



BUSINESS PLAN ORDER

Approval of Business Plan for the 4th Control Period from FY
2025-26 to FY 2029-30

Petition No. 136/2025

for

Puducherry Power Corporation Limited (PPCL)

July 1, 2025

JOINT ELECTRICITY REGULATORY COMMISSION

For the State of Goa and Union Territories,

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List of abbreviations

Abbreviation	Full Form
Act	Electricity Act, 2003
AEC	Auxiliary Energy Consumption
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Station
Commission/JERC	Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi and Jammu & Kashmir)
EDP	Electricity Department, Puducherry
FC	Fixed charge
FY	Financial Year
GAIL (India) Ltd.	Gas Authority of India Limited
GFA	Gross Fixed Assets
GCV	Gross Calorific Value
MU	Million Unit
MW	Mega Watt
MYT	Multi-Year Tariff
NAPAF	Normative Annual Plant Availability Factor
O&M	Operation and Maintenance Expenses
PAFM	Plant Availability Factor during the month
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PPCL	Puducherry Power Corporation Limited
RoE	Return on Equity
SHR	Station Heat Rate

Before the
Joint Electricity Regulatory Commission
For the State of Goa and Union Territories, Gurugram

QUORAM

Shri Alok Tandon, Chairperson
Smt. Jyoti Prasad, Member (Law)

Petition No. 136/2025
Date of Hearing: 25 April 2025

In the matter of

Approval of Business Plan for the 4th Control Period from FY 2025-26 to FY 2029-30.

And in the matter of

Puducherry Power Corporation Limited (PPCL)

..... Petitioner

ORDER

July 1, 2025

- 1) This Order is passed in respect of the Petition filed by the Puducherry Power Corporation Ltd (herein after referred to as “The Petitioner” or “PPCL” or “The Licensee”) for approval of Business Plan for Karaikal Gas Power Station (32.5 MW) for the 4th Control Period from FY 2025-26 to FY 2029-30 before the Joint Electricity Regulatory Commission (herein after referred to as “The Commission” or “JERC”).
- 2) The petition has been filed under Sections 61, 62, 64 and 86 of the Electricity Act, 2003 read with Chapter II (8) of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024.
- 3) The Commission admitted the Petition on 20th March 2025, scrutinized the said Petition and generally found it in order. The Commission thereafter requisitioned further information/ clarifications on the data gaps observed to take a prudent view of the said Petition.
- 4) The suggestions/ comments/ views and objections were invited from the Stakeholders and Electricity Consumers. The virtual Public Hearing was held on 25th April 2025, and all the

Stakeholders/Electricity Consumers who attended the Public Hearing were heard.

- 5) The Commission based on the Petitioner's submission, relevant Regulations, facts of the matter, rules and provisions of the Electricity Act, 2003 and after proper due diligence and prudence check, has approved the Business Plan for Karaikal Gas Power Station (32.5 MW) of PPCL for the 4th Control Period from FY 2025-26 to 2029-30.
- 6) Ordered as above, read with attached document giving detailed reasons, grounds and conditions.

Sd/-
(Jyoti Prasad)
Member (Law)

Sd/-
(Alok Tandon)
Chairperson

(Certified Copy)


(S. D. Sharma)
Secretary, JERC

Place: Gurugram
Date: July 1, 2025

Chapter 1: Introduction

1.1. About Joint Electricity Regulatory Commission (JERC)

In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted a Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as “the Joint Electricity Regulatory Commission for the Union Territories” vide notification no. 23/52/2003-R&R dated 2nd May 2005. Later with the joining of the State of Goa, the Commission came to be known as “Joint Electricity Regulatory Commission for the State of Goa and Union Territories” (hereinafter referred to as “the JERC” or “the Commission”) vide notification no. 23/52/2003-R&R (Vol. II) dated 30th May 2008.

JERC is a statutory body responsible for Regulation of the Power Sector in the State of Goa and the Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry, consisting of generation, transmission, distribution, trading and use of electricity. Its primary objective includes taking measures conducive to the development of the electricity industry, promoting competition therein, protecting the interest of consumers and ensuring the supply of electricity to all areas.

1.2. About Puducherry Power Corporation Limited (PPCL)

Puducherry Power Corporation Limited an undertaking of Government of Puducherry, is a Government Company within the meaning of Companies Act, 1956, as amended from time to time. Further, it is a “Generating Company”, as defined under sub-section 28 of section 2 of the Electricity Act, 2003.

PPCL was incorporated on 30th March 1993, with the objective of generating 32.5 MW of Electricity (22.9 MW from gas turbine and 9.6 MW from Steam turbine) at Karaikal which is one of the outlying regions of the Union Territory of Puducherry.

The details of Plant capacity, commercial & operation data etc. are given in the following table:

Table 1: Details of the PPCL Gas Power Station

S. No.	Subject	Particulars
1	Capacity	32.5 MW
1.1	- Gas Turbine	22.9 MW
1.2	- Steam Turbine	9.6 MW
2	Date of Commercial Operation	3 rd January 2000
3	Type of Fuel	Natural gas
4	Type of Cooling System	Induced draft cooling tower
5	Gas Supplier	GAIL (India) Ltd.

The required gas of 1.91 lakhs cubic meter per day is obtained from the gas wells at Narimanam in the Cauvery basin under an agreement with GAIL (India) Ltd. The gas power station at Karaikal was declared ready for commercial operation on 3rd January 2000 and is supplying power to Electricity Department of Puducherry (PED) under a PPA signed with them on 25th February 2002. The Electricity Department of Puducherry is the sole buyer of the electricity generated by PPCL.

1.3. Regulations Governing Tariff of PPCL

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024 on 15th October 2024. These Regulations are applicable for the 4th Control Period comprising of five financial years from FY 2025-26 to FY 2029-30 to all the generation companies, transmission licensees and distribution licensees under jurisdiction of the Commission.

1.4. Filing and Admission of the Present Petition

The present Petition was filed by the Petitioner on 22nd November 2024. The Commission enquired regarding the applicability of active PPA of the Petitioner. The Commission received the reply of Electricity Department of Puducherry on 24.01.2025 and accordingly, the Petition was admitted by the Commission on 20th March 2025 and marked as Petition No. 136/2025.

1.5. Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petition was conducted and certain deficiencies were observed. Accordingly, deficiency notes were issued to

the Petitioner. Further, additional information/clarifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed various concerns of the Petitioner and key data gaps, which included cost of gas, depreciation, O&M expenses, capitalization etc. The Petitioner submitted its response on the issues through various letters/emails.

The Commission has shared the discrepancies in the Petition and additional information required by the Commission. Subsequently, the Petitioner submitted replies to the issues raised and provided documentary evidence to substantiate its claims regarding various submissions. The following table provides the list of interactions with the Petitioner along with the dates:

Table 2: List of the interaction with the Petitioner

Sr. No.	Subject	Date
1.	Public hearing	25.04.2025
2.	Issue of First Deficiency Note	20.05.2025
3.	Replies received from Petitioner	31.05.2025

1.6. Notice for Public Hearing

Public notices were published by the Petitioner for inviting suggestions/ comments from stakeholders on the Tariff Petition as per details given below:

Table 3: Details of Public Notices published by the Petitioner

Sr. No.	Date	Name of News Paper	Language	Place of Circulation
1.	16.04.2025	New Indian Express	English	Puducherry, Karaikal, Mahe & Yanam
2.		The Hindu	English	Puducherry, Karaikal, Mahe & Yanam
3.		The Daily Thanthi	Tamil	Puducherry, Karaikal
4.		Dinakaran	Tamil	Puducherry, Karaikal
5.		Kerala Kaumudi	Malayalam	Mahe

6.	17.04.2025	Janamitra	Kannada	Yanam
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The Commission also published Public Notices in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the public at large about the Public Hearings conducted by the Commission.

Table 4: Details of Public Notices published by the Commission

S. No.	Date	Name of Newspaper	Language	Place of Circulation
1.	03-04-2025 and 23-04-2025	Dinakaran	Tamil	Puducherry
2.		Dinamalar	Tamil	Puducherry
3.		Standard Post	English	Puducherry
4.		Namathu Murasu	Tamil	Puducherry

1.7 Public Hearing

The virtual Public Hearing was held on 25th April 2025 to discuss the issues, if any, related to the Petition filed by the Petitioner.

Chapter 2: Stakeholder's Comments, Response of the Petitioner and the Commission's view

2.1. Regulatory Process

On admitting the Petition, the Commission directed the Petitioner to make copies of the Petition available to the public, to upload the Petition on the website and also publish the same in the newspapers in an abridged form in the given format duly inviting comments/objections from the stakeholders and the public at large as per the provisions of the JERC (Terms & Conditions for Determination of Tariff) Regulations, 2024. The Public Hearing was held on 25th April 2025 on Video Conferencing Platform to invite public comments, if any, related to the Petition filed by the Petitioner. During the Public Hearing, no Stakeholder has presented its comment. The name of the Stakeholders/Public who attended the Public Hearings is provided in Annexure-I of this order.

Chapter 3: Business Plan for the 4th Control Period

3.1. Introduction

Regulation 8 of the JERC Tariff Regulations, 2024 specifies as follows:

“8 Business Plan

8.1 The Generating Company, Transmission Licensee and Distribution Licensee shall file a petition, duly approved by the competent authority, for approval of Business Plan by the Commission for the entire Control Period by the date as directed by the Commission.

8.2 The Business Plan filed by the Distribution Licensee shall contain separate sections on Distribution Wires Business and Retail Supply Business.

8.3 The Business Plan filed by the Generating Company shall inter-alia contain:

- a) Additional Capital Investment Plan; if any, during the control period;*
- b) Capital structure of the proposed additional CAPEX and the cost of financing (interest on debt and return on equity), terms of the loan agreements, etc;*
- c) Performance targets items such as generation availability, Auxiliary Consumption, Station Heat Rate, etc;*

...”

This chapter deals with the key aspects of the Business Plan Petition submitted by the Petitioner and is structured as below.

- Normative Annual Plant Availability Factor (NAPAF),
- Auxiliary Energy Consumption,
- Station Heat Rate.
- Capital Investment Plan and Capitalisation

In the subsequent sections, the Commission has recorded the Petitioner’s submissions and analysed them. The Commission has subsequently recorded its reasoning while approving each of the components.

3.2. Normative Annual Plant Availability Factor (NAPAF)

Petitioner's Submission

The Petitioner has projected Normative Plant Availability Factor (NAPAF) of 85% for each year of the 4th Control Period.

Commission's Analysis

The Commission observed that the Petitioner has claimed the NAPAF of 85% in line with Regulation 44.1(A) of JERC MYT Regulations, 2024, which is stated as under:

"44 Norms of Operation

44.1 The norms of operation for a Generating Station including Normative annual plant availability factor (NAPAF), Gross Station heat Rate, Auxiliary Consumption etc. shall be as per the table below:

(A) Normative Annual Plant Availability Factor (NAPAF):

For the Gas based Thermal Generating Stations:

<i>GPS</i>	<i>85%</i>
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(B) Normative Annual Plant Load Factor (NAPLF) for Incentive: 85%

(C) Gross Station Heat Rate: The Gross Station Heat Rate for the the gas based generating station (PPCL) shall be as 2646 kCal/kWh.

(D) Auxiliary Energy Consumption: The Auxiliary Energy Consumption for the gas based generating station (PPCL) shall be as 3.30%."

Hence, the Commission approves the 85% NAPAF as claimed for each year of the Control Period from FY 2025-26 to FY 2029-30.

3.3. Auxiliary Energy Consumption (AEC)

Petitioner's Submission

The Petitioner has projected an AEC of 3.30% for operating norms for the Control Period FY 2025-26 to FY 2029-30.

Commission's Analysis

The Commission observed that the Petitioner has claimed the Auxiliary Energy Consumption of 3.30% in line with Regulation 44.1(D) of JERC MYT Regulations, 2024, which is stated as under:

“44 Norms of Operation

44.1 The norms of operation for a Generating Station including Normative annual plant availability factor (NAPAF), Gross Station heat Rate, Auxiliary Consumption etc. shall be as per the table below:

(A) Normative Annual Plant Availability Factor (NAPAF):

For the Gas based Thermal Generating Stations:

<i>GPS</i>	<i>85%</i>
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(B) Normative Annual Plant Load Factor (NAPLF) for Incentive: 85%

(C) Gross Station Heat Rate: The Gross Station Heat Rate for the the gas based generating station (PPCL) shall be as 2646 kCal/kWh.

(D) Auxiliary Energy Consumption: The Auxiliary Energy Consumption for the gas based generating station (PPCL) shall be as 3.30%.”

Hence, the Commission approves the 3.30% Auxiliary Energy Consumption as claimed for each year of the Control Period from FY 2025-26 to FY 2029-30.

3.4. Station Heat Rate

Petitioner’s Submission

The Petitioner has projected Station Heat Rate of 2646 kCal/kWh under operating norms for the Control Period FY 2025-26 to FY 2029-30.

Additionally, the Petitioner has submitted that “As per State Load dispatch Centre order PPCL station has to be run at reduced load for 12 hours (15 MW instead of Max load) due to high unit selling price as Natural gas price is on the higher side. Because of running the plant at reduced load, PPCL station is not able to maintain the normative heat rate at reduced loads, hence the variable charges claimed is less than the fuel cost paid. The normative heat rate can be maintained only if Plant is run at 85% Plant Load Factor. Loss due to heat rate may be allowed during true up.”

Commission's Analysis

The Commission, in its JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024 for control period FY 2025-26 to FY 2029-30 notified on 15th October 2024, has specified Station Heat Rate of 2646 kCal/kWh, under Regulation 44.1(C) which is stated as under:

“44 Norms of Operation

44.1 The norms of operation for a Generating Station including Normative annual plant availability factor (NAPAF), Gross Station heat Rate, Auxiliary Consumption etc. shall be as per the table below:

(A) Normative Annual Plant Availability Factor (NAPAF):

For the Gas based Thermal Generating Stations:

GPS	85%
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(B) Normative Annual Plant Load Factor (NAPLF) for Incentive: 85%

(C) Gross Station Heat Rate: The Gross Station Heat Rate for the the gas based generating station (PPCL) shall be as 2646 kCal/kWh.

(D) Auxiliary Energy Consumption: The Auxiliary Energy Consumption for the gas based generating station (PPCL) shall be as 3.30%.”

The projection by Petitioner is in accordance with JERC Tariff Regulations 2024. Hence, **the Commission approves Station Heat Rate of 2646 kCal/kWh for each year of the Control Period FY 2025-26 to FY 2029-30.**

As regard to the loss of SHR due to restriction imposed by SLDC for running the plant for limited hours and that too at reduced load, the Commission in additional data gaps has asked for (i) Clarification under which Regulation such claim is made, (ii) copy of the order from the State Load Dispatch Centre for operating the station at reduced load, and (iii) the details of previous one year (FY 2024-25) loss in heat rate with daily availability schedule and drawl schedule.

After scrutiny of the submission by the Petitioner, the Commission observed that the Petitioner has not submitted the daily availability schedule and

drawl schedule of previous one year approved by SLDC. In absence of such availability schedule and drawl schedule data, it will be difficult to ascertain whether the generating station was available during the backing down period for which compensation is requested. It is relevant to mention here that the despatch of generation is based upon day ahead scheduling wherein the generators declares its availability to SLDC for all the 96 blocks of the day on day ahead basis and Distribution Licensees submits its drawl schedule too on the day ahead basis. The SLDC, matching availability and drawl schedules, directs Gencos & Discoms for adherence of block-wise schedules. Further, the Commission considering PPCL plant as a “Must Run Plant” based on the fact that PPCL is having Minimum Gas Obligation (MGO) liability, has accordingly executed agreement with GAIL on “Take or Pay” basis and has been approving generation at normative 85% availability in all the previous tariff orders of PPCL as well as PED.

In view of the above the Commission does not allow any relaxation in SHR for reduced generation on account of non-scheduling of energy from PPCL. The Commission directs the PPCL as well as EDP to adhere to its Day Ahead Schedules based upon availability declaration & drawl schedule considering PPCL as “Must Run Plant”.

3.5 Capital Expenditure Plan and Capitalization

Petitioner’s Submission

The Petitioner has projected nil Capital Expenditure and capitalization for the 4th Control Period.

Commission’s Analysis

As the Petitioner has claimed nil capital expenditure and capitalization for the 4th Control Period, **the Commission approves nil capital expenditure and capitalization for the 4th Control Period.**

Annexures

Annexures- 1: List of Stakeholders

Table 5 List of Stakeholders present during Public Hearing

List of Stakeholders present during Public Hearing on 25.04.2025	
1	Shri. Ashok Kumar Athikesavan
2	Shri T.Chanemougam (Electricity Department, Government of Puducherry)
3	Shri Rajesh Sanyal (Electricity Department, Government of Puducherry)
