

Telangana Southern Power Distribution Company Limited (TGSPDCL)

&

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 query by a) Sri. K Vamsi Krishna Reddy (S.No. 251) b) Sri. M. Bhaskaraiah (S.No. 272)	
	The proposal to reduce the PM-KUSUM tariff appears to rely on the reduction in GST on solar panels and modules. However, this reasoning is not factually or economically justified. The tariff of ₹3.13/kWh for PM-KUSUM Component-A was approved by the Hon'ble Commission in **Order No. 24 of 2020 dated 02.01.2021. At the time this tariff was determined, the GST on solar panels and modules was 5% subsequently, the GST rate was increased from 5% to 12% with effect from 1 October 2021, increasing the cost of project implementation later, the GST was reduced back to 5% in September 2025. Therefore, the present GST rate has merely returned to the same level that existed when the ₹3.13/kWh tariff was originally fixed. It has not created any additional cost advantage compared to the original tariff determination. Hence, the reduction of GST cannot be cited as a valid reason for reducing the approved tariff. More importantly, while GST has returned to its original level, almost every other cost involved in establishing and operating a solar project has increased substantially since 2021, including: * Civil works and foundation costs. * Mounting structures and steel prices. * Inverters and electrical equipment. * Transformers and switchgear. * Cables and transmission materials. * Labour and skilled manpower charges. * Transportation and logistics costs. * Insurance premiums.	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 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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	* Interest rates and financing costs. * Operation and maintenance (O&M) expenses. * Security and site maintenance costs. * Statutory approvals, compliance, and miscellaneous expenses. Many of these costs have increased by 50% to 100% or more over the past five years, and some project components have nearly doubled in price. Consequently, the overall project cost today is significantly higher than when the tariff of ₹3.13/kWh was approved. Therefore, relying solely on the restoration of the GST rate to 5% while ignoring the substantial increase in all other project costs would not reflect the true economics of PM-KUSUM projects. Rather than justifying a tariff reduction, the overall cost environment supports retaining the existing tariff of ₹3.13/kWh. This is a strong factual and logical point because it demonstrates that the GST argument does not withstand scrutiny when viewed in the context of the tariff's original approval and the actual increase in project costs. We respectfully pray that the Hon'ble Commission may kindly consider the above submissions while finalizing the tariff.	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. The market conditions have evolved, including reduction in GST and notable decline in capital costs, especially solar modules. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs.
2.	Response to query by Sri. Botcha Satish Kumar (S.No. 253)	
	1) The financial Commitments were taken Based on the Approved Tariff. The tariff of ₹3.13/kWh specified in the Power Purchase Agreement (PPA). Based on the approved tariff Financial institutions appraised and sanctioned project loans. • The sanctioned loan has already been disbursed. • Interest payments on the loan are already being serviced. • The balance loan amount is scheduled for disbursement based on receipt of revenue generation with the Power tariff at Rs 3.13/ kWh. Any reduction in tariff at this advanced stage would adversely affect project viability.	TGDISCOMs respectfully submit that financing arrangements, lending rates, debt servicing obligations, and loan structures are project-specific commercial decisions between developers and their lenders. Tariff determination is based on normative financing assumptions and regulatory principles rather than individual financing arrangements adopted by specific developers.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	2) Financial burden to the SPG (Solar Power Generator). Submitting to your good-self that., 1. Power tariff Rs 3.13/ kWh was fixed in the year 2021 Dt 02.01.2021. 2. From the year 2021 to the year 2026, the price of Copper, Aluminum and service/ Labour charges had increased substantially. a. Copper price had increased by around 75.9%. Data from www.ofbusiness.com. Google reference b. Aluminum price had increased by around 38.60% Data from www.ofbusiness.com. Google reference. c. Steel and Hot Dipped Galvanized steel price reduced by 11.7% Data from dealonsteel.com. Google reference. d. Labour/ Services cost increased by minimum 40%. Data from Chief commissioner of labour, New Delhi . Google reference. 3. The SPV module technology changed from Mono Perc to Topcon. The cost of module per wp had reduced by around 15.70%. Data from epmagpro.com. Google Reference. Considering the above change in the price, the net financial loss to per MW capacity solar power generator is Rs 28.86 L (Loss of Rupees twenty-eight lakh eighty-six thousand) only. Further, to the above financial loss, the proposed reduction in power tariff from Rs 3.13/ kWh to Rs 2.98/- kWh as per petition filed by TGSPDCL on behalf of TGDISCOMs, the Solar Power Generator per Mwp capacity, will incur huge loss of Rs 61.56 Lakhs (Rupees Sixty-one lakhs fifty-six thousand) only during the Power Purchase Agreement (PPA) period of 25 years. Submitting to your good-self that, it is noted that Rs 360 Lakh per Mwp had been considered/ approved by TERC. Please find the below table having detailed working of financial impact to SPG due to reduction in GST on Solar SPV module, Inverter, Steel price and increase in Copper, Aluminum, Labour charges.	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. While some material costs have increased, this does not reflect the overall scenario. A major cost component, solar modules, has reduced significantly and GST reduction, which combinedly outweighs these increases. Also, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs. 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. 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.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Submitting that even with the reduction in GST% on Solar SPV module and inverter and based on TERC approved project cost ie Rs 360.00 Lakhs per Mwp, the net reduction in GST is Rs 9.34 Lakhs. With this reduction, the estimated project cost would be Rs 350.65 Lakhs and the tariff work out Rs 3.05 per kWh. Whereas, if we consider the increase in the price of Copper, Aluminum, Labour charges, reduction in Solar SPV module price, Steel price and GST reduction on Solar SPV module and inverter, the estimated project cost would be Rs 394.64 Lakhs per Mwp and then the tariff would be Rs 3.43 per kWh. As per above statement and table working, the tariff worked out had increased from Rs 3.13/ kWh to Rs 3.43/ kWh. Though the revised tariff Rs 3.43/ kWh is as per present market rates, we are not requesting for increased tariff ie Rs 3.43 per kWh. But requesting to retain the power Tariff Rs 3.13 per kWh as per PPA. 3) Increasing O&M, Insurance and Security Costs. While the tariff remains fixed throughout the 25-year PPA period. a) Operation and maintenance costs continue to rise annually. b) Insurance premiums have increased substantially. c) Security costs have increased due to theft and vandalism risks. d) Replacement costs for equipment have escalated. Hence, we humbly request your goodself not to consider the reduction in the tariff as per the petition filed by TGSPDCL on behalf of TGDISCOMs and retain at Rs 3.13 per kWh.	
3.	Response to query by Sri. Konijeti Venu (S.No. 255)	
	1. In the subject application, TGDISCOMs have requested the Hon'ble Commission to reduce the tariff determined by the latter in its order dated 2.1.2021 in O.P.No.24 of 2020 from Rs.3.13 per unit of solar power to be purchased by them from solar power generators under PM KUSUM component	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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	A with whom the DISCOMs had power purchase agreements for a period of 25 years from the date declaration of commercial operation date. They have sought downward revision of the tariff on the ground that “the 56th Meeting of the. GST Council held at New Delhi in September 2025 recommended a reduction in the GST rate from 12% to 5% on Solar PV Modules, Solar Cells, and associated renewable energy components, with the same being notified by the Ministry of Finance, Government of India.” They have also enclosed lists of SPGs with whom they had entered into long-term PPAs. Though our solar power project is not included in the lists of SPGs submitted by SPDCL to the Hon'ble Commission, the DISCOM has issued the subject notice to us through e mail. 2. I have (SPG) invested substantial capital — sourced from personal savings, institutional borrowings, and financial arrangements — for the establishment of the 2 MW(AC) Solar PV Power Project at Paleannaram Village. The entire financial model, loan repayment schedule, and project viability were Computed exclusively on the basis of the assured fixed tariff of Rs. 3.13/kWh for the full 25-year contractual term as stipulated in the PPA. The project is presently at the commissioning stage and the SPG has fulfilled all obligations under the PPA. 3. TGDISCOMs have worked out the revised levelized tariff to Rs.2.98 per unit. However, they have not submitted details of how they have worked out the revised tariff. 4. As per the GST order referred by the DISCOMs, it is to submit that reduction of GST from 12% to 5% is effective only for solar panels, and there is no reduction of the said tax to all other components of solar power plants. 5. The PPA was signed by SPDCL and me on 31.12.2025. The said GST order came into force on 22nd September, 2025. It is submitted that, once the SPDCL knowingly entered into the PPA dated 31-12-2025 after the GST reduction, the agreed tariff becomes binding and the SPDCL ordinarily cannot reopen the tariff merely because it later realizes that the GST had already been reduced. It is	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. Therefore, the financial impact of such GST reduction is material. 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 market conditions have evolved, including reduction in GST and notable decline in capital costs, especially solar modules. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	submitted that, the Government is bound by the doctrine of sanctity of contract and pacta sunt servanda (agreements must be honoured). A concluded commercial contract cannot ordinarily be rewritten by one party unilaterally. 6. It is submitted that once a commercial contract is entered into by the parties irrespective of whether government or private parties, the same must be interpreted according to the terms fixed and they should not rewrite and bargain between parties. 7. A concluded contract / enforceable contract was already executed by the SPDCL on 31-12-2025. Knowingly that, the GST on some of the components of solar power production was reduced from 12% to 5% w.e.f. 22-09-2025. Having executed enforceable contract, contrary to the “consensus ad idem” between the parties, it is not open to the SPDCL to impose additional conditions. 8. The Hon’ble supreme court in case of Nabha Power Ltd. v. Punjab State Power Corporation Ltd. categorically held that, the commercial contracts can be interpreted in terms of existing terms and conditions. Neither of the parties do not have any rights for unilateral novation, which is outside the scope of Sec 62 of the Contract Act. In case of Energy Watchdog v. Central Electricity Regulatory Commission, the Hon’ble. supreme court dealt at length “change in law” Clause can be invoked based on the relevant cut-off date. In case of South East Asia Marine Engineering & Constructions Ltd. (SEAMEC) v. Oil India Ltd. It is held that Commercial contracts should be interpreted to give effect to the parties' bargain and commercial intention. 9. It is settled law that the contracting parties cannot approbate and reprobate and cannot enforce unilateral novation of the agreement /contracts on the simple ground that, it is in a dominant status. In Central Inland Fisheries case the apex court has categorically held, a concluded contract is a concluded contract and only a concluded contract can be enforced and cannot be asked for revision of	decline, indicating reduction in overall project costs. TGDISCOMs respectfully submit that the present petition is not seeking any arbitrary or unilateral revision of tariff. The judgments cited by the objector reiterate that contracts must be interpreted in accordance with their terms. TGDISCOMs are relying upon the contractual provisions duly signed by SPG and DISCOMs relating to Change in Law. The PPAs executed b/w DISCOM and developers contain a “Change in Law” provision in clause 13.1.1.e mentions as under <i>“any change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project.”</i> The above provision enables adjustments where there is a material impact on project cost. The MNRE requirements regarding ALMM-compliant modules and engagement of approved contractors are policy measures intended to ensure quality, reliability and long-term sustainability of solar projects. These requirements apply uniformly to all PM-KUSUM projects and cannot be treated as grounds for disregarding the financial benefit resulting from GST reduction. The proposal of TGDISCOMs is not intended to impact developers but to ensure that the benefit arising from the

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	the contract when the contract itself doesn't contemplate such revision or novation. 10.The SPDCL is also estopped form bringing the change to the existing concluded contract assuming power under the regulations which It doesn't possess and such revision would be without jurisdiction. 11.The Change in law depends entirely upon the contractual clause and the relevant cut-off date mentioned in the PPA agreement and any change in law existing before the contractual cut-off date cannot ordinarily be treated as change in law. 12. It is submitted that, the change in Law provisions operate strictly according to the contract and statutory framework within the PPA agreement. 13.When the Hon'ble TGERC gave its order dated 2.1.2021 in OP. No.24 of 2020, the GST applicable for components of solar power plants was 5% only, which must have been taken into account by the Hon'ble CERC in determining the capital cost per MW of solar power plants at that time and the same was adopted by the Hon'ble TGERC. As such, reduction of GST rate subsequently from the enhanced 5% to 12% again does not give us any additional benefit whatsoever, since the tariff fixed by the Hon'ble Commission in 2021 and determined by it in its order dated 22.4.2025 in OP No.32 of 2025 was also Rs.3.13 per unit. Increase in the rate of GST from 5% to 12% came into force from 1.10.2021. Nevertheless, the impact of that increase has not been considered by ERCs and DISCOMs subsequently relating to schemes like PM KUSUM. In other words, when Hon'ble TGERC had issued its order dated 22.4.2025 in OP No.32 of 2025, the impact of revision of GST from 5% to 12% after issuance of order dated 2.1.2021 by the Commission should have been taken into account and tariff for solar power under PM KUSUM component A also should have been revised. However, the Hon'ble Commission had determined the same tariff of Rs.3.13 per unit in its order as determined by CERC and adopted by TGERC in the year 2021 when the said	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.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	rate of GST was 5% only. As such, enhance of GST from 5% to 12% with effect from 1.10.2021 does not give any additional benefit whatsoever to SPGs under PM KUSUM and such other schemes. Had the Hon'ble Commission revised the tariff upwards from Rs.3.13 per unit, considering the then prevailing rate of GST of 12%, while issuing its order dated 22.4.2025, there would have been justification in seeking revision of the tariff downwards, with reduction of GST coming down to 5%, as is being sought by the DISCOMs in the subject application. Therefore, we request the Hon'ble Commission to reject the prayer of the DISCOMs for reduction of the tariff under the subject scheme. 14.In its order dated 2.1.2021 in OP No.24 of 2020, Hon'ble TGERC stated that "12. Ministry of New and Renewable Energy (MNRE) vide its office memorandum dated 21.07.2020 determined benchmark cost for grid connected rooftop solar PV systems (>100 to to 500 KW) for FY 2020-2 as Rs.36 per Watt which works out to Rs.3.60 Crore/MW. The Commission has taken note of capital cost considered by other ERCs and finds the benchmark cost of MNRE more appropriate to refer to. Therefore, the Commission finds it prudent to consider the capital cost of Rs.3.60 Crore/MW." For FY 2025-26m MNRE benchmark cost for grid-connected rooftop solar plants is Rs.50 per watt (Rs.50,000/kw) for first 2 kw and Rs 45 per watt (Rs.45,000.kw) for additional capacity." 15.In its order dated 22.4.2025 in OP No.32 of 2025, the Hon'ble Commission directed that "the Commission is conscious of the fact that under KUSUM Component-A most of the small farmers have come forward to become entrepreneurs and if the project is not economically viable, they get discouraged. Therefore, while advising the TGDISCOMs to consider this aspect sympathetically, this Commission is not in a position to intervene since the CUF percentage determined by this Commission earlier is reflected in the draft PPA. The Commission directs the TGDISCOMs to study the issue immediately and if really the concerns of the stakeholders are correct, the TGDISCOMs shall come forward with an amendment to the PPA to reduce the CUF to mutually agreeable realistic level." REDCO, in the DPR allowed for SPGs, stipulated that for 2 MWAC capacity of 2.4 MW DC capacity to be erected. As a result, the SPG has to install	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	panels of 400 KW extra for 2 MW AC and incur additional cost of 20% which was not considered while determining capital cost and tariff. 16.TGSPDCL arbitrarily collected Rs.5.52 lakh towards supervisory charges for our plant. Such charges are part and parcel of O&M costs of the DISCOM which are being included in its aggregate revenue requirement and also in the retail supply tariffs to all categories of consumers as determined by the Hon'ble Commission and are being collected from the consumers. SPG is not a consumer of SPDCL; SPG is a supplier of power to the DISCOM and party to the PPA. There is no provision for collection of supervisory charges from developers of power plants with whom the DISCOM had PPAs and no such charges are being collected from such developers. This issue was already brought to the notice of the Hon'ble Commission in the public hearing held earlier and decision of the latter is awaited. 17.Under the guidelines issued by the MNRE, Government of India, SPGs are obligated to purchase all components of solar power plants under PM KUSUM Component A from the approved list of model and manufacturers with effect from 1st April, 2024 and the same applies for the installation and commissioning of the solar power plants, as is reiterated and incorporated in the letter of award (clause 3 (v) issued by TGRECDAP. Similarly, it is made mandatory to SPG that "the work of installation and commissioning of solar plant, including Operation & maintenance of solar power project shall be carried out by SPG by availing services of registered licensed electrical contractor approved by Govt. Of Telangana/TGDISCOMS" (clause 3(vi) of LoA). Such arbitrary conditions are depriving developers of solar power plants under PM KUSUM Component A of the opportunity of considering the market conditions and selecting manufacturers and service providers, who offer the lowest prices, for purchase of required materials and O&M services for setting up and running their solar power plants, thereby imposing avoidable burdens additionally on developers of solar power plants like us. When developers of solar power plants are already bearing such	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	avoidable burdens, reduction of tariff from Rs.3.13 to 2.98 per unit, as proposed by TGSPDCL, would be the last straw on camel's back. 18.With raging inflation and increasing prices of materials and costs of services, abnormally, developers of Solar power plants will continue to bear additional burdens during the period of 25 years of PPA. 19.For the above-mentioned reasons, among others, we request the Hon'ble Commission to reject the proposal of TGDISCOMs and continue the tariff of Rs.3.13 per unit to be paid by the DISCOMs for solar power to be supplied by SPGs under PM KUSUM Component A.	
4.	Response to query by a) Primary Agricultural Cooperative Society Ltd, Nandimedaram (S.No. 256) b) Primary Agricultural Cooperative Society Ltd., Appannapet (S.No. 289)	
	1. Adverse Impact on Financial Sustainability of PACS The Society and its members have undertaken solar power projects based on the assured tariff of ~3.13/ kWh. These projects involve: • Substantial capital investment • Institutional borrowings and loan liabilities • Long-term financial commitments Any reduction in tariff at this stage will : • Disturb financial projections • Affect loan servicing capacity • Lead to financial instability of cooperative institutions 2. Inadequate Justification under "Change in Law" The proposed reduction citing GST revision is not tenable, as:	TGDISCOMs respectfully submit that the investments made, financing arrangements, loan liabilities, and financial projections of PACS and individual developers are project-specific commercial considerations. Tariff determination is undertaken based on normative cost parameters and prevailing market conditions rather than individual financing structures or repayment obligations. TGDISCOMs respectfully submit that the present petition has been filed in view of the reduction in GST rates and other

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	• The marginal benefit of GST reduction is outweighed by significant increase in capital costs • Prices of solar modules, inverters, steel, and other materials have substantially escalated • "Change in Law" provisions are intended to protect developers, not reduce their returns 3. High Cost of Financing for Cooperative Sector Unlike large developers, PACS: • Depend on commercial bank financing at higher interest rates • Do not have access to low-cost institutional or international funding The reduced tariff will: • Erode repayment capacity • Increase financial burden on cooperative institutions • Affect creditworthiness of PACS 4. Escalation in O&M and Rural Infrastructure Costs Solar projects established in rural areas incur: • High land development and site preparation costs • Expenses for grid connectivity and infrastructure • Recurring O&M costs including water, labour, and security These costs have increased considerably and are not reflected in the proposed tariff. 5. Violation of Regulatory Certainty The tariff of ~ 3.13/kWh was a pre-determined levelized tariff, forming the basis for investment decisions. Any revision: • Undermines regulatory stability and uncertainty • Negatively impact investor confidence • Discourages participation of cooperative Institutions in renewable energy projects 6. Against the Objectives of PM-KUSUM Scheme	favourable developments in project cost parameters. The applicability and impact of any Change in Law event are required to be considered in accordance with the provisions of the PPA and the applicable regulatory framework. TGDISCOMs respectfully submit that the financial models, cash flow projections, debt servicing capability, equity returns, and financing arrangements referred to by the objector are project-specific commercial considerations. Tariff determination is based on overall market trends and normative costs, not individual project-specific calculations While some material costs have increased, this does not reflect the overall scenario. A major cost component, solar modules, has reduced significantly and GST reduction, which combinedly outweighs these increases. Also, recent solar tariffs discovered through competitive bidding have been reducing year after year, which clearly shows that overall project costs have come down. TGDISCOMs submit that While tariff certainty is important, it must be balanced with the need to ensure that tariffs remain fair and reflective of current market conditions. A revision in line with cost reductions supports regulatory prudence and consumer interest, without compromising project viability. TGDISCOMs fully recognize the contribution of PM-KUSUM

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	The PM-KUSUM scheme aims to: • Strengthen rural economy • Provide sustainable income to farmers • Promote decentralized renewable energy The proposed tariff reduction: • Adversely affects farmer income • Discourages cooperative participation • Undermines the objectives of the scheme	projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability.
5.	Response to query by Sri. Devarakadire Narasimha Reddy (S.No. 257)	
	OBJECTIONS 1. The objector participated in PM-KUSUM and planned the project based on the tariff approved by this Hon'ble Commission. Project implementation, loan arrangements and investment decisions were undertaken relying upon the existing tariff framework. 2. At the time of original tariff determination during 2021, the applicable GST on solar equipment was 5%. At present also, the GST applicable has effectively returned to the same level. Therefore, reduction in GST does not create any new financial advantage compared to the original tariff assumptions. (Please refer Annexure-I attached) 3. While GST may presently be at the same level as considered earlier, the overall project cost has increased substantially over the years. The cost of major project materials including modules, structures, electrical equipment, cables, transformers, erection activities and associated infrastructure has increased approximately by 25% to 30%. (Please refer Annexure-II attached) 4. A considerable amount of time has been lost in obtaining loan approvals from banks and financial institutions. Farmers faced repeated procedural requirements, technical scrutiny and financial compliance before sanction of	TGDISCOMs acknowledge that project investment decisions were undertaken based on the tariff approved by the Hon'ble Commission. However, contractual and regulatory framework governing the projects also contemplates the treatment of statutory changes through the Change in Law mechanism. 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. 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. Subsequent to the tariff order, the reduction in GST on renewable energy devices with effect from 22.09.2025

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	loans. 5. In addition to financing delays, substantial time and expenditure were incurred for obtaining Right of Way (ROW) clearances and completion of evacuation line works between the Solar Power Generator and Sub-station. 6. Many project developers and farmers were required to spend significant additional amounts for ROW settlements, permissions, line completion and associated field-level execution. 7.Operation and Maintenance (O&M) expenditure assumed at the time of tariff determination no longer reflects practical conditions. O&M expenses including security, vegetation clearing, inverter servicing, preventive maintenance, insurance, manpower and periodic replacement costs have increased by approximately 25% to 30%. (Please refer Annexure-I attached) 8. Therefore, any perceived benefit arising from present GST conditions is substantially offset by increased EPC costs, O&M expenditure, financing costs, implementation delays and operational expenses. 9. Most of the projects have already obtained bank sanctions based on the approved tariff of 3.13/kWh and corresponding projected cash flows. 10. If tariff is reduced at this stage: (a) loan repayment schedules may become unviable; (b) banks may insist upon additional margin contribution; (c) sanctioned loan amounts may be reassessed or reduced; (d) debt servicing capability of farmers may be adversely affected. 11. Farmers have already invested substantial time and financial resources and have undertaken contractual and financing obligations. Any reduction after such commitments would create serious financial hardship. 12. Synchronisation, operation and long-term maintenance of solar plants have	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. TGDISCOMs respectfully submit that the tariff was determined based on the cost parameters and market conditions prevailing at the relevant time. Subsequently, there has been a reduction in significant decline in major capital cost components, particularly solar module prices, resulting in improved project economics and warranting a review of the tariff. The contention regarding increase in project costs due to escalation in certain materials, transportation, financing, and other expenses 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. Further, In recent years, factors such as reductions in solar module prices driven by economies of scale and increased domestic manufacturing capacity have resulted in a notable decline in the capital cost of solar projects. TGDISCOMs fully recognize the contribution of PM-KUSUM projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	become increasingly challenging due to increase in implementation and recurring expenditure. 13. Further, PM-KUSUM projects are based on Distributed Energy Resources (DER), which provide multiple long-term benefits to DISCOMs including: (a) reduction in transmission losses; (b) localised generation and improved grid support; (c) reduced requirement of large transmission infrastructure; (d) supply closer to agricultural load centres; and (e) improvement in overall energy security and system efficiency. 14. Therefore, PM-KUSUM projects create long-term operational and economic benefits for DISCOMs in addition to supporting farmers. 15. Reduction of tariff at this stage may discourage future participation by farmers and adversely affect implementation of decentralized renewable energy programmes.	generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability.
6.	Response to query by Sri. Rapolu Nagarjuna Reddy (S.No. 258)	
	OBJECTION 1: THE TARIFF IS A PRE-FIXED LEVELIZED TARIFF — NOT AMENABLE TO DOWNWARD REVISION 5. Article 9.1.1 of the Power Purchase Agreement expressly and unambiguously stipulates as follows: “The Tariff payable to the SPG shall be Rs. 3.13 (Rupees Three and Paise Thirteen only) per kWh, at fixed price for the entire term of this Agreement.” This contractual provision is the cornerstone of the present Objections and admits of no ambiguity whatsoever. 6. The tariff of Rs. 3.13/kWh is a pre-fixed levelized tariff, meaning that it was determined after considering all relevant technical, financial, commercial, and regulatory parameters applicable to the project across its entire life cycle of 25 years. It was specifically designed to remain constant throughout the contractual period, absorbing anticipated variations in capital costs, operation and	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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	maintenance expenses, financing costs, and project revenues over the project life. The very nature and purpose of a pre-fixed levelized tariff is to provide certainty, stability, and commercial predictability throughout the contractual period and to remain insulated from year-to-year fluctuations in individual cost components. Any downward revision of such a tariff would be wholly contrary to the concept of a pre-fixed levelized tariff and would defeat the commercial certainty and contractual assurance upon which the Objector made irreversible investments. 7. The phrase “at fixed price for the entire term of this Agreement” in Article 9.1.1 of the PPA constitutes a clear and unequivocal contractual assurance of tariff certainty for the full period of twenty-five (25) years. TGSPDCL ought not to be permitted to invoke Article 13 of the PPA selectively and in a manner inconsistent with the express provisions of Article 9.1.1, so as to reduce a tariff that was expressly agreed to remain fixed for the entire contractual term. Such selective invocation would defeat the contractual intent of the parties and undermine the sanctity of the PPA. Furthermore, TGSPDCL is estopped from approbating and reprobating simultaneously: having represented and contracted that the tariff would remain fixed for the entire term, it cannot now seek to reduce the same by selectively relying upon the Change in Law provisions while disregarding the corresponding contractual guarantee of tariff certainty. 8. The tariff of Rs. 3.13/kWh was determined by this Hon’ble Commission in O.P. No. 24 of 2020 after a comprehensive computation across the entire 25-year project life, incorporating O&M escalation, module degradation factor (0.5% per annum), financial structuring assumptions, return on equity, and all applicable tax parameters. Since the tariff was not determined solely on the basis of GST, it is arithmetically incorrect and legally impermissible to reduce the levelized tariff merely on account of a change in one input tax component, while leaving all other parameters of the original computation undisturbed. OBJECTION 2: THE CHANGE IN LAW CLAUSE CANNOT BE INVOKED SELECTIVELY — GST REDUCTION IS ONLY ONE ELEMENT AMONG	the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDSCOMs 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. TGDSCOMs submit that While tariff certainty is important, it must be balanced with the need to ensure that tariffs remain fair and reflective of current market conditions. A revision in line with cost reductions supports regulatory prudence and consumer interest, without compromising project viability.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	MULTIPLE CHANGES IN LAW 9. Article 13 of the PPA deals with ‘Change in Law’. Article 13.1.1 defines ‘Change in Law’ as any event occurring after the last date of bid submission, including the enactment of a new law, amendment to an existing law, or a change in tax rates. The fundamental purpose of the Change in Law clause is to restore the affected party to the same financial position it would have occupied but for the Change in Law. It is an instrument of restitution — not an instrument of unjust enrichment available exclusively to one party. 10. The Hon’ble Supreme Court of India has consistently held that the object of a Change in Law provision in a Power Purchase Agreement is to restore the affected party to the same economic position as if the Change in Law had not occurred. The principle of restitution requires that both the beneficial and the adverse effects of a Change in Law be considered together, so as to maintain the economic equilibrium originally contemplated by the contracting parties. However, the present petition selectively relies only upon the reduction in GST, while completely ignoring the substantial and corresponding adverse financial impacts suffered by Solar Power Generators, including increases in commodity prices, fuel costs, labour costs, Balance of System (BoS) expenses, and overall project input costs. Such selective application of the Change in Law principle is contrary to its very object and produces an inequitable and distorted assessment of the overall financial impact on the project. 11. The reduction of GST on solar equipment from 12% to 5%, as recommended by the 56th GST Council Meeting (September 2025), results in a reduction in certain capital expenditure components only for those SPGs who had not yet procured their equipment as on the date of such reduction. This benefit does not accrue uniformly to all SPGs. SPGs who had already procured equipment, paid GST at 12%, and incurred full capital expenditure at the prevailing rate receive no corresponding financial benefit from this GST reduction. The Petitioner has not placed before this Hon’ble Commission any project-specific analysis demonstrating that the Objector herein is, in fact, a beneficiary of this GST	TGDISCOMs respectfully submit that the present petition is not seeking any arbitrary or unilateral revision of tariff. The PPAs executed b/w DISCOM and developers contain a “Change in Law” provision in clause 13.1.1.e mentions as under <i>“any change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project.”</i> The above provision enables adjustments where there is a material impact on project cost. Further, the present petition is placed before the Hon’ble Commission for a review, to ensure that tariffs remain aligned with prevailing market conditions. TGDISCOMs respectfully submit that the present petition is based on the reduction in GST rates. The proposal has been made considering the overall project economics, including reduction in GST rates and decline in major capital cost components, particularly solar modules. TGDISCOMs further submit that tariff determination is based on normative cost parameters and overall market trends rather than individual project-specific expenditures, financing arrangements, procurement schedules, EPC contracts, loan obligations, or commercial commitments. While certain project cost components may have witnessed increases during implementation, the overall project economics are required to be assessed holistically, considering both cost escalations and reductions in major cost elements.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	reduction. 12. The GST reduction affects only the procurement cost of solar modules and inverters, which constitute approximately 50% of the total project cost. It does not affect: (a) land development costs and fencing; (b) civil infrastructure, internal roads, and drainage; (c) HT equipment, switchgear, and cables; (d) transmission and evacuation line costs; (e) O&M costs over the 25-year period; (f) financing costs and interest obligations; (g) SLDC charges; (h) metering and installation costs; or (i) the cost of funds already deployed. A reduction in one input tax component cannot justify a blanket reduction of Rs. 0.15/kWh in the entire levelized tariff applicable for a 25-year period. 13. If TGSPDCL's proposition is accepted — that every reduction in input costs must translate to a corresponding reduction in tariff — then it follows with equal force and logic that every increase in input costs (including inflation in O&M costs, labour wages, replacement components, land lease escalation, module replacement costs, and BoS component prices) must proportionately translate to a tariff increase. TGSPDCL cannot adopt a selective and one-sided interpretation of the Change in Law clause that operates exclusively in its own favour. OBJECTION 3: INCREASE IN BALANCE OF SYSTEM (BOS) COSTS GROSSLY OUTWEIGHS THE GST BENEFIT — NET TARIFF IMPACT IS ADVERSE TO THE SPG 14. The proposed tariff reduction treats the GST benefit in complete isolation, without accounting for the substantial increase in Balance of System (BoS) costs that has occurred since the original tariff determination in 2021. The following cost increases, which are matters of established market fact and common commercial knowledge, have occurred between 2020-21 and 2025-26: • Steel (TMT/Structural): Increased from approximately Rs. 45,000–48,000 per ton in 2020-21 to Rs. 54,000–72,000 per ton in 2025-26 — an increase of 20% to 40%. • Copper (cables and conductors): Increased from approximately Rs. 450–500	While some material costs have increased, this does not reflect the overall scenario. A major cost component, solar modules, has reduced significantly and GST reduction, which combinedly outweighs these increases. Also, recent solar tariffs discovered through competitive bidding have been reducing year after year, which clearly shows that overall project costs have come down.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	per kg in 2020-21 to Rs. 750–900 per kg in 2025-26 — an increase of 60% to 80%. • Aluminium: Increased from approximately Rs. 160–180 per kg in 2020-21 to Rs. 240–300 per kg in 2025-26 — an increase of 40% to 60%. • Transformers, HT equipment, and switchgear: Sharp price increases driven by global metal cost escalation and power sector expansion demand. • Cement: Increased from approximately Rs. 300–320 per bag (50 kg) in 2020-21 to Rs. 380–420 per bag in 2025-26 — an increase of 20% to 30%. • Diesel and fuel costs: Increased from Rs. 65–70 per litre in 2020-21 to Rs. 90–100 per litre in 2025-26 — an increase of 30% to 40%. • Labour costs: Increased from approximately Rs. 400–500 per day in 2020-21 to Rs. 700–900 per day in 2025-26 — an increase of 50% to 80%. • Consumer Price Index (CPI): Increased from approximately 281 in 2020-21 to approximately 395 in 2025-26 — a persistent cumulative inflation of 35% to 40%. 15. As a result of the above cost increases, the average increase in Balance of System (BoS) cost alone is in excess of 20%, translating to approximately Rs. 0.28 Crore/MW. Against this, the GST reduction benefit amounts to only approximately Rs. 0.12 Crore/MW. Consequently, the revised net project cost works out to approximately Rs. 3.75 Crore/MW, which is substantially higher than the original benchmark capital cost of Rs. 3.60 Crore/MW. The overall financial impact, when assessed holistically, clearly and conclusively demonstrates that there is no justification whatsoever for reducing the tariff from Rs. 3.13/kWh to Rs. 2.98/kWh. 15A. The Petitioner has sought reopening of the agreed tariff solely on the ground that GST on certain solar equipment has been reduced from 12% to 5%, contending that the capital cost of the project has consequently decreased. If the Petitioner is permitted to reopen the capital cost on account of one component of project cost, then the entire project cost necessarily becomes open for examination. The Commission cannot selectively reduce only one cost element while ignoring the substantial increase in the remaining components of the project cost, including Balance of System (BoS), steel, copper, aluminium, cement,	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	transformers, cables, labour, transportation, financing and other indispensable inputs, by reason of which the original benchmark capital cost of Rs.3.60 Crore/MW has substantially increased to nearly Rs.4.00 Crore/MW. Once the capital cost itself has materially increased, there exists no legal, contractual or equitable basis for reducing the tariff merely because one tax component has decreased. The Change in Law clause is intended to preserve the economic equilibrium of the contract and cannot be invoked selectively for one favourable statutory change while ignoring the overall increase in the capital cost and financial burden borne by the Solar Power Generator. If the Petitioner's interpretation is accepted, then whenever statutory changes or regulatory measures increase the project cost, the same Change in Law principle must equally operate to restore the generator by permitting a corresponding upward revision of tariff. A contractual provision cannot operate only in favour of one party. Any one-sided application would be arbitrary, contrary to the reciprocal obligations contained in the Power Purchase Agreement, and would defeat the very object of the Change in Law clause. 16. It is a well-settled principle governing the application of Change in Law provisions in Power Purchase Agreements that compensation must cover the actual and total financial impact arising from all statutory and regulatory changes, and not merely on the basis of isolated or partial consideration of a single favourable cost component. In the present case, the substantial escalation in Balance of System (BoS) costs — driven by increases in commodity prices, inflation, labour costs, and other project inputs — has materially and adversely affected the overall project cost. These adverse financial impacts are required to be considered holistically while determining the effect of any Change in Law event, and no tariff revision ought to be ordered on the basis of a single favourable factor in isolation. 17. The governing principle of Change in Law adjudication mandates that developers must be restored to the same financial position as they occupied prior to the Change in Law, taking into account the full and comprehensive cost impact — both beneficial and adverse. Compelling developers to absorb unforeseen and	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	substantial cost increases while simultaneously reducing their contracted tariff on account of a single favourable change produces a manifestly inequitable outcome. The same principle applies with full force in the present matter: a reduction in tariff that ignores BoS cost escalation places an unjust and unwarranted financial burden upon individual farmer-SPGs who have no capacity to absorb such losses. OBJECTION 4: THE PROPOSED REDUCTION VIOLATES THE DOCTRINE OF LEGITIMATE EXPECTATION 18. The Objector entered into the PPA in June 2025 in pursuance of the LOA issued in May 2025, which was itself issued pursuant to the EOI dated 22.01.2025. All documents in the contractual chain — the EOI, the LOA, and the PPA — contain unambiguous and binding representations that the tariff of Rs. 3.13/kWh shall remain fixed for the full 25-year contractual term. The Doctrine of Legitimate Expectation, as affirmed by the Hon’ble Supreme Court of India in Union of India v. Hindustan Development Corporation, (1994) 3 SCC 499 and Monnet Ispat & Energy Ltd. v. Union of India, (2012) 11 SCC 1, protects a citizen or investor who has altered his position in reliance upon the promise or representation of a public authority. A public authority that has made a clear and unambiguous representation cannot be permitted to resile therefrom to the detriment of the party who acted upon such representation. 19. The Objector has committed irreversible investments — including acquisition of land, procurement of solar modules and inverters, civil works, and interconnection infrastructure — entirely on the faith of the contractually committed tariff of Rs. 3.13/kWh. The project has reached the commissioning stage on the basis of a financial model premised exclusively upon this tariff. To permit TGSPDCL to seek a reduction in tariff after the PPA has been executed and irreversible investments have been committed is a gross violation of the doctrine of legitimate expectation and would expose the Objector-SPG to irreparable financial loss through no fault of his own. 20. The Objector is a small farmer and rural entrepreneur who does not enjoy the financial resilience or	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, and execution of PPAs, was undertaken under the applicable contractual and regulatory framework, which includes provisions relating to “Change in Law” events.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	institutional advantages available to large corporate developers. PM-KUSUM projects are inherently decentralised projects with limited economies of scale, requiring assured tariff support to remain commercially viable. Any reduction in the contracted tariff not only destroys the financial model of this project but also sends a deeply adverse signal to all prospective farmer-investors in Government-backed renewable energy schemes, which is directly contrary to the stated policy objectives of the Government of India. OBJECTION 5: THE PETITION IS LEGALLY INFIRM — NO FINANCIAL COMPUTATION OR ENGINEERING BASIS HAS BEEN PROVIDED FOR RS. 2.98/KWH 21. TGSPDCL has not placed before this Hon'ble Commission any actuarial computation, financial model, or engineering analysis to demonstrate: (a) what specific component of the original Rs. 3.13/kWh tariff was attributable to GST at the rate of 12%; (b) what precise per-unit saving results from the reduction of GST to 5%; (c) how such saving, when levelized over the 25-year project life, translates to exactly Rs. 0.15/kWh reduction; and (d) whether SPGs who have already paid GST at 12% and received no corresponding benefit from the rate reduction are to be treated differently from those who have not yet procured their equipment. In the absence of such data, the proposed revision of Rs. 2.98/kWh is based purely on assumption and not on established fact. 22. It is a well-settled principle of regulatory jurisprudence, consistently affirmed by the Hon'ble Appellate Tribunal for Electricity (APTEL), that a petition for revision of tariff must be supported by cogent, verifiable, and project-specific financial computation. A petition that merely asserts entitlement to tariff reduction on account of a change in one tax rate, without providing detailed actuarial computation of the actual benefit accruing to each category of SPG, cannot be entertained as a matter of regulatory law. The present petition is founded upon an assumption rather than an established financial fact and is liable to be dismissed on this ground alone.	The petition has been filed on the basis of a statutory reduction in GST on Solar PV Modules, Solar Cells and associated renewable energy components notified by the Government of India.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	23. Furthermore, Article 13 of the PPA vests the power to determine the quantum and mechanism of any Change in Law compensation in this Hon'ble Commission — not in TGSPDCL unilaterally. TGSPDCL's petition seeking a specific reduction to Rs. 2.98/kWh, unsupported by any financial workings, is on its face liable to be rejected. Even if this Commission is pleased to entertain the petition, it is respectfully submitted that the Commission ought to first direct TGSPDCL to file detailed financial computations — including the actual GST paid or payable by each category of SPG, and the precise net per-unit tariff impact — before passing any order of revision. OBJECTION 6: THE PROPOSED REDUCTION CAUSES SEVERE FINANCIAL HARDSHIP AND RENDERS THE PROJECT COMMERCIALY UNVIALE 24. A reduction of Rs. 0.15/kWh in tariff on a 1 MW project generating approximately 1.664 Million Units (MU) per year — as stipulated in Article 4.3.1 of the PPA for the first ten (10) years — translates to an annual revenue loss of approximately Rs. 2,49,600/- (Rupees Two Lakhs Forty-Nine Thousand Six Hundred only). Over the full 25-year PPA term, this aggregates to a cumulative revenue loss of approximately Rs. 62,40,000/- (Rupees Sixty-Two Lakhs Forty Thousand only). This is a substantial and viability-destroying reduction for an individual farmer-investor who has committed personal savings and borrowed funds for a single 1 MW project. 25. At the existing tariff of Rs. 3.13/kWh, the project operates on a very thin margin of commercial viability, with a projected Internal Rate of Return (IRR) that is barely sufficient to service bank loans and meet minimum O&M obligations over the 25-year period. Any reduction in tariff will push the project into commercial losses, rendering it financially unsustainable. The farmer-SPG will be unable to service institutional loans, meet O&M obligations, or sustain plant operations over the full contractual term. This is not a hypothetical or speculative risk — it is a commercial and financial certainty.	TGDISCOMs respectfully submit that financing arrangements, lending rates, debt servicing obligations, and loan structures are project-specific commercial decisions between developers and their lenders. Tariff determination is based on normative financing assumptions and regulatory principles rather than individual financing arrangements adopted by specific developers.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	26. Insurance premiums and plant security costs have increased considerably due to rising equipment replacement costs and escalating theft risks. O&M expenses — including module cleaning, inverter servicing, security guard wages, and vegetation management — increase annually while the tariff remains fixed. These escalating O&M costs further erode the already thin margin of viability and compound, year after year, the adverse financial impact of any tariff reduction. OBJECTION 7: THE PROPOSED TARIFF REDUCTION DEFEATS THE STATED OBJECTIVES OF THE PM-KUSUM SCHEME AND IS CONTRARY TO PUBLIC POLICY 27. PM-KUSUM Component-A was specifically designed to enhance the income of farmers and rural landowners, provide energy and water security to small and marginal farmers, de-dieselise the agricultural sector, and reduce environmental pollution caused by diesel pump sets. (See Whereas Clause A of the PPA.) Any reduction in the contracted tariff directly undermines these stated public policy objectives and inflicts unacceptable financial hardship upon individual farmers who invested their life savings in reliance upon a Government-backed scheme commitment. 28. PM-KUSUM projects also serve the broader public interest by: (a) providing decentralised solar generation that reduces technical losses and improves feeder level grid efficiency; (b) reducing the need for expensive transmission infrastructure investment by DISCOMs; (c) enabling Telangana DISCOMs to fulfil their Renewable Purchase Obligation (RPO) targets and avoid regulatory noncompliance costs; and (d) reducing the State's dependence on thermal power, whose procurement costs continue to escalate due to rising coal prices, transportation costs, and environmental compliance obligations. Any order reducing tariff to a level that makes PM-KUSUM projects economically unviable is directly contrary to the State's energy policy and environmental commitments. 29. Farmers chose to participate in this scheme solely because of the assured fixed tariff commitment embedded in the PPA. Altering the tariff after irreversible	TGDISCOMs fully recognize the contribution of PM-KUSUM projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	investments have been committed and at the commissioning stage of the project is fundamentally unfair and would cause irreparable harm to farmer-investors. It would also send a profoundly damaging signal to all prospective farmer investors in Government-backed renewable energy programmes and undermine the credibility of the regulatory framework itself. This Hon'ble Commission, as the public interest regulator, has a duty to protect the interests of vulnerable farmer-investors and to ensure that commitments made through regulatory orders and executed PPAs are honoured in their entirety. OBJECTION 8: THE EXPRESS TERMS OF THE PPA SUPERSEDE ANY UNILATERAL REVISION — CONTRACTUAL SANCTITY MUST BE UPHELD 30. Article 1.2.5 of the PPA provides: 'The provisions of the Expression of Interest (EOI) [including all clarifications and/or amendments] / this Agreement shall always prevail over any other documents in case of contradiction.' The PPA is therefore the supreme governing document. Any revision in tariff after execution of the PPA can be validly effected only by mutual written agreement of both parties, as provided under Article 18.1 of the PPA, which states: 'This Agreement may only be amended or supplemented by a written agreement between the Parties.' TGSPDCL cannot unilaterally modify a fundamental term of the PPA through a regulatory petition filed without the knowledge, consent, or agreement of the individual SPG. 30A. The Petitioner has failed to disclose before this Hon'ble Commission any project-wise analysis demonstrating whether individual Solar Power Generators have actually derived any monetary benefit from the reduction in GST. In the absence of such project-specific data, a uniform blanket reduction in tariff across all SPGs would be arbitrary, discriminatory as between those who benefited from the GST reduction and those who did not, and contrary to the fundamental principles of natural justice and equitable treatment. 31. Article 2.2.1 of the PPA provides that the Agreement shall remain valid for a	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. TGDISCOMs respectfully submit that the present petition does not seek any unilateral modification of the tariff.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	period of twenty-five (25) years commencing from the Effective Date. Article 9.1.1 expressly stipulates that the tariff of Rs. 3.13/kWh shall be applicable “for the entire term of this Agreement.” Any regulatory order reducing the contracted tariff during the subsistence of the PPA, without the consent of the SPG and without a duly established financial and legal basis, would violate the sanctity of the contract, undermine the enforceability of duly executed Power Purchase Agreements, and erode the legitimate expectations of investors who committed substantial capital in reliance upon the contractual assurances extended by TGSPDCL under the PM-KUSUM Scheme. 32. The principle of sanctity of contract and the importance of honouring commitments under Power Purchase Agreements in the energy sector has been repeatedly and firmly affirmed by the Hon’ble Supreme Court of India. In Energy Watchdog v. Central Electricity Regulatory Commission, (2017) 14 SCC 80, the Supreme Court reaffirmed that regulatory authorities, while empowered to determine and revise tariffs, must do so in a manner consistent with the contractual commitments of state utilities and the reasonable expectations of private investors who have committed capital in reliance upon such commitments. This principle applies with full force to the present matter. OBJECTION 9: THE CHANGE IN LAW CLAUSE, PROPERLY AND HOLISTICALLY APPLIED, ENTITLES SPGS TO AN UPWARD REVISION — NOT A DOWNWARD REVISION 33. Even if this Hon’ble Commission is pleased to undertake a comprehensive Change in Law analysis, the correct and legally justified conclusion — when all changes in law and economic circumstances since 2021 are considered holistically and in their totality — is that SPGs are entitled to an upward revision in tariff and not a downward one. The GST reduction benefit of approximately Rs. 0.12 Crore/MW is more than offset by the BoS cost increase of approximately Rs. 0.28 Crore/MW, yielding a net additional cost burden of approximately Rs. 0.16 Crore/MW on the project. On a levelized basis computed over a 25-year project	While certain components may have experienced cost increases, it is equally true that the solar sector has witnessed substantial reductions in solar module prices, improvements in technology, higher module efficiencies and improved project economics over the years. Recent competitively discovered solar tariffs across the country also indicate a declining trend in the overall cost of solar power generation.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	life at a 19% CUF and 8.5% discount rate — the same parameters adopted by this Hon’ble Commission in the original Tariff Order dated 02.01.2021 — this net additional cost translates to a justified upward revision of approximately Rs. 0.12 to Rs. 0.15/kWh, making the financially viable tariff Rs. 3.25 to Rs. 3.30/kWh, as against the proposed reduction to Rs. 2.98/kWh. 34. The Objector respectfully submits that this Hon’ble Commission may either: (a) reject the petition and maintain the agreed tariff of Rs. 3.13/kWh in accordance with the express terms of the Power Purchase Agreement and the Tariff Order dated 02.01.2021; or, in the alternative, (b) direct a comprehensive, holistic, and project-specific review of all relevant financial and economic parameters — including the reduction in GST, escalation in Balance of System (BoS) costs, increases in commodity prices, labour cost escalation, inflation, and financing costs — before passing any order of tariff revision. Such a review, if undertaken, must consider both the beneficial and adverse financial impacts arising from all relevant changes in law and market conditions since 2021, so as to determine the true net economic effect upon the project. No order of tariff revision should be passed unless it is supported by complete financial data, project-specific computation, and a holistic assessment demonstrating that such revision is both legally justified and financially equitable. PART III: LEGAL PRINCIPLES AND JUDICIAL PRECEDENTS The following well-settled legal principles and judicial precedents support the Objector’s position and are respectfully placed before this Hon’ble Commission: 35. Doctrine of Legitimate Expectation: Union of India v. Hindustan Development Corporation, (1994) 3 SCC 499; Monnet Ispat & Energy Ltd. v. Union of India, (2012) 11 SCC 1. A public authority that has made a clear and unambiguous representation to a citizen, upon which the citizen has acted to his detriment by committing irreversible investments, cannot be permitted to resile from such representation. The protection afforded by the doctrine of legitimate expectation is not merely procedural; it operates to prevent substantive injustice to the	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	affected party. 36. Restitutionary Principle in Change in Law: The Hon'ble Supreme Court has consistently held that the object and purpose of Change in Law provisions in Power Purchase Agreements is to restore the affected party to the same economic position as if the Change in Law had not occurred. The principle of restitution requires that compensation should neither confer unjust enrichment upon one party nor impose an unfair financial burden upon the other. Accordingly, the financial impact of both beneficial and adverse consequences arising from a Change in Law event must be considered holistically while determining the appropriate relief or revision. 37. Economic Equilibrium Under Change in Law: The settled principle governing Change in Law adjudication is that the affected party is entitled to restoration of the same economic position it occupied prior to the Change in Law, having regard to all relevant cost impacts arising from the statutory or regulatory change. Any determination under the Change in Law provisions must, therefore, take into account both beneficial and adverse financial consequences so as to maintain the economic equilibrium originally contemplated by the contracting parties. Selective consideration of only those changes that are favourable to the procuring DISCOM, while ignoring corresponding adverse impacts upon the SPG, defeats the very object and purpose of the Change in Law clause. 38. Actual Cost Coverage and Holistic Financial Assessment: It is a well settled principle governing Change in Law adjudication that compensation must be determined on the basis of the actual and total financial impact arising from all relevant statutory changes, and not on the basis of isolated or partial consideration of a single favourable cost component. Where a Change in Law event produces both beneficial and adverse financial consequences, the regulatory authority is duty-bound to assess the net aggregate effect of all such consequences before determining the quantum of relief or revision. A tariff revision order passed on the basis of a single favourable factor — such as a reduction in GST on one category of equipment — while ignoring substantial	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	adverse cost escalations in Balance of System components, commodity prices, labour costs, and cumulative inflation, does not constitute a proper or complete Change in Law analysis. Such partial and selective analysis results in unjust enrichment of the Petitioner-DISCOM at the direct expense of the individual farmer-Solar Power Generator, who has no capacity to absorb unforeseen project cost increases. Reliance is placed upon the principles enunciated in Paragraphs 14, 15, and 16 above, which are incorporated herein by reference. 39. Prohibition Against Selective Burden on Developers — Equitable Application of Change in Law: It is an equally well-settled principle that Change in Law provisions contained in Power Purchase Agreements must be applied fairly, equitably, and holistically to both contracting parties. A Solar Power Generator or project developer cannot be compelled to absorb unforeseen statutory, regulatory, or market-driven cost increases while only the favourable changes in law are taken into account for the purpose of tariff revision. The very object and purpose of the Change in Law clause is restitutionary in nature — it is designed to restore the affected party to the same economic and financial position it would have occupied had the Change in Law not occurred. It is emphatically not an instrument of selective financial benefit available exclusively to the procuring DISCOM. Where, as in the present case, the adverse financial impacts upon the Solar Power Generator — comprising escalation in steel, copper, aluminium, cement, diesel, labour costs, and cumulative inflation since 2021 — substantially outweigh the benefit derived from GST reduction, the correct and equitable application of the Change in Law clause entitles the Solar Power Generator to an upward revision in tariff and not a downward one. No order of downward tariff revision ought to be passed unless supported by a complete, project-specific, and holistic financial assessment demonstrating a net benefit to the Solar Power Generator after accounting for all adverse cost impacts. Reliance is placed upon the principles enunciated in Paragraphs 16 and 17 above, which are incorporated herein by reference. 40. Financial Computation Required for Tariff Revision: It is a well recognised principle of regulatory jurisprudence, consistently applied by the Hon'ble	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Appellate Tribunal for Electricity (APTEL), that a petition for revision of tariff must be supported by cogent, verifiable, and project-specific financial computation. A petition for tariff revision cannot be entertained, let alone allowed, on the basis of assumptions alone, without detailed actuarial computation of the actual financial impact upon each category of affected stakeholder. 41. Burden of Proof: The burden of establishing entitlement to any revision of tariff rests entirely and exclusively upon the Petitioner. In the absence of complete financial data, independent engineering analysis, and project-specific computation filed before this Hon'ble Commission, no adverse order affecting vested contractual rights and legitimate financial expectations ought to be passed against the Objector or any other SPG.	
7.	Response to query by a) Sri. Gaddam Sampath Kumar (S.No. 259) b) Sri. Gaddam Narasimha Reddy (S.No. 262) c) Sri. Maanvi Projects (S.No. 264)	
	GROUND I: GST REDUCTION CREATES NO NEW COST ADVANTAGE THE BENCHMARK WAS ALREADY FIXED UNDER A 5% GST REGIME 8. The fundamental premise of TGSPDCL's petition is factually incorrect and proceeds on a demonstrably erroneous assumption. As noted in Paragraphs 12 and 68 of this Hon'ble Commission's Order in O.P. No. 24 of 2020, the benchmark capital cost of Rs. 3.60 Crore/MW was derived from the MNRE Office Memorandum dated 21.07.2020 for FY 2020-21- a period during which the GST on solar equipment was already 5%. 9. It is therefore a matter of record that the tariff of Rs. 3.13/kWh was never premised upon, calibrated upon, or calculated with reference to a 12% GST structure. The tariff was fixed when GST was 5%; GST then rose to 12%; and has now returned to 5%. This is, in legal and economic terms, a reversion - not a reduction from the baseline contemplated in the tariff order. 10. The GST has merely reverted to the very level that prevailed when the	I. 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 the tariff of Rs. 3.13/kWh for procurement of 4,000 MW under the PM-KUSUM Scheme. Accordingly, TGDISCOMs have

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	benchmark capital cost was adopted and the tariff was determined. Accordingly, the present change in GST rate yields no new cost advantage to the SPG and provides no factual, legal, or rational basis for any downward revision of the tariff. 11. Any honest and objective review of costs since FY 2020-21 would reveal substantial inflation in the prices of equipment, civil works, structural steel, labour, erection and commissioning charges, financing costs, insurance premiums, and Operation & Maintenance (O&M) expenses. A dispassionate financial analysis would, if anything, justify continuation of the existing tariff or an upward revision - certainly not the proposed cut. GROUND II: CHANGE IN LAW DOES NOT IPSO FACTO WARRANT TARIFF REDUCTION 12. Even assuming, without conceding, that the GST reduction constitutes a 'Change in Law' event within the meaning of the PPA and the applicable Regulations, a Change in Law does not automatically or ipso facto (by the fact itself) translate into a tariff revision. The determination of any tariff consequence arising from a Change in Law event requires: (a) Identification and quantification of the actual financial impact on each project; (b) Ascertainment of the actual savings, if any, accruing to each project from the change; and (c) Verification of the actual financial consequences at the individual project level. 13. The petition of TGSPDCL proceeds on a hypothetical, assumed, and unverified reduction of approximately 7% in capital cost, without establishing the actual saving for any individual project. Such a broad, sweeping, and	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. II. TGDISCOMs respectfully submit that the present petition is not seeking any arbitrary or unilateral revision of tariff. The PPAs executed b/w DISCOM and developers contain a "Change in Law" provision in clause 13.1.1.e mentions as under <i>"any change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project."</i> The above provision enables adjustments where there is a material impact on project cost. Further, the present petition is

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	unsubstantiated assumption cannot constitute evidentiary foundation for a tariff order affecting hundreds of SPGs across the State. 14. The prayer of TGSPDCL is, accordingly, premature, speculative, and unsustainable, and ought to be rejected on this ground alone. GROUND III: BINDING NATURE OF THE POWER PURCHASE AGREEMENT 15. Upon execution of the PPA, the tariff of Rs. 3.13/kWh became an integral part of a binding, legally enforceable, and concluded contract between the Objector and the distribution licensee. A concluded contract can be altered only in strict accordance with its own terms, the provisions of the Electricity Act, 2003, and the Regulations framed thereunder. 16. The relief sought by TGSPDCL amounts to nothing less than a unilateral downward alteration of a concluded contract. Such unilateral alteration is impermissible in law. Neither a statutory regulatory authority nor a contracting party can, without express contractual or legislative authority, impose a downward revision on a concluded commercial arrangement that has vested enforceable rights in both parties. 17. This Hon'ble Commission is respectfully invited to hold that the tariff of Rs. 3.13/kWh forms an immutable term of the PPA and cannot be varied by the Petitioner's unilateral application. GROUND IV: SANCTITY OF CONTRACT 18. The sanctity of contracts is a well-settled and venerable principle of Indian law, grounded in Section 37 and related provisions of the Indian Contract Act, 1872, and reinforced by the jurisprudence of the Hon'ble Supreme Court of India. This Hon'ble Commission, as a quasi judicial regulatory authority, is bound to give effect to this principle.	placed before the Hon'ble Commission for a review, to ensure that tariffs remain aligned with prevailing market conditions. III & IV. The PPA are binding on relevant parties, The proposed adjustment is implementation of the "Change in Law" provisions expressly contained in the PPA and duly signed by the developer.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	19. The contractual rights of the Objector have fully crystallized upon execution of the PPA. The Objector has not merely entered into a contract - he has acted on it, invested his entire savings against it, raised bank finance on the strength of it, and committed 25 years of productive land and capital to it. To disturb these crystallized contractual rights would be to undermine the very foundation of contract-based regulatory governance. 20. This Hon'ble Commission is urged to be especially circumspect (cautious and thorough) before permitting any interference with contractual rights that have already vested and been acted upon - more so in a scheme designed expressly to benefit small and marginal farmers. GROUND V: GST REDUCTION DID NOT REDUCE THE ENTIRE PROJECT COST 21. The GST reduction invoked by TGSPDCL applies only to certain specified renewable energy goods, namely solar PV modules, cells, and directly related equipment. It does not, in any manner, affect the following substantial components of project cost: (a) Land development and site preparation costs; (b) Civil works, including foundations, module mounting structures, and cable trenching; (c) Transmission line works and HT/LT cable costs; (d) Bay extension and interconnection charges; (e) Transformer and metering costs; (f) Interest During Construction (IDC); (g) Bank processing charges, commitment charges, and financial service costs; (h) Insurance premiums for the project during construction and operation; (i) Labour, supervision, and management costs; (j) Security, transportation, and logistics expenses; (k) O&M costs and long-term maintenance commitments. 22. The sweeping assumption that the overall capital cost of every PM-KUSUM project has uniformly fallen by Rs. 20 to 25 lakh per MW is wholly unproven, empirically unverified, and cannot be accepted without rigorous, project-specific, audited evidence. The factual basis for the prayer is, therefore, fundamentally deficient. GROUND VI: PROJECT-WISE VERIFICATION IS MANDATORY	V. While some material costs have increased, this does not reflect the overall scenario. A major cost component, solar modules, has reduced significantly and GST reduction, which combinedly outweighs these increases. Also, recent solar tariffs discovered through competitive bidding have been reducing year after year, which clearly shows that overall project costs have come down.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	UNIFORM CUT IS ARBITRARY 23. Each SPG under PM-KUSUM Component-A procured solar equipment and executed supply contracts at different points in time - some before the GST notification reducing the rate to 5%, and some after. The actual GST incidence, and accordingly the actual benefit, if any, differs materially from project to project. 24. Applying a single, uniform, across-the-board tariff reduction of Rs. 0.15/kWh to all projects, without a project-wise verification of the actual GST benefit received, is plainly arbitrary and discriminatory. It treats generators who derived no GST benefit (because they procured equipment before the notification) on par with those who may have derived some benefit - thereby treating unequals equally, which is the classic test for unconstitutional arbitrariness. 25. No revision, if at all, can be ordered without a comprehensive, individual, and audited project wise review of each SPG's actual procurement timeline, GST invoices, and financial statements. GROUND VII: FINANCIAL CLOSURE AND DEBT SERVICEABILITY 26. The Objector obtained institutional finance from a bank or financial institution on the basis of the revenue stream guaranteed by the PPA at the rate of Rs. 3.13/kWh. The following financial parameters were all computed with reference to this tariff: (a) The sanctioned loan amount and disbursement schedule; (b) The debt repayment schedule and EMI structure; (c) The projected cash flow statements submitted to the bank; (d) The Debt Service Coverage Ratio (DSCR) and the Internal Rate of Return (IRR) evaluated by the lending institution. 27. A reduction in the tariff by Rs. 0.15/kWh after financial closure would directly and adversely impair the Objector's ability to service the debt obligations. It would depress the DSCR below the covenant threshold, render the project unviable, and materially increase the risk of default pushing a law-abiding, participating farmer into financial distress through no fault of his own.	VII. TGDISCOMs respectfully submit that financing arrangements, lending rates, debt servicing obligations, and loan structures are project-specific commercial decisions between developers and their lenders. Tariff determination is based on normative financing assumptions and regulatory principles rather than individual financing arrangements adopted by specific developers.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	28. This consequence is not merely unjust - it is potentially catastrophic for small and marginal farmers who have staked their agricultural land and personal assets as collateral. This Hon'ble Commission is urged to take cognizance (judicial notice) of this ground as a compelling reason to decline the prayer. GROUND VIII: LEGITIMATE EXPECTATION 29. The doctrine of legitimate expectation is a well-established principle of administrative law in India, recognized and applied by the Hon'ble Supreme Court in a long line of decisions. It protects a person who has reasonably and in good faith relied upon a representation or promise made by a public authority, to his detriment. 30. The Objector invested in this project on the basis of a clear and unambiguous representation made by the Government through the PM-KUSUM Scheme notification, and confirmed by this Hon'ble Commission through its tariff order in O.P. No. 24 of 2020, as further embodied in the executed PPA. These three sources, together, created a legitimate expectation that the tariff of Rs. 3.13/k Wh would subsist for 25 years. 31. The State, acting through TGSPDCL, cannot now resile from (withdraw from) this assurance without compelling legal justification, without affording the Objector an effective opportunity to be heard, and without bearing the burden of demonstrating that the public interest in the proposed change outweighs the manifest prejudice to the Objector. GROUND IX: PROMISSORY ESTOPPEL 32. The doctrine of promissory estoppel (the principle by which a party is legally barred from going back on its promise if the other party has relied on it to their detriment) squarely applies on the facts of this case. The Government of India, the Government of Telangana, and the distribution licensee TGSPDCL, through the PM-KUSUM Scheme, the tariff order, and the executed PPA, induced the	VIII & IX. 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, and execution of PPAs, was undertaken under the applicable contractual and regulatory framework, which includes provisions relating to "Change in Law" events.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Objector to make an irreversible investment commitment of substantial magnitude. 33. The Objector, having acted upon these representations by investing his savings, raising debt, constructing and commissioning the solar plant, and supplying power under the PPA, is unequivocally entitled to the protection of the doctrine of promissory estoppel. The Government and TGSPDCL are estopped (legally precluded) from withdrawing the economic basis of the project to the prejudice of the Objector. 34. This legal protection cannot be defeated merely by the passage of a GST notification that, as demonstrated above, does not even constitute a genuine cost reduction over the original tariff baseline. GROUND X: VIOLATION OF ARTICLE 14 — EQUALITY BEFORE LAW 35. Article 14 of the Constitution of India guarantees equality before law and prohibits arbitrary discrimination. The Hon'ble Supreme Court has repeatedly held that an action or order that treats unequals equally, without intelligible differentia (a clear, rational distinguishing criterion), violates Article 14 and is liable to be struck down as unconstitutional. 36. In the present case, there exists a manifest and material difference between two categories of SPGs: (a) SPGs who procured solar modules and associated equipment before the date of the GST notification reducing the rate to 5%- who derived no benefit whatsoever from the said notification; and (b) SPGs who procured equipment after the said notification - who may have derived some limited benefit. 37. The prayer of TGSPDCL, seeking a uniform and undifferentiated reduction in the tariff of all SPGs, treats both categories identically, ignoring this critical material distinction. Such a blanket reduction is arbitrary, unreasonable, and violative of Article 14 of the Constitution of India.	TGDISCOMs respectfully submit that financing arrangements are project-specific commercial decisions between developers and their lenders. Tariff determination is based on normative financing assumptions and regulatory principles rather than individual financing arrangements adopted by specific developers.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	GROUND XI: PROPOSED REDUCTION IS CONTRARY TO THE OBJECTIVES OF THE PM-KUSUM SCHEME 38. The PM-KUSUM Scheme was conceived, designed, and implemented with the following explicit and well-articulated policy objectives: (a) To enhance and supplement the income of farmers by enabling them to generate and sell solar power; (b) To promote decentralized renewable energy generation in the agricultural sector; and (c) To improve energy security and reduce dependence on centralized power generation. 39. A tariff reduction that substantially and materially diminishes the income of participating farmers directly and irreconcilably contradicts these stated policy objectives. Such a reduction ought not to be ordered, except upon clear and unambiguous statutory authority and cogent, verifiable, project-specific evidence - neither of which exists in the present case. 40. This Hon'ble Commission, as the guardian of the regulatory framework, is respectfully urged to ensure that its orders promote rather than undermine the welfare objectives of the scheme, and that the farmer-generators who have reposed their trust in the regulatory system are not left prejudiced.	TGDISCOMs fully recognize the contribution of PM-KUSUM projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability.
8.	Response to query by a) Sri. Chennadi Aditya (S.No. 260) b) Sri. Bingi Satyanarayana (S.No. 261) c) Sri. Muppidi. Raja Shekar Reddy (S.No. 265) d) Sri. Mara Anuradha (S.No. 267)	
	1. The tariff of ₹3.13/kWh was determined based on cost assumptions prevailing in 2021 and does not reflect present-day market realities. 2. The proposed reduction is based solely on GST reduction from 12% to 5%, whereas GST constitutes only a small component of total project cost. We paid GST of 18% to EPC as per our contract. The reduction in GST did not benefit us. It benefited the EPC contractor.	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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	3. The benefit arising from GST reduction is marginal and cannot justify a tariff reduction of 15 paise per unit. 4. Solar project economics should be evaluated based on total project cost and lifecycle viability rather than a single tax component. 5. Since 2021, inflation has significantly increased the cost of materials, labor, transportation, and services. 6. Land development costs, fencing, internal roads, drainage systems, and site preparation expenses have increased substantially. Right of way costs are beyond our expectations. 7. The prices of transformers, HT equipment, switchgear, cables, and evacuation infrastructure have risen sharply over the last five years. In the last 1 year commodity prices have increased significantly. Module Mounting Structure price increased by 50%, Copper and Aluminum cable price is increased by 75%, Transformer Price is increased by 50-60%, from 2021 to 2026. 8. Financial institutions are demanding higher margin money contributions, increasing the capital burden on developers. Valuation charges and bank vetting charges are additional expenses 9. Interest rates on project loans have increased, resulting in higher debt servicing obligations. 10. Small farmers and rural entrepreneurs participating under PM-KUSUM do not enjoy the financial advantages available to large corporate developers. 11. PM-KUSUM projects are decentralized projects with limited economies of	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, thereby ensuring that the benefit reaches the consumers while the financial viability of the projects is not adversely impacted.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	scale and therefore require higher tariff support. 12. The entire risk of project execution, operation, maintenance, and generation performance is borne by the farmer. 13. O&M expenses continue to increase every year, while the tariff remains fixed throughout the PPA period. 14. Insurance premiums and security costs have increased considerably due to rising replacement costs and theft risks. 15. Solar projects under PM-KUSUM contribute directly to rural development and farmer income enhancement. 16. Decentralized solar generation reduces technical losses and improves feeder-level efficiency. 17. PM-KUSUM projects reduce the need for expensive transmission infrastructure and associated investments by DISCOMs. 18. These projects help Telangana DISCOMs meet Renewable Purchase Obligation (RPO) targets and avoid future compliance costs. 19. Thermal power procurement costs continue to rise due to increasing coal, transportation, and environmental compliance expenses, whereas PM-KUSUM provides fixed-cost clean energy for 25 years. 20. Reduction of tariff will adversely affect project bankability and may discourage future participation under PM-KUSUM. 21. Regulatory certainty is essential for investor confidence. Any downward revision after developers have planned investments creates uncertainty and undermines confidence in government-backed schemes.	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	22. The environmental benefits, carbon emission reduction, energy security benefits, and social benefits of decentralized solar generation have not been adequately factored into tariff determination. 23. Telangana is facing increasing electricity demand and PM-KUSUM projects provide affordable daytime power close to agricultural loads. 24. Reduction in tariff may render many approved projects financially unviable and delay achievement of renewable energy targets. 25. The Commission may kindly note that while GST reduction provides only a limited saving, cumulative inflation and financing cost escalation since 2021 have increased project costs by more than 25-30%. In view of the above facts and circumstances, I humbly 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. I sincerely request the Hon'ble Commission to consider the above submissions in the interest of renewable energy development, farmer welfare, investor confidence, and long-term sustainability of PM-KUSUM projects in Telangana.	
9.	Response to query by Sri. Chakali Gangamani (S.No. 266)	
	The tariff of Rs 3.13/kWh was the basis on which farmers and developers invested substantial amounts in establishing solar power projects. The cost of project implementation, including solar modules, inverters,	TGDISCOMs respectfully submit that the present petition is based on the reduction in GST rates. The proposal has been made considering the overall project economics, including reduction in GST rates and decline in major capital cost

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	transmission infrastructure, financing costs, land development, operation and maintenance expenses, has increased like copper, aluminium, oils and transportation, significantly due to war. Reduction of tariff at this stage will adversely affect project viability and financial sustainability, particularly for small and medium farmers like us. Many beneficiaries ie SPGs have obtained loans from banks based on the existing tariff. Any reduction will impact loan repayment capacity and may lead to financial hardship. PM-KUSUM was introduced to encourage decentralized renewable energy generation and provide additional income to farmers. Tariff reduction would defeat the objectives of the scheme. The proposed reduction is contrary to the legitimate expectations of beneficiaries who participated relying on the tariff already approved by the Commission.	components, particularly solar modules. TGDISCOMs further submit that tariff determination is based on normative cost parameters and overall market trends rather than individual project-specific expenditures, financing arrangements, procurement schedules, EPC contracts, loan obligations, or commercial commitments. While certain project cost components may have witnessed increases during implementation, the overall project economics are required to be assessed holistically, considering both cost escalations and reductions in major cost elements. Accordingly, 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 maintaining the financial viability of the projects.
10.	Response to query by Sri. M/s Agro Solar Pvt Ltd (S.No. 270)	
	1. Failure to notify the Renewable Power Generators (RPGs) In the instance when a Change in Law event is triggered the financially aggrieved party should notify the other party of the purposed loss it is likely to suffer on account of the said event or the undue gain the other party is likely to get. In this instance, none of the Renewable Power Generators (RPGs) who signed the Power Purchase Agreements have received any notice from the petitioners about the change in law event and their intent to pursue a 0.15 ₹ /kWh downward revision in the normative tariff determined by the Honourable Commission. This failure to notify any of the renewable energy generators and/or publish their I.A Application on their websites or notify the RPGs and stake holders through newspapers or electronic media in reasonable timeframe has misled the RPGs in to believing that the Tariff remains at 3.13 ₹/kWh and they have presented their	1. Mail communications regarding the filing of the petition were shared with all PPA holders, thereby informing the concerned Renewable Power Generators of the proceedings initiated before the Hon'ble Commission.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	cash flows and CMA data based on the said tariff to their lenders. The RPGs are now left to face the ire of the lenders, and possibly reduction in the amount of loan disbursed by the lenders to maintain the debt service coverage ratio as earlier. We also bring to the kind notice of the Hon'ble Commission that the petitioners continued to sign Power Purchase Agreements at same tariff rate of 3.13 ₹/kWh under this scheme even after submission of their original petition dated 10 Oct 2025 seeking downward revision of tariff. They have neither disclosed their intent of pursuing downward tariff revision nor their act of filing this tariff re-determination petition to the prospective RPGs who were offered to sign the PPAs at original rate of 3.13 ₹/kWh. This is a gross failure in material disclosure of facts to counter-signatories, which is violative of the doctrine of fairness and transparency. The affected RPGs have been deprived of the opportunity to review their investments and proposals to sign fresh PPAs considering the petitioners application for tariff redetermination. Hence, we strongly object to the application filed surreptitiously by the petitioners while failing to notify the counter signatories of the Power Purchase Agreements. This whole episode of lack of transparency and good faith has left an indelible image in the eyes of lenders who will now evaluate any power purchase agreement with utmost suspicion and concern making financing extremely difficult for these projects going forward. 2. Factually incorrect claims in the Interlocutory Application dated 10.10.2025 The petitioner in his application dated 10.10.2025 inter alia has made the following submission: "2. The Commission, while determining the pre-fixed levelized tariff of 3.13 ₹/kWh under O.P No. 24 of 2020 dated 02.01.2021, had considered the capital cost and associated financial parameters based on the then-prevailing fiscal and taxation structure, including the applicable Goods and Services Tax (GST) rate on Solar PV Modules and related renewable energy equipment. Subsequently, the 56th Meeting of the GST Council held at New Delhi in September 2025 recommended a reduction in the GST rate from 12% to 5% on Solar PV Modules, Solar Cells, and associated renewable energy	2 & 3. 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,

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	components, with the same being notified by the Ministry of Finance, Government of India. The said revision in GST rate has a direct bearing on the overall project cost and financial parameters considered at the time of tariff determination, thereby warranting a re-examination. and appropriate revision of the pre-fixed levelized tariff to reflect the, changed fiscal conditions.” We would like to bring to the kind notice of Hon'ble Commission that the above submission is patently false. The GST rate on Solar Panels, Cells and other renewable energy equipment was 5% as on the date of the original order in the matter of O.P No. 24 of 2020, i.e 02.01.2021. The GST rate was revised upwards to 12% w.e.f 01 Oct 2021 and again reverted to the original rate of 5% w.e.f 22 Sep 2025. Filing a tariff redetermination petition on the pretext of change in GST rate which has remained the same from the date of order to the date of filing this petition is bereft of any logic. Hence this petition is devoid of any factual basis and thus should alone constitute the basis for summary dismissal. The petitioners have also failed to mention the following changes in the tax regimes since the original order was passed: a. Imposition of Basic Customs Duty of 20% on Solar Grid Tied Inverters w.e.f 01 Feb 2021 b. Imposition of Basic Customs Duty of 40% on Solar Modules and 20% on Solar Cells w.e.f 01 April 2022 c. Imposition of Anti-Dumping Duty on Solar Glass w.e.f 04 Dec 2024 Further the petitioners have requested the Hon'ble Commission to redetermine the tariff considering the changed fiscal conditions. If that is the true intent of the petition then it should encompass all the tax changes that have happened, the rapid increase in prices of various commodities that directly impact the solar projects, increase in cement prices, the rupee depreciation etc. If the Hon'ble Commission is willing to redetermine the tariff holistically considering all the above changes and any such that have happened since the original order was passed on 02.01.2021, we would welcome such a decision and	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.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	we are confident that such an exercise would actually lead to an upward revision of tariff benefitting the RPGs. 3. Violation of TGERC Order in the matter of R. P. (SR) No. 19 of 2021 in O.P No. 24 of 2020 The petitioners have already filed a review petition against the original order in O.P No. 24 of 2020 vide their review petition R.P (SR) No. 19 of 2021. In the review petition the petitioners contended that the Hon'ble Commission had erred by considering a higher capital cost than prevalent at that point of time. The petitioners have presented a project cost breakup in which they have shown that GST is 5% on Solar Panels, therefore attesting to the fact that the GST rate was indeed the same 5% as today. Secondly, the Hon'ble Commission heard the petitioners and passed order 23rd Sep 2021 duly dismissing the petition as devoid of merits. The Hon'ble Commission inter alia has made the following observations in the order: "11. For entertaining the review petition, the following should be satisfied. The review of an order passed by a Commission is dependent on the following aspects under the Code of Civil Procedure, 1908: a. Where there is a typographical mistake that has crept in the order; b. When there is an arithmetical mistake that has crept in while effecting calculation or otherwise; c. When there is a mistake committed by Commission, which is apparent from the material facts available on record and/or in respect of application of Law; d. When the Commission omitted to take into consideration certain material facts on record and 'law on the subject' and that if on taking into consideration those aspects, there is a possibility of Commission coming to a different conclusion contrary to the findings given; e. If the aggrieved party produced new material which he could not produce during the enquiry in spite of his best efforts and had that material or evidence been	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	available, the Commission could have come to a different conclusion; The review petitioners have sought only the relief of review of the order passed in O.P.No.24 of 2020 in the present petition raising the plea of reviewing the order dated 02.01.2021. They gave no proper reason / submission which would fit into any of the above principles on which review petition is to be entertained;” It is pertinent to note that once again none of the above stated conditions are satisfied in the current petition by the petitioners, except for falsely claiming that the GST rate was 12% at the time of tariff determination and has now been reduced to 5%. Hence the current petition filed by the petitioners is in direct violation of the order passed by the Hon’ble Commission in the matter of R.P (SR) No. 19 of 2021. Furthermore, it is also important to note that the petition copy uploaded on the website of TGERC does not offer any calculations supporting their claim for reduction of tariff by ₹ 0.15/kWh. In this scenario, there is no logical explanation as to how their claimed figure of ₹ 2.98/kWh can be opposed by the objectors or adjudicated by the Commission, without any supporting calculations. 4. APTEL Judgement in the matter of Appeal No. 279 of 2013 in the matter of GUVNL vs. GERC and others We would like to bring to the kind notice of Hon’ble Commission about similar precedent in the case of GUVNL vs Solar Developers in which GUVNL the nodal agency that signed Power Purchase Agreements with Solar Developers have moved GERC unsuccessfully and later appealed with APTEL claiming that the tariffs need to be revised downwards on account of reduced capital costs and change in taxes and duties. Their petition was dismissed both by GERC and the subsequent appeal later by APTEL. Hon’ble APTEL, while dismissing the appeal of GUVNL has inter alia made the following observations that also apply to the petitioners: “177. Summary of our findings:	4. TGDISCOMs respectfully submit that the present petition is not seeking any arbitrary or unilateral revision of tariff. The PPAs executed b/w DISCOM and developers contain a “Change in Law” provision in clause 13.1.1.e mentions as under <i>“any change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project.”</i> The above provision enables adjustments where there is a

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	“(3) The State Commission has correctly rejected the Petition of the Appellant for redetermination of tariff as not maintainable due to following:” “(d) Generic Tariff Order on normative parameters is not permissible to be re-visited on the basis of the actual cost incurred in setting-up the Project and actual equity deployed.” “(e) The tariff determined by the State Commission by the 2010 order was a promotional tariff and an incentive offered to the renewable energy Generators who invested during the first control period. The parties acted upon the tariff order. The said tariff order was also accepted by the State Government and notified. The tariff itself was a promotional measure to incentivise the Solar Project Developers. This cannot be sought to be taken away long after the renewable energy Generators have acted upon the same.” “(g) PPA can be re-opened only for the purchase of giving thrust to the renewable energy projects and not for curtailing the incentives.” “(h) When it was not established by the Appellant that there is a legal right available to the Appellant to seek re-determination of tariff by re-opening the PPA, the State Commission would not be expected to revisit the generic tariff thereby to disincentivise the project developers and consequently discourage future investment in the Sector.” We request the Hon’ble TGERC to take note of the above findings of APTEL in similar matter and give importance to the fact that the tariff determined by TGERC in OP No. 24 of 2020 is a normative tariff balancing the interests of all stakeholders. The tariff order also doesn’t provide for revision of the tariff against any material changes. The petitioners should file a separate petition for determination of new tariff for a new control period that would apply to future PPAs and not try to penalise the current RPGs who have been offered a fixed tariff through the Expression of Interest floated by TGREDCO for signing Power Purchase Agreements under this scheme. 5. Promissory Estoppel and violation of Res Judicata The current RPGs have signed Power Purchase Agreement against the Expression of Interest published by Telangana Renewable Energy Development	material impact on project cost. Further, the present petition is placed before the Hon’ble Commission for a review, to ensure that tariffs remain aligned with prevailing market conditions. TGDISCOMs respectfully submit that the present petition is based on the reduction in GST rates. The proposal has been made considering the overall project economics, including reduction in GST rates and decline in major capital cost components, particularly solar modules. TGDISCOMs further submit that tariff determination is based on normative cost parameters and overall market trends rather than individual project-specific expenditures, financing arrangements, procurement schedules, EPC contracts, loan obligations, or commercial commitments. While certain project cost components may have witnessed increases during implementation, the overall project economics are required to be assessed holistically, considering both cost escalations and reductions in major cost elements. TGDISCOMs respectfully submit that the developers'

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Corporation (TGREDCO). The Expression of Interest (EOI) states the following: “2. MNRE Guidelines, Terms & Conditions related to Component A of PM-KUSUM Scheme 1. Background g) On 02.01.2021, Hon’ble ERC approved pre-fixed levelized tariff of Rs. 3.13/Kwh per unit under Component A of the PM-KUSUM Scheme. However, a fresh acceptance will be obtained from TGERC by the TGDISCOMS towards tariff determined.” “7. Scope of Work: VII. In no case TGREDCO/TGDISCOMS shall be responsible to pay or increase the tariff for any additional work if required to be done for completion of the Project.” The EOI was published along with a Frequently Asked Questions (FAQ) document which inter alia has the following question and clarification: “3. What are the provisions if the Telangana government or DISCOM attempts to renegotiate tariffs in the future? Answer: Tariff in Power Purchase Agreement (PPA) is fixed for 25 Years and it cannot be altered.” After the Expression of Interest and shortlisting of bidders the petitioners have approached TGERC for acceptance of the pre-fixed levelized tariff and permission to enter into Power Purchase Agreements vide OP No. 32 of 2025. Hon’ble TGERC has sought public comments/ suggestions and objections and the order was passed on 22.04.2025 after conducting public hearing The Hon’ble Commission has listed out the objections / suggestions/ comments of stake holders, replies of the petitioners, and Commission’s Analysis and Findings. Given below are the few relevant objections, replies from the petitioners and commission’s analysis, reproduced from the order and highlighted as necessary:	participation in the PM-KUSUM Scheme, including land procurement, project development activities, financing arrangements, furnishing of Performance Bank Guarantees, and execution of PPAs, was undertaken under the applicable contractual and regulatory framework, which includes provisions relating to “Change in Law” events. Accordingly, 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 maintaining the financial viability of the projects

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	“64. Another stakeholder has mentioned about significant changes which impacted project costs since 02-01-2021, such as INR depreciation (from Rs.73.2/USD in Jan 2021 to Rs. 86.8/USD currently), steep fluctuations in module prices and shipping costs post- COVID, rising interest rates and financing challenges. As of October 2021 the GST rate on solar modules and related components was increased from 5% to 12%, imposition of Approved list of Module Manufacturers by MNRE and import duty changes. Hence, the tariff fixed in early 2021 is no longer reflective of the current market realities and is therefore not appropriate basis for inviting fresh Eols. ...” Petitioners Replies: “69. The petitioner further submitted that the proposed tariff of Rs. 3.13/kWh was determined based on the prevailing market rates of panels and other materials for solar power, assuming a project cost of Rs. 3.6 Crores, during the year 2021. With advancements in technology, the cost of solar panels has decreased, and their efficiency has increased. However, TGDISCOMs will adhere to the price determined by the TGERC.” Commission’s Analysis and Findings “73. The Commission has determined prefixed levelized tariff at Rs. 3.13/kWh in order dated 02.01.2021 in O.P. No. 24 of 2020. The implementing agency has invited Eols on the basis of the prefixed levelized tariff at Rs. 3.13/kWh. The applicants must have given their Expression of Interest to install solar plant as they will get Rs 3.13/kWh. If at this stage this Commission alters the tariff it may upset either of the parties. Therefore, the Commission deems it fit not to revise the tariff at this stage and as of now the prefixed levelized tariff of Rs.3.13 /kWh stands continued.” A harmonious reading of relevant clauses from TGREDCO’s Expression of Interest and FAQs, objections raised by the stakeholders in the matter of OP No. 32 of 2025, specifically regarding increase in GST Rate, subsequent reply of petitioners vouching to abide by the tariff determined by the Hon’ble Commission and commissions findings in the matter, it can be legitimately concluded that the	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	normative tariff decided by Hon'ble Commission is fixed and not subject to revision. Hence it is our strong objection that the present petition filed by TGDISCOMs would squarely fall under the doctrine of promissory estoppel and it is our humble request that the Hon'ble Commission should summarily reject the petitioners claim. Further, the stakeholders have raised objection during the hearing in the matter of OP No. 32 of 2025 duly bringing the issue of GST Rate increase from 5% to 12% and seeking upward revision of the tariff. This objection was neither accepted by the petitioners nor supported by the Hon'ble Commission in its analysis and findings and hence should be treated as settled in favour of the petitioners back then in the manner that GST rate impact would not increase the tariff. So, now the petitioners cannot ask the Hon'ble Commission to revise the tariff on account of reduction in GST Rate from 12% to 5%. If it was not covered under the ambit of change in law then, it cannot be covered under change in law now. Since the matter of GST rate change is already settled by the Hon'ble Commission in OP No. 32 of 2025, the petitioners trying to reagitate on the same matter would tantamount to violation of the doctrine of res judicata.	
11.	Response to query by a. Sri. Amarender Reddy (S.No. 271) b. Sri. N. Ram Reddy (S.No. 274) c. Sri. N. Ram Reddy (S.No. 276)	
	I wish to object to the proposed reduction of the tariff from Rs. 3.13/kWh to Rs. 2.98/kWh under the PM Kusum scheme. Following the issuance of LOIs and execution of PPAs, financial commitments/loan arrangements were made, and repayments planned based on the agreed tariff. Any revision at this stage will adversely affect the financial viability of the project and place an unexpected burden on participants.	TGDISCOMs further submit that tariff determination is based on normative cost parameters and overall market trends rather than individual project-specific expenditures, financing arrangements, procurement schedules, EPC contracts, loan obligations, or commercial commitments. While certain project cost components may have witnessed increases during

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Breaching a signed agreement is highly unethical and this is not expected from the Government especially considering this scheme is aimed to help farmers who are the backbone of this nation. After this breach, how can we trust that other terms mentioned in the PPA will not be breached as well? I therefore request you to retain the tariff of Rs. 3.13 per kWh for all projects and to protect the interests of stakeholders who have already made investments and commitments based on the agreed terms.	implementation, the overall project economics are required to be assessed holistically, considering both cost escalations and reductions in major cost elements.
12.	Response to query by Sri. Vishruth Reddy of M/s Novaya Energy Private Limited (S.No. 275)	
	1. Change in Law should not be applied selectively only for one favourable cost movement The petition appears to invoke the Change in Law clause only to capture the benefit of GST reduction on certain solar components. However, project economics cannot be evaluated by isolating one cost reduction while ignoring several adverse cost movements that have occurred simultaneously. Even if GST on certain items has reduced from 12% to 5%, many other major cost components either continue to attract higher taxes/duties or have increased materially. These include mounting structures, cables, transformers, switchgear, civil works, fencing, evacuation works, right-of-way expenses, transportation, erection, labour, insurance, statutory expenses and other balance-of-system costs. Further, many solar project inputs are directly or indirectly import-linked. The Indian Rupee has weakened materially, with USD/INR recently trading around the ₹94–95/USD range, which increases the landed cost of solar cells, modules, inverters, electronic components, and electrical equipment. Therefore, if Change in Law is to be considered, it must be considered on a net project-cost basis, taking into account both cost reductions and cost increases. A	TGDISCOMs respectfully submit that the present petition has been filed in view of the reduction in GST rates and other favourable developments in project cost parameters. The applicability and impact of any Change in Law event are required to be considered in accordance with the provisions of the PPA and the applicable regulatory framework. The market conditions have evolved, including reduction in GST and notable decline in capital costs, especially solar modules. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	selective downward revision based only on GST reduction would be commercially inequitable. 2. Component-A developers do not receive the capital subsidy support available under Component-C PM-KUSUM Component-A developers are expected to make projects viable primarily through tariff revenue. They do not receive the same capital subsidy support that is available under PMKUSUM Component-C feeder-level solarisation. For agriculture feeder solarisation under Component-C, Central Financial Assistance of ₹1.05 crore/MW is available. Despite this support, recent Component-C tariff approvals in other states have remained around or above the Telangana Component-A tariff. For example, APERC approved Component-C feeder-level solarisation tariffs of ₹3.16/kWh, ₹3.18/kWh and ₹3.19/kWh, with a state-wide average of ₹3.17/kWh. In this context, reducing Telangana Component-A tariff to ₹2.98/kWh, despite the absence of equivalent capital subsidy support to the developer, would make small decentralized projects commercially difficult to sustain. 3. The effective cost to DISCOM is already lower because of Procurement Based Incentive Under PM-KUSUM Component-A, DISCOMs are eligible for Procurement Based Incentive at ₹0.40/kWh or ₹6.60 lakh/MW/year, whichever is lower, for five years. Therefore, even at the existing tariff of ₹3.13/kWh, the effective procurement cost to the DISCOM is materially lower after considering the PBI benefit. Depending on CUF and the applicable PBI cap, the effective cost is approximately in the range of ₹2.73–₹2.77/kWh. This is substantially lower than the retail tariff/realisation from industrial and commercial consumers in Telangana. The existing tariff already provides significant value to the DISCOM, even before	2. The availability or non-availability of subsidies under Component-C is not relevant to the issue raised in the present Petition. Component-A and Component-C are distinct schemes with different structures, objectives and cost frameworks. Tariffs approved under other schemes or in other States cannot be directly compared for determining the impact of GST reduction under the present petition. 3. Procurement Based Incentive is an incentive provided under the PM-KUSUM framework and does not alter the obligation to examine the impact of a subsequent statutory change i.e., GST Reduction.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	considering the additional system-level savings of decentralized generation. 4. Decentralized generation creates transmission and distribution benefits PM-KUSUM Component-A projects are decentralized plants connected near rural substations and load centres. This is materially different from centralized solar parks where power is generated in one location and transmitted over long distances. Decentralized plants provide system-level benefits such as: 1. Reduced transmission and sub-transmission losses. 2. Lower network congestion. 3. Reduced requirement for long-distance transmission infrastructure. 4. Better rural feeder support. 5. Deferred transmission and distribution investment. 6. Improved reliability near agricultural load centres. The economic value of these benefits should be considered before reducing the tariff. The tariff should not be viewed merely as a procurement cost, but as the cost of distributed renewable energy delivered near the point of consumption. 5. Small 2 MW projects have higher per-MW costs than large solar parks PM-KUSUM Component-A projects are typically small decentralized projects, often around 2 MW. These plants do not enjoy the economies of scale available to 50 MW, 100 MW or larger utility-scale projects. Several fixed costs remain substantial irrespective of project size, including: • Land identification and registration. • Land development and fencing. • Evacuation line and interconnection works. • Transformer, metering, protection and switchgear. • Engineering and project management. • Statutory documentation. • Security. • Regular cleaning and maintenance. • Technical supervision and troubleshooting.	4. TGDISCOMs fully recognize the benefits of PM-KUSUM projects towards renewable energy promotion, rural income generation, RPO compliance, and strengthening of decentralized power generation. This petition is based on updated cost conditions, including reduction in GST and overall capital costs, which has improved project returns beyond original projections. The revision aims to align tariffs with current cost realities, while ensuring project viability, fair sharing of additional gains with consumers, and achievement of scheme objectives. 5. The cost characteristics of small decentralized projects were already taken into consideration while determining the applicable tariff. The present Petition is confined to the impact of GST reduction

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Even a small plant still requires manpower for operation, maintenance, module cleaning, security coordination and technical monitoring. These costs cannot be reduced proportionately merely because the project capacity is smaller. Therefore, reducing the tariff further would make small decentralized plants commercially unviable. 6. GST reduction is a one-time capex benefit, but tariff reduction is a 25-year recurring loss This is the most important commercial point. The alleged GST benefit is a one-time reduction on a limited part of capital cost. However, the proposed tariff reduction of ₹0.15/kWh applies every year for the full PPA term. Thus, a seemingly small tariff reduction causes a very large recurring loss over the PPA period. More importantly, this revenue reduction comes directly out of the residual cash flow available after debt repayment, O&M, land lease, insurance, repairs and statutory expenses. For small projects, post-debt cash surplus is already limited. A ₹0.15/kWh reduction can materially reduce free cash flow and extend the equity payback period by several years. 7. The proposed reduction will affect project bankability Lenders assess renewable projects based on long-term contracted cash flows. If the tariff is reduced after PPAs are signed and after developers have already incurred expenditure, it weakens the bankability of the scheme. The proposed revision would affect:	6. The Commission is not being asked to compare a one-time benefit against long-term revenues in isolation. The present request before the Commission is whether a statutory reduction in GST has resulted in a reduction in project cost and whether such impact warrants consideration under the applicable regulatory and contractual framework. 7. The financing arrangements, repayment schedules, and debt servicing obligations are project-specific commercial decisions arrived at between the developers and their respective lenders. Tariff determination cannot be based on individual financing structures but is required to be undertaken based on normative

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	• Debt service coverage. • Promoter equity recovery. • Lender confidence. • Project implementation timelines. • Future participation by private developers. Even if the tariff reduction appears modest at the revenue level, the impact on cash available after debt servicing is disproportionately high. 8. Input costs have increased after tariff determination Since the original tariff determination and subsequent project planning, the cost environment has changed materially. The following cost heads have either increased or remain exposed to inflationary pressure: • Solar cells and modules. • Steel and aluminium structures. • Cables and conductors. • Transformers. • Switchgear. • Transportation. • Labour. • Civil works. • Insurance. • Financing costs. • Exchange-rate-sensitive imports. Therefore, the reduction in GST cannot be treated as a simple net saving to developers. In many cases, any GST benefit has already been offset or exceeded by increased input costs. If the Commission considers the Change in Law clause, it should require a	cost parameters, overall project economics, and prevailing market conditions. 8. The market conditions have evolved, including reduction in GST and notable decline in capital costs, especially solar modules. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	comprehensive netcost assessment rather than adopting a mechanical reduction in tariff. 9. The scheme supports farmer income and rural employment PM-KUSUM is not merely a power procurement scheme. It is also a rural development and farmer-income scheme. Component-A projects support: 1. Long-term lease income for farmers and landowners. 2. Rural employment during construction. 3. Local employment for cleaning, security and maintenance. 4. Investment in rural electrical infrastructure. 5. Distributed renewable energy across villages and mandals. 6. Local economic activity in rural Telangana. A reduction in tariff to commercially unviable levels would discourage developers from executing such projects and would directly weaken the rural-development objectives of the scheme. 10. Retrospective tariff reduction will damage public trust and regulatory credibility Developers participated in the scheme based on the tariff notified by the Hon'ble Commission and the PPAs executed with the DISCOM. Based on this, developers have already proceeded with land arrangements, documentation, technical planning, statutory processes, financing discussions and project expenditure. Changing the tariff after such reliance would create uncertainty and reduce confidence in future Government-backed schemes. Regulatory certainty and sanctity of executed PPAs are essential for attracting private investment into renewable energy infrastructure. If developers believe that approved tariffs can be reduced after they have committed capital, future participation in similar schemes will be adversely	9. TGDISCOMs acknowledges the importance of PM-KUSUM in supporting farmer income and rural development. However, the objectives of the scheme must be balanced with principles of tariff rationality and consumer interest. Examination of the impact of GST reduction does not undermine the objectives of the scheme. 10. The Petition does not seek revision of past payments or reopening of completed transactions. It seeks consideration of a statutory change that occurred after the tariff was determined and the PPAs were executed. The Commission's consideration of this statutory change is consistent with the applicable regulations and the PPA. Considering the impact of such a change does not affect the sanctity of the PPA.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	affected.	
13.	Response to query by Sri. N Ramchandra Rao (S.No. 277) on behalf of a) Naripeddi Budidapadu Renewables LLP b) Naripeddi Dharoor Renewables LLP c) Naripeddi Maldakal Renewables LLP	
	OBJECTION I — GST WAS 5% WHEN THE TARIFF WAS DETERMINED; THE CURRENT RATE OF 5% RESTORES THE STATUS QUO AND IS NOT A CHANGE FROM THE TARIFF DETERMINATION BASELINE 4. The Tariff Order was passed by the Hon'ble Commission on 02.01.2021. On that date, the rate of Goods and Services Tax (GST) applicable to solar photovoltaic modules, cells, and associated equipment was 5%. The capital cost benchmark of Rs. 3.60 Crore/MW adopted in the Tariff Order accordingly incorporated GST at 5%. This material fact is either overlooked or deliberately suppressed in the petition. 5. By Notification No. 08/2021-Central Tax (Rate) dated 30.09.2021, the GST rate on solar photovoltaic modules and cells was increased from 5% to 12%, with effect from 01.10.2021. This was an adverse Change in Law event that materially increased capital costs for generators. The Objectors executed their PPAs on 25.07.2025, entirely under the 12% GST regime, and procured or committed to procure equipment at that elevated rate. 6. By Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025, the GST rate was reduced back to 5%, with effect from 22.09.2025, restoring the rate to precisely the level prevailing on 02.01.2021, the date of the Tariff Order. The complete GST history is:(a) As on the date of Tariff Order (02.01.2021): GST on solar equipment = 5%. (b) Post-determination adverse Change in Law (01.10.2021): GST increased to 12%, raising capital costs for generators. (c) Present position (22.09.2025 onwards): GST restored to 5% - identical to the Tariff Order baseline. 7. The Petitioners proceed on the factually incorrect premise that the Tariff Order incorporated GST at 12%. This is wrong. The tariff of Rs. 3.13/kWh was determined on 02.01.2021, when GST was 5%. The current rate of 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 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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	is not a reduction from the perspective of the Tariff Order, it is a restoration of the original position as on the date of determination. Measured against the correct baseline, there has been no net change in GST. The foundational premise of the petition is factually wrong, and the petition must fail on this ground alone. OBJECTION II — THE GST REDUCTION FROM 12% TO 5% DOES NOT CONSTITUTE A CHANGE IN LAW AND CANNOT BE THE BASIS FOR DOWNWARD TARIFF REVISION 8. A Change in Law event, as defined in the PPA and as consistently understood in electricity regulatory jurisprudence, is a departure from the statutory or legal position prevailing as on the relevant reference date. In the context of a tariff determined under Section 62 of the Electricity Act, 2003, the reference date is the date of the Tariff Order, namely 02.01.2021. 9. The GST rate on the reference date was 5%. The GST rate today is also 5%. There is no departure, no variation, and no difference between the legal position as on the reference date and the legal position today. A return to the original position is not a change in any legal, statutory, or commercial sense. The word <i>change</i> necessarily implies a difference between the before-state and the after-state. Where the before-state (5% GST at tariff determination) and the after-state (5% GST today) are identical, there is no change. The Petitioners' invocation of Change in Law for the current GST position is therefore a legal nullity. The critical distinction is this: the GST increase from 5% to 12% in October 2021 was a genuine Change in Law because it departed from the reference-date position of 5%. The current GST of 5% does not depart from the reference-date position; it coincides with it. Only departures from the reference-date baseline are qualifying Change in Law events and a restoration of the reference-date baseline is not, and cannot be, a Change in Law. 10. The Andhra Pradesh Electricity Regulatory Commission (APERC), in its Suo Motu Order dated 23.06.2026, recognised the GST change as a Change in Law event in the context of PPAs whose relevant reference date was after October 2021, when GST was already 12%. That is a materially different	in accordance with the PPA provisions. The market conditions have evolved, including reduction in GST and notable decline in capital costs, especially solar modules. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs. TGDISCOMs respectfully submit that the present petition is not seeking any arbitrary or unilateral revision of tariff. The PPAs executed b/w DISCOM and developers contain a "Change in Law" provision in clause 13.1.1.e mentions as under <i>"any change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project."</i> The above provision enables adjustments where there is a material impact on project cost. Further, the present petition is placed before the Hon'ble Commission for a review, to ensure that tariffs remain aligned with prevailing market conditions.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	factual position from the present case, where the Tariff Order's reference date is 02.01.2021, when GST was 5%. When correctly applied to the reference date of 02.01.2021, the conclusion is that the current GST of 5% is unchanged from the reference-date position and does not constitute a Change in Law. OBJECTION III — IF CHANGE IN LAW IS HELD APPLICABLE, THE OBJECTORS ARE ENTITLED TO PRIOR LUMP SUM COMPENSATION FOR THE ADVERSE CHANGE IN LAW CAUSED BY THE GST INCREASE FROM 5% TO 12% (w.e.f. 01.10.2021), WHICH HAS NEVER BEEN COMPENSATED 12. Without prejudice to Objection II above, and strictly in the alternative that even if the Hon'ble Commission holds that the Change in Law doctrine applies, it must be applied symmetrically to both parties. The DISCOMS cannot selectively invoke Change in Law only when it produces a benefit for them, while ignoring the adverse Change in Law event of October 2021 that produced a quantifiable financial burden for generators. 13. The increase in GST from 5% to 12% with effect from 01.10.2021 was unambiguously a Change in Law event adverse to generators. Each of the Objectors executed their PPAs on 25.07.2025, when the applicable GST rate was 12%. Equipment procurement for the three projects occurred or was committed to be procured under the 12% GST regime. The incremental 7 percentage points of GST paid by the Objectors on their equipment procurement — the difference between the reference-date rate of 5% and the applicable rate of 12% — directly increased capital costs and constitutes a real, quantifiable Change in Law burden. 15. This adverse Change in Law burden has never been compensated. The Objectors were never paid any incremental amount by TGSPDCL to account for the higher GST. If the Change in Law doctrine is now applied at the DISCOMs' instance, the principle of symmetric and equitable application requires that the Objectors must first be compensated by a lump sum representing the incremental GST burden calculated as the difference between the GST actually paid at 12% and the GST payable at 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. During this tariff determination the GST was 12%.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	reference-date rate of 5% on the actual value of equipment procured prior to any consideration of the DISCOMs' claim. 16. The DISCOMs cannot claim the benefit of the downward GST change while ignoring the burden of the upward GST change. When both are accounted for symmetrically, the net financial impact on the Objectors under the DISCOMs' own framing is negative, because the duration of the 12% GST period (four years: October 2021 to September 2025) and the investment size of each 2 MW project mean the incremental burden substantially exceeds any current saving from the return to 5%. OBJECTION IV — ALL COMPONENTS OF PROJECT COST MUST BE ASSESSED HOLISTICALLY; ISOLATED GST REDUCTION CANNOT JUSTIFY DOWNWARD REVISION 16. The tariff determination under Section 62 is a comprehensive cost-of-service exercise. The Commission adopted in the Tariff Order: Capital Cost of Rs. 3.60 Crore/MW; Debt-Equity ratio of 70:30; Return on Equity at 14%; Loan tenure of 12 years at 10% interest per annum; O&M cost escalation at 4.04% per annum; Capacity Utilisation Factor of 19%; Discount Factor of 11.20%; and Auxiliary Consumption of 0.75%. Any revision must be supported by a holistic reassessment of all parameters, not an isolated assessment of a single variable. 17. Since 02.01.2021, every other material cost parameter has moved adversely for generators:i. Capital equipment costs: Global silver prices have surged by 55% to 83% year-on-year, adding Rs. 9 Lakh to Rs. 27 Lakh per MW. Copper prices have risen approximately 42% year-on-year, adding an estimated Rs. 20 Lakh per MW to electrical BOS. Steel and aluminium have seen sustained double-digit price increases. As of mid-2026, the all-in EPC cost for a 1 MW solar project in India ranges between Rs. 3.5 Crore and Rs. 4.5 Crore per MW, already at or above the 2021 benchmark of Rs. 3.60 Crore/MW.ii. Balance of System and evacuation infrastructure: Prices of transformers, HT switchgear, cables, and evacuation infrastructure have risen sharply over the past five years.iii. Civil and land development costs: Land acquisition, site development, internal roads, fencing, and drainage	The market conditions have evolved, including reduction in GST and notable decline in capital costs, especially solar modules. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	costs have escalated substantially since 2021.iv. Financing costs: Project loan interest rates and lender margin-money requirements have increased. Insurance premiums have risen materially. O&M costs: Operation and maintenance costs escalate annually, while the pre-fixed tariff remains constant for 25 years. The generator bears the entirety of O&M escalation risk throughout the PPA term. 18. The cumulative impact of these cost increases since January 2021 has raised total project costs by an estimated 25% to 30%. The marginal saving from the GST reduction on modules and cells only is wholly absorbed by and vastly outweighed by these escalations. A downward revision of the tariff based solely on the GST reduction, without a fresh holistic cost-of-service determination, would be arbitrary and contrary to the Commission's own methodology. OBJECTION V — THE TARIFF ORDER AND EXECUTED PPAs ARE BINDING AND CANNOT BE UNILATERALLY REOPENED 19. The pre-fixed levelised tariff of Rs. 3.13/kWh has crystallised into binding contractual rights through the execution of PPA Nos. 474/2025-26, 445/2025-26, and 443/2025-26. These are concluded contracts governing the rights and obligations of both parties for the entire 25-year PPA term. Neither the Electricity Act, 2003 nor the PPAs permit unilateral reopening of the agreed tariff because one component of project cost is perceived to have changed. 20. Acting in reliance on the approved tariff of Rs. 3.13/kWh, each Objector has: identified and secured project land at the respective sites in Gadwal District; furnished the requisite Performance Bank Guarantee to TGSPDCL; incurred project development expenditure; initiated financing arrangements with financial institutions on the basis of projected revenues at Rs. 3.13/kWh; and executed binding PPAs with TGSPDCL. All these steps have been taken irreversibly in reliance on the approved tariff. 21. The doctrine of promissory estoppel squarely precludes the Petitioners from altering the fundamental commercial terms of the concluded PPAs after the Objectors have irrevocably altered their position in reliance on those terms.	TGDISCOMs respectfully submit that the present petition is not seeking any arbitrary or unilateral revision of tariff. The PPAs executed b/w DISCOM and developers contain a “Change in Law” provision in clause 13.1.1.e mentions as under <i>“any change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project.”</i> The above provision enables adjustments where there is a material impact on project cost. Further, the present petition is placed before the Hon’ble

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	sophistication and risk-management capacity of large corporate developers. The certainty of a pre-fixed tariff for 25 years is the cornerstone of the scheme's commercial viability for such participants. Any downward revision of that tariff fundamentally undermines the scheme's architecture and its intended benefits. 25. The adverse consequences of the proposed tariff reduction for small developers and for the renewable energy programme are severe: a) Financial viability: Marginal projects structured and financed at Rs. 3.13/kWh may face debt-service shortfalls at Rs. 2.98/kWh, given that current EPC costs already substantially exceed the 2021 capital cost benchmark. b) Investor confidence: Regulatory revision of tariffs after PPAs are signed and investments are committed will severely and irreversibly damage confidence in government-backed renewable energy schemes. Small farmers and rural entrepreneurs, who participated in PM-KUSUM on the strength of regulatory assurances, will bear this loss directly and personally. c) Renewable energy targets: Achievement of Telangana's Renewable Purchase Obligation (RPO) targets and renewable energy programme goals will be delayed or defeated as developers who cannot sustain financial viability at the reduced tariff abandon or defer projects. d) Regulatory precedent: Selective downward revision of tariffs on the basis of isolated changes in a single cost parameter will set a damaging precedent that pervasively destabilises the regulatory framework for all infrastructure investment in Telangana. 26. Regulatory certainty and the honouring of concluded tariff orders are foundational to long-term infrastructure investment. The Commission has consistently upheld the principle that once a tariff order is passed and relied upon by developers who commit capital, that order must be honoured for the full term. The Objector respectfully urges the Commission to uphold this principle and to reject the petition. OBJECTION VII — THE RELIEF SOUGHT IS CONTRARY TO THE OBJECTIVES OF THE PM-KUSUM SCHEME AND THE LARGER PUBLIC INTEREST	TGDISCOMs fully acknowledge that PM-KUSUM contributes significantly towards enhancement of farmer income,

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	27. The present Petition is also contrary to the objectives underlying the PM-KUSUM Component-A Scheme, which was conceived by the Government of India to promote decentralized renewable energy generation, encourage private participation in the rural power sector, provide assured income to project developers and farmers, and strengthen the country's transition towards clean energy. The pre-fixed tariff approved by this Hon'ble Commission formed an integral part of the commercial framework that induced developers to participate under the Scheme and invest substantial capital in establishing solar power projects. 28. Permitting retrospective downward revision of the approved tariff after execution of the PPAs would seriously prejudice the implementation of the PM-KUSUM Scheme. Such a course would send an adverse signal to existing and prospective investors that even after obtaining regulatory approval and executing binding PPAs, the commercial terms of the project remain uncertain and susceptible to subsequent alteration. This would inevitably discourage private participation in future renewable energy programmes, adversely affect financing of similar projects, and undermine the public policy objectives of promoting decentralized solar generation, energy security, and sustainable development. The public interest therefore lies not in reopening settled tariffs but in preserving the certainty, stability, and credibility of the regulatory framework governing renewable energy investments.	decentralized renewable energy development, rural economic growth, reduction of technical losses and achievement of renewable energy targets. The intent of TGDISCOMs is that 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
14.	Response to query by a) Sri. Shanam Dinesh Kumar (S.No. 278) b) Sri. Shanam Ramesh Babu (S.No. 290)	
	1. Tariff determined in 2021 no longer reflects present-day project costs. The tariff of ₹3.13/kWh was determined using assumptions applicable during 2020-21. Over the last five years, almost every major cost component has increased significantly due to inflation, changes in taxation and import policies, escalation in commodity prices and higher financing costs. Therefore, the tariff determined in 2021 cannot reasonably be treated as representative of the actual cost of projects presently under	1 & 4. The capital cost adopted is comparative with costs observed in recently implemented 1 MW solar projects under Government-supported schemes such as the Indira Mahila

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	implementation. 2. Mandatory increase in DC capacity requirement While determining the tariff in I.A. No. 4 in O.P. No. 24 of 2020, the Hon'ble Commission considered a project configuration based on approximately 1.1 MW DC capacity for every 1 MW AC capacity. However, under the implementation guidelines presently followed for PM-KUSUM Component-A projects in Telangana, developers are effectively required to install **1.2 MW DC capacity for every 1 MW AC** to achieve the prescribed generation obligations and performance standards. This additional 100 kW DC capacity per MW AC requires significant additional investment towards: * Additional solar PV modules; * Mounting structures; * DC cables and connectors; * Earthing systems; * Installation and commissioning; * Transportation and handling. Thus, the present projects involve substantially higher capital investment than what was assumed while determining the tariff in 2021. The Interlocutory Application filed by the DISCOMs completely ignores this important cost escalation. 3. GST reduction alone cannot justify tariff reduction The entire proposal of the DISCOMs appears to rely mainly upon the reduction of GST from 12% to 5%. This reasoning is fundamentally flawed because: * GST represents only one element of the total project cost. * Almost every other component of project cost has increased substantially.	Shakti Scheme and other decentralized solar projects of similar capacity. 2. The increased declared capacity will be beneficial to the developers since the generation from the plants thereby revenue to developers would increase. 3 TGDISCOMs respectfully submit that the reduction of GST from 12% to 5% directly impacts the procurement cost of solar modules, inverters, structures, cables and other major equipment constituting a substantial portion of the overall project cost. The benefit arising from GST reduction is therefore significant

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	* Tariff determination must consider overall project economics rather than a single tax component. Further, when the Hon'ble Commission originally determined the tariff at ₹3.13/kWh, the applicable GST on solar projects was **5%***. The subsequent increase to 12% and later restoration to 5% merely returned the tax position to what existed when the tariff was originally determined. Therefore, no enduring tax benefit has accrued that would justify reduction of tariff. 4. Significant increase in capital expenditure Since 2021, project costs have increased substantially on account of: * 40% Basic Customs Duty on imported solar modules; * 25% Basic Customs Duty on imported solar cells; * Increase of approximately 38–42% in copper prices; * Around 41% increase in structural steel prices; * Higher inverter prices due to semiconductor shortages; * Increase in transformer, switchgear, HT equipment and cable prices; * Escalation in transportation and logistics costs; * Increase in labour and civil construction costs; * Higher expenditure on land development including fencing, roads, drainage and site levelling. The cumulative increase in project cost substantially exceeds any notional benefit arising from GST reduction. 5. Increase in Interest During Construction (IDC) Project implementation timelines and loan disbursement schedules have resulted in considerable Interest During Construction.	and materially affects the project capital cost. Recognizing this impact, the Central Electricity Regulatory Commission (CERC), through its suo motu Order dated 04.11.2025, categorically held that the reduction in GST on renewable energy devices constitutes a Change in Law event and that the resulting benefits are required to be passed on to procurers and consumers 5. TGDISCOMs respectfully submit that Interest During Construction is project-specific and depends upon factors such as financing arrangements, project execution timelines, lender requirements, and individual implementation decisions.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	6. Higher financing burden Developers are presently required to meet significantly stricter financing conditions, including: * Higher promoter contribution; * Higher margin money; * Stricter collateral requirements; * Increased lending rates. These factors have materially increased the financial burden on small developers participating under PM-KUSUM. 7. Economic value of land The tariff determination did not adequately account for the opportunity cost and economic value of privately owned agricultural land dedicated exclusively for establishment of PM-KUSUM solar plants. Such land remains unavailable for agricultural use throughout the 25-year project period and therefore represents a significant investment by the developer. 8. Rising Operation and Maintenance costs Although the tariff remains fixed throughout the PPA period: * O&M expenses continue to increase; * Spare parts have become costlier; * Labour charges continue to rise; * Equipment replacement costs have increased substantially. These recurring cost escalations adversely affect long-term project viability. 9. Increase in insurance and security expenses Insurance premiums have increased due to higher replacement values of	6. TGDISCOMs respectfully submit that financing arrangements, lending rates, debt servicing obligations, and loan structures are project-specific commercial decisions between developers and their lenders. Tariff determination is based on normative financing assumptions and regulatory principles rather than individual financing arrangements adopted by specific developers. 7. TGDISCOMs respectfully submit that the value, ownership, lease arrangement, and opportunity cost of land are project-specific commercial considerations 8. The present petition only seeks recognition of benefits arising from the reduction in procurement cost of renewable energy equipment and associated project components. O&M expenses determined by the commission remains the same 9. TGDISCOMs respectfully submit that insurance premiums and security-related expenditure are operational expenses which vary based on project location, insurance coverage

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	plant and machinery. expenditure towards security arrangements has increased owing to growing risks of theft and vandalism. 10. Small PM-KUSUM developers cannot be equated with utility-scale developers PM-KUSUM Component-A projects are decentralized renewable energy projects implemented by farmers and rural entrepreneurs. Unlike large utility-scale developers, PM-KUSUM developers: * do not benefit from economies of scale; * have limited access to low-cost finance; * bear higher per-MW execution costs; * face greater financing constraints. Accordingly, tariff reduction would disproportionately affect small developers. 11. Public interest served by PM-KUSUM projects PM-KUSUM Component-A projects generate substantial public benefits including: * Reduction of technical losses; * Generation near agricultural load centres; * Reduced transmission investment; * Improved rural power supply; * Additional income to farmers; * Renewable Purchase Obligation compliance; * Reduction in thermal generation dependence; * Contribution towards national renewable energy targets. These public benefits deserve regulatory encouragement rather than tariff reduction. 12. Regulatory certainty and legitimate expectation	obtained, risk profile, and commercial choices of individual developers. 10. TGDISCOMs respectfully submit that the present proposal does not rely on capital cost benchmarks applicable to large utility-scale solar projects. The calculations adopted in the present petition, as well as in the suo-motu proceedings initiated by regulatory authorities, are based on capital costs pertaining to decentralized solar projects comparable to PM-KUSUM Component-A installations 11. TGDISCOMs fully recognize the contribution of PM-KUSUM projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability. 12. The PPAs executed between the parties specifically contemplate adjustments arising from statutory changes

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Developers have invested substantial financial resources based upon the tariff determined by the Hon'ble Commission and have entered into long-term PPAs relying upon the prevailing regulatory framework. Reduction of tariff after investments have commenced would adversely affect: * investor confidence; * project bankability; * debt servicing capability; * financial viability. Regulatory certainty and legitimate expectation are fundamental principles governing infrastructure investments and should be preserved. 13. Tariff requires fresh cost-based determination Considering the cumulative increase in capital cost, financing expenses, inflation, IDC and O&M costs, the existing tariff of ₹3.13/kWh itself appears inadequate for ensuring reasonable project viability. If the Hon'ble Commission considers reopening the tariff, it is respectfully submitted that the tariff should be determined afresh based on prevailing capital costs and financing parameters, which would warrant an upward revision rather than any reduction.	affecting project costs. Therefore, implementation of the Change in Law provisions cannot be construed as a departure from regulatory certainty or legitimate expectations; rather, it constitutes enforcement of the contractual framework agreed between the parties 13. Since the capital costs taken for tariff determination is comparative with similar scale projects executed in the state, there is no such requirement for fresh cost based determination
15.	Response to query by Sri. DP Varma (S.No. 279)	
	I. PRELIMINARY SUBMISSIONS 1. The present proposal seeking reduction of tariff from ₹3.13/kWh to ₹2.98/kWh appears to primarily rely upon GST considerations and does not adequately reflect actual field-level implementation conditions and prevailing project economics. 2. Tariff determination under long-term renewable energy projects should consider overall project viability including capital expenditure, financing constraints, execution delays, operating expenditure and long-term system benefits.	TGDISCOMs respectfully submit that the present petition is based on the reduction in GST rates. The proposal has been made considering the overall project economics, including reduction in GST rates and decline in major capital cost components, particularly solar modules. 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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	3. It is respectfully submitted that reduction of tariff solely based upon a single cost parameter would not appropriately represent actual implementation realities experienced by project developers and farmers. II. GST POSITION DOES NOT CREATE ADDITIONAL BENEFIT 4. At the time of tariff determination during 2021, GST applicable to solar equipment was approximately 5%. 5. Presently, the GST position has effectively returned to substantially the same level and therefore does not create any extraordinary financial advantage when compared to assumptions originally considered for tariff determination. 6. Accordingly, GST alone cannot constitute sufficient justification for reduction of tariff. III. ACTUAL PROJECT COST HAS INCREASED SIGNIFICANTLY 7. Based on market assessment due to recent US Iran war affect and practical execution experience, overall project cost has increased materially across multiple components. A. Evacuation Line and Transmission Infrastructure 8. Evacuation and line construction costs have increased approximately by 20%-25% due to: - o ROW settlements; - o increase in aluminium conductor prices; - o increase in accessories and erection costs; - o transportation and execution expenditure. B. Cable Cost Escalation 9. LT, HT and DC cable costs have increased approximately by 25%-30%. C. Transformer and Metering Equipment 10. Cost of procurement of:	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, thereby ensuring that the benefit reaches the consumers while the financial viability of the projects is not adversely impacted. Tariff determination is based on overall market trends and normative costs, not individual project-specific calculations.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	- o Power Transformers; - o Instrument Transformers; - o CT/PT equipment; - o Metering systems and accessories has increased approximately by 25%-30%. D. Electrical Panels and Protection Equipment 11. Cost of: - o ACB; - o MCCB; - o VCB; - o LT Panels; * Bus Bars; * Protection and control systems has increased approximately by 25%-30%. E. Structures and Civil Works 12. Structure fabrication and mounting systems have increased approximately by 20%-25%. 13. Cement, civil materials, labour and associated site infrastructure costs have increased approximately by 20%-25%. 14. In practical implementation, additional land development and land levelling expenditure has become unavoidable and typically ranges approximately between ₹15 Lakhs to ₹20 Lakhs depending upon site conditions. F. Inverter Cost 15. Inverter procurement and associated system integration costs have also increased compared to assumptions prevailing during tariff determination. IV. PROJECT EXECUTION DELAYS AND FINANCING IMPACT	The reduction in GST on modules (a major cost component) along with declining solar module prices due to economies of scale and increased domestic manufacturing, has led to a net reduction in capital costs. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs. TGDISCOMs respectfully submit that the issues relating to project-specific financing, debt servicing, cash flow projections, and commercial viability are matters between the developers and their lenders and cannot form the basis for tariff determination. TGDISCOMs fully acknowledge that PM-KUSUM contributes significantly towards enhancement of farmer income, decentralized renewable energy development, rural economic growth, reduction of technical losses and achievement of renewable energy targets. The intent of TGDISCOMs is that 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.

S.No.	Summary of Objections / Suggestions	Response of the Licensee										
	16. Significant project implementation delays have occurred due to: - o prolonged loan sanction timelines; - o extensive banking documentation; - o delayed financial closure; - o ROW approvals; - o evacuation line completion challenges. 17. These delays have increased carrying cost and overall capital requirement. 18. Most projects have already obtained financing and bank sanctions considering the approved tariff of ₹3.13/kWh. 19. Reduction in tariff at this stage may result in: - o deterioration in repayment capability; - o increased financial burden; - o reassessment of sanctioned loan amounts; - o requirement of additional promoter contribution. V. OPERATION & MAINTENANCE (O&M) COST HAS INCREASED SUBSTANTIALLY 20. The O&M expenditure considered under earlier assumptions no longer reflects actual operating conditions. 21. Based on field implementation and operational experience, annual O&M expenditure has increased from approximately: ₹4.50 Lakhs per MW per annum to ₹7.00 Lakhs per MW per annum. 22. Major annual recurring O&M expenditure includes: <table><tr><td>Particular</td><td>Annual Cost per MW</td></tr><tr><td>Power Quality Test (PQT) and other tests</td><td>₹1.50 Lakhs</td></tr><tr><td>Power Bills / Auxiliary Consumption</td><td>₹1.20 Lakhs</td></tr><tr><td>Preventive and Breakdown Maintenance</td><td>₹1.00-1.20 Lakhs</td></tr><tr><td>Security and Site Supervision</td><td>₹1.00-1.20 Lakhs</td></tr></table>	Particular	Annual Cost per MW	Power Quality Test (PQT) and other tests	₹1.50 Lakhs	Power Bills / Auxiliary Consumption	₹1.20 Lakhs	Preventive and Breakdown Maintenance	₹1.00-1.20 Lakhs	Security and Site Supervision	₹1.00-1.20 Lakhs	
Particular	Annual Cost per MW											
Power Quality Test (PQT) and other tests	₹1.50 Lakhs											
Power Bills / Auxiliary Consumption	₹1.20 Lakhs											
Preventive and Breakdown Maintenance	₹1.00-1.20 Lakhs											
Security and Site Supervision	₹1.00-1.20 Lakhs											

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Vegetation Management and Routine Maintenance ₹0.50-0.70 Lakhs Insurance and Statutory Compliance ₹0.50-0.80 Lakhs Module Cleaning, Consumables and Labour ₹0.50-0.80 Lakhs Total Estimated Annual O&M Cost: Approximately ₹7.00 Lakhs per MW 23. Accordingly, any perceived GST-related benefit is substantially offset by increased O&M expenditure and recurring operational costs. VI. LONG-TERM TECHNICAL BENEFITS TO DISCOMS 24. PM-KUSUM projects function as Distributed Energy Resources (DER) and provide substantial technical and operational benefits to DISCOMs. 25. Solar plants already commissioned and synchronized with the grid contribute by: a. reducing loading and operational stress on Sub-station Transformers; b. reducing technical losses in the distribution network; c. generating power closer to agricultural demand centres; d. improving feeder performance and local voltage profile; e. reducing requirement for future transformer augmentation; f. reducing peak loading burden during daytime operation; g. improving overall network utilization and reliability. 26. Therefore, PM-KUSUM projects create long-term infrastructure and operational value to DISCOMs in addition to supporting renewable energy objectives.	
16.	Response to query by a) Sri. DUBBAKA RAMULU (S.No. 281) b) Sri. DUBBAKA VINAY KUMAR (S.No. 284) c) Sri. Gundla Ganapathi (S.No. 284)	
	My objections are based on the following grounds: 1. Increase in Project Costs: The cost of solar modules, mounting	While some material costs have increased, this does not reflect the overall scenario. A major cost component, solar modules,

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	structures, inverters, transformers, cables, land development, and other balance-of-system components has increased significantly. Additionally, labour, transportation, and installation expenses have also risen, making project implementation more expensive than earlier estimated. 2. Higher Cost of Finance: Interest rates on loans and overall financing costs have increased. A reduction in tariff will adversely affect project cash flows and make it difficult for me to repay loans and maintain the project efficiently. 3. Operation and Maintenance Expenses: Annual operation and maintenance costs have increased due to inflation, rising wages, equipment replacement needs, insurance premiums, and other recurring expenditures. 4. Reduced Financial Viability: The proposed tariff reduction will significantly reduce project returns, making investments under PM-KUSUM Component-A financially unviable for individual farmers, particularly small and marginal farmers like myself. 5. Contrary to the Objectives of PM-KUSUM: The PM-KUSUM Scheme aims to enhance farmers' income, promote decentralized renewable energy generation, and strengthen rural livelihoods. A tariff reduction would discourage farmer participation and weaken the core objectives of the scheme. 6. Need for Tariff Enhancement: Considering current inflation, rising capital costs, and increasing operational expenses, there is a strong justification for revising the tariff upward rather than reducing it. An enhanced tariff would ensure financial sustainability and encourage greater participation of farmers in the scheme.	has reduced significantly and GST reduction, which combinedly outweighs these increases. Also, recent solar tariffs discovered through competitive bidding have been reducing year after year, which clearly shows that overall project costs have come down. TGDISCOMs respectfully submit that financing arrangements are project-specific commercial decisions between developers and their lenders. Tariff determination is based on normative financing assumptions and regulatory principles rather than individual financing arrangements adopted by specific developers. TGDISCOMs fully recognize the contribution of PM-KUSUM projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability.
17.	Response to query by Sri. Lakshmi Bharathi Gopineedi (S.No. 285)	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	1. Preliminary Submissions The present Interlocutory Application filed by TGDISCOMs is misconceived, legally untenable and liable to be dismissed. The tariff of Rs.3.13/kWh was approved by this Hon'ble Commission pursuant to the competitive bidding process conducted under the PM-KUSUM Component-A Scheme. The said tariff formed the basis on which developers participated in the bidding process, quoted their tariffs, furnished Performance Bank Guarantees, secured land, arranged finances and executed binding Power Purchase Agreements ("PPAs"). The rights and obligations of the parties have crystallized upon execution of the PPAs. Any subsequent attempt to reduce the approved tariff solely on account of reduction in GST amounts to reopening a concluded competitive bidding process and altering vested contractual rights, which is impermissible in law. 2. Sanctity of Executed Power Purchase Agreements The executed Power Purchase Agreements constitute binding and enforceable contracts governing the rights and obligations of the parties throughout the contract period. Neither the Electricity Act, 2003, the Guidelines governing PM-KUSUM Component-A, nor the executed PPAs authorize unilateral revision of the	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 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. 2. The PPA is binding on relevant parties, The proposed adjustment is implementation of the "Change in Law" provisions expressly contained in the PPA and duly signed by the

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	discovered tariff after execution of the contract. The tariff incorporated in the PPA is the result of a competitive market process and cannot be selectively modified by isolating one element of project cost. Acceptance of the present application would amount to rewriting the commercial bargain entered into by the parties, which is beyond the jurisdiction of the procurer and contrary to settled principles of contract law. 3. Competitive Bidding Tariff Cannot Be Reopened The tariff of Rs.3.13/kWh was discovered through a transparent competitive bidding process and not under a cost-plus tariff mechanism. While submitting bids, developers considered various commercial parameters including: • Capital cost of modules and equipment; • Applicable GST and other taxes; • Interest During Construction; • Cost of debt and financing; • Land acquisition and development costs; • Evacuation infrastructure; • Insurance; • Statutory compliances; • Operation and Maintenance expenses; • Market risks and developer margins. Competitive tariffs represent an integrated commercial assessment of all project risks. Individual cost components cannot subsequently be isolated to seek downward revision of tariff while ignoring simultaneous increases in other project costs. If reductions in one cost component are sought to be passed on to the procurer, principles of equity and regulatory consistency would equally require compensation for subsequent increases in project costs, including increases in module prices, metals, logistics, financing costs and statutory compliances. Such selective treatment is arbitrary and discriminatory. Judicial Precedents Supporting Sanctity of Competitive Bidding and Executed PPAs It is a settled principle of law that tariffs discovered through a transparent competitive bidding process under Section 63 of the Electricity Act, 2003 attain	developer. 3. TGDISCOMs respectfully submit that the present petition is based on the reduction in GST rates. The proposal has been made considering the overall project economics, including reduction in GST rates and decline in major capital cost components, particularly solar modules

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	finality upon approval by the Appropriate Commission and execution of the Power Purchase Agreement. Such tariffs cannot be altered except in accordance with the terms of the PPA or where specifically permitted by law. (i) Energy Watchdog v. Central Electricity Regulatory Commission & Others (2017) 14 SCC 80 The Hon'ble Supreme Court held that where parties have consciously entered into a commercial contract pursuant to competitive bidding, the rights and obligations of the parties are governed primarily by the terms of the contract. The Court emphasized that regulatory authorities cannot rewrite contractual provisions or alter the commercial bargain except where expressly provided under the contract or statute. The judgment recognizes that the "Change in Law" provisions are intended only to restore the affected party to the same economic position and cannot be used as a mechanism to reopen or redetermine the discovered tariff. (ii) All India Power Engineer Federation & Others v. Sasan Power Limited & Others (2017) 1 SCC 487 The Hon'ble Supreme Court reiterated that a tariff discovered through competitive bidding under Section 63 enjoys statutory sanctity and cannot be modified except strictly in accordance with the bidding documents, the Power Purchase Agreement and the provisions of the Electricity Act, 2003. The Court further held that regulatory certainty is essential to maintain investor confidence and ensure continued participation in the power sector. (iii) Gujarat Urja Vikas Nigam Limited v. Solar Semiconductor Power Company (India) Pvt. Ltd. (2017) 16 SCC 498 The Hon'ble Supreme Court emphasized that contractual obligations under a Power Purchase Agreement must be honoured by both parties. Once parties voluntarily enter into a binding agreement pursuant to a competitive bidding process, the contractual allocation of risks cannot be altered unilaterally. (iv) Regulatory Principles under Section 63 of the Electricity Act, 2003 Section 63 of the Electricity Act mandates that where tariffs are discovered through a transparent process of competitive bidding in accordance with the guidelines issued by the Central Government, the role of the Commission is confined to adopting such tariff upon satisfaction of the prescribed requirements. Once adopted and incorporated into executed PPAs, the tariff cannot subsequently be revisited merely because one	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	component of project cost undergoes variation. The present application effectively seeks to convert a competitively discovered tariff into a cost-plus tariff by selectively isolating one cost element, namely GST, while ignoring the overall commercial risks assumed by the developers. Such an exercise is contrary to the statutory scheme under Section 63 and the settled law laid down by the Hon'ble Supreme Court. (v) Doctrine of Sanctity of Contract It is a well-settled principle that courts and regulatory authorities should not rewrite contracts voluntarily entered into by commercial parties. A concluded contract must be enforced according to its terms unless vitiated by fraud, coercion, statutory prohibition or any other legally recognized ground. In the present case, the Power Purchase Agreements were executed after completion of the bidding process, adoption of tariff by this Hon'ble Commission and acceptance by both parties. The tariff of Rs.3.13/kWh has therefore crystallized into a vested contractual right and cannot be unilaterally reduced on the basis of a subsequent reduction in GST. Acceptance of the Applicant's contention would create an undesirable precedent whereby every fluctuation in taxes or market prices could become a ground for reopening competitively discovered tariffs. Such an approach would undermine contractual certainty, discourage private investment in the renewable energy sector and defeat the very objective of competitive procurement under the Electricity Act, 2003. 4. Significant Increase in EPC Costs Contrary to the assumption made in the Application, the overall capital cost of solar projects has increased substantially due to unprecedented escalation in prices of critical raw materials and equipment. Major cost increases include: • Sharp increase in global silver prices, substantially increasing the manufacturing cost of solar modules; • Significant escalation in copper prices affecting cables, transformers, switchgear	4 & 5. Tariff determination is based on overall market trends and normative costs, not individual project-specific calculations. The reduction in GST on modules (a major cost component) along with declining solar module prices due to economies of scale and increased domestic manufacturing, has led to a net reduction in capital costs.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	and electrical balance-of-system components; • Increase in aluminium and steel prices resulting in higher mounting structure costs; • Increased logistics, insurance and freight costs arising from geopolitical uncertainties; • Continued supply chain disruptions affecting availability of equipment. • Industry estimates indicate that EPC costs for utility-scale solar projects have increased by approximately 8% to 15%, translating into an increase of nearly Rs.30 lakh to Rs.50 lakh per MW compared to earlier estimates. • These substantial increases far outweigh any benefit arising from reduction in GST and negate the assumption that project costs have reduced. 5. Reduction in GST Does Not Automatically Reduce Tariff The application proceeds on the erroneous premise that reduction of GST from 12% to 5% necessarily results in reduction of the discovered tariff. Such assumption is factually and economically incorrect because GST constitutes only one component of the overall project cost. Project viability depends upon multiple variables including: • Capital expenditure; • Cost of debt; • Interest rates; • Land costs; • Evacuation infrastructure; • Inflation; • Operation and Maintenance expenses; • Equipment availability; • Market risks. A reduction in one tax component cannot justify reopening the entire tariff discovered through competitive bidding. In fact, considering prevailing market conditions, developers are experiencing significant cost pressures, and the existing tariff itself has become increasingly difficult to sustain.	Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	6. Change in Law Cannot Be Invoked Selectively The PPAs contain comprehensive Change in Law provisions intended to restore the affected party to the same economic position. Change in Law provisions are compensatory in nature and are not intended to reopen competitively discovered tariffs. The Applicant has failed to demonstrate: • The actual project-wise financial benefit, if any; • Whether such benefit has been offset by increases in other project costs; • The impact on financing assumptions and project viability. In the absence of such project-specific analysis, any blanket reduction in tariff would be arbitrary and contrary to the contractual framework. 7. Promissory Estoppel and Legitimate Expectation Developers participated in the Scheme based upon representations made by the State Government, TGREDCO, TGDISCOMs and the tariff approved by this Hon'ble Commission. Acting upon such representations, developers have: • Furnished Performance Bank Guarantees; • Secured land; • Incurred substantial development expenditure; • Arranged project financing; • Executed PPAs; • Committed financial resources towards implementation. The doctrine of Promissory Estoppel and the principle of Legitimate Expectation prohibit the procurer from altering the fundamental commercial basis after developers have materially altered their position relying upon official representations.	6. TGDISCOMs respectfully submit that the present petition is not seeking any arbitrary or unilateral revision of tariff. The PPAs executed b/w DISCOM and developers contain a "Change in Law" provision in clause 13.1.1.e mentions as under "any change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project." The above provision enables adjustments where there is a material impact on project cost. Further, the present petition is placed before the Hon'ble Commission for a review, to ensure that tariffs remain aligned with prevailing market conditions. 7. 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, and execution of PPAs, was undertaken under the applicable contractual and regulatory framework, which includes provisions relating to "Change in Law" events.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	8. Adverse Impact on PM-KUSUM The proposed tariff reduction would seriously undermine implementation of PM-KUSUM by: • Eroding investor confidence; • Increasing financing uncertainty; • Delaying project execution; • Discouraging future participation in renewable energy procurement; • Affecting achievement of renewable energy targets. Regulatory certainty is fundamental for attracting long-term infrastructure investment and must be preserved. 9. Public Interest The approved tariff of Rs.3.13/kWh is already highly competitive and adequately balances consumer interest with project viability. The projects contribute significantly towards: • Agricultural feeder solarisation; • Reduction in subsidy burden; • Localized power generation; • Reduction in transmission losses; • Achievement of Renewable Purchase Obligations and clean energy targets. Any marginal financial benefit sought by TGDISCOMs cannot outweigh the larger public interest in preserving contractual certainty and ensuring successful implementation of the PM-KUSUM Scheme.	8 & 9. TGDISCOMs fully recognize the contribution of PM-KUSUM projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability.
18.	Response to query by Sri. Chawan Swaroopa Rani (S.No. 283)	
	I am a Solar Power Generator (SPG) under Component-A of the PM-KUSUM Scheme, having executed a Power Purchase Agreement with the distribution licensee at the pre-fixed levelised tariff of Rs. 3.13/kWh determined by this Hon'ble Commission vide Order dated 02.01.2021 in O.P. No. 24 of 2020. Having seen the captioned Public Notice, I submit my objection to the proposed reduction of the tariff to Rs. 2.98/kWh on the following ground(s): Ground: GST Reduction Creates No New Cost	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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Advantage - the Benchmark Was Already Fixed Under a 5% GST Regime The very premise of the petition is factually incorrect. This Hon'ble Commission fixed the benchmark capital cost of Rs. 3.60 Crore/MW by adopting the MNRE Office Memorandum dated 21.07.2020 for FY 2020-21 (Paras 12 and 68 of the Order in O.P. No. 24 of 2020). During FY 2020-21 the GST on solar equipment was already 5%. The tariff of Rs. 3.13/kWh was therefore never built on a 12% GST structure. GST was 5% up to 30.09.2021, 12% from 01.10.2021, and has now been reduced again to 5% i.e. it has merely reverted to the very level that prevailed when the benchmark was adopted. The present 'change' therefore yields no new cost advantage and gives no factual or legal basis for any reduction. Given the inflation in equipment, steel, labour, civil works, financing and O&M costs since FY 2020-21, an -certainly not a cut. honest review would justify continuation of the existing tariff or an upward revision It is respectfully prayed that this Hon'ble Commission may be pleased to reject the petition of TGSPDCL in I.A. No. 4 in O.P. No. 24 of 2020 and to continue the existing pre-fixed levelised tariff of Rs. 3.13/kWh for PM-KUSUM Component-A projects, and to pass such further orders as may be just and proper.	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.
19.	Response to query by Sri. Chawan Hrushitha (S.No. 286)	
	Ground: GST Reduction Did Not Reduce the Entire Project Cost The GST reduction applies only to certain specified renewable energy goods. Substantial components of project cost are wholly unaffected by it — land development, civil works, transmission line, bay extension, transformer, interest during construction, insurance, bank processing charges, labour, security, transportation and O&M arrangements. The assumption that the overall project cost has uniformly fallen by Rs. 20-25 lakh per MW is unproven and cannot be	While some material costs have increased, this does not reflect the overall scenario. A major cost component, solar modules, has reduced significantly and GST reduction, which combinedly outweighs these increases. Also, recent solar tariffs discovered through competitive bidding have been reducing year after year, which clearly shows that overall project costs have come

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	accepted without project-specific evidence.	down.
20.	Response to query by Sri. K. Shilpa (S.No. 283)	
	1). It is submitted that The Hon'ble Commission has determined the Pre-fixed levelized tariff of Rs.3-13/kWh vide order dated 02-01-2021 in O.P No. 24 of 2020 for the Solar Power generators. Under component-A Scheme of the PM Kusum 2). It is further submitted that TGSPDCL on behalf of TGDISCOMs filed a petition seeking revision of pre-fixed levelized tariff of Rs.3-13kWh to Rs. 2.98/kWh under change in law Clause is quite against to the law and natural justice, therefore, it is liable to be dismiss 3). It is submitted that before entering in to P.P.A, the Government authorities, such as TGREDCO and DISCOMs conducted awareness programs at various places in all Districts of Telangana. In those meetings all officials categorically stated that the tariff of Rs. 3-13 kWh remains fixed for the 25 years. The material supplied by officials to the farmers in the meetings clearly disclosed that the tariff remains fixed for the 25 years. 4). It is submitted that believing the words of officials we have invested large amounts to establish Solar power plants by taking loans from various financial institutions. 5) The financial institutions have sanctioned loans based on present cost of the project. The proposal of reducing the tariff would drastically effect the financial viability of the project and make repayment of Bank loan is extremely difficult. 6) It is submitted that there is abnormal increase in overall project Cost. The GST represents only minor Components'. The overall cost of the project establishing the solar power plants has increased substantially. The modules, mounting structures, transformer, cables, steel, civil works and other infrastructure are very hike. At present situation if tariff is reduced the SPGs become defaulters of loan and no former come forward to invest in government Schemes in future 7). The Hon'ble Supreme Court and several Hon'ble High Courts in various States categorically held that importance of honoring executed power purchase Agreements and maintaining regulatory certainty, Respective reduction of tariff after execution of PPAs adversely effected the investors' confidence, project viability, and credibility of Government Supported renewable energy programme.	TGDISCOMs submit that While tariff certainty is important, it must be balanced with the need to ensure that tariffs remain fair and reflective of current market conditions. A revision in line with cost reductions supports regulatory prudence and consumer interest, without compromising project viability. The market conditions have evolved, including reduction in GST and notable decline in capital costs, especially solar modules. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs. PPA are binding on relevant parties, The proposed adjustment is implementation of the "Change in Law" provisions expressly contained in the PPA and duly signed by the developer. TGDISCOMs respectfully submit that financing arrangements, lending rates, debt servicing obligations, and loan structures are project-specific commercial decisions between developers and their lenders. Tariff determination is based on normative financing assumptions and regulatory principles rather than individual financing arrangements adopted by specific developers. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
21.	Response to query by Sri. Tagore Yadav Yaragorla (S.No. 292)	
	OBJECTION 1: THE PROPOSED REVISION JEOPARDISES INDIA'S AND TELANGANA'S RENEWABLE ENERGY TARGETS 6. India has committed at the international level to achieve 500 GW of non fossil fuel-based electricity installed capacity by 2030, as part of its Nationally Determined Contributions (NDCs) submitted to the United Nations Framework Convention on Climate Change (UNFCCC). As of 2026, India has an installed renewable energy capacity in excess of 200 GW and needs to add substantial capacity over the next four years to meet this commitment. Solar energy, being the cornerstone of this expansion, requires a sustained and predictable policy environment to attract investment at the required scale. 7. The PM-KUSUM Scheme was launched with a national target of 10,000 MW under Component-A alone. Telangana has been allocated a specific MW target under the Scheme, which forms part of India's overall non-fossil capacity addition programme. The pre-fixed levelised tariff of Rs. 3.13/kWh was the key financial instrument through which the Scheme was intended to attract farmers, investor-developers, and financial institutions to commit to solar projects at the sub-station level across rural Telangana. 8. A downward revision of the tariff at this stage, after PPAs have been executed and projects are at various stages of commissioning, will directly and severely undermine these targets. The reasons are as follows: a. Projects that have been sanctioned Letters of Award (LoAs) but have not yet achieved Financial Close will find the project economics rendered unviable at Rs. 2.98/kWh, particularly given that many such projects entered into procurement commitments and financing arrangements premised on the Rs. 3.13/kWh tariff. b. Prospective investors and developers who are evaluating entry under the Scheme will treat any mid-stream tariff reduction as a strong adverse signal about regulatory risk in Telangana, discouraging future participation. The reputational damage to the Scheme's attractiveness will far outlast any short-term saving the DISCOMs seek. c. Farmers who are the primary beneficiaries of Component-A have limited financial sophistication and bandwidth to absorb a reduction in projected revenue. A	1 & 2. TGDISCOMs fully recognize the contribution of PM-KUSUM projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability. While tariff certainty is important, it must be balanced with the need to ensure that tariffs remain fair and reflective of current market conditions. A revision in line with cost reductions supports regulatory prudence and consumer interest, without compromising viability of the projects.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	reduction of Rs. 0.15/kWh across a 25-year PPA term can translate to a substantial reduction in the net present value of lifetime revenues, potentially rendering their investments loss-making. 9. The Hon'ble Commission itself recognised, in its Order dated 02.01.2021 in O.P. No. 24 of 2020, the unique challenges faced by farmer-developers under this Scheme are that the need to repay debt with interest, the absence of any other livelihood source other than their land, the requirement to bring in equity partners, and the need to hire experts for design, procurement, construction, and maintenance. At the original tariff of Rs. 3.13/kWh, the project IRR was already assessed at approximately 11% as barely adequate. A further reduction will push these returns below commercially viable thresholds. 10. It is accordingly submitted that the Hon'ble Commission, in the exercise of its functions under Section 86(1)(e) of the Electricity Act, 2003, which mandates it to 'promote cogeneration and generation of electricity from renewable sources of energy' cannot sanctify a tariff revision that demonstrably undermines renewable energy capacity addition in the State. The proposed revision is directly contrary to the Commission's statutory mandate. OBJECTION II: THE REVISION DEFEATS THE PRO-FARMER AND PRO INVESTOR OBJECTIVES OF THE PM-KUSUM SCHEME 11. The PM-KUSUM Scheme, as explicitly stated in the Guidelines issued by the Ministry of New and Renewable Energy (MNRE) dated 22.07.2019 and the clarifications issued thereunder, was designed with the following primary policy objectives: (i) providing a source of additional income to farmers; (ii) reducing the financial burden on DISCOMs by providing a reliable local source of renewable energy; and (iii) reducing dependence on conventional power for agricultural consumption. The Scheme is fundamentally farmer-centric, and all regulatory decisions thereunder must be evaluated against this lens. 12. The pre-fixed tariff mechanism was specifically chosen as opposed to a competitive bidding mechanism because it was recognised that small farmers and rural stakeholders cannot compete in open tenders. The pre fixed tariff was thus the bedrock of investor and farmer confidence in the Scheme. A regulatory revision of this pre-fixed tariff, initiated by the very DISCOMs who are	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	counterparties to the PPAs, severely undermines the entire logic of the pre-fixed tariff architecture. 13. Investor confidence in a regulatory regime is a public good. The PM KUSUM Scheme has been explicitly identified by the Government of India and multiple State Governments as a vehicle for agricultural transformation and rural employment. States including Maharashtra, Madhya Pradesh, Haryana, and Chhattisgarh have successfully implemented the Scheme. The Hon'ble Commission itself noted, at paragraph 61 of its Order dated 02.01.2021, that this approach 'has been successfully adopted in Maharashtra, Madhya Pradesh, Haryana, and Chhattisgarh' and 'has to be comprehensively adopted in Telangana.' A tariff revision at this stage will put Telangana at a significant disadvantage compared to peer States in attracting investment under this and similar schemes. 14. PPAs executed under the Scheme contain a Change in Law clause enabling adjustment of tariffs on account of changes in applicable law, including changes in GST rates. The Change in Law mechanism is designed to restore the affected party to the same economic position as before the change. The mechanism is bilateral as it applies both to increases and decreases in costs. However, the critical point is that the Change in Law mechanism is meant to be applied project-by-project, on the basis of actual documented impact of the change in law on each specific project's costs and revenues, and not as a blanket revision of the normative pre-fixed tariff. 15. The Petitioner DISCOMs seek to use the Change in Law framework to achieve a general revision of the pre-fixed tariff determined under O.P. No. 24 of 2020. This approach conflates the project-level Change in Law adjustment mechanism with the normative tariff determination framework. The pre-fixed tariff of Rs. 3.13/kWh was computed on normative parameters. 16. It is accordingly submitted that if the Petitioner DISCOMs seek adjustment on account of the sole factor of GST reduction without considering the other components and the wholesale revision of the normative pre-fixed tariff is neither the appropriate remedy nor legally tenable. OBJECTION III: LEGAL GROUNDS AGAINST REVISION OF PRE-FIXED	With regard to the contention that the pre-fixed tariff is

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	TARIFF A.The Pre-Fixed Tariff Is Normative and Not Based on Actual Project Costs 17. It is critical to appreciate the normative nature of the pre-fixed tariff. As is evident from the Order dated 02.01.2021, the Commission computed the tariff of Rs. 3.13/kWh based on normative parameters including a benchmark capital cost of Rs. 3.60 Crore/MW, a Capacity Utilisation Factor of 19%, and interest rates prevailing at that time. These were normative assumptions, and actual project costs may have been higher or lower. 18. The Petitioner DISCOMs seek to argue that since GST on Solar PV Modules has been reduced from 12% to 5%, the capital cost of solar projects has reduced by approximately 7% and therefore the pre-fixed tariff should be reduced correspondingly. This reasoning is flawed for the following reasons: (a) The normative capital cost of Rs. 3.60 Crore/MW used by the Commission in 2021 was a benchmark figure based on MNRE guidelines of 2020. Actual procurement costs of solar modules and associated equipment have varied significantly due to global supply chain disruptions, anti-dumping duties, and commodity price fluctuations. Many SPGs may have procured equipment at costs higher than the normative benchmark. (b) A reduction in GST from 12% to 5% on solar modules represents a saving only on the module procurement cost component. It does not affect land acquisition, civil works, electrical balance of plant, transmission line costs, working capital, operation and maintenance expenses, or financing costs, all of which constitute a significant portion of the total project cost. (c) According to the PPAs list annexed to the Petition, the vast majority of PPAs under TGSPDCL were executed in June 2025 i.e., before the GST reduction notified pursuant to the 56th GST Council Meeting in September 2025. This means most SPGs will have entered into procurement contracts and may have placed orders or received delivery of solar modules prior to the GST reduction coming into effect, thereby not deriving the benefit of lower GST on their actual procurement. It would be patently unjust to reduce the tariff applicable to such projects on account of a GST benefit they never actually received. (d) The pre-fixed levelised tariff is computed as a single level rate applicable for 25 years. Once determined, it is designed to remain constant — this very	normative in nature and that the majority of PPAs were executed prior to the GST reduction of September 2025, the following is submitted: 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 Electricity Regulatory Commission, in its suo motu Order dated

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	constancy is the reason it is called 'pre-fixed'. Subjecting it to revision every time there is a change in input costs would destroy the certainty and predictability that the pre-fixed tariff mechanism is intended to provide, and would fundamentally alter its character. B. The Petition Is Contrary to the Principles Under Section 61 of the Electricity Act, 2003 19. Section 61 of the Electricity Act, 2003 mandates that the Commission, in specifying terms and conditions for determination of tariff, shall be guided, inter alia, by the following principles: (a) safeguarding the interests of consumers and at the same time recovery of cost of electricity in a reasonable manner; (b) the principles rewarding efficiency in performance while ensuring reasonable return to investors; and (c) the multiyear tariff principles. 20. Section 61(h) specifically mandates that the Commission be guided by 'the promotion of co-generation and generation of electricity from renewable sources of energy.' A downward tariff revision that destroys investor confidence and deters new entrants into PM-KUSUM Component-A is plainly contrary to Section 61(h) and cannot be characterised as being in consonance with the principles under Section 61. OBJECTION IV: REGULATORY CERTAINTY AND PRECEDENT 21. India's renewable energy sector has achieved remarkable scale and cost reductions in large part due to a stable and predictable regulatory framework that has ensured that tariffs determined by regulatory commissions and enshrined in PPAs are honoured. Any regulatory action that departs from this framework, particularly one initiated by the procurer (DISCOM) to reduce the tariff payable to the generator, sends an adverse signal to the domestic and global investor community and will have consequences beyond the PM-KUSUM Scheme. 22. The Central Electricity Regulatory Commission (CERC) has consistently upheld the sanctity of contracted tariffs and has not permitted ex post revision of tariffs under competitive bidding or pre-fixed tariff regimes on account of input cost changes, except through the specific CiL mechanism provided in PPAs. This approach is consistent with the broader global regulatory principle that tariff	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. TGDISCOMs submit that While tariff certainty is important, it must be balanced with the need to ensure that tariffs remain fair and reflective of current market conditions. A revision in line with cost reductions supports regulatory prudence and consumer interest, without compromising project viability

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	certainty is essential for infrastructure investment. The Hon'ble Commissions should be guided by these principles and decline to permit a revision of the pre fixed tariff. 23. Several High Courts and the Appellate Tribunal for Electricity (APTEL) have consistently held that regulatory bodies must honour the legitimate expectations of investors and that tariff certainty is a cardinal principle of energy regulation. OBJECTION V: ADVERSE IMPACT ON ALREADY-COMMISSIONED AND NEARLY-COMMISSIONED PROJECTS 24. The Objector places before the Hon'ble Commission the following specific ground of prejudice: a very large number of SPGs, as evidenced by the PPAs list filed by the Petitioner itself, executed their PPAs in the period from June 2025 to October 2025. The GST reduction pursuant to the 56th GST Council Meeting took effect only from September 2025. SPGs who executed PPAs in June to August 2025 will have procured their solar modules at the GST rate of 12% and cannot benefit from the reduction. To apply a reduced tariff to such projects would be to impose a cost on them on account of a change that did not benefit them, a result that is both arbitrary and contrary to the Change in Law rationale advanced by the Petitioner. 25. Furthermore, the pre-fixed levelised tariff of Rs. 3.13/kWh was computed at a capital cost of Rs. 3.60 Crore/MW, which already represented a relatively modest benchmark. The actual capital costs incurred by farmer-based SPGs, who are less sophisticated in procurement and must engage developers and contractors on their behalf, may be higher than the normative Rs. 3.60 Crore/MW. A tariff reduction in such circumstances would result in SPGs earning returns below the normative level, making their investments financially unviable.	TGDISCOMs respectfully submit that the procurement of solar modules, execution of PPAs, achievement of COD, financing arrangements, and investment commitments undertaken by individual SPGs are project-specific circumstances. TGDISCOMs further submit that tariff determination is based on normative cost parameters and overall market trends rather than individual project-specific expenditures, financing arrangements, procurement schedules, EPC contracts, loan obligations, or commercial commitments. While certain project cost components may have witnessed increases during implementation, the overall project economics are required to be assessed holistically, considering both cost escalations and reductions in major cost elements.
22.	Response to query by Sri. Naresh Kumar G (S.No. 294)	
	1. Strong Objection to Tariff Revision We strongly oppose the proposed reduction of the tariff from ₹3.13/kWh to ₹2.98/kWh. The proposal is arbitrary, unjustified and contrary to the commitments made by the Government agencies and the DISCOMs	1. TGDISCOMs respectfully submit that the PPAs executed between DISCOMs and SPGs contain provisions relating to "Change in Law", and the applicability, treatment, and relief, if

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	during the bidding and execution process. The tariff of ₹3.13/kWh formed the fundamental basis on which we participated in the tender, accepted the Letter of Award (LoA), executed the Power Purchase Agreement (PPA), arranged project finance, procured equipment and substantially completed the project. Changing the tariff after execution of the PPA and after the developer has made irreversible investments is unfair, inequitable and contrary to the principles of contractual certainty. 2. Huge Investments Already Made Based on the tariff of ₹3.13 per kWh, we have: Invested substantial capital in land development, solar modules, inverters, transformers, structures and electrical infrastructure. Availed bank loans and financial assistance after submitting the executed PPA and financial projections based on the tariff of ₹3.13/kWh. Entered into binding contracts with suppliers and EPC vendors. Nearly completed the project, which is expected to be commissioned shortly. The financial viability of the project has been evaluated entirely on the approved tariff of ₹3.13/kWh. Any reduction at this advanced stage will severely impact debt servicing, project cash flows and overall financial sustainability. 3. Serious Financial Impact The proposed reduction to ₹2.98/kWh would substantially reduce the project revenue over the entire 25-year tenure of the PPA. This reduction was never contemplated when bids were submitted or when the PPA was executed. Such a unilateral revision would: Disturb the financial closure already achieved. Affect repayment of bank loans. Increase the risk of loan defaults.	any, arising therefrom are matters falling within the jurisdiction of the Hon'ble Commission. The present petition seeks consideration of the impact of GST reduction by the Hon'ble Commission in accordance with the provisions of the PPA and applicable regulations. 2. TGDISCOMs respectfully submit that the financial models, cash flow projections, debt servicing capability, equity returns, and financing arrangements referred to by the objector are project-specific commercial considerations. 3. TGDISCOMs respectfully submit that the actual project costs, EPC contracts, procurement timelines, land-related expenses, financing costs, and other project-specific expenditures referred to by the objector vary from project to project. 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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Make the project commercially unviable. Undermine investor confidence in Government renewable energy programmes. The developers cannot be expected to absorb such losses after acting upon the commitments made by the procuring entities. 4. Sanctity of the Executed PPA The executed Power Purchase Agreement is a legally binding contract between the developer and the DISCOM. The tariff agreed under the PPA forms one of its essential terms and cannot be altered unilaterally after execution and after the developer has altered his position based on the contract. The principles of contractual certainty, legitimate expectation and fairness require that the tariff agreed under the executed PPA be honoured throughout the contractual period. 5. Legitimate Expectation Created by TGREDCO The official information published by TGREDCO clearly states that the tariff discovered under the scheme shall remain applicable for the entire PPA period of 25 years. This representation was relied upon by all developers while making investment decisions. Developers acted in good faith on this assurance. Altering the tariff after execution of the PPA would defeat the legitimate expectations created by the implementing agencies and seriously erode confidence in Government-backed renewable energy programmes. 6. Principle of Fairness The developers have fulfilled all obligations under the scheme and have continued execution despite rising costs of materials, logistics, financing	Commission to pass on the benefits of reduced GST to the consumers by balancing the interests of the Developers. In case of any prior procurement commitments or price revisions, the impact thereof, if any, may be considered by the Hon'ble Commission based on the facts and merits of the individual case. 4, 5 & 6. The proposed adjustment is implementation of the "Change in Law" provisions expressly contained in the PPA and duly signed by the developer. While some material costs have increased, this does not reflect the overall scenario. A major cost component, solar modules, has reduced significantly and GST reduction, which combinedly outweighs these increases. Also, recent solar tariffs discovered through competitive bidding have been reducing year after year, which clearly shows that overall project costs have come down.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	and construction. It would be wholly inequitable if the developers alone are required to bear the financial burden after making substantial investments based upon the agreed tariff. The financial consequences of such revision cannot be shifted entirely onto developers who acted strictly in accordance with the tender conditions, the LoA and the executed PPA.	
23.	Response to query by Sri. Murthy Pendyala on Behalf of M/s Ecoren Energy India Private Limited (S.No. 296)	
	IV. PRELIMINARY OBJECTION - FINALITY OF THE TARIFF ORDER AND BURDEN OF PROOF 7. The tariff of Rs. 3.13/kWh was fixed by a reasoned, final Order which has attained finality and formed the bedrock of every generator's contractual and financial arrangements. The Petitioner bears a heavy and exacting burden to establish, with project-specific documentary evidence, the actual and quantified impact of the claimed event. It has not discharged that burden. 8. Even on its own chosen yardstick the petition fails. A "Change in Law" mechanism, where it applies, is restitutionary: its sole purpose is to restore the affected party to the same economic position it would have occupied had the event not occurred - no better and no worse. This is settled by the Hon'ble Supreme Court in Energy Watchdog v. CERC, (2017) 14 SCC 80, reaffirmed in UHBVNL v. Adani Power Ltd., (2019) 5 SCC 325 and GMR Warora Energy Ltd. v. CERC, 2023 INSC 398. As shown below, on that very principle - and, anterior to it, on the threshold question of whether the mechanism applies at all - the petition collapses. V. GROUND A - "CHANGE IN LAW" IS A SECTION 63 (COMPETITIVE-BIDDING) CONTRACTUAL MECHANISM WITH NO APPLICATION TO THE SECTION 62 DETERMINED TARIFF UNDER COMPONENT-A 9. There is a fundamental, threshold distinction between the two routes to	While the tariff was fixed, the Commission retains jurisdiction to examine the impact of subsequent statutory and regulatory developments affecting tariff assumptions. The Petitioner has placed before the Commission the relevant GST notifications and the resulting reduction in tax incidence on solar power components. The Petition concerns a sector-wide statutory change and is not dependent solely on project-specific procurement details of individual generators. The Petition is consistent with the principle that tariff should reflect the actual impact of a statutory change. The reliance on the doctrine of restitution does not support retention of benefits arising from a reduction in tax incidence. TGDISCOM submits that the distinction between Sections 62 and 63 is not disputed. However, the Petitioner is not seeking enforcement of a contractual Change in Law clause arising out

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	a tariff under the Electricity Act, 2003. Under Section 62, the Appropriate Commission itself determines the tariff on a cost-plus / normative basis under its tariff regulations. Under Section 63, the Commission does not determine anything; it merely adopts a tariff already discovered through a transparent process of competitive bidding. The two are mutually exclusive modes of arriving at tariff – the Hon'ble Supreme Court in Energy Watchdog v. CERC, (2017) 14 SCC 80 held that the non obstante clause in Section 63 is "limited to Section 62", so a given tariff is either determined (Section 62) or adopted from a bid (Section 63). 10. The Rs. 3.13/kWh tariff for Component-A is, indisputably, a Section 62 determination. It was computed by this Commission on normative parameters (notably a 19% CUF) in O.P. No. 24 of 2020. There was no bid, no bidder, no competitively discovered price, and no "bid date". It is the paradigm of a Commission determining a generic tariff - not adopting one. 11. "Change in Law", by contrast, is a creature of contract, not a free-standing statutory remedy. It exists in competitively-bid PP As precisely because a bidder locked in a price as of a bid date, and the PPA allocates post-bid statutory risk back to the procurer through an express clause. Tellingly, every leading Supreme Court authority on Change in Law arises from a Section 63 competitive-bidding contract: Energy Watchdog (Adani/CGPL bid PPAs); UHBVNL v. Adani Power Ltd., (2019) 5 SCC 325 (tariff-based competitive bidding; Article 13 held to be an "inbuilt restitutionary principle"); GMR Warora Energy Ltd. v. CERC, 2023 INSC 398 (Section 63 bid PPAs; compensation on the restitutionary principle); and Nabha Power Ltd. v. PSPCL, (2018) 11 SCC 508 (interpretation of a Section 63 bid PPA). The clause is structurally tethered to a bid date - the moment a bidder fixed a price. A Section 62 determined generic tariff has no bid and no bid date for any such clause to attach to or to "restore".	of competitive bidding. The Petition seeks consideration of a material statutory change affecting cost assumptions underlying the tariff which is part of signed PPA and impact of any Change in Law event are required to be considered in accordance with the provisions of the PPA and the applicable regulatory framework. Change in Law provision in clause 13.1.1.e mentions as under <i>“any change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project.”</i> The above provision enables adjustments where there is a material impact on project cost.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	12. It follows that the Petitioner's chosen Change-in-law is not applicable here. A Commission determined generic tariff is revised, if at all, only through the Commission's own redetermination / true-up / review power under the applicable RE Tariff Regulations – exercised holistically and prospectively, and disciplined by Section 62(4) of the Act (a tariff ordinarily not to be amended more than once a year) - and not by a one-input "Change in Law" petition that reaches in and re-cuts a single sub-component of capital cost. Notably, this Commission's own framework contemplates exactly that: review of the determined tariff suo motu by the Commission or on application in the interest of scheme implementation - i.e., re-determination, not a piecemeal Change-in-Law adjustment. 13. For completeness, the Objector candidly accepts that the restitutionary principle, where it applies, is neutral and symmetrical - it captures decreases as well as increases in cost. The Objector does not contend that a tariff can never move downward. The objection rests on prior and independent grounds: (i) the mechanism invoked is the wrong instrument for a Section 62 determined tariff; (ii) any revision must in any event be prospective (Ground B); and (iii) there is no actual saving to pass through (Ground C). 14. Pre-empting reliance on recent orders: to the extent the Petitioner relies on the CERC suomotu order dated 04.11.2025 (or comparable orders of other Commissions) treating the 12%-to- 5% GST change as a "Change in Law" event, those are distinguishable and not binding here. (a) They are expressly anchored to competitively-bid PPAs and to a bid date (applying, for example, where "the bid was submitted before 22.09.2025") - a criterion that cannot exist for a determined Component-A tariff. (b) They direct relief computed on actual, invoice-level, auditor-certified figures for a specific project - not a flat reduction of a generic normative tariff regardless of what a generator actually paid.	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	(c) They are orders in central/inter-State or other-State jurisdictions, persuasive at most, and inapt for an intra-State, suo-motu determined tariff under Section 62. Properly read, those very orders confirm that any adjustment must be actual-impact-based and prospective - which defeats, not supports, the present petition. VI. GROUND B ANY REVISION MUST BE PROSPECTIVE, NOT RETROSPECTIVE; AND THE GST REDUCTION IS ITSELF PROSPECTIVE 15. A determined tariff order is a quasi-judicial determination that attains finality and is not to be reopened midstream by altering a single premise after the fact. In <i>BSES Rajdhani Power Ltd. v. DERC</i>, (2023) 4 SCC 788, the Hon'ble Supreme Court held that at the truing-up stage a Commission cannot change the basic principles, premises and methodology of the original determination; it may only reconcile actuals against projections within the established framework. The principle of prospectivity and regulatory certainty is also reflected in <i>PTC India Ltd. v. CERC</i>, (2010) 4 SCC 603, and in the scheme of Sections 62(4) and 64(6) of the Act. Recutting one premise (GST) of a final determination, years later, is exactly what these authorities forbid. 16. Generators achieved financial closure, drew down debt and procured equipment on the faith of the Rs. 3.13 determination across a 25-year horizon. Reopening that number to their detriment defeats the legitimate expectation the Order created and erodes the very investment certainty that the regulatory regime exists to protect. 17. Further, the GST rationalisation is itself prospective - notified with effect from 22.09.2025. By definition it does not, and cannot, apply to modules, inverters and balance-of-system already purchased and tax-paid at 12% before that date. A tax rate cannot operate retrospectively on supplies already completed and taxed at the higher rate. Any adjustment that	The Petition does not seek retrospective alteration of completed transactions. Any relief granted by the Commission may operate prospectively. Tariff determination is based on overall market trends and normative costs, not individual project-specific considerations. The reduction in GST on modules (a major cost component) along with declining solar module prices due to economies of scale and increased domestic manufacturing, has led to a net reduction in capital costs. The petition focuses on whether the tariff assumptions should continue to be based on a tax rate that is no longer applicable going forward or the tariff should align the tariff framework with the prevailing tax position.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	ignores this and rebases a settled tariff to a rate that never applied to the Objector's actual procurement is impermissibly retrospective in substance. VII. GROUND C - CAPEX WAS INCURRED AT 12% GST; THERE IS NO ACTUAL SAVING TO PASS THROUGH 18. This is the dispositive factual ground. The bulk of the Objector's capital expenditure - modules, cells, inverters, structures and balance-of-system - was ordered, invoiced, supplied and paid for prior to 22.09.2025, at the then-prevailing GST rate of 12%. 19. The Objector therefore actually bore the 12% GST burden on its sunk capital costs. The later reduction to 5% conferred no benefit whatsoever on costs already crystallised and discharged. To recompute the Objector's capital cost notionally at 5% - when it in fact paid 12% - credits the generator with a saving it never received. 20. Tested against the restitutionary principle, the prayer does not restore parties to their actual position - it pushes the generator below it. Restitution that leaves the affected party worse off than its true position is no restitution at all; it is expropriation. The petition collapses on the very principle it must satisfy. 21. Even if any pass-through were arguable, it could at most relate to CAPEX actually procured on or after 22.09.2025 - of which the Petitioner has placed no project-specific evidence. A scheme-wide, theoretical "saving" of Rs. 20-25 lakh/MW cited in press releases is no substitute for proof of an actual reduction in this Objector's costs. VIII. GROUND D-THE TARIFF IS A NORMATIVE, COST-PLUS DETERMINATION REFLECTING THE TOTALITY OF COSTS; A SINGLE INPUT CANNOT BE CHERRY-PICKED 22. The Rs. 3.13/kWh tariff was determined on a cost-plus / normative basis under the applicable RE Tariff Regulations - not discovered through	TGDISCOMs respectfully submit that financing arrangements, lending rates, debt servicing obligations, and loan structures are project-specific commercial decisions between developers and their lenders. Tariff determination is based on normative financing assumptions and regulatory principles rather than individual financing arrangements adopted by specific developers. Tariff determination is based on overall market trends and normative costs, not individual project-specific calculations. The reduction in GST on modules (a major cost component) along with declining solar module prices due to economies of

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	competitive bidding. The single levelized figure emerges from a bundle of normative assumptions: normative capital cost (Rs./MW), normative CUF, debt-equity ratio, normative interest and financing cost, O&M, return on equity and depreciation. GST was merely one embedded input within the normative capital cost assumed in 2021. 23. Crucially, the tariff is normative and uniform - it applies irrespective of the actual solar irradiation, actual capital cost, line length / evacuation distance, plant size or site conditions of any individual project. Every generator already absorbs all such project-specific variance at Rs. 3 .13. A generator with poorer irradiation, longer evacuation or higher actual cost bears that risk; it is not compensated. The normative tariff is thus a settled, integrated package built on the totality of costs. 24. It follows that the Petitioner cannot isolate one normative input (GST) and revise it downward while freezing every other norm (capital-cost benchmark, CUF, interest rate, etc.). Such selective reopening is internally incoherent and impermissible. A normative cost-plus tariff is either left undisturbed, or it is re-determined afresh, in its entirety, under the governing regulation using current parameters. The Petitioner seeks the former in name but the latter in substance - cherry-picking the only input that has fallen while ignoring every input that has risen. IX. GROUND E - THE NORMATIVE TARIFF REFLECTS SMALL-SCALE ECONOMICS: A PLANT CAPPED AT 2 MW BEARS HIGHER PER-MW EVACUATION, TRANSMISSION AND BALANCE-OF-SYSTEM COSTS 25. A necessary question is: for what capacity is this tariff computed? Component-A plants are small and distributed by design. Under the MNRE PM-KUSUM Guidelines, each plant is of 500 kW to 2 MW (the maximum permissible at a single location being 2 MW), is "preferably installed within five km radius of the sub-stations", and is connected at the 11 kV/ 33 kV level. The five-kilometre rule exists, in the Guidelines' own words, "in order	scale and increased domestic manufacturing, has led to a net reduction in capital costs. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs. The factors like plant size and decentralized generation were already considered by the Commission while determining the tariff and do not negate the impact of a subsequent GST reduction. The existence of evacuation and interconnection costs does not alter the fact that GST on major project components has been reduced.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	to avoid high cost of sub transmission lines and to reduce transmission losses" - an express official recognition that evacuation cost is a material burden for such small plants. 26. The generator must itself lay the dedicated 11/33 kV line and construct the bay, switchgear and metering at the sub-station. These are largely fixed, indivisible costs - a bay, transformer, protection and metering are required whether the plant is 1 MW or 50 MW. Spread over a plant of at most 2 MW, the per-MW ,cost of evacuation and interconnection is necessarily far higher than for a utility-scale plant of tens or hundreds of MW (industry benchmarks place Component A evacuation cost at roughly Rs. 15-40 lakh/MW). The small, distributed Component-A plant simply cannot capture the economies of scale available to large solar parks. 27. The determined tariff of Rs. 3.13 already embeds these small-scale costs. It is therefore doubly impermissible to extract the single input that has fallen (GST) while leaving untouched both the structural per-MW cost disadvantages of a 2 MW plant and the many input-price increases (Ground F) that the normative tariff was set to cover. X. GROUND F - IF "CHANGE IN LAW" IS ENTERTAINED AT ALL, IT MUST BE RECKONED IN TOTALITY; ALMOST EVERY OTHER MAJOR INPUT HAS RISEN SINCE 2021 28. The "Change m Law" principle is, by nature and by binding authority, neutral and symmetrical. The Petitioner seeks to wield it as a one-way ratchet - pressing a downward movement while ignoring the many upward cost movements borne by generators since the 2021 determination. 29. Should the Commission entertain any reopening, the adjustment must be made in totality. The comparative statement below illustrates how the principal project inputs have moved between the determination (early 2021) and the present (2025-26). It demonstrates that while GST on devices fell, virtually every other determinant of project cost moved against	TGDISCOMs respectfully submit that the present petition is based on the reduction in GST rates. The proposal has been made considering the overall project economics, including reduction in GST rates and decline in major capital cost components, particularly solar modules. Tariff determination is based on overall market trends and normative costs, not individual project-specific calculations. The reduction in GST on modules (a major cost component) along with declining solar module prices due to economies of scale and increased domestic manufacturing, has led to a net reduction in capital costs. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs.

S.No.	Summary of Objections / Suggestions	Response of the Licensee																																												
	the developer: <table><tr><th>Input / cost driver</th><th>At determination (= Jan 2021)</th><th>Now (2025-26)</th><th>Movement</th></tr><tr><td>Solar PV module a Component-A developer must use (ALMM / DCR)</td><td>~Rs 22-28 per Wp</td><td>DCR module ~Rs 27 per Wp (Jan 2026)</td><td>Broadly flat; global price falls do not accrue to ALMM/DCR-bound buyers</td></tr><tr><td>Basic Customs Duty on cells / modules</td><td>Nil (only a ~14.5% safeguard duty, then expiring)</td><td>40% / 25% (Apr 2022-Feb 2025); now 20% + ~20% AIDC</td><td>A duty regime imposed where there was none</td></tr><tr><td>ALMM / domestic-content restriction</td><td>Notified but not yet binding</td><td>Fully binding (extended to cells from 01.06.2026)</td><td>Materially tighter; blocks cheaper imports</td></tr><tr><td>Steel (hot-rolled coil)</td><td>~Rs 37,000/t (2020 low) to ~Rs 60,000/t (Apr 2021 peak)</td><td>~Rs 57,600/t (Jun 2026)</td><td>Up ~56% vs 2020 low; near peak</td></tr><tr><td>Aluminium (IMF / LME)</td><td>~USD 2,004/t (Jan 2021)</td><td>~USD 3,654/t (May 2026)</td><td>+82%</td></tr><tr><td>Copper (IMF / LME)</td><td>~USD 7,972/t (Jan 2021)</td><td>~USD 13,484/t (May 2026)</td><td>+69%</td></tr><tr><td>Module mounting structures (galvanised steel)</td><td>Base</td><td>Steel +25-28% in 2021 alone, plus the 2025-26 aluminium spike</td><td>Up materially</td></tr><tr><td>Distribution / power transformers</td><td>Base</td><td>~60-80% higher (industry estimate)</td><td>Up sharply</td></tr><tr><td>INR / USD (imported cells & modules)</td><td>~Rs 73 per USD (Jan 2021)</td><td>~Rs 94-95 per USD (Jun 2026)</td><td>Rupee ~30% weaker</td></tr><tr><td>RBI repo rate (cost of debt)</td><td>4.00%</td><td>5.25% (Jun 2026)</td><td>+125 bps higher</td></tr></table> 30. In particular: a Basic Customs Duty regime was imposed where none existed (40%/25% from April 2022, now 20% plus an additional ~20% AIDC), against only a ~14.5% and expiring safeguard duty in early 2021; a binding ALMM / domestic-content restriction now keeps the module a developer must actually buy at about Rs. 27/Wp (i.e. within the 2020-21 band, not lower); aluminium has risen ~82% and copper ~69% (IMF series), feeding cables, busbars, transformers and structures; transformers and mounting structures are sharply higher; the rupee is ~30% weaker (about Rs. 73 to about Rs. 94-95 per US dollar), inflating all dollar-denominated equipment; and the policy repo rate is 125 bps higher (4.00% to 5.25%). Reckoned holistically, these adverse movements offset - and in all likelihood exceed - any notional GST benefit. 31. The Hon'ble Supreme Court in GMR Warora Energy Ltd. v. CERC (2023 INSC 398) deprecated precisely such conduct, holding that a party	Input / cost driver	At determination (= Jan 2021)	Now (2025-26)	Movement	Solar PV module a Component-A developer must use (ALMM / DCR)	~Rs 22-28 per Wp	DCR module ~Rs 27 per Wp (Jan 2026)	Broadly flat; global price falls do not accrue to ALMM/DCR-bound buyers	Basic Customs Duty on cells / modules	Nil (only a ~14.5% safeguard duty, then expiring)	40% / 25% (Apr 2022-Feb 2025); now 20% + ~20% AIDC	A duty regime imposed where there was none	ALMM / domestic-content restriction	Notified but not yet binding	Fully binding (extended to cells from 01.06.2026)	Materially tighter; blocks cheaper imports	Steel (hot-rolled coil)	~Rs 37,000/t (2020 low) to ~Rs 60,000/t (Apr 2021 peak)	~Rs 57,600/t (Jun 2026)	Up ~56% vs 2020 low; near peak	Aluminium (IMF / LME)	~USD 2,004/t (Jan 2021)	~USD 3,654/t (May 2026)	+82%	Copper (IMF / LME)	~USD 7,972/t (Jan 2021)	~USD 13,484/t (May 2026)	+69%	Module mounting structures (galvanised steel)	Base	Steel +25-28% in 2021 alone, plus the 2025-26 aluminium spike	Up materially	Distribution / power transformers	Base	~60-80% higher (industry estimate)	Up sharply	INR / USD (imported cells & modules)	~Rs 73 per USD (Jan 2021)	~Rs 94-95 per USD (Jun 2026)	Rupee ~30% weaker	RBI repo rate (cost of debt)	4.00%	5.25% (Jun 2026)	+125 bps higher	
Input / cost driver	At determination (= Jan 2021)	Now (2025-26)	Movement																																											
Solar PV module a Component-A developer must use (ALMM / DCR)	~Rs 22-28 per Wp	DCR module ~Rs 27 per Wp (Jan 2026)	Broadly flat; global price falls do not accrue to ALMM/DCR-bound buyers																																											
Basic Customs Duty on cells / modules	Nil (only a ~14.5% safeguard duty, then expiring)	40% / 25% (Apr 2022-Feb 2025); now 20% + ~20% AIDC	A duty regime imposed where there was none																																											
ALMM / domestic-content restriction	Notified but not yet binding	Fully binding (extended to cells from 01.06.2026)	Materially tighter; blocks cheaper imports																																											
Steel (hot-rolled coil)	~Rs 37,000/t (2020 low) to ~Rs 60,000/t (Apr 2021 peak)	~Rs 57,600/t (Jun 2026)	Up ~56% vs 2020 low; near peak																																											
Aluminium (IMF / LME)	~USD 2,004/t (Jan 2021)	~USD 3,654/t (May 2026)	+82%																																											
Copper (IMF / LME)	~USD 7,972/t (Jan 2021)	~USD 13,484/t (May 2026)	+69%																																											
Module mounting structures (galvanised steel)	Base	Steel +25-28% in 2021 alone, plus the 2025-26 aluminium spike	Up materially																																											
Distribution / power transformers	Base	~60-80% higher (industry estimate)	Up sharply																																											
INR / USD (imported cells & modules)	~Rs 73 per USD (Jan 2021)	~Rs 94-95 per USD (Jun 2026)	Rupee ~30% weaker																																											
RBI repo rate (cost of debt)	4.00%	5.25% (Jun 2026)	+125 bps higher																																											

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	cannot "blow hot and cold" or indulge in approbation and reprobation. A DISCOM that enforces only the one favourable change while resisting all the unfavourable ones does exactly that. XI. GROUND G - IN THE ALTERNATIVE, RE-DETERMINE THE TARIFF AFRESH ON CURRENT CAPITAL COST 32. Without prejudice to Grounds A-F, if the Commission is inclined to revisit the determined tariff at all, the Objector respectfully requests that the Commission re-determine the levelized tariff afresh under the applicable RE Tariff Regulations, applying current capital cost benchmarks and current normative parameters (including prevailing module / landed cost, financing cost, CUF and exchange-rate assumptions). The Objector is confident that a bonafide re-determination on present-day costs would yield a tariff at or above Rs. 3.13/kWh, not below it. The Petitioner cannot be permitted to import only the single input that suits it while resisting a full and fair re-determination. XII. GROUND H - SANCTITY OF THE PPA; FINANCIAL VIABILITY, DSCR, ASSET QUALITY AND REGULATORY CERTAINTY 33. The tariff of Rs. 3.13/kWh was the foundational financial assumption on which financial closure was achieved and on which lenders sanctioned and disbursed term loans. Debt sizing, the covenanted Debt Service Coverage Ratio (DSCR) and the repayment schedule were all premised on this tariff. 34. A unilateral, ex post facto reduction to Rs. 2.98/kWh - a fall of approximately 4.8% in revenue per unit across the entire 25-year horizon - directly erodes project cash flows, compresses the DSCR below covenanted levels, can trigger events of default, and pushes otherwise-performing projects towards classification as Non-Performing Assets (NPAs). This impairs the banking system's exposure to renewables and	TGDISCOMs respectfully submit that the present petition is based on the reduction in GST rates. TGDISCOMs submit that While tariff certainty is important, it must be balanced with the need to ensure that tariffs remain fair and reflective of current market conditions. A revision in line with cost reductions supports regulatory prudence and consumer interest, without compromising project viability. The PPA is binding on relevant parties, The proposed adjustment is implementation of the "Change in Law" provisions expressly contained in the PPA and duly signed by the developer.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	the State's credibility as a counterparty. 35. Beyond the individual project, policy stability and certainty are themselves matters of public interest. A determined tariff, once acted upon, is the bedrock of investor confidence. Revising it midstream signals to lenders and developers that determined tariffs in Telangana are liable to downward revision - a signal that raises the cost of capital, deters fresh investment, and ultimately frustrates the State's renewable-energy goals. The stability of a determined tariff is, in this sense, worth more to the sector than the marginal paise the petition seeks to recover. XIII. GROUND I - LOW CAPACITY ADDITION, IN TELANGANA AND ACROSS INDIA, DISPROVES ANY PREMISE THAT THE TARIFF IS "LUCRATIVE" 36. Any suggestion that Rs. 3.13/k Wh is over-compensatory is answered by the market itself. Had the tariff been generous, Component-A capacity addition would have been brisk. It has not been. Against a Component-A target of 10,000 MW, only about 141 MW had been commissioned all-India as on 30.11.2023 (against even 4,766 MW sanctioned), and only about 653 MW as on 31.10.2025 - well under 7% of target after roughly six years (per MNRE / PIB replies in Parliament). Telangana itself had commissioned zero MW under Component-A as on 30.11.2023 and reached the procurement / PPA stage only in 2025, with stakeholders on the record flagging Rs. 3.13/kWh as unviable. Tepid uptake is the most objective evidence that the tariff sits at the margin of viability, not above it. 37. Reducing the tariff to Rs. 2.98/kWh would render the remaining pipeline unviable and stall the programme altogether. A regulator's tariff should expand, not extinguish, capacity addition. XIV. GROUND J - THE PETITION IS CONTRARY TO THE OBJECT AND SPIRIT OF PM-KUSUM	Low capacity addition under PM-KUSUM cannot be attributed solely to tariff levels. Project execution depends on several factors including land availability, approvals, financing, grid connectivity and implementation challenges. TGDISCOMs fully recognize the contribution of PM-KUSUM

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	38. Component-A of PM-KUSUM is designed to promote decentralised, ground-mounted solar generation and to provide a stable, assured income to farmers and rural landowners who host or invest in such projects. The viability of these small, distributed projects is finely balanced and acutely tariff-sensitive. 39. Depressing the determined tariff undermines the income security of the very farmers the Scheme is meant to uplift, and signals to developers that determined tariffs in Telangana are liable to downward revision - a signal that will deter future investment and frustrate the State's renewable and farmer-welfare goals. XV. GROUND K - TAX TREATMENT: THE CONTRADICTION BETWEEN THE TARIFF ORDER AND THE MNRE MODEL PPA - THE PETITION FAILS ON EITHER CONSTRUCTION 40. There is a direct and material contradiction on the treatment of taxes. By its earlier Order dated 02.01.2021, this Commission determined Rs. 3.13/kWh as the tariff and provided that applicable taxes shall be reimbursed by the DISCOM - that is, taxes are a pass-through payable over and above Rs. 3.13. It is now being contended, contrary to that Order, that Rs. 3.13/kWh is inclusive of taxes. (The MNRE Model PP A, for its part, fixes Rs. 3.13/unit as a flat tariff with the generator bearing all statutory taxes, the procurer not liable for any tax payment, and tax-rate changes addressed only through the PPA's Change-in-Law clause on actual impact.) The instruments governing the same transaction are thus in conflict, and the Petitioner seeks to exploit that conflict by recharacterising a tax-reimbursed tariff as a tax-inclusive one in order to justify a cut. 41. Significantly, the petition fails on either construction: (a) If taxes are a pass-through/ reimbursable (per the Commission's earlier Order), then any GST change rides the reimbursement mechanism and	projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability. The tariff is treated as inclusive of taxes, and the Change in Law provisions of the PPA become directly relevant. The reduction of GST from 12% to 5% has already been recognized by the Central Electricity Regulatory Commission, in its suo motu Order dated 04.11.2025 in Petition No.13/SM/2025, as a Change in Law event.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	does not alter the base energy charge of Rs. 3.13; the attempt to cut the base tariff to Rs. 2.98 is therefore misconceived. On this construction the corollary is that applicable taxes are payable in addition to the base tariff, and the DISCOM must reimburse taxes accordingly - it cannot pocket a notional tax reduction by reducing the base charge. And since GST on the Objector's sunk CAPEX was already discharged at 12%, no downward pass-through arises in any event. (b) If the tariff is inclusive of taxes (as now contended), then Rs. 3.13 is a fixed, all-in price by which the parties allocated all tax risk - and all tax benefit - to the generator. Such a fixed, tax-inclusive price is immune to later tax changes by the very agreement of the parties; tax movements are addressed only through the Change-in-Law mechanism on proven actual impact, and not by reducing the base tariff. No claw-back of the base tariff is permissible. 42. As its primary submission on this issue, the Objector requests the Commission to reinstate and affirm its earlier Order dated 02.01.2021 - namely, that Rs. 3.13/kWh is the tariff and that applicable taxes shall be reimbursed by the DISCOM over and above Rs. 3. 13. The subsequent attempt to recharacterise Rs. 3.13 as "inclusive of taxes" is an impermissible departure from the Commission's own binding determination and cannot be used as a device to reduce the tariff. In any event, as shown above, the petition fails on either construction. The Objector accordingly prays that the Commission resolve and clarify the contradiction in favour of its earlier Order, hold that Rs. 3.13/kWh is not liable to downward revision on account of the GST change, and direct the DISCOM to reimburse applicable taxes over and above the tariff in accordance with that Order. XVI. GROUND L - MATERIALITY THRESHOLD AND ABSENCE OF PROJECTSPECIFIC EVIDENCE	The reduction of GST from 12% to 5% on major solar

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	43. Standard RE PPAs incorporate a materiality / de minimis threshold below which a Change in Law does not warrant adjustment (recognised in UHBVNL v. Adani Power, (2019) 5 SCC 325). The Petitioner must establish that the actual impact on this project crosses any threshold in the governing PPA; it has neither pleaded nor proved this, nor produced any project-wise audited cost data, invoices, or evidence of procurement timing vis-a-vis 22.09.2025. The petition is liable to be rejected in limine.	components is a significant and material statutory change. Therefore, TGDISCOMs requested commission to revisit the tariff.
24.	Response to query by Sri. Y. Bhagya Sree (S.No. 299)	
	1. The commission's existing tariff of ₹3.13/kWh was determined based on benchmark capital cost assumptions prevailing in 2021 under a 5% GST Regime. Therefore, the tariff of ₹3.13/kWh was not determined on the basis of 12% GST Regime. 2. The proposed reduction in tariff is based solely on GST reduction from 12% to 5%, whereas GST constitutes only one component of total project cost and GST reduction provides only a limited saving. The overall cost of the project has increased despite the GST reduction. Thus, GST reduction cannot solely justify a tariff reduction of 15 paise per unit. 3. Mandatory increase in DC capacity requirement by Hon'ble commission, i.e., 1.1 MW DC capacity for every 1 MW AC requires significant additional investment in Solar PV modules, Mounting Structures, Cables, Installation and transportation. Thus, present project involves higher capital investment compared to investment determined in 2021. 4. The prices of Transformers, HT / LT equipment, Structure cost, cables, Transmission line cost have risen sharply due to increase in cost of metals like iron, copper, aluminium and also increase in price of diesel due to instability in middle east countries have increased transportation cost significantly. 5. Financial institutions are demanding higher margin money contributions	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 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

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	or equity amount, increasing the capital burden on developers. 6. Project implementation timelines and loan disbursement schedules have resulted in significant amount of Interest During Construction (IDC). In my Project of 1MW, I have incurred a IDC of ₹7,10,000. Farmers in PM KUSUM are taking up all these financial burdens. 7. Reduction of tariff will adversely affect project bankability and may discourage future participation under PM- KUSUM. Since most solar power generators under PM KUSUM scheme are farmers, any change in tariff should consider all components relating to the project without focusing on single component.	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 market conditions have evolved, including reduction in GST and notable decline in capital costs, especially solar modules. Further, recent solar tariffs discovered through competitive bidding have shown consistent year-on-year decline, indicating reduction in overall project costs. TGDISCOMs respectfully submit that the challenges relating to project implementation, evacuation arrangements, coordination with various agencies, compliance requirements, and issues associated with initial implementation of the PM-KUSUM Scheme, are project-specific circumstances and form part of the normal execution risks associated with infrastructure projects.
25.	Response to query by Sri. Singireddy Amarender Reddy (S.No. 300)	
	POINT-1: GST Reduction Alone Cannot Justify Tariff Reduction Let's examine the impact of GST reduction from 12% to 5%, I have obtained Financial approval for the said project from the prime nationalized bank, with an estimated Project Cost of Rs 8.0 Cr. Please find the tables below, the exhibit is self explanatory As you have noted from the exhibit above:	1. TGDISCOMs respectfully submit that the present petition is based on the reduction in GST rates. The proposal has been made considering the overall project economics, including reduction in GST rates and decline in major capital cost components, particularly solar modules. TGDISCOMs submit that while the war did lead to a increase in raw material prices, but the impact was momentary and has subsided.

S.No.	Summary of Objections / Suggestions	Response of the Licensee																																								
	<table><tr><th>Description</th><th>Tax Slab</th><th>Taxable amount</th><th>Tax Amount</th></tr><tr><td colspan="4">Solar Power Generating System- OLD GST REGIME</td></tr><tr><td>Supplies @ 70% of 8.0 Crore</td><td>12%</td><td>70% x 8 = 5.6 Cr</td><td>5.6 Cr x 12% = 67.2 Lakhs</td></tr></table> <table><tr><td>Services @ 30% of 8.0 Crore</td><td>18%</td><td>30% x 8 = 2.4 Cr</td><td>2.4 Cr x 18% = 43.2 Lakhs</td></tr><tr><td></td><td>Old Regime</td><td>Total GST value</td><td>110.4 Lakhs</td></tr></table> <table><tr><th>Description</th><th>Tax Slab</th><th>Taxable amount</th><th>Tax Amount</th></tr><tr><td colspan="4">Solar Power Generating System- NEW GST REGIME</td></tr><tr><td>Supplies @ 70% of 8.0 Crore</td><td>5%</td><td>70% x 8 = 5.6 Cr</td><td>5.6 Cr x 5% = 28 Lakhs</td></tr><tr><td>Services @ 30% of 8.0 Crore</td><td>18%</td><td>30% x 8 = 2.4 Cr</td><td>2.4 Cr x 18% = 43.2 Lakhs</td></tr><tr><td></td><td>New Regime</td><td>Total GST value</td><td>71.2 Lakhs</td></tr></table> The absolute Rupee value terms, due to change in the GST Regime is: 67.2 Lakh(minus) 28.0 Lakh = 39.20 Lakh Basis of computation is as below: - As per the GST norms, the solar power generating system has to billed @ 70% as supplies portion and 30% as Services portion. - As per GST norms, the applicable tax slabs for a. Supplies portion is: 5% currently and previously it was 12%. b. Servies portion is: 18% currently and previously it was 18%.	Description	Tax Slab	Taxable amount	Tax Amount	Solar Power Generating System- OLD GST REGIME				Supplies @ 70% of 8.0 Crore	12%	70% x 8 = 5.6 Cr	5.6 Cr x 12% = 67.2 Lakhs	Services @ 30% of 8.0 Crore	18%	30% x 8 = 2.4 Cr	2.4 Cr x 18% = 43.2 Lakhs		Old Regime	Total GST value	110.4 Lakhs	Description	Tax Slab	Taxable amount	Tax Amount	Solar Power Generating System- NEW GST REGIME				Supplies @ 70% of 8.0 Crore	5%	70% x 8 = 5.6 Cr	5.6 Cr x 5% = 28 Lakhs	Services @ 30% of 8.0 Crore	18%	30% x 8 = 2.4 Cr	2.4 Cr x 18% = 43.2 Lakhs		New Regime	Total GST value	71.2 Lakhs	TGDISCOMs further submit that tariff determination is based on normative cost parameters and overall market trends rather than individual project-specific expenditures, financing arrangements, procurement schedules, EPC contracts, loan obligations, or commercial commitments. While certain project cost components may have witnessed increases during implementation, the overall project economics are required to be assessed holistically, considering both cost escalations and reductions in major cost elements.
Description	Tax Slab	Taxable amount	Tax Amount																																							
Solar Power Generating System- OLD GST REGIME																																										
Supplies @ 70% of 8.0 Crore	12%	70% x 8 = 5.6 Cr	5.6 Cr x 12% = 67.2 Lakhs																																							
Services @ 30% of 8.0 Crore	18%	30% x 8 = 2.4 Cr	2.4 Cr x 18% = 43.2 Lakhs																																							
	Old Regime	Total GST value	110.4 Lakhs																																							
Description	Tax Slab	Taxable amount	Tax Amount																																							
Solar Power Generating System- NEW GST REGIME																																										
Supplies @ 70% of 8.0 Crore	5%	70% x 8 = 5.6 Cr	5.6 Cr x 5% = 28 Lakhs																																							
Services @ 30% of 8.0 Crore	18%	30% x 8 = 2.4 Cr	2.4 Cr x 18% = 43.2 Lakhs																																							
	New Regime	Total GST value	71.2 Lakhs																																							

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Against the GST impact of 39.20 Lakh, let's examine what are the impacts which I have faced during the last 1 year after signing the PPA. 1) war happened between Russia and Ukraine 2) war happened between Israel with Iran 3) Govt of India, introduced made in India + make for India 4) Govt of India, imposing Basic Customs duty on Solar cells 5) Crude oil prices surged I don't need to explain the Consequences of such wars, the commission is learnt enough and have experienced by their ownelves, all the consequences of such wars, every country had bruises. However, I would like to put forward the applicable Consequences to solar pv power plants, A) Indian Rupee weaked against the US Dollar. Leading to Increase in the Solar Module prices. B) Fuel Cost increased. I do not need to explain here anymore. Every citizen in India is impacted by this. Solar is not an exception C) Copper Prices increased. Leading to increase in the DC cable cost D) Aluminium Prices increased. Leading to increase in AC cable cost E) Steel Prices increased. Leading to increase in the Module Mounting Structure cost F) Manpower Cost increase. Leading to increase in the Cost of installation and Cost of Operation and Maintenance Please find below the Synopsis, of above causatives The steep upward trajectory of core raw materials and commercial indicators from 2021 to the current year (2026) is detailed below:	

S.No.	Summary of Objections / Suggestions			Response of the Licensee																					
	<table><tr><td>Component / Raw Material</td><td>Price in Year 2021</td><td>Price in Current Year (2026)</td></tr><tr><td>Copper</td><td>~ ₹360 / kg</td><td>~ ₹1,300 / kg</td></tr><tr><td>Aluminium</td><td>~ ₹170 / kg</td><td>~ ₹450 / kg</td></tr><tr><td>Steel (Solar Construction)</td><td>~ ₹70,000 / ton</td><td>~ ₹140,000 / ton</td></tr><tr><td>Silver (Used in Solar Panels)</td><td>~ ₹60,000 / kg</td><td>~ ₹245,000 / kg</td></tr><tr><td>Transmission Line & Bay Extension</td><td>~ ₹5,00,000 / km</td><td>~ ₹10,00,000 / km</td></tr><tr><td>US Dollar (USD to INR Exchange Rate)</td><td>~ ₹74</td><td>~ ₹94</td></tr></table> Further, I have presented the graphical representation of Year on Year increase in the 3 important metals (AL, CU and Steel), as a representation. The absolute value terms on cost contribution of these 4 important materials (namely Solar Modules, Solar DC Cable, AC Cable and Solar Module Mounting Structures) in the overall Solar PV power plant Cost is more than 80%. The absolute value terms of increase component is more than Rs 39.20 Lakhs. Thereby negating the advantage of reduction in the GST. POINT-2: Regulatory Certainty and Fail to meet Legitimate Expectation As an Individual Solar Power Generator, apart from my own funds, I have approached prime lenders, in this case Nationalized Banks, for providing the financial assistance in the form of Term Loan. The tariff determined by this Hon'ble Commission, for PM-KUSUM, Component – A, projects in the year 2025, was fully relied upon and	Component / Raw Material	Price in Year 2021	Price in Current Year (2026)	Copper	~ ₹360 / kg	~ ₹1,300 / kg	Aluminium	~ ₹170 / kg	~ ₹450 / kg	Steel (Solar Construction)	~ ₹70,000 / ton	~ ₹140,000 / ton	Silver (Used in Solar Panels)	~ ₹60,000 / kg	~ ₹245,000 / kg	Transmission Line & Bay Extension	~ ₹5,00,000 / km	~ ₹10,00,000 / km	US Dollar (USD to INR Exchange Rate)	~ ₹74	~ ₹94	2. TGDISCOMs submit that While tariff certainty is important, it must be balanced with the need to ensure that tariffs remain fair and reflective of current market conditions. A revision in line with cost reductions supports regulatory prudence and		
Component / Raw Material	Price in Year 2021	Price in Current Year (2026)																							
Copper	~ ₹360 / kg	~ ₹1,300 / kg																							
Aluminium	~ ₹170 / kg	~ ₹450 / kg																							
Steel (Solar Construction)	~ ₹70,000 / ton	~ ₹140,000 / ton																							
Silver (Used in Solar Panels)	~ ₹60,000 / kg	~ ₹245,000 / kg																							
Transmission Line & Bay Extension	~ ₹5,00,000 / km	~ ₹10,00,000 / km																							
US Dollar (USD to INR Exchange Rate)	~ ₹74	~ ₹94																							

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	small rural entrepreneurs. Unlike large utility-scale developers, We small scale PM-KUSUM Generators are and have, § NO, leverage of economies of scale § limited access to low-cost institutional finance or foreign direct investments § Bear significantly higher per-MW execution, balancing, and interconnection costs § face greater localized structural and financing constraints POINT-4: TGREDCO, assurance on No Change in Tariff, and is being published TGREDCO, being the tendering partner, who has called for EOI, under PM-KUSUM Component- A, on behalf of TGSPDCL, has assured on. “No Change in Tariff”, during the tenure of the PPA. Please find below the snapshot of published information in the REDCO website, POINT-5: The Proposal by TGSPDCL, is CONTRARY TO THE OBJECT AND SPIRIT OF PM-KUSUM Scheme § Component-A of PM-KUSUM is designed to promote decentralised, ground-mounted solar generation and to provide a stable, assured income to farmers and rural landowners who host or invest in such projects. The viability of these small, distributed projects is finely balanced and acutely tariff-sensitive. § Depressing the determined tariff undermines the income security of the very farmers the Scheme, which is meant to uplift, and signals to increased financial stress, that determined tariffs in Telangana are liable to downward revision.	along with declining solar module prices due to economies of scale and increased domestic manufacturing, has led to a net reduction in capital costs. 4&6. TGDISCOMs submit that Clause 13.1.2 (e) of PPA clearly mentions an “change in the rates of any Taxes including any duties and cess or Introduction of any new tax made applicable for setting up the power project and supply of power from the Power project by the SPG Which have a direct effect on the Project.” 5. TGDISCOMs fully recognize the contribution of PM-KUSUM projects towards renewable energy promotion, reduction of transmission losses, rural income generation, RPO compliance, and strengthening of decentralized power generation. The present petition seeks to balance the interests of project developers and electricity consumers by ensuring that benefits accruing from GST reduction are appropriately reflected without affecting project viability.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	POINT-6: The signed Power Purchase Agreement, did not speak about Price Revisions, or even described an instance upon which the Second Party (TGSPDCL), can initiate a Price Revision. At no point and under no clause, both myself (the First party) and TGSPDCL (the Second Party), has agreed for such possibility to initiate a Price Revision. Therefore, the proposal by TGSPDCL is unlawful.	