

To, The Secretary, T.G. Electricity Regulatory Commission, Vidyut Niyantaran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad – 500 045	From, M. Thimma Reddy, Convenor, People's Monitoring Group on Electricity Regulation, H. No.3-4-107/1, Plot No. 39, Radha Krishna Nagar, Attapur, Hyderabad – 500 048
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Date: 11-04-2025

Dear Sir;

Sub: - Comments on TGDISCOMs' petition seeking consent of TGERC for procurement of 4000 MW (inclusive of 1000 MW capacity for Women SHGs under INDIRA MAHILA SHAKTI SCHEME) and Model Power Purchase Agreement (PPA) for decentralized Ground Mounted Grid-Connected solar power for a period of 25 years from the Commercial Operation Date (COD) by TGDISCOMs under Component-A of PM KUSUM Scheme.

Ref: - Public Notice dated 03-04-2025 with respect to O.P. No. 32 of 2025.

1. In response to the above-mentioned Public Notice calling for comments on TGDISCOMs' petition seeking consent of TGERC for procurement of 4000 MW (inclusive of 1000 MW capacity for Women SHGs under INDIRA MAHILA SHAKTI SCHEME) and Model Power Purchase Agreement (PPA) for decentralized Ground Mounted Grid-Connected solar power for a period of 25 years from the Commercial Operation Date (COD) by TGDISCOMs under Component-A of PM KUSUM Scheme we are submitting the following comments for consideration of the Commission.

2. While Public Notice on the above subject was published on 03-04-2025 comments on the same were sought to be submitted by 11-04-2025. Public was given just 8 days time to respond. This is too short time to submit meaningful comments. Usually, 21 days time is given to the public to submit comments. There seems to be unseemly hurry in taking up capacity addition of 4,000 MW of solar power. Things done in hurry will end up as failures.

3. In the background of global warming and climate change the need for promotion and deployment of renewable energy sources like solar power cannot be denied. At the same time setting up of solar power plants shall be in an orderly manner taking in to account capacity of various stakeholders to implement it and its financial implications, particularly in the context of surplus power available in the state.

4. Capacity addition of renewable energy sources in general and solar power in particular shall take place after proper estimation of energy requirement and peak demand. TGDISCOMs in their present petition included estimates as approved by the Commission for Resource Plans of 5th and 6th control periods and CEA's Energy Adequacy Report. One of the issues will be which one of the estimates will be taken in to account for planning RE/solar capacity addition.

TGDISCOMs in their present petition at para 11 used CEA's estimate to arrive at the deficit in RE generation. The information provided in the present petition shows that CEA's estimates are nearly 10% higher than the Commission's approved quantities. Over the period CEA's estimates of energy requirement proved to be overestimates. It is advisable to take in to account estimates approved by the Commission for Resource Plans of 5th and 6th control periods while planning RE/solar power capacity additions.

5. At para 17 of the present petition TGDISCOMs noted that demand was growing approximately at 10% annually. But this is not supported by the information provided by them in the petition. In the case of estimates approved by the Commission growth rates did not cross 6%. In the case of estimates prepared by CEA in majority of the years growth rates are less than 6%. Capacity additions carried out using overestimated energy requirements will end up burdening DISCOMs as well as consumers in the state.

6. The Commission's Order on Resource Plans for 5th and 6th control period shows that the state will be experiencing surplus power situation until the year 2027-28. Adding 4,000 MW of solar power during the next one year will further add to the surplus power availability. Rolling out of this solar capacity shall be done in such a way that it will not destabilise the DISCOM finances, further burdening the consumers.

7. The proposed solar power capacity addition is being taken up as a part of the scheme meant for agriculture sector. Agriculture sector needs electricity for a maximum of 200 days in an year. Proper plans shall be in place to tap the surplus solar power available during the remaining part of the year.

8. TGDISCOMs propose to take up 4,000 MW solar power capacity addition under KUSUM-A component of the Gol's scheme. KUSUM-C component also deals with solarization of feeders covering agriculture services. Many states have taken up solar power plants under KUSUM-C component. TGDISCOMs have not made out a case for preferring KUSUM-A to KUSUM-C component.

9. According to TGDISCOMs' proposals solar power plants need to be erected within 9 months from the date of signing of PPA. Guidelines under KUSUM-A provides for 15 months period from the date of signing of PPA to set up a solar power plant. TGDISCOMs seem to be in a hurry to meet the scheme's deadlines. Doing things in hurry will result in adverse outcomes. It is important to take in to account implementation feasibility. As the present proposal aims to involve farmers and SHGs in setting up solar power plants in rural areas it requires even more time to ground these solar power plants. It is better to approach the Gol to extend the Scheme period.

10. Solar power plants require 5 acres of land per MW. The present proposal will require 20,000 acres. This much of land has to be diverted from agriculture purposes. Due to this not only hundreds of households will forgo livelihoods but the country will also lose agriculture produce impacting food security. Alternatives like agrivoltaics could be explored to address these issues of loss of livelihoods and food security. Under agrivoltaics land can be used

simultaneously for solar power generation as well as agriculture. Professor Jayashankar Telangana State Agriculture University is also reported to have taken up a pilot on agrivoltaics.

11. Solar Power Generators under proposed capacity addition through KUSUM scheme shall be selected through open competitive bidding. In this price determined by the TGERC shall be taken as the base price in reverse bidding. The price of Rs. 3.13 per unit of solar power was determined by the Commission in the year 2021. The last four years have seen considerable reduction in solar power price. As such Expression of Interest (EoI) route shall not be used to select solar power developers. Many states like Maharashtra, Rajasthan, Gujarat, Madhya Pradesh, Odisha, Uttar Pradesh, Karnataka, Tamil Nadu, Punjab, Bihar, West Bengal have used open competitive bidding route to select developers to implement KUSUM scheme. In the interest of transparency and economical procurement of solar power Telangana State shall also follow the same path of open competitive bidding to select solar power generators.

We request the Commission to take our above submissions on record.

Thanking you.

Sincerely yours,

M. Thimma Reddy