

FREQUENTLY ASKED QUESTIONS ON PM KUSUM COMPONENT A

1. What is the **finalized tariff rate** for KUSUM Component A projects in Telangana?

Answer: TGERC has finalized the pre-levelized tariff for Rs. 3.13/Kwh under PM KUSUM component A scheme.

2. Is the tariff **fixed for 25 years**, or is there a possibility of revision?

Answer: The Tariff is fixed for 25 years.

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.

4. How will payments be secured? Is a **Letter of Credit (LC) or State Government Guarantee available**?

Answer: A Letter of Credit (LC) is available for payment security.

5. What is the expected timeline for **payment release by DISCOM**? Have there been any past delays?

Answer: The DISCOM will release payments immediately after receiving the physical copy of the invoice from the Solar Power Generator (SPG).

6. What penalties are imposed on **DISCOM in case of delayed payments**?

Answer: If the DISCOM delays payment beyond 30 days from the due date, a late payment surcharge of 1.25% per month on the outstanding amount shall be applicable, calculated on a day-to-day basis.

7. Can developers directly sell power to a third party (e.g., private buyers) if DISCOM defaults on payments?

Answer: No

8. What are the **minimum land requirements** for a 2 MW solar plant under KUSUM Component A?

Answer:

- For a 0.5 MW solar power plant: 1.5 to 1.75 acres of land is required.
- For a 1 MW solar power plant: 3 to 3.5 acres of land is required.
- For a 2 MW solar power plant: 7 to 8 acres of land is required.

9. What land-use permissions and approvals are required before installation?

Answer: No permission required for land-use.

10. If land is taken on lease, are there guidelines or model lease agreements provided by TGREDCO?

Answer: Model lease agreement already provided in www.pmkusum.telangana.gov.in

11. Are there any state-specific additional subsidies or incentives for KUSUM projects in Telangana?

Answer: Net SGST: 50 % Reimbursement on COD, Exemption of NOC from PCB, reimbursement of DISCOM supervision charges, Stamp duty and water charges, 100 % exemption of Electricity Duty

12. Is financing support available through TGREDCO or other state agencies? If yes, what are the terms?

Answer: No

13. Will the PPA remain valid even if the Telangana government changes?

Answer: Yes. Its valid for 25 Years

14. Does the PPA have a "Change in Law" clause to protect against future policy changes?

Answer: Yes, it is clearly mentioned in the PPA.

15. Are developers required to provide any bank guarantees or performance security before project commissioning?

Answer: Yes, Rs. 1 Lakh/MW valid up to 15 Months the same will be returned after the COD

16. Are there any mandatory insurance requirements for the solar plant?

Answer: No

17. In case of natural disasters (cyclones, floods, etc.), will TGREDCO provide any financial relief or insurance support?

Answer: No, it is responsibility of the developer (SPG) to get insured of the plant.

18. What is the timeframe for commissioning of the solar plant in Telangana?

Answer: The commissioning shall be completed on or before 15-12-2025

19. Who is the point of contact at TGREDCO for ongoing support and approvals?

Answer: Deputy General Manager(Technical), TGREDCO, Mob:6304903933