in GST rates. Subsequent to tariff determination, there has been a significant decline in solar module prices due to technological advancements, economies of scale, and increased domestic manufacturing capacity, resulting in improved project economics. 2. TGDISCOMs respectfully submit that the PPAs executed between DISCOMs and developers contain provisions relating to “Change in Law”, including changes in taxes and duties having a direct impact on project costs. The present petition has been filed within the applicable provisions, and the determination of the applicable tariff remains within the jurisdiction of the Hon'ble Commission.

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	cover actual additional cost burden due to statutory changes. 4.2.3 In the present case, the following cost increases have occurred: Steel prices, Copper & aluminium costs, Solar glass related duties, Logistics and fuel escalation, Cement prices and labour prices 4.2.4 These increases directly impact: Balance of System costs, Overall capital cost 4.2.5 Without considering these, tariff revision is factually incorrect and incomplete. 4.3 APTEL: Selective Burden on Developers is Inequitable 4.3.1 In ACME Solar Case (APTEL, 2025), it was held: Change in Law must restore developers to the same financial position, including full cost impact. 4.3.2 In Entry Tax Case (APTEL, 2026), the Tribunal observed: Forcing developers to absorb unforeseen costs is inequitable. 4.3.3 The same principle applies here: Ignoring BoS cost escalation and Reducing tariff solely due to GST. Results in unfair financial burden. 4.4 Tariff Certainty and Sanctity of PPA 4.4.1 Tariff of ₹3.13/kWh formed the basis of: Project investment decisions Financial closures 4.4.2 Post-facto reduction: Undermines contractual certainty Violates investor confidence 4.5 Defeats Objective of PM-KUSUM Scheme 4.5.1 The scheme aims to: Promote farmer participation Ensure decentralized solar growth 4.5.2 Reduced tariff: Weakens project viability Discourages farmer investment 5. FINANCIAL IMPACT ANALYSIS 5.1 GST Reduction Impact Module share: ~50% GST reduction: 12% → 5% Benefit: ≈ ₹0.12 Cr/MW reduction 5.2 Increase in BoS Cost	3. TGDISCOMs respectfully submit that the financial impact assessment presented is based on assumptions and project-specific cost estimates. Tariff determination is undertaken on the basis of normative costs, prevailing market conditions, and overall project economics rather

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	<table><tr><th>Component</th><th>Unit</th><th>2020 Price (Approx.)</th><th>2026 Price (Approx.)</th><th>% Change</th><th>Remarks</th></tr><tr><td>Diesel / Fuel</td><td>₹ / litre</td><td>₹65 – ₹70</td><td>₹90 – ₹100</td><td>+30% to +40%</td><td>Driven by global crude price increase</td></tr><tr><td>Steel (TMT/Structural)</td><td>₹ / ton</td><td>₹45,000 – ₹48,000</td><td>₹54,000 – ₹72,000</td><td>+20% to +40%</td><td>Sharp rise post-COVID and infra demand</td></tr><tr><td>Copper</td><td>₹ / kg</td><td>₹450 – ₹500</td><td>₹750 – ₹900</td><td>+60% to +80%</td><td>High global demand and supply constraints</td></tr><tr><td>Aluminium</td><td>₹ / kg</td><td>₹160 – ₹180</td><td>₹240 – ₹300</td><td>+40% to +60%</td><td>Linked to global metal prices</td></tr><tr><td>Cement</td><td>₹ / bag (50 kg)</td><td>₹300 – ₹320</td><td>₹380 – ₹420</td><td>+20% to +30%</td><td>Fuel & logistics cost driven</td></tr><tr><td>Transformer Oil</td><td>₹ / litre</td><td>₹70 – ₹80</td><td>₹100 – ₹130</td><td>+40% to +60%</td><td>Petroleum linked + T&D expansion demand</td></tr><tr><td>Labour Cost</td><td>₹ / day</td><td>₹400 – ₹500</td><td>₹700 – ₹900</td><td>+50% to +80%</td><td>Wage escalation linked to CPI & labour index</td></tr><tr><td>Inflation (CPI Index)</td><td>Index</td><td>~281</td><td>~395</td><td>+35% to +40%</td><td>Persistent inflation trend</td></tr></table> Average Increase in the balance of the plant cost is above 20% which translates to ≈ ₹0.28 Cr/MW	Component	Unit	2020 Price (Approx.)	2026 Price (Approx.)	% Change	Remarks	Diesel / Fuel	₹ / litre	₹65 – ₹70	₹90 – ₹100	+30% to +40%	Driven by global crude price increase	Steel (TMT/Structural)	₹ / ton	₹45,000 – ₹48,000	₹54,000 – ₹72,000	+20% to +40%	Sharp rise post-COVID and infra demand	Copper	₹ / kg	₹450 – ₹500	₹750 – ₹900	+60% to +80%	High global demand and supply constraints	Aluminium	₹ / kg	₹160 – ₹180	₹240 – ₹300	+40% to +60%	Linked to global metal prices	Cement	₹ / bag (50 kg)	₹300 – ₹320	₹380 – ₹420	+20% to +30%	Fuel & logistics cost driven	Transformer Oil	₹ / litre	₹70 – ₹80	₹100 – ₹130	+40% to +60%	Petroleum linked + T&D expansion demand	Labour Cost	₹ / day	₹400 – ₹500	₹700 – ₹900	+50% to +80%	Wage escalation linked to CPI & labour index	Inflation (CPI Index)	Index	~281	~395	+35% to +40%	Persistent inflation trend	than individual project calculations.					
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	5.3 Net Capital Cost <table><thead><tr><th>Item</th><th>Value</th></tr></thead><tbody><tr><td>Original cost</td><td>₹3.60 Cr</td></tr><tr><td>GST benefit</td><td>−₹0.12 Cr</td></tr><tr><td>Cost increase</td><td>+₹0.25 Cr</td></tr><tr><td>Revised cost</td><td>₹3.75 Cr/MW</td></tr></tbody></table> 5.4 Tariff Impact - Net increase ≈ 4.5% - Tariff impact ≈ +₹0.12–0.15/kWh Viable tariff ≈ ₹3.25 – ₹3.30/kWh 5.5 Conclusion - Proposed tariff: ₹2.98/kWh - Actual justified tariff: higher than ₹3.13 6. FINAL SUBMISSIONS 6.1 The proposal is based on partial analysis, ignoring acant cost increases 6.2 It violates: Restitution principle, Judicial precedents & Tariff certainty 6.3 It results in: Financial stress for developers & Reduced participation from farmers 7. PRAYER The Petitioner respectfully prays that this Hon’ble Commission may: A. Primary Relief Reject the proposed reduction of tariff to ₹2.98/kWh B. Alternative Relief Undertake comprehensive cost review considering: GST reduction, BoS cost escalation & Duties and commodity price increase	Item	Value	Original cost	₹3.60 Cr	GST benefit	−₹0.12 Cr	Cost increase	+₹0.25 Cr	Revised cost	₹3.75 Cr/MW	4. TGDISCOMs respectfully submit that the Hon'ble Commission may determine the applicable tariff under Change in law in accordance with the provisions of the PPA, while balancing the interests of both consumers and project developers.
Item	Value											
Original cost	₹3.60 Cr											
GST benefit	−₹0.12 Cr											
Cost increase	+₹0.25 Cr											
Revised cost	₹3.75 Cr/MW											

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	C. Further Relief Maintain tariff at ₹3.13/kWh, OR Revise upward based on actual costs	
5.	Response to queries of Sri Yelavarthi Srinivas Rao (S.No. 35)	
	1. Financial Viability and Investor Confidence Basis of Investment: The original tariff of Rs. 3.13/kWh was approved by the Hon'ble Commission. It formed the absolute basis for our investment, financial modelling, and business feasibility decisions. Banking and Loan Sanctions: Commercial banks evaluated and sanctioned project loans based strictly on the approved tariff of Rs. 3.13/kWh. Any reduction at this stage will jeopardise loan repayment schedules and risk turning these projects into Non-Performing Assets (NPAs). Investor Trust: Retrospectively reducing the tariff after capital deployment severely damages investor confidence and undermines the credibility of government-backed renewable energy schemes. 2. Escalation of Project Costs Global Market Inflation: Due to geopolitical conflicts and supply chain disruptions, project execution costs have surged. There have been steep escalations in the prices of solar modules, copper, steel, electrical equipment, and logistics. Inadequacy of GST Relief: The minor reduction in GST rates does not offset the massive overall increase in raw material and financing costs. Justification for Hike: Given these unprecedented macroeconomic pressures, the tariff should realistically be enhanced to Rs. 3.35/kWh to support agricultural	1. TGDISCOMs respectfully submit that the tariff of ₹3.13/kWh was determined based on the prevailing cost parameters and market conditions and was approved by the Hon'ble Commission. Subsequently, there has been a reduction in GST rates and a significant decline in solar module prices due to technological advancements, economies of scale, and increased domestic manufacturing capacity, resulting in improved project economics. The submissions relating to investment decisions, loan sanctions, repayment obligations, financial planning, and investor expectations are project-specific commercial considerations. 2. TGDISCOMs respectfully submit that while certain project cost components may have witnessed temporary increases due to market conditions, the overall reduction in GST and major capital cost components, particularly solar modules, has resulted in a reduction in project costs. Recent solar tariffs discovered through competitive bidding also indicate a declining trend in overall project costs.

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	farmer growth, rather than being decreased. 3. Delays Beyond the Control of the SPG Administrative Delays: Project commissioning was delayed by approximately 60 days due to administrative delays, delay in bank loan sanction, and delay in executing the Escrow Agreement by the DISCOM. This delay was entirely beyond the control of the generator. Financial Burden: This extension resulted in a higher Interest During Construction (IDC), increased overhead costs, and imposed an unfair financial burden on the developer. Penalising the developer with a lower tariff after systemic delays is unjust and inequitable. Prayer to the Hon'ble REC Commission In light of the above facts, it is respectfully prayed that the Hon'ble Commission may be pleased to: • Reject the proposal to reduce the PM-KUSUM Component-A tariff from Rs. 3.13/kWh to Rs. 2.98/kWh. • Protect the financial viability of these rural solar projects by continuing the originally approved tariff of Rs. 3.13/kWh for all existing PPAs. • Consider an upward revision of the tariff to Rs. 3.35/kWh to compensate for extraordinary market inflation and administrative delays.	3. TGDISCOMs respectfully submit that the issues relating to commissioning timelines, loan sanctions, execution of Escrow Agreements, and the resultant financial implications are project-specific matters. TGDISCOMs have duly complied with all procedural requirements and obligations within their scope, and no delay is attributable to the DISCOMs in this regard. Further, any claim regarding expenditure incurred prior to the reduction in GST rates, and the impact thereof, are in purview of the Hon'ble Commission based on the facts, evidence, and merits of the individual case.
6.	Response to queries of Sri A Hanumanthu (S.No. 40)	
	We are a bidder under the PM-KUSUM Component-A Scheme and wish to submit our objections to the proposal for revision of tariff from ~3.13/kWh to ~2.98/kWh. Our bid was prepared based on the tariff approved by the Hon'ble Commission at the time of bidding. The project cost estimates, financial projections, debt	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate

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	servicing obligations, and expected returns were all calculated considering the approved tariff of ~3.13/kWh. Although the GST rate has been reduced, there have been significant increases in other project costs, including labour charges, financing costs, transportation, transmission connectivity works, and operation and maintenance expenses. Therefore, the reduction in GST alone does not justify a corresponding reduction in tariff. Any downward revision in tariff after completion of the bidding process would adversely impact project viability and may affect the ability of developers to achieve financial closure and execute the projects efficiently. In view of the above, we respectfully request the Hon'ble Commission to retain the existing tariff Rs. 3.13/kWh for projects already bid out, awarded, or under implementation. Alternatively, any revised tariff may be made applicable only to future bids and not to existing bidders. We request the Hon'ble Commission to consider our submission while deciding the matter.	determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted
7.	Response to queries of Dr Arrvapalli Veerabhadra rao (S.No. 41)	
	This is being pro farmer promotion activity with out being calculated his land as capital. GST today is decreased there is no guarantee that it will be again enhanced at a later date. The other inputs have increased enormously due to Iran conflict. Financial institutions are not fully cooperating as per your earlier suggestions. Please don't open pandora Box At this stage. we are afraid this may lead to suicidal thoughts who are in the	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant

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	middle of execution. Even one such incident may lead to unrepairable loss. Please reject the proposal in toto with out any scope for consideration.	provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted
8.	Response to queries of a. Thatiparthi Jithender Rao (S.No. 42) b. T.Raghunatha Rao (S.No. 43)	
	I would like to object the opinion of decreasing the tariff of Rs.3.13/KWh to Rs.2.98/KWh due to "impact of War" that's going out around the world, the project cost for Copper , Iron, silver and pannels have increased and that impacted our loan amount from banks. so we are at great loss and causing extra money out from our pockets, again the decrease amount on tariff for kWh would cause serious impact on our financial status. Therefore, kindly request you to Increase the amount from Rs.3.13KWh that would relieve us.	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions.

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9.	Response to queries of Siga Goutham Abhishikth (S.No. 44)	
	The Letter of Award was issued in favour of Siga Associates on 29 December 2025, and the Power Purchase Agreement was thereafter executed with TG-NPDCL on 31 December 2025. Article 9.1.1 of the duly executed PPA expressly provides a fixed tariff of Rs.3.13/kWh for the entire term of the agreement. (25 years) The firm accepted the project and undertook substantial financial and contractual commitments on the basis of the approved tariff, Letter of Award and executed PPA. The project cost, equipment procurement, land arrangements, statutory approvals, financing obligations, debt servicing and expected returns were assessed exclusively with reference to the contracted tariff of Rs.3.13/kWh. The stated GST-rate change had already occurred and was within the knowledge of the concerned authorities before issuance of the Letter of Award and execution of the PPA. Nevertheless, TG-NPDCL consciously executed the PPA at Rs.3.13/kWh. A subsequent reduction would therefore alter concluded contractual rights and seriously prejudice investments and liabilities undertaken in good faith. Further, a reduction in the GST rate does not automatically establish a corresponding benefit of Rs.0.15/kWh to every project. Any alleged benefit must be established on a project-specific basis after examining the actual dates of procurement, taxes paid, input-tax credit eligibility, non-GST project costs, financing expenses, existing purchase commitments and expenditure already incurred. A uniform tariff reduction without such verification would be arbitrary and commercially inequitable.	TGDISCOMs further submit that the contentions relating to investments already incurred, procurement of equipment, execution of EPC contracts, financial closure, and project expenditure incurred prior to the reduction in GST rates are project-specific circumstances. In cases where developers contend that substantial investments had already been made prior to the occurrence of the Change in Law event, the decision, including its treatment in respect of investments already made, is within the exclusive purview of the Hon'ble Commission.

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	The proposed revision would materially affect project viability, debt repayment capacity and the legitimate expectation arising from the concluded PPA. Regulatory certainty and sanctity of executed contracts are essential for attracting and sustaining investment in renewable-energy projects, particularly those implemented under a Government scheme. In view of the above, Siga Associates respectfully requests the Hon'ble Commission to reject the proposed tariff reduction and retain the contracted tariff of Rs.3.13/kWh. Alternatively, no adjustment may be permitted without project-specific verification, disclosure of the complete calculation methodology, and a fair opportunity of hearing to the affected Solar Power Generator.	
10.	Response to queries of Challa Ravi Kumar (S.No. 45)	
	I respectfully submit this representation as a stakeholder and prospective Solar Power Generator (SPG) under the PM-KUSUM Component-A Scheme. I strongly oppose the proposal to reduce the pre-fixed levelized tariff from ~3.13/kWh to ~2.98/kWh. The proposed reduction is neither equitable nor financially justified. On the contrary, considering the substantial increase in project costs, financing costs, and inflation since the tariff was determined in January 2021, the tariff warrants upward revision rather than reduction. 1. Financial Commitments Undertaken Based on the Approved Tariff The tariff of ~3.13/kWh specified in the Power Purchase Agreement (PPA) formed the fundamental basis for project planning, financial closure, and investment decisions. Based on the approved tariff: • Financial institutions appraised and sanctioned project loans. • A portion of the sanctioned loan has already been disbursed. • Interest payments on the loan are already being serviced.	1. TGDISCOMs respectfully submit that, there has been a reduction in GST rates and significant decline in major capital cost components, particularly solar modules, resulting in improved project economics and warranting a review of the tariff.

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	• The balance loan amount is scheduled for disbursement based on project progress. Any reduction in tariff at this advanced stage would adversely affect project viability and may lead lenders to reassess financing terms, increase collateral requirements, or impose additional financial conditions. Such post-facto revision undermines the assumptions on which investments were made and creates significant financial hardship. 2. Tariff Determined in 2021 Does Not Reflect Current Market Conditions The tariff of ~3.13/kWh was determined based on cost assumptions prevailing in 2021. Since then: • Inflation has significantly increased the cost of materials, labour, transportation, and services. • Land development, fencing, internal roads, drainage systems, and site preparation costs have increased substantially. • Prices of transformers, HT equipment, switchgear, cables, and evacuation infrastructure have risen sharply. • Interest rates and financing costs have increased. • Financial institutions now require higher margin money contributions from developers. Accordingly, project costs today are considerably higher than those considered while determining the original tariff. 3. Limited Benefit Arising from GST Reduction. The proposal for tariff reduction is based primarily on the reduction of GST from 12% to 5%. However, the GST reduction applies only to certain components such as: Solar Modules/Panels and Inverters	2. TGDISCOMs respectfully submit that while certain project cost components may have witnessed increases over time, the overall market conditions have also undergone significant changes, including reduction in GST rates and considerable decline in solar module prices due to technological advancements, economies of scale, and increased domestic manufacturing capacity. Tariff determination is based on overall market trends and not on individual project-specific expenditure incurred by developers. 3. TGDISCOMs submit that the present petition is based solely on the reduction in GST rates. Further, the PPAs executed between DISCOMs and developers contain a “Change in Law” provision covering changes in taxes and

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	Several major project components continue to attract GST at 18%, including: Structural steel and raw materials, Transformers and associated electrical equipment, Fabrication and erection works, Installation and contractor services and Civil works and other project-related services Therefore, the benefit arising from GST reduction is restricted to only a portion of the total project cost. More importantly, the GST benefit is a one-time saving during procurement, whereas tariff reduction affects project revenue for the entire 25-year PPA period. 4. Disproportionate Financial Impact of Tariff Reduction Based on the generation parameters specified in the PPA: • Annual generation: 16.50 lakh units per MW • Tariff reduction: 0.15 per unit Annual revenue loss per MW: $0.15 \times 16,50,000 \text{ units} = 2,47,500/-$ Revenue loss over 25 years: $2,47,500 \times 25 = 61,87,500 \text{ Rs per MW}$ Even after considering the one-time GST benefit, the net financial loss remains substantial. Accordingly: • self-executed projects, estimated net loss is approximately 48.30 lakh/MW • EPC executed projects, estimated net loss is approximately 44.73 lakh/MW. For a 2 MW project, the cumulative financial loss is approximately 89-97 lakh	duties having a direct impact on project costs. The reduction in GST rates constitutes such a Change in Law event under the PPA framework. 4. TGDISCOMs respectfully submit that the financial impact analysis presented is based on project-specific assumptions and projections. Tariff determination is required to be based on normative cost parameters, overall market conditions, and sector-wide project economics rather than individual project calculations.

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	over the PPA period. Thus, the proposed tariff reduction results in a long-term financial burden far exceeding the one-time GST benefit. 5. Impact on Small Farmers and Rural Entrepreneurs PM-KUSUM was specifically designed to promote decentralized renewable energy generation and enhance farmer income. Unlike large corporate developers: • Small farmers & rural entrepreneurs have limited access to low-cost financing. • PM-KUSUM projects operate without significant economies of scale. • Developers bear the entire risk of project execution, operation, maintenance, and generation performance. Reduction in tariff will disproportionately affect these stakeholders and undermine the objectives of the scheme. 6. Increasing O&M, Insurance and Security Costs While the tariff remains fixed throughout the 25-year PPA period: • Operation and maintenance costs continue to rise annually. • Insurance premiums have increased substantially. • Security costs have increased due to theft and vandalism risks. • Replacement costs for equipment have escalated. The proposed tariff reduction fails to account for these recurring cost escalations. 7. Public Interest and System Benefits of PM-KUSUM Projects	5. TGDISCOMs respectfully submit that the PM-KUSUM Scheme aims to promote decentralized renewable energy generation and support farmer participation. At the same time, it is necessary to ensure that tariffs remain reflective of prevailing market conditions and that the benefits arising from reduced project costs are appropriately passed on to consumers. 6. TGDISCOMs submit that increases in maintenance expenses, insurance premiums, security costs, manpower expenses, and replacement costs are normal operational considerations. Such expenses cannot be viewed in isolation without considering the substantial reduction in upfront project costs that has improved the overall economics of solar power projects. 7. TGDISCOMs acknowledge the benefits of PM-KUSUM projects, including decentralized generation, reduction in technical losses, renewable energy promotion, and support

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	PM-KUSUM projects provide substantial benefits to the electricity sector and the State, including: • Decentralized generation near agricultural load centres. • Reduction in technical losses. • Improvement in feeder-level efficiency. • Reduction in transmission infrastructure requirements. • Long-term supply of clean energy at fixed cost. • Enhancement of rural income and economic activity. • Reduction in carbon emissions and environmental impact. These broader economic and social benefits should be considered while determining tariff. 8. Need for Regulatory Certainty Regulatory certainty is critical for maintaining investor confidence in government supported renewable energy programmes. Developers have made investment decisions, secured financing, and entered into contractual commitments based on the tariff specified in the PPA. Any downward revision after such commitments creates uncertainty, affects project bankability, and discourages future participation in PM-KUSUM. 9. Tariff Requires Upward Revision Rather Than Reduction The Commission may kindly note that: • GST reduction provides only a limited and one-time benefit. • Project costs have increased significantly since 2021. • Financing costs and interest burdens have increased. • Inflationary pressures have affected all major project components. • The cumulative increase in project costs is estimated to exceed 25-30% since	to rural development. However, tariff determination is required to balance these objectives with consumer interest and ensure procurement of power at reasonable and cost-reflective tariffs. 8. TGDISCOMs respectfully submit that while regulatory certainty is important, the PPAs executed between DISCOMs and developers specifically contain provisions relating to “Change in Law”. The present petition has been filed within the contractual and regulatory framework and is subject to the consideration and approval of the Hon'ble Commission. 9. TGDISCOMs respectfully submit that the present petition seeks to align the tariff with prevailing market conditions and ensure that the benefits arising from reduced project costs are appropriately passed on to consumers while ensuring that the financial viability of the projects is not adversely impacted.

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	the original tariff determination. Therefore, rather than reducing the tariff, the present circumstances justify an upward revision to ensure financial viability of PM-KUSUM projects. In view of the facts and circumstances stated above, I most respectfully request the Hon'ble Commission to: A. Reject the proposal to reduce the tariff from ~3.13/kWh to ~2.98/kWh. B. Continue the existing tariff of ~3.13/kWh without any reduction. C. Consider revising and enhancing the tariff to at least ~4.00/kWh to reflect current project costs and ensure financial viability. D. Protect the interests of farmers, small investors, and renewable energy developers participating under PM-KUSUM Component-A Scheme.	
11.	Response to queries of M. Venkateshwar Reddy (S.No. 46)	
	Good evening sir my name is Mekala VENKATESHWAR REDDY PPA NO IS 278/2025. Alredy my project is 70% completed and it is not fair to reduce the unit price rate from ₹3.13 to ₹2.98. I completely object it. I request you to give back the money which I invested in the project with interest and the government can hand over the project. Note: I completely object it 100%	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized

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		the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
12.	Response to queries of Sri A Jalaja Reddy (S.No 47)	
	We submit that the proposed reduction is neither legally nor contractually sustainable for the following reasons: 1. The tariff of ₹3.13 per kWh was finalised through the due bidding process and incorporated into the executed PPA after obtaining all necessary approvals. The PPA is a legally binding contract between both parties. 2. The reduction in GST on solar modules does not automatically entitle the procurer to revise the agreed tariff. 3. Project developers have already made investments, arranged finance, and proceeded with project implementation based on the agreed tariff of ₹3.13 per unit. Any retrospective reduction in tariff would seriously affect the financial viability of the projects and undermine investor confidence. 4. The sanctity of the executed PPA must be preserved. Once the tariff is contractually agreed and the PPA is executed, it cannot be altered unilaterally except in accordance with the provisions contained in the agreement and applicable law. In view of the above, we earnestly request the Government to direct the Telangana DISCOMs to honour the executed PPAs and continue the tariff of ₹3.13 per kWh without any reduction.	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.

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	We hope the Government will uphold the contractual commitments under the PM-KUSUM Component-A Scheme and protect the legitimate interests of project developers.	
13.	Response to queries of the following Stakeholders a) M/s Sumeru Energy Pvt Ltd (S.No. 49) b) M/s Arun Vidyuth Private Ltd (S.No. 52) c) M/s STS Energy Private Limited (S.No. 53) d) M/s Sai Achyuth Energy Private Limited (S. No. 54) e) Sri. S Ramesh (S.No. 55) f) Sri. S Abhiram (S.No. 56) g) Sri. S Chinmayee (S.No. 57) h) M/s STR Green Energies LLP (S.No. 65) i) M/s Vasantha Laxmi Solar Energy LLP (S.No. 133) j) M/s Sathyavathi Renewable Energy (S.No. 135) k) M/s Dhulipalla Renewables LLP (S.No. 147)	
	1. PRELIMINARY SUBMISSIONS The present application filed by TGDISCOMs seeking reduction of the approved tariff from Rs.3.13/kWh to Rs.2.98/kWh is legally unsustainable, contrary to settled principles governing competitive bidding, violative of vested contractual rights, and detrimental to investor confidence in the renewable energy sector. The tariff of Rs.3.13/kWh was approved by the Hon'ble Commission and formed the basis for participation of developers under PM-KUSUM Component-A. Acting upon such approved tariff, developers submitted bids, furnished Performance Bank Guarantees, secured land, initiated financing arrangements and entered	TGDISCOMs respectfully submit that the present petition does not seek any arbitrary or unilateral revision of tariff. Subsequent to tariff determination, there has been a reduction in GST rates and significant decline in major capital cost components, particularly solar modules, resulting in improved project economics. Further, the PPAs executed between DISCOMs and developers contain provisions relating to “Change in Law”, and

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	into binding Power Purchase Agreements. The attempt to retrospectively alter the approved tariff after conclusion of the bidding process and execution of PPAs is contrary to law and equity.	the present petition has been filed within the applicable contractual and regulatory framework for consideration of the Hon'ble Commission. Accordingly, TGDISCOMs respectfully submit, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
	2. SANCTITY OF EXECUTED POWER PURCHASE AGREEMENTS The tariff of Rs.3.13/kWh has already crystallized into binding contractual rights. The PPA executed between the parties is a concluded contract and governs the rights and obligations of both parties for the entire term of the project. Neither the Electricity Act, 2003 nor the executed PPA permits unilateral reopening of the discovered tariff merely because one component of project cost is perceived to have changed. Any post-contractual tariff reduction would amount to rewriting the contract between the parties	The PPAs executed between DISCOMs and developers contain provisions relating to "Change in Law", and the present petition has been filed within the applicable contractual and regulatory framework for consideration of the Hon'ble Commission.
	3. TARIFF DISCOVERED THROUGH COMPETITIVE PROCESS CANNOT BE REOPENED The tariff of Rs.3.13/kWh was not determined on a cost-plus basis. The tariff was discovered through a competitive procurement process wherein bidders factored: a) Capital cost of modules and equipment; b) GST and other taxes; c) Interest during construction; d) Financing costs; e) Cost of land acquisition and development; f) Evacuation infrastructure; g) Insurance and statutory compliances; h) O&M costs; i) Risk allocation and developer margins.	TGDISCOMs respectfully submit that the tariff quoted by developers under the PM-KUSUM Scheme inherently considers various project risks, costs, and commercial assumptions. However, the PPAs executed between the parties specifically provide for adjustment on account of "Change in Law" events, including changes in taxes and duties having a direct impact on project costs.

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	Once the bidder assumes these risks and quotes a tariff, subsequent fluctuations in individual cost components cannot be selectively extracted for tariff revision. If reduction in GST is sought to be passed through to DISCOMs, then principles of fairness would require corresponding pass-through of all adverse cost variations suffered by developers, which has never been contemplated.	
	4. DRAMATIC INCREASE ON EPC COST OWING TO SHARP INCREASE ON METAL PRICES Volatile geopolitical scenarios have seen dramatic year-on-year prices of all commodities and metals using the solar energy generation; • Silver Surge (Module Level): Global silver prices have surged by 55.58% to 82.95% year-over-year (YoY), driven by massive green energy consumption and tight physical market deficits. After experiencing an extraordinary 130% explosion across 2025 and hitting an all-time high of \$121.64 per ounce (over Rs. 4,10,000 per kg in India) in January 2026, global spot prices are trading between \$58 and \$65 per ounce (around Rs. 2,22,000 to Rs. 2,35,000 per kg locally). Silver paste makes up a substantial portion of advanced N-type TOPCon cells. Massive silver market price spikes have added \$0.01 to \$0.03 per watt at the module manufacturing level. This factor alone adds Rs. 9 Lakh to Rs. 27 Lakh per MW in incremental procurement costs for the EPC developer. • Copper (Cables & Electricals): Global copper prices have experienced a year over-year (YoY) increase of 42.07%, climbing from roughly \$9,533 per metric ton to \$13,543 per metric ton. This massive price surge has significantly impacted the solar energy supply chain, adding intense pressure to project installation costs. High domestic copper prices (over ,1,260-,1,300 per kg) have directly inflated electrical components. Given that a standard ground-mounted 1 MW plant requires approximately 5 tonnes of copper, the surge adds roughly ,20 Lakh per MW just to the electrical Balance of System (BOS)-driving a 10% to 15% jump in	TGDISCOMs respectfully submit that the increase in prices of individual commodities such as silver, copper, aluminium, steel and other raw materials represents market-driven fluctuations which are inherent to project execution and commercial decision-making. It is further submitted that while certain material prices may have witnessed increases during specific periods, there has been a significant reduction in GST rates and decline in major capital cost components, particularly solar modules, owing to technological advancements, economies of scale, and increased domestic manufacturing capacity, resulting in improved project economics overall. The cost estimates and EPC expenditures referred to in the objection are project-specific and cannot be adopted as the basis for tariff determination applicable across all projects. Accordingly, TGDISCOMs respectfully submit that the proposed tariff revision is intended to reflect the reduction in GST and its benefits are appropriately passed on to consumers while maintaining reasonable returns to project developers.

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	solar cables and an 8% to 12% jump in inverters/transformers. - Aluminum & Steel (Mounting Structures): Aluminum and steel account for roughly 8% to 14% of the overall EPC stack (averaging ~35 Lakh to ~75 Lakh per MW). Steady double-digit price gains in steel and aluminum over the past few quarters have pushed structural framing costs up by Rs. 5 Lakh to, Rs. 8 Lakh per MW. Overall, in India, the year-over-year (YoY) impact on utility-scale and industrial solar Engineering, Procurement, and Construction (EPC) capital expenditure has shifted dramatically. Following a multi-quarter period of declining costs due to cheap imported components, the all-in cost for a 1 MW solar project has surged by an estimated ,30 Lakh to, so Lakh per MW (a roughly 8% to 15% increase). As of mid-2026, building a 1 MW solar plant in India typically ranges between Rs. 3.5 Crore and Rs. 4.5 Crore depending on technology choices, reversing the historic lows seen in late 2024. Not to mention, some of the active primary drivers of the price surge still continue to be in play with no foreseeable abatement any time soon. - Severe Supply Shocks: Major mine disruptions-including production drops in Chile and a catastrophic operation halt at Freeport-McMoRan's Grasberg mine in late 2025-have choked the global supply of refined copper, creating a severe market deficit. - Cross-Sector Demand Squeeze: The solar industry is competing for limited copper volumes against two other massively expanding sectors: electric vehicles (EVs) and artificial intelligence (AI) data center power grids. Clean energy transition sectors are seeing copper demand rise at a compound annual growth rate of 10.7%. - Macroeconomic Pressures: Tariff uncertainties, strategic stockpiling following	

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	copper's addition to the U.S. critical minerals list, and high domestic infrastructure consumption have kept global futures elevated	
	4. GST REDUCTION DOES NOT AUTOMATICALLY TRANSLATE INTO TARIFF REDUCTION The petition proceeds on the erroneous assumption that reduction of GST from 12% to 5% automatically results in proportionate reduction in tariff. This assumption is fundamentally flawed because: a) GST is only one component of project cost; b) Project viability depends upon overall project economics; c) Financing costs, land costs and implementation expenses remain unaffected; d) Developers have already committed resources based on approved tariff assumptions. Therefore, tariff cannot be mechanically recalculated solely on GST reduction. In fact, going by the present EPC market scenario, the tariff needs to be enhanced by at least 25% to make a meaningful financial return on investments.	The reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
	5. CHANGE IN LAW CANNOT BE INVOKED SELECTIVELY The PPA contains a separate Change in Law framework intended to restore the affected party to the same economic position. Change in Law provisions are compensatory in nature and not intended as a mechanism for reopening discovered tariffs. The petition does not establish: a) Actual project-wise benefit derived by each developer; b) Whether such benefit has already been offset by other increases in project costs; c) Whether financial closure assumptions have been disturbed. Absent such exercise, blanket reduction of tariff is arbitrary.	
	6. LEGITIMATE EXPECTATION AND PROMISSORY ESTOPPEL Developers acted upon the representations of the State Government, TGREDCO, TGSPDCL and the approved tariff order of the Hon'ble Commission. Based upon such representations: a) Land has been secured;	TGDISCOMs respectfully submit that the developers' participation in the PM-KUSUM Scheme, including land procurement, project development activities, financing arrangements, furnishing of Performance Bank Guarantees,

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	b) Project development expenditure has been incurred; c) Financing arrangements have been initiated; d) Performance guarantees have been furnished; e) PPAs have been executed. The doctrine of Promissory Estoppel squarely applies and prevents the procurer from altering the fundamental commercial basis of the transaction after developers have altered their position.	and execution of PPAs, was undertaken under the applicable contractual and regulatory framework, which includes provisions relating to “Change in Law” events.
	7. ADVERSE IMPACT ON PM-KUSUM IMPLEMENTATION The proposed tariff reduction will have serious consequences: a) Erode investor confidence; b) Increase financing uncertainty; c) Delay project implementation; d) Discourage participation in future renewable procurement programmes; e) Defeat the objectives of PM-KUSUM. Regulatory certainty is a cornerstone of long-term infrastructure investment and must be preserved.	TGDISCOMs respectfully submit that while regulatory certainty is important for successful implementation of renewable energy projects, the PPAs executed under the PM-KUSUM Scheme contain provisions relating to “Change in Law” and operate within the applicable regulatory framework. The present petition seeks to align the tariff with prevailing market conditions and ensure that the benefits arising from reduced GST are appropriately passed on to consumers while continuing to support the objectives of the PM-KUSUM Scheme.
	8. PUBLIC INTEREST CONSIDERATIONS The tariff of Rs.3.13/kWh is already highly competitive and contributes to: a) Agricultural feeder solarization; b) Reduction in subsidy burden; c) Localized generation; d) Reduction in transmission losses; e) Achievement of renewable energy targets. The marginal financial benefit sought by the DISCOMs cannot outweigh the larger public interest in preserving contractual certainty.	
	9. PRAYER In view of the above submissions, it is respectfully prayed that this Hon'ble Commission may be pleased to: a) Reject the proposal seeking reduction of tariff from Rs.3.13/kWh to Rs.2.98/kWh; b) Hold that the tariff of Rs.3.13/kWh approved earlier and incorporated into executed PPAs shall continue to remain valid and binding;	

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	c) Protect vested contractual rights arising out of executed PPAs; d) Pass such other order or orders as deemed fit in the interest of justice and equity.	
14.	Response to queries of M/s Sumeru Energy Pvt Ltd (S.No. 49)	
	We respectfully request the revision of the current tariff under PM-KUSUM Component-A from Rs.3.13 per kWh to Rs.5.00 per kWh. Since the tariff was determined, there has been a substantial increase in the cost of key project components, including: - Solar PV modules - Mounting structures (steel) - Inverters - Transformers and switchgear - Cables and electrical balance-of-system materials - Civil works and transportation - Land development and installation costs - Interest rates and financing costs - Operations and maintenance expenses These cost escalations have significantly increased the capital cost of solar power projects, making the existing tariff of Rs.3.13/kWh financially not very viable. As a result, many developers are unable to achieve reasonable returns, leading to delays and reduced participation in the PMKUSUM scheme. Revising the tariff to Rs.5.00 per kWh would: - Restore project financial viability. - Support the timely implementation of PM-KUSUM Component-A projects. - Help achieve renewable energy and farmer-income enhancement objectives. We therefore request the Government and the appropriate regulatory authorities to review the prevailing tariff based on current market conditions and Approve a revised tariff of .5.00 per unit.	TGDISCOMs respectfully submit that tariff determination under the PM-KUSUM Scheme is based on prevailing market conditions and normative cost parameters. Subsequent to the determination of tariff, there has been a reduction in GST rates and significant decline in major capital cost components, particularly solar modules, resulting in improved project economics. Accordingly, the request for increasing tariff to ₹5.00/kWh is not justified, and the present petition seeks to align the reduced GST and these benefits arising are appropriately passed on to consumers.
15.	Response to queries of a. Sri Komatireddy Anikait Reddy (S.No 58) b. Sri Katta Muralidhar (S.No 59)	

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	Grounds for Objection : 1. Investment Made Based on Approved Tariff: The project was developed after making substantial investments and obtaining bank finance based on the tariff of Rs.3.13/kWh approved by the Hon'ble Commission vide Order dated 02.01.2021 2. Tariff Cannot Be Revised Solely on GST Reduction: Tariff determination considers benchmark capital cost, financing cost, O&M; expenses, insurance, evacuation infrastructure, depreciation and reasonable return. GST alone cannot justify tariff revision. 3. Significant Increase in Project Costs: Interest rates, labour, civil works, O&M; expenses, insurance, security, steel, aluminium, copper, freight, evacuation infrastructure and electrical equipment costs have increased substantially since 2021, outweighing any GST benefit. 4. One-Time GST Benefit vs Long-Term Revenue Loss: GST reduction from 12% to 5% is only a one-time benefit, whereas the proposed tariff reduction would reduce revenue throughout the 25-year PPA, causing a much greater financial loss. 5. Project Viability: The proposed reduction will adversely affect loan repayments, project cash flows, returns on investment and long-term financial sustainability. 6. Regulatory Certainty: Developers and lenders relied on the Commission's tariff order. Revising the tariff after investments have been made would undermine regulatory certainty and investor confidence. 7. Existing Tariff Already Under Pressure: The tariff has remained unchanged despite inflation and increases in financing, labour, insurance, O&M; and	TGDISCOMs submit that In O.P. No. 24 of 2020, this Hon'ble Commission determined a levlised tariff of Rs. 3.13/kWh, as per prevailing capital costs. In 2025, the TGDISCOMs approached this Hon'ble Commission seeking revision of the said tariff, submitting that, owing to the advancement of technology during the period 2021 to 2025, the cost of solar PV modules had declined while their efficiency had correspondingly improved. The TGDISCOMs, however, expressly undertook to abide by and adhere to such tariff as may be determined by this Hon'ble Commission. TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. The benefit arising from the reduction in GST shall be passed on to the consumers through the Change in Law mechanism,

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	infrastructure costs. 8. Public Interest: Continuation of the existing tariff supports renewable energy, protects farmers' income and encourages investment under the PM-KUSUM Scheme. 9. Need for Comprehensive Cost Review: If tariff is reviewed, all cost parameters should be reassessed instead of relying only on GST reduction. Prayer: (i) Reject the proposal to reduce the tariff from Rs.3.13/kWh to Rs.2.98/kWh. (ii) Continue the existing tariff of Rs.3.13/kWh. (iii) Direct the Petitioners to submit project-wise GST calculations and a comprehensive cost-benefit analysis. (iv) Protect the interests of Murali Power Projects and similarly placed SPGs. (v) Pass such other order(s) as deemed fit. (vi) If a tariff review is undertaken, you may comprehensively reassess all project cost parameters, which would justify an appropriate upward revision in the interest of justice.	thereby ensuring that the benefit reaches the consumers while the financial viability of the projects is not adversely impacted.
16.	Response to queries of Sri Maggidi Sudarshan (S.No 60)	
	1. Tariff determined through a regulatory process The tariff of ₹3.13/kWh was approved by the Hon'ble Commission and formed the basis for investment decisions, financial closure, and project execution. Any retrospective reduction would adversely affect the financial viability of projects already established based on the approved tariff. 2. Significant increase in project costs Since issuance of the PPA, project costs have substantially increased due to: * Increase in solar module prices. * Increase in copper, steel, aluminium, and electrical equipment costs. * Supply-chain disruptions caused by international conflicts and global market conditions.	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant

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	* Higher transportation and logistics expenses. * Increased interest burden on project loans. 3. GST reduction benefit does not represent total project cost While GST on certain solar components has been reduced, overall project costs have increased substantially. The GST reduction alone does not offset the escalation in material, financing, and construction costs incurred by developers. 4. Impact on bankability Banks sanctioned loans based on the approved tariff of ₹3.13/kWh. Any reduction in tariff after project implementation may affect debt servicing capability and create financial stress for project developers. 5. Legitimate expectation of investors Developers invested crores of rupees relying on the tariff approved by the Commission. Revising the tariff downward after investments have been made would adversely impact investor confidence in renewable energy projects in Telangana. 6. Request for continuation of existing tariff Considering the increase in project costs and the commitments already undertaken by SPGs, the tariff of ₹3.13/kWh should be continued for all existing PPAs executed under PM-KUSUM Component-A.	provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
17.	Response to queries of a. Sri Y Swetha (S.No 61) b. Sri Y Satyanarayana (S.No 62)	
	I respectfully submit this representation as a stakeholder and prospective Solar Power Generator (SPG) under PM-KUSUM Component-A Scheme. I oppose the proposal to reduce tariffs from .3.13/kWh to .2.98/kWh. The project costs have been higher than planned with the increase in metal prices and supply chain issues with the war.	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025

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		constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
18.	Response to queries of Sri Ajay Nalla (S.No 63)	
b	I. Locus and interest of the objector 1. I, Ajay Nalla, am a Solar Power Generator (SPG) developing a 2 MW grid-connected solar power plant under Component-A of the PM-KUSUM Scheme (PPA No. 103; Application No. TG/PM KUSUM-A/24-25/00664), having executed a Power Purchase Agreement with the Northern Power Distribution Company of Telangana (TGNPDCL) at the determined tariff of Rs. 3.13/kWh, fixed for the entire 25-year term. The project is financed by a sanctioned term loan of Rs. 6.30 crore with agricultural land mortgaged as security. I am directly and adversely affected by the relief sought, and I object both in my own interest and on behalf of similarly placed farmer-developers under the Scheme. A detailed Economic Impact Analysis, together with the project's sanctioned financial model, is annexed and relied upon.	TGDISCOMs respectfully submit that the financing arrangements, loan sanctions, security offered to lenders, project-specific financial models, and investment commitments undertaken by individual developers are commercial decisions specific to the respective projects. Further, the present petition has been filed in view of the reduction in GST rates and seeks to ensure that the benefits arising therefrom are appropriately passed on to consumers while maintaining the financial viability of the projects.
	II. Grounds of objection 2. The proposed cut comes directly out of the Return on Equity that the Commission itself fixed for the farmer, and which it expressly refused to reduce. In determining Rs. 3.13/kWh, the Commission adopted a cost-plus methodology (Table-2 and Annexure-4 of the Order dated 02.01.2021) which	TGDISCOMs submit that the tariff revision proposed in the present petition is based reduction in GST and does not seek to alter the Return on Equity. The tariff approved by the Hon'ble Commission is a composite tariff derived from various cost

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	builds in a fixed Return on Equity (RoE) of 14%, equal to Rs. 0.92/kWh of the levelised tariff. The proposed reduction of Rs. 0.15/kWh equals 16% of that entire return-on-equity component. As every other component of the tariff (O&M, depreciation, interest on loan and working capital) is mere cost recovery, the cut can be absorbed only out of the farmer's return on equity, dragging the adjudicated 14% down to approximately 11.7% — i.e. into the very range the Commission already examined and rejected as inadequate in 2020. At paragraphs 29–30 of the Order, stakeholders sought an RoE of 11% and the Commission declined, holding 14% to be the prudent rate. The petition seeks, in effect, to achieve indirectly what the Commission has already refused to do directly.	components and assumptions, and any review thereof is required to be considered in the context of overall project economics.
	3. The factual premise of the petition is incorrect — the GST reduction never reached the generator and the project cost is unchanged. The Commission fixed Rs. 3.13 on a normative capital cost of Rs. 3.60 crore/MW, on the express finding (paragraph 45) that solar costs were “reducing year-on-year.” My actual EPC / project cost is Rs. 7.20 crore, i.e. Rs. 3.60 crore/MW — exactly the norm the Commission approved. The sanctioned figure of Rs. 7.81 crore is higher only because the bank capitalised Rs. 0.61 crore of interest-during-construction (IDC), which I fund over and above my margin and which is not equipment cost. The plant therefore cannot be built below the very norm on which Rs. 3.13 was determined. Further, the equipment was contracted when GST stood at 12%; when the rate was reduced to 5%, the manufacturers raised their base (pre-tax) prices by almost the same measure — cell, module, structure and galvanising prices rose sharply (of the order of Rs. 40 lakh on modules alone). I now pay the supplier directly what I earlier paid as base-price-plus-tax, so the landed cost is almost identical to what it was before the GST reduction. The headline tax saving was absorbed by the supply chain and reached neither the generator nor, through him, the consumer. There is accordingly no net reduction in project cost capable of being passed through to a lower tariff. The cost of land, and approximately Rs. 11.5 lakh of unavoidable pre-operative costs (land levelling, supervision of the 1.5 km dedicated evacuation line, and statutory liaisoning), are borne entirely by the farmer and recognised nowhere in the tariff. If the petitioner maintains that the project can be executed at a cost supporting Rs. 2.98/kWh, it	TGDISCOMs respectfully submit that the project costs, EPC contracts, procurement timelines, land-related expenses, pre-operative expenses, and financing costs referred to by the objector are project-specific circumstances and cannot form the basis for tariff determination applicable across all projects. The objector contends that the benefit of GST reduction was not available in the particular project due to procurement commitments, price revisions, or other project-specific factors, the impact thereof and the relief, if any, admissible shall be subject to the consideration and determination of the Hon'ble Commission based on the facts and merits of the individual case. Accordingly, TGDISCOMs respectfully submit that the present petition seeks appropriate consideration based on GST reduction while ensuring that project viability is not adversely impacted

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	ought to be put to proof of that cost — a figure no EPC contractor in the market in fact quotes.	
	4. If the cost basis is to be reopened under change in law, it must be done on a net basis; selectively invoking only the single favourable input is impermissible. Change in law operates symmetrically. Between the determination on 02.01.2021 and today, multiple cost-increasing changes have materially raised project cost, including the Basic Customs Duty on imported solar cells and modules, enforcement of the Approved List of Models and Manufacturers (ALMM) carrying a domestic price premium, and the documented escalation in equipment prices noted above. The petition cites only the GST reduction that lowers the DISCOMs' liability, while ignoring every change that has raised the SPG's cost. A change-in-law exercise undertaken honestly would net all such changes — the aggregate of which points upward, not downward.	TGDISCOMs respectfully submit that the PPAs executed between DISCOMs and developers contain provisions relating to "Change in Law", including changes in taxes and duties having a direct impact on project costs. The present petition has been filed considering the reduction in GST rates. The increases in project costs, equipment prices, customs duties, procurement costs, and other expenditures referred to by the objector are project-specific considerations and cannot be the sole basis.
	5. The remedy for a change in law is project-specific compensation under Article 13 of the PPA, not a blanket revision of the determined tariff. Article 9.1.1 of the PPA fixes the tariff at Rs. 3.13/kWh for the full term and expressly makes it "inclusive of all taxes, duties and levies... as applicable from time to time," so that tax movements in either direction are absorbed within the fixed tariff. Where a change in law nonetheless causes a demonstrated gain or loss, Article 13 provides a specific, fact-based remedy: compensation determined case-by-case by the Commission to place the SPG in the same financial position as before, with the SPG obliged to file within 60 days of any actual decrease in its expenditure. A uniform downward revision of the headline tariff for all SPGs — irrespective of when each committed its capital and whether any actually realised a saving — has no basis in the contract and overrides the fixed-tariff bargain in Article 9.1.1.	The reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
	6. The tariff is already structured to under-pay the farmer in the early years; the cut deepens a deficit the design itself creates. The Rs. 3.13/kWh is a levelised tariff. In the Commission's own computation (Annexure-4), the cost-based tariff is Rs. 4.00/kWh in Year 1 , declining year on year to about Rs. 2.01/kWh by Year 25; Rs. 3.13 is merely the flat, present-value-equivalent of that declining stream. By design, therefore, the farmer recovers far less than his actual cost in the early years and more in the later years. For my 2 MW plant at	TGDISCOMs respectfully submit that the tariff of ₹3.13/kWh determined by the Hon'ble Commission is a levelized tariff based on normative project costs, financing assumptions, and project life-cycle considerations. The cash flow pattern, recovery of costs, and returns over different years of the project are inherent features of a levelized tariff framework and were

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	the 19% CUF floor, the Year-1 cost requirement is about Rs. 1.33 crore, against which a tariff of Rs. 3.13 yields only about Rs. 1.04 crore — a built-in under-recovery of roughly Rs. 29 lakh in the first year alone. This is the structural reason the project is cash-flow negative through the first ten years and must be sustained by the farmer's own funds. Even at the best generation the DISCOM will purchase — the 19% floor plus the 10% tolerance band — a tariff of about Rs. 3.6/kWh would be required merely to meet the Commission's own Year-1 cost requirement. The honest direction indicated by the cost-plus methodology is therefore upward, not downward; reducing the tariff to Rs. 2.98 widens the Year-1 shortfall to about Rs. 34 lakh, precisely in the years the farmer can least bear it.	duly considered while determining the tariff. PPAs were signed based on the Tariff set by the Hon'ble Commission. Further, the present petition is necessitated by the reduction in GST rates while ensuring that the financial viability of the projects is not adversely impacted.
	7. The tariff was calibrated on financing and cost assumptions that the Commission was warned the target farmer could not meet — and which the sanctioned reality contradicts. The Order built Rs. 3.13 on 70:30 debt-equity at 10% interest over a 12-year tenure, yielding a normative interest of about Rs. 3.02 crore for a 2 MW plant. My sanctioned reality, documented in the bank's letter, is different: financing of about 81:19 at 8.65% over 15 years, with total interest of Rs. 4.25 crore — about Rs. 1.23 crore more than the tariff was calibrated to bear, which, the tariff being fixed and not trued-up, falls entirely on the farmer. This is not a matter of choice: at paragraphs 14–16 of the very same Order, stakeholders expressly recorded that farmers cannot arrange 30% equity and would have to borrow more heavily — and the Commission determined the tariff on the 30% equity assumption regardless. The known financing reality of the target beneficiary was placed before the Commission and not provided for.	TGDISCOMs respectfully submit that the financing structure, debt-equity ratio, loan tenure, and interest obligations referred to by the objector are project-specific financing arrangements between the developer and its lender. Tariff determination is based on normative financing parameters and regulatory assumptions uniformly applicable to all projects and not on individual borrowing patterns. Accordingly, project-specific financing costs cannot form the basis.
	8. The model also omits real, mandatory costs and capital commitments that every Component-A farmer must bear. Among them: (i) a lender-mandated debt-service reserve of Rs. 50 lakh (Rs. 25 lakh deposited upfront and a further Rs. 25 lakh built from plant revenue), plus about Rs. 10 lakh of fees, required as a buffer against the 45–60 day gap in DISCOM payment realisation that would otherwise risk the account being classified as non-performing — a reserve the tariff does not fund; (ii) operating costs that the single normative O&M allowance does not realistically cover — the EPC's preventive-maintenance contract alone is quoted at about Rs. 6 lakh a year for the 2 MW plant from the	TGDISCOMs respectfully submit that the debt service reserves, lender requirements, insurance costs, inverter and transformer replacement costs, O&M expenses, site-specific expenditures, and other financial commitments referred to by the objector are project-specific commercial and financing considerations. Tariff determination is based on normative cost parameters and assumptions applicable across all projects and cannot be based on actual costs incurred by individual developers.

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	third year, and expressly excludes panel cleaning, vegetation management and site security, which the farmer must separately staff and pay for; (iii) asset insurance of the order of Rs. 0.75 lakh/MW a year, not separately provided in the model; and (iv) replacement of inverters and transformers once their warranties expire — the very contingency for which the bank mandates the Rs. 50 lakh reserve. Costs such as land levelling and supervision of the dedicated evacuation line are borne by the farmer as well. None of these is recognised in the normative tariff; together they confirm that the realised return falls materially below the 14% the Commission fixed, as my detailed financial model (annexed) demonstrates.	Accordingly, project-specific financial obligations and expenditure patterns cannot form the basis.
	9. Even at Rs. 3.13 the project is at the edge of viability; the cut renders it unfinanceable. As demonstrated in the annexed analysis, computed on the project's actual cash flows at the 19% CUF floor stipulated in the PPA: debt-service coverage remains below 1.0 in every year from 1 to 10 (against a normal banking minimum of 1.2), compelling the farmer to inject Rs. 0.75 crore from his own pocket over and above the Rs. 1.51 crore margin merely to keep the loan serviced; and the return on the farmer's own capital is only 5.06% — below the 8.65% he pays the bank and below a bank fixed deposit. The Order's own record (paragraph 40) notes that Rs. 3.13 yields an equity IRR of about 12% on the optimistic normative model and describes even that as “very low.” At Rs. 2.98 the position worsens decisively: coverage stays below 1.0 until year 13, the required injection rises to Rs. 1.27 crore, and the return on the farmer's capital falls to 3.14% — destroying Rs. 1.20 crore of profit over the term, concentrated in precisely the early years when the farmer is already cash-flow negative.	This petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted
	10. The cut inverts the balance of risk and reward and defeats the farmer-upliftment purpose of the Scheme. Under this model the farmer carries the largest up-front commitment and all the operational, weather, payment and interest-rate risk, and supplies power directly at the grid — bearing the wheeling and transmission losses the DISCOMs would otherwise incur. Over the term the lender earns about Rs. 4.27 crore in interest, and the DISCOMs purchase clean, firm-of-location power at Rs. 3.13/kWh — below their own pooled power-purchase cost of Rs. 4.28/kWh recorded in the Order — for onward sale at materially higher retail rates. The farmer's return is the smallest and last-ranked share, and it is this share alone that the petition seeks to reduce. The project	

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	also sustains five rural jobs per plant. Component-A was framed by the Commission as a scheme to facilitate farmers to earn additional income; reducing the only return that reaches the farmer, on a premise that does not hold, is contrary to that object.	
19.	Response to query by Sri. Kulkarni Pavan Kumar (S.No. 67)	
	1) GST reduction from 12% to 5% is applicable to some of the components in the project, only like PV modules and inverters and not for all items 2) If the project cost is taken as 3.0cr per MW (As originally estimated), GST reduction is applicable (pv modules and inverters cost) for approx. 50% on the project cost i.e. only 1.5cr. It works out to 10.5 lakh savings @ 7% reduction in GST for an SPG. But 50% of state gst i.e. 5.25 lakh, (whatever the amount is) is to be reimbursed to SPG by the Discoms. Hence the net saving may be around 5.25 lakh only in gst on project cost of 3.0cr per MW. 3) Thus percentage saving for SPG is 5.25 lakh per 3.0 cr. works out to 1.75% only. But proposed tariff reduction is 15 paise on Rs 3.13 comes out to 4.79% which is misleading and wrong. 4,) TGREDCO and Discoms have lured farmers in to their trap by misguiding by stating that investment required for 1 mw is around 3.0cr but actually it increased upto 3.7cr per MW. It can be cross checked through DPRs approved by TGREDCO, EPC agreements and with lending agencies. It further increased due to rise in prices of copper, pv modules, iron and services cost etc. It became difficult for farmers to come out of it as they are already drowned in it. 5) While finalising the levelised tariff, TGERC has taken into account of 19% CUF over 25 years @ 1.664 MU generation each year, all along 25 years for 1 MW unit while finalising the tariff of Rs 3.13. Degradation of PV modules @ 0.5% every year and loss in generation @ 0.5% every year because of it is not taken into account	TGDISCOMs submit that In O.P. No. 24 of 2020, this Hon'ble Commission determined a levelled tariff of Rs. 3.13/kWh, as per prevailing capital costs. In 2025, the TGDISCOMs approached this Hon'ble Commission seeking revision of the said tariff, submitting that, owing to the advancement of technology during the period 2021 to 2025, the cost of solar PV modules had declined while their efficiency had correspondingly improved. The TGDISCOMs, however, expressly undertook to abide by and adhere to such tariff as may be determined by this Hon'ble Commission. TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central

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	6) Are Discoms acceptable to adopt all changes in law during payments also ?In case of increase or decrease in IT charges in future by government,are Discoms going to adopt same changes? Hence it is requested to consider all the variations took place while execution of the project and revise the tariff based on actual project cost incurred by SPG s and financing agencies please	Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. The benefit arising from the reduction in GST shall be passed on to the consumers through the Change in Law mechanism, thereby ensuring that the benefit reaches the consumers while the financial viability of the projects is not adversely impacted.
20.	Response to query by Sri. Amrutham Rajashekar (S.No. 68)	
	I am a farmer under the PM-KUSUM Component-A scheme. I have received a notification via email regarding a proposal to reduce the tariff. In response to that notice, I am registering my objections as follows: 1. Assurance of Fixed Tariff: Prior to signing the Power Purchase Agreement (PPA), during the farmer awareness meetings, officials from TG REDCO and the DISCO Ms collectively assured all farmers that the tariff rate would remain fixed at ~3.13 per unit for a period of 25 years. The officials also distributed pamphlets to the farmers confirming the same. 2. No Change in GST Rate: The GST rate on the day the tariff was finalized was 5%, and even today, the GST rate remains at 5%. Since there is no change in the GST rate, it has no bearing on our tariff, and therefore, the tariff should not be altered. 3. Increase in Overall Project Costs: GST is only a minor component of the total project expenditure. Meanwhile, all other construction and development costs have significantly increased. Based on these escalated costs, we have secured bank loans by estimating the project cost for a 2 MW plant at ~7.7 crores to ~7.9	TGDISCOMs submit that In O.P. No. 24 of 2020, this Hon'ble Commission determined a levellised tariff of Rs. 3.13/kWh, as per prevailing capital costs. In 2025, the TGDISCOMs approached this Hon'ble Commission seeking revision of the said tariff, submitting that, owing to the advancement of technology during the period 2021 to 2025, the cost of solar PV modules had declined while their efficiency had correspondingly improved. The TGDISCOMs, however, expressly undertook to abide by and adhere to such tariff as may be determined by this Hon'ble Commission. TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate

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	crores. We humbly request the Honorable Members of the Commission to take this actual expenditure into consideration. 4. Exclusion of Land Value: The value of our own land was not factored into the project cost while determining the tariff. We request the benevolent Commission to consider the land value and direct the DISCOMs to increase our tariff rate accordingly. 5. Legal Precedents Against Tariff Reduction: The Supreme Court, various High Courts, and other State ERCs have previously rejected proposals for retrospective tariff reductions. Therefore, on behalf of all the participating farmers, we pray that instead of reducing the tariff, the rate should be increased to support and protect us. Sir, we, the PM-KUSUM farmers, are proud partners in our Honorable Prime Minister's vision for India's Green Energy Development, as well as active contributors to our Honorable Chief Minister's Net-Zero emission development goals for our state. Therefore, we earnestly request you to protect our interests by not reducing the tariff.	determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. The benefit arising from the reduction in GST shall be passed on to the consumers through the Change in Law mechanism, thereby ensuring that the benefit reaches the consumers while the financial viability of the projects is not adversely impacted.
21.	Response to query by Sri. Kulkarni Pavan Kumar (S.No. 69)	
	We respectfully submit that we are not satisfied with the proposed reduction in tariff. In fact, considering the present economic conditions and rising project costs, we request that the existing tariff be retained or, if possible, revised upwards instead of being reduced. We participated in the PM-KUSUM Scheme with complete trust in the Government's commitment and the terms that were originally offered. Based on the awarded Power Purchase Agreement (PPA), we have already invested significant amounts in developing the project. So far, we have incurred expenditures of approximately Rs. 10-15 lakhs towards	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025

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	application fees, documentation, statutory approvals, land development, technical surveys, consultancy charges, and other project-related activities. These investments were made relying on the tariff originally promised under the scheme. Any reduction in tariff at this stage would severely affect the financial viability of the project. It would discourage genuine developers and farmers who have already invested substantial amounts and would make it extremely difficult to recover our investments and repay bank loans. Furthermore, the primary objective of the PM-KUSUM Scheme is to provide sustainable income opportunities to marginal and small farmers. Unfortunately, the ground reality is quite different. Many genuine farmers are facing difficulties in obtaining bank finance due to procedural hurdles, while financially stronger individuals, large landowners, and industrial investors are able to secure loans and take advantage of the scheme more easily. We humbly request the authorities to take suitable measures to ensure that the actual beneficiaries-small and marginal farmers-receive adequate support. Banks may be instructed to facilitate timely loan sanctions, simplify documentation requirements, and provide necessary assistance so that deserving farmers can successfully establish their solar projects and benefit from the scheme. In view of the above, we earnestly request you to: 1. Withdraw the proposed reduction in tariff. 2. Retain the existing tariff or consider increasing it to reflect current project costs. 3. Protect the interests of developers and farmers who have already invested	constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.

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	substantial amounts based on the original PPA terms. 4. Strengthen coordination with banks to ensure easier access to finance for genuine farmers, which is the true objective of the PMKUSUM Scheme. We sincerely hope that our concerns will be given due consideration and that an appropriate decision will be taken in the interest of farmers and the successful implementation of the PM-KUSUM Scheme.	
22.	Response to query by Sri. Cherabudla Rajesh Reddy (S.No. 74)	
	I am writing to express my serious concerns regarding the proposal to reduce the PPA (Power Purchase Agreement) tariff rate from the originally agreed Rs. 3.13 per unit to Rs. 2.98 per unit. I would like to clarify that, based on the original PPA rate of Rs. 3.13 per unit, I have already obtained a loan sanction for my upcoming solar project. My financial projections and loan repayment schedule are strictly calculated based on this agreed tariff. The proposed reduction of 15 paise per unit will have the following significant impact: 1. Financial Viability: This reduction will result in a loss of approximately <50,000 in monthly revenue. 2. Repayment Capacity: My monthly EMI obligation is <3,65,000, and my estimated monthly maintenance cost is <40,000. These fixed financial commitments were calculated based on the original tariff. 3. Project Sustainability: The reduction in revenue will make the project financially unviable even before it commences, leading to a situation where I will not be able to meet my EMI obligations. Under these circumstances, it is not possible for me to proceed with the project at the reduced rate of <2.98 per unit.	

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	I kindly request you to honor the original PPA tariff of <3 .13 per unit so that I can proceed with the project setup as planned. I hope for a positive response that enables the successful implementation of this solar project.	
23.	Response to query by a) Sri. Janapareddy Padmaja (S.No. 79) b) Sri. Janapareddy Satya Sreeram Babu (S.No. 80)	
	1. Tariff determined through a regulatory process The tariff of <3.13/kWh was approved by the Hon'ble Commission and formed the basis for investment decisions, financial closure, and project execution. Any retrospective reduction would adversely affect the financial viability of projects already established based on the approved tariff. 2. Significant increase in project costs Since issuance of the PPA, project costs have substantially increased due to: * Increase in solar module prices. * Increase in copper, steel, aluminium, and electrical equipment costs. * Supply-chain disruptions caused by international conflicts and global market conditions. * Higher transportation and logistics expenses. * Increased interest burden on project loans. 3. GST reduction benefit does not represent total project cost While GST on certain solar components has been reduced, overall project costs have increased substantially. The GST reduction alone does not offset the escalation in material, financing, and construction costs incurred by developers.	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.

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	4. Impact on bankability Banks sanctioned loans based on the approved tariff of <3.13/kWh. Any reduction in tariff after project implementation may affect debt servicing capability and create financial stress for project developers. 5. Legitimate expectation of investors Developers invested crores of rupees relying on the tariff approved by the Commission. Revising the tariff downward after investments have been made would adversely impact investor confidence in renewable energy projects in Telangana. 6. Request for continuation of existing tariff Considering the increase in project costs and the commitments already undertaken by SPGs, the tariff of <3.13/kWh should be continued for all existing PPAs executed under PM-KUSUM Component-A.	
24.	Response to query by a. Sri. K Srinivas (S.No. 81) b. Sri. Kodimalla Swathi Rani (S.No. 82)	
	1. Before execution of the PPA, TGREDCO and DISCOM officials assured all farmers during awareness meetings that the tariff of Rs. 3.13/kWh would remain fixed for 25 years. Based on this assurance, we invested in the project. 2. At the time the tariff was determined, the GST rate was 5%, and even today it remains 5%. Therefore, there is no valid basis for reducing the tariff on account of GST. 3. GST is only one component of the total project cost. The costs of steel,	The PPAs executed between DISCOMs and developers contain provisions relating to “Change in Law”, and the present petition has been filed within the applicable contractual and regulatory framework for consideration of the Hon'ble Commission. Accordingly, TGDISCOMs respectfully submit, this petition is

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	transformers, cables, electrical equipment, civil works, labour, transportation and finance have increased substantially. As a result, the present cost of a 2 MW project has increased to around Rs. 7.30-7.70 crore, and bank loans have already been sanctioned based on these revised costs. 4. The value of our own agricultural land has not been considered while determining the project cost. This investment should also be taken into account. 5. Reducing the tariff after execution of the PPA would severely affect farmers who invested based on the Government's assurance. Therefore, I humbly request the Hon'ble Commission to reject the proposed tariff reduction and continue the existing tariff. I also request the Commission to consider an appropriate enhancement of the tariff considering the increased project costs.	an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
25.	Response to query by Sri. Kosuna Venkata Narasimha Reddy (S.No. 83)	
	1. TARIFF DETERMINATION CANNOT BE BASED SOLELY ON GST REDUCTION • The proposed reduction is premised entirely on the GST rate revision from 12% to 5% as recommended by the 56th GST Council Meeting held at New Delhi in September 2025. • A tariff is a composite financial instrument and must be evaluated holistically, taking into account all input cost components - not a single tax parameter in isolation. • Selectively applying only the benefit of GST reduction while ignoring cost escalations on other fronts is arbitrary, unjust, and contrary to the spirit of the change-in-law clause itself.	TGDISCOMs submit that In O.P. No. 24 of 2020, this Hon'ble Commission determined a levelized tariff of Rs. 3.13/kWh, as per prevailing capital costs. In 2025, the TGDISCOMs approached this Hon'ble Commission seeking revision of the said tariff, submitting that, owing to the advancement of technology during the period 2021 to 2025, the cost of solar PV modules had declined while their efficiency had correspondingly improved. The TGDISCOMs, however, expressly undertook to abide by and adhere to such tariff as may be determined by this Hon'ble Commission. TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted

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	2. SIGNIFICANT INCREASE IN PROJECT COSTS DUE TO GLOBAL CONFLICTS • Ongoing geopolitical conflicts and supply chain disruptions worldwide have caused a steep and sustained increase in the cost of critical project components, including: - Solar PV panel costs - Module mounting structures - Transformers and electrical equipment - Transportation and logistics charges - Civil and erection labour costs • These cost escalations far outweigh any savings arising from the GST rate reduction, making a downward tariff revision economically unsound and unjustifiable. 3. RISING BANK INTEREST RATES THREATEN PROJECT VIABILITY • The current macroeconomic environment indicates a trend of rising bank interest rates, which directly increases the cost of debt financing for solar projects. • A reduced tariff of Rs. 2.98/kWh, combined with higher financing costs, will render the projects financially unviable for farmers and small landholders. • This contradicts the very objective of the PMKUSUM Scheme, which aims to empower farmers through sustainable and financially viable solar energy generation. 4. REQUEST FOR UPWARD REVISION OF TARIFF TO Rs. 3.35/kWh • In view of the above, we respectfully urge the Hon'ble Commission to not only reject the proposed downward revision but to undertake a comprehensive cost-	the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. The benefit arising from the reduction in GST shall be passed on to the consumers through the Change in Law mechanism, thereby ensuring that the benefit reaches the consumers while the financial viability of the projects is not adversely impacted.

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	benefit review. • Considering the actual increase in all input costs, we request that the prefixed levelized tariff be revised upward from Rs. 3.13/kWh to Rs. 3.35/kWh to ensure fair and equitable returns for Solar Power Generators. 5. FARMER WELFARE AND SCHEME SUSTAINABILITY AT RISK • Farmers who have invested in or are planning to invest under PMKUSUM Component-A are dependent on assured tariff income for loan repayments and operational sustainability. • Any reduction in tariff will not only impose a financial burden on participating farmers but may also deter future participation, thereby undermining the national renewable energy goals. In light of the above, we strongly urge the Hon'ble Commission to dismiss the petition filed by TGDISCOMs and consider a fair revision that accurately reflects the ground realities of project economics. We request an opportunity to present our detailed cost analysis before the Commission if required.	
26.	Response to query by Sri. Mamidipellywar Srinivas Rao (S.No. 87)	
	I respectfully submit my strong objection to the proposal for reducing the tariff under the PM-KUSUM Scheme from Rs. 3.13 per unit to Rs. 2.98 per unit, particularly on the ground that the Goods and Services Tax (GST) on solar components has been reduced. The tariff of Rs. 3.13 per unit was finalized in January 2021, when the applicable GST on solar power projects was 5%.	TGDISCOMs submit that In O.P. No. 24 of 2020, this Hon'ble Commission determined a levelized tariff of Rs. 3.13/kWh, as per prevailing capital costs. In 2025, the TGDISCOMs approached this Hon'ble Commission seeking revision of the said tariff, submitting that, owing to the advancement of technology during the period 2021 to 2025, the cost of solar PV modules had declined while their efficiency had

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	However, with effect from 1 October 2021, the GST on major solar project components was increased to 12%, and this higher GST remained applicable until 21 September 2025. During this entire period of nearly four years, the tariff continued at Rs. 3.13 per unit without any upward revision to compensate developers and farmers for the additional tax burden. Subsequently, GST has been restored to 5% with effect from 22 September 2025. Therefore, it is neither logical nor equitable to reduce the tariff solely because GST has reverted to its earlier level, especially when no corresponding tariff increase was granted during the period when GST had increased from 5% to 12%. Further, the cost of establishing solar projects has witnessed significant escalation due to the increase in the prices of essential commodities such as silver, copper, aluminium, electrical cables, and other balance-of-system components. Recent global geopolitical developments have further contributed to volatility in commodity prices, leading to a substantial increase in the cost of solar panels, electrical wires, and associated equipment. Considering these facts, rather than reducing the tariff, there is a strong justification for enhancing the existing tariff of Rs. 3.13 per unit by at least W.15 per unit. Such a revision would partially compensate farmers and project developers for the increased capital cost and ensure the long-term financial viability of PM-KUSUM solar projects. Reducing the tariff to Rs. 2.98 per unit based solely on the reduction in GST overlooks the historical increase in GST, ignores the substantial escalation in material costs, and adversely impacts the interests of farmers who have invested under the PM-KUSUM Scheme. I therefore humbly request the Hon'ble Commission to reject the proposed reduction and instead consider enhancing the tariff by Rs. 0.15 per unit, thereby fixing the tariff at Rs. 2.98 per unit in the interest of fairness, sustainability, and	correspondingly improved. The TGDISCOMs, however, expressly undertook to abide by and adhere to such tariff as may be determined by this Hon'ble Commission. TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. The benefit arising from the reduction in GST shall be passed on to the consumers through the Change in Law mechanism, thereby ensuring that the benefit reaches the consumers while the financial viability of the projects is not adversely impacted.

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	the long-term success of the PM-KUSUM programme in Telangana.	
27.	Response to query by Sri. Mara Lalitha (S.No. 88)	
	1. Tariff Approved Through Due Regulatory Process The tariff of Rs. 3.13/kWh was duly approved by the Hon'ble Commission after following the prescribed regulatory process. This approved tariff formed the foundation for investment decisions, financial closure, loan sanctions, and execution of the project. Any retrospective reduction in the tariff would seriously affect the financial viability of projects established in good faith based on the Commission's approval.	TGDISCOMs submit that In O.P. No. 24 of 2020, this Hon'ble Commission determined a levellised tariff of Rs. 3.13/kWh, as per prevailing capital costs. In 2025, the TGDISCOMs approached this Hon'ble Commission seeking revision of the said tariff, submitting that, owing to the advancement of technology during the period 2021 to 2025, the cost of solar PV modules had declined while their efficiency had correspondingly improved. The TGDISCOMs, however, expressly undertook to abide by and adhere to such tariff as may be determined by this Hon'ble Commission.
	2. Substantial Escalation in Project Costs Since the execution of the Power Purchase Agreement (PPA), the overall cost of establishing the project has increased significantly due to various factors, including: • Increase in the prices of solar PV modules. • Escalation in the cost of copper, steel, aluminium, cables, transformers, and other electrical equipment. • Supply chain disruptions arising from international conflicts and global market uncertainties. • Increased transportation and logistics costs. • Higher interest rates and financing costs, resulting in an increased debt burden. These factors have considerably raised the capital cost of the project compared to the assumptions prevailing at the time of tariff determination.	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission.
	3. GST Reduction Does Not Offset Overall Cost Escalation Although GST on certain solar components has been reduced, the benefit derived from such reduction is marginal when compared to the substantial increase in material prices, construction costs, financing expenses, and other project-related expenditures. Therefore, the GST reduction cannot be treated as sufficient justification for reducing the approved tariff.	Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in

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	4. Adverse Impact on Financial Viability and Bankability Financial institutions sanctioned project loans based on the approved tariff of Rs. 3.13/kWh and the projected cash flows arising therefrom. Any reduction in tariff after project implementation would adversely impact debt servicing capability, weaken project bankability, and impose severe financial stress on developers.	accordance with the PPA provisions. The benefit arising from the reduction in GST shall be passed on to the consumers through the Change in Law mechanism, thereby ensuring that the benefit reaches the consumers while the financial viability of the projects is not adversely impacted.
	5. Protection of Legitimate Expectations of Investors Developers have invested substantial amounts in these projects based on the tariff approved by the Hon'ble Commission. Revising the tariff downward after such investments have been made would undermine investor confidence and create regulatory uncertainty, which may adversely affect future investments in the renewable energy sector in Telangana.	
	6. Continuation of the Approved Tariff Considering the significant increase in project costs, financial commitments already undertaken, and the legitimate expectations of developers, it is respectfully submitted that the approved tariff of Rs. 3.13/kWh should continue to apply to all existing PPAs executed under PM-KUSUM Component-A.	
28.	Response to query by Sri. Nalla Raghuma Reddy (S.No. 90)	
	I am writing to express my serious concern regarding the recent announcement reducing the solar power purchase tariff from Rs. 3.13 per unit to Rs. 2.98 per unit. My PPA/Application Number is 279/2025, and based on the tariff of Rs. 3.13 per unit announced by the Government, I proceeded with my solar project. At present, nearly 50% of the project work has already been completed. I have also obtained a bank loan to finance the project, relying on the Government's announced tariff and the financial viability it provided. Reducing the tariff after applicants have already invested substantial amounts, commenced construction, and taken loans places us under severe financial stress. Such a decision changes the financial assumptions on which we committed to this project and undermines the confidence of investors and	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated

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	farmers who trusted the Government's policy. I respectfully request the Government to continue the previously announced tariff of Rs. 3.13 per unit for applicants who have already applied or signed the Power Purchase Agreement (PPA). This would be fair to those who made financial commitments based on the original terms. If the Government decides to proceed with the reduced tariff despite the commitments already made, then we request that we be allowed to cancel or terminate the contract without any financial burden on us. In such a case, the Government should arrange for the repayment of the bank loan amount that has already been disbursed based on the original policy and tariff, as the investment was made solely in reliance on the Government's announced terms. We strongly believe that maintaining the originally promised tariff for existing applicants will uphold public trust, encourage further investment in renewable energy, and support the Government's long-term clean energy objectives. I sincerely request you to consider this matter sympathetically and take appropriate action in the interest of all existing solar project applicants.	04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
29.	Response to query by Sri. P. Vishwesh Reddy (S.No. 92)	
	I respectfully submit this representation as a prospective Solar Power Generator (SPG) under the PM-KUSUM Component-A Scheme in response to the above Public Notice inviting objections and suggestions on the proposal to revise the pre-fixed levelized tariff from ₹3.13/kWh to ₹2.98/kWh. At the outset, I express my sincere appreciation to the Hon'ble Commission for providing stakeholders an opportunity to place their views on the proposed tariff revision. After carefully examining the proposal, I respectfully submit that the proposed downward revision of the tariff may not fully reflect the prevailing financial and technical realities associated with PM-KUSUM Component-A projects. While the reduction in GST is undoubtedly a positive development, it represents only one	TGDISCOMs respectfully submit that, the reduction in GST on renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions.

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	element of the overall project cost. Since the tariff was determined in January 2021, several other cost components have experienced significant escalation, substantially offsetting the benefit arising from the GST reduction. With utmost respect, I place the following submissions before the Hon'ble Commission for its kind consideration.	In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.
	1. The Proposed Downward Revision May Not Fully Reflect the Overall Project Economics • GST constitutes only one component of the overall project cost. • The benefit arising from GST reduction is limited to specific project components. • Overall project economics are influenced by several financial and technical factors. • GST reduction in isolation may not adequately represent the present-day cost of implementing PM-KUSUM Component-A projects. 2. Significant Escalation in Project Costs Since 2021 • Land development and site preparation • Boundary fencing • Internal roads and drainage • Transformers and HT equipment • Switchgear and electrical balance of system • Power cables • Evacuation infrastructure • Labour and installation • Transportation and logistics • Insurance • Security arrangements • Annual Operation & Maintenance expenses 3. Increase in Financing Costs • Higher lending rates • Increased promoter contribution requirements	TGGDISCOMs humbly submit that the present petition is not based solely on the reduction in GST rates.. Further, financing arrangements, lending conditions, collateral requirements, and debt servicing obligations are project-specific commercial matters and cannot form the basis. While PM-KUSUM projects contribute to farmer income enhancement, decentralized renewable energy generation, and RPO compliance, tariff determination must balance these objectives with consumer interest and procurement of power at reasonable and cost-reflective tariffs. Additionally, the PPAs executed between DISCOMs and developers contain provisions relating to “Change in Law”, and the present petition has been filed within the applicable provisions for consideration of the Hon'ble Commission.

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	• More stringent lending conditions • Higher collateral requirements • Increased debt servicing obligations 4. PM-KUSUM Projects Have Distinct Characteristics • Decentralized in nature • Located in rural and dispersed areas • Smaller in installed capacity • Dependent upon dedicated evacuation infrastructure • Comparatively higher per-MW implementation costs 5. Broader Benefits of PM-KUSUM Projects • Enhancing farmer income • Promoting decentralized renewable energy • Reducing feeder-level technical losses • Strengthening rural power infrastructure • Supporting Renewable Purchase Obligation (RPO) compliance • Providing stable, clean energy over the long term 6. Importance of Regulatory Stability The tariff approved in 2021 has served as the basis for investment planning and financial arrangements. A stable and predictable regulatory framework supports stakeholder confidence and successful implementation of PM-KUSUM.	
30.	Response to query by Sri. Rayili Rajitha (S.No. 99)	
	I, Rayili Rajitha, LOA No. 00280, PPA No. 16, from Chinnamupparam Village, Mahabubabad District, respectfully submit my objection to the proposed reduction of the pre-fixed levelized tariff from Rs.3.13/kWh to Rs.2.98/kWh. I request the Commission to continue the existing tariff of Rs.3.13/kWh. If possible, the tariff may kindly be enhanced considering the steep increase in the prices of solar equipment, construction materials, labour,	TGDISCOMs respectfully submit that this Hon'ble Commission, vide its Order in O.P. No. 32 of 2025, approved and adopted the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have accepted and signed PPAs with developers at the rate determined by the Hon'ble Commission. Subsequent to the tariff order, the reduction in GST on

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	maintenance, transportation and other project-related expenses. Farmers are already under heavy financial burden and many of us have taken loans to establish these projects. A reduction in tariff will further increase our financial hardship and affect the viability of the projects. Therefore, I humbly request the Hon'ble Commission to reject the proposed tariff reduction and retain the existing tariff or consider an appropriate increase in the interest of farmers and renewable energy development.	renewable energy devices with effect from 22.09.2025 constitutes a "Change in Law" event under the relevant provisions of the Power Purchase Agreements. The Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No. 13/SM/2025, has also recognized the said GST reduction as a Change in Law event in accordance with the PPA provisions. In view of the above, this petition is an attempt to pass on the benefits to the consumers while ensuring that the financial viability of the projects are not adversely impacted.