

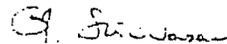
New Delhi, the January 23, 2007

Office Memorandum

Subject: Minutes of the meeting of the Standing Linkage Committee (Long-Term) on Power Plants: Cement Plants held on 20.12.2006 at 1030 am at New Delhi.

The undersigned is directed to forward herewith the approved Minutes of the meeting of the Standing Linkage Committee (Long-Term) on Power Plants: Cement Plants held on 20.12.2006 at 10.30 A.M. pm at New Delhi for information and necessary action.

While approving the minutes, the competent authority has not agreed to the recommendation of SLC (LTP) for proposed cancellation of linkage in respect of M/s. ROSA TPS (IPP) from CCL and therefore status quo in respect of its linkage will be maintained. However, consequential adjustment in view of same, if any, would be given effect separately in terms of note (i) of the minutes.



(G.Srinivasan)

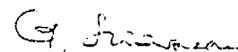
Under Secretary to the Govt. of India.

Tele: 23384285

1	Additional Secretary, Ministry of Coal	Chairman
2	Principal Adviser(Energy), Planning Commission, Yojana Bhawan New Delhi. (Attn: Shri M.Satya Murti, Jt. Advisor Coal, Room No. 346)	Member
3	Joint Secretary (LA), Ministry of Coal	Member
4	Adviser (Projects), Ministry of Coal	Member
5	Additional Secretary, Ministry of Power, Shram Shakti Bhawan New Delhi. (Shri U.N. Panjivari)	Member
6	Director (Transport Planning), Ministry of Railways, Rail Bhawan New Delhi. (Shri Mukul Saran Mathur, Director), (Room No.140)	Member
7	Chairman, Central Electricity Authority(Attn:Sh S.H. Khan, Chief Engineer) OMD (NREB Building, Katwara Saria, Shalud Jeet Singh Marg, New Delhi)	Member
8	Joint Secretary (Ports), Ministry of Shipping, Transport Bhawan, New Delhi. (Shri A.K.Bhalla, Joint. Secy. Room No.518)	Member
9	Joint Secretary, Ministry of Commerce & Industry, Deptt. Of Industrial Policy and Promotion, Udyog Bhawan, New Delhi. (Shri Umesh Kumar, Joint secretary (Room No.163)	Member
10	Chairman, CIL, 10-Netaji Subhas Rd., Kolkata - 700001	Member
11	CMDs, BCL, CCL, ECL, MCL, NCL, SECL & WCL	Member
12	Chairman-cum-Managing Director, Central Mine Planning & Design Instt Ltd., Gondwana Place, Kunko Rd., Ranchi.	Member
13	Chairman-cum-Managing Director, SCCL, P.O. Korhagudem Collieries, Distt. Champano-507101	Member
14	Chairman, NTPC, Scope Complex, Lodi Road, New Delhi-110003 (Fax No 24363050) (Attn. Shri R.L. Mattoo, GM(Fuel Management).	Member

Copy for information and necessary action to:-

- 1) PS to MOS(C)
- 2) JS(Coal), Ministry of Coal, Shastri Bhawan.,
- 3) Sr. PPS to Secretary(Coal), Ministry of Coal.
- 4) Director (CPD), Ministry of Coal.
- 5) Director (Marketing), CIL, 15-Park Street, Kolkata.
- 6) Chief General Manager(CP), CIL, 10-Netaji Subhas Rd., Kolkata.
- 7) Shri Krishan Kumar, OGM, CIL, Scope Complex, Lodi Road, New Delhi.
- 8) NIC, for placing the same in the website of Ministry of coal.



(G.Srinivasan)

Under Secretary to the Govt. of India

Minutes of the Standing Linkage Committee (Long Term) for Power Stations and Cement Plants held on 20th December 2006

List of participants is enclosed at Annexure.

2. Joint Secretary, Ministry of Coal initiated the proceedings of the meeting and welcomed Addl. Secretary (Coal), who is the new Chairman of SLC (LT) and all other participants. He also placed on record the valuable guidance that was provided to the Committee by Shri Pradeep Kumar, former Special Secretary. He informed that the demand of coal is increasing keeping in view the pace of development of the economy. It has been envisaged in the Working Group Report of Coal for XIth Plan that the gap between indigenous production and demand will be around 51 MT. Achievement of this target would only be possible only if the capacity of captive blocks allotted to various allocatees is utilized to the optimum level and coal companies achieve their estimated target. Therefore, this needs to be monitored by Coal Controller and Ministry of Coal, so that target of coal production through indigenous sources are met.

He informed that pursuant to Hon'ble Supreme Court Judgment in E-auction matter, Ministry of Coal is reexamining the issue of distribution of coal to various sectors and policy relating to supply of coal to Core Sector. A Committee under the Chairmanship of Secretary (Coal), as directed by the Apex Court, is shortly to be constituted to visit these issues in depth. Till such time a comprehensive policy for distribution of coal is put in place, Coal India Limited is formulating an interim arrangement for supply of coal to non-core non-linked consumers, so that supply to this sector is also maintained.

(Signature)

He requested the members of SLC (LT) to authorize Ministry of Coal to approve the decision on rationalization of linkages in respect of Sponge Iron units and Captive Power Plants done in line with the decision of SLC (LT).

He also informed that there are various State Electricity Boards which either do not have long term coal linkages or are drawing coal more than LT linkages and hence need to get their linked quantity regularized. Since they are required to sign Fuel Supply Agreements (FSAs) with coal companies, which would not be possible in the absence of LT linkages. This exercise should be completed without any further loss of time.

He urged all utilities who have been granted coal to indicate availability and time frame so that coal availability can be worked out meticulously. He requested CEA to work out details in next one month. He drew the attention of the Committee to the fact that as per decision taken in the last meeting of SLC (LT), only Letter of Assurance (LOA) would be issued in respect of Power sector for cases recommended by the Committee, subject to approval of competent authority. He reminded CEA to furnish milestones for LOAs granted in the last meeting of SLC (LT).

Additional Secretary (Coal) and Chairman of SLC (LT) welcomed all the participants. He informed that as per present estimates, the coal demand during XI Plan period is likely to grow at 6-7% every year. While coal companies are making all efforts to increase coal production, he felt that there should also be concerted efforts on the part of captive mine owners to develop mines fast. He also requested NTPC and others to inform Ministry of Coal about utilization plan of coal to be mined from blocks allocated to them. This would help the Ministry in formulating a view on grant of long term coal linkages in future. He also requested Ministry of Power to follow up this matter with all concerned.

AS (Coal) also requested the SEBs to get their LT linkages approved/LT enhancement approved, so that FSAs can be expedited. He informed that keeping in view the Supreme Court Judgment in E-auction matters, the coal distribution policy is being revisited. While Power sector may continue to get priority in distribution of coal, there is urgent need for them to conclude FSAs with coal companies.

The representative of Ministry of Power informed that in respect of Independent Power Producers (IPPs) and Merchant Power Plants, they would like to have a meeting with Ministry of Coal relating to policy for grant of long term coal linkages for such plants. He also requested that long term coal linkages for State Electricity Boards, whose projects are coming up in XI Plan, may be considered by the Committee on priority.

The representative of Railways informed that while the Committee may decide about long term coal linkages based on availability of coal, the response of Ministry of Railways on movement of coal would be conveyed shortly. The Committee, therefore, decided that the long term coal linkages would be recommended subject to movement confirmation by Railways.

AS (Coal) requested the coal companies to indicate coal availability, so that cases could be taken up for considering long term coal linkages. Thereafter, individual coal companies gave their comments.

Mr. C.M.P. MCL informed that as per their earlier projections, they had a surplus of 21.44 MT for new linkages. He added that this quantity was worked out based on XI Plan production target of 137 MT for MCL by 2011-12. Now that MCL has already got approval for projects amounting to 144 MT, he informed that if long term commitments are made

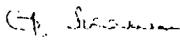
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through linkages, MCL would be able to achieve production target of 152 MT. In other words, he indicated total availability of 36.41 MT (21.44 + 15 MT) which could be considered by SLC (E.T) for grant of long term coal linkages.

(b) The representative of CCI informed that as per existing calculations, they have negative coal balance. However, four projects viz. North Karanpura STPS (NTPC), Nabinagar TPS (NTPC), Rosa TPS (IPP) and Chandil TPS (JSEB) which had been granted total linkage of 22.94 MTPA will not come up during XI Plan. CCI representative informed that if a decision could be taken to cancel linkages to these projects, then CCI would be able to consider acceptance of new linkages. The representative of Ministry of Power referred to discussions held in the office of Secretary (Power) wherein it was decided that linkages for Badarpur and Dadri Stage II projects, meant for Commonwealth games, may be considered from CCI sources only.

The representative of CEA and MOP informed in the meeting that out of four projects, two projects viz. Rosa TPS and Chandil TPS have not been included in XI Plan projects and therefore linkages to these projects may be cancelled. In case of Rosa, he mentioned that this project is being traded and Ministry of Power would not support trading of projects on the basis of linkages. The other two projects viz. North Karanpura and Nabinagar, which are being executed by NTPC, will come up during 2011-12.

(c) The representative of NCL informed that they have signed a MOU with Neyveli Lignite Corporation (NLC) for Sasan project of Madhya Pradesh. Therefore, they are committed to grant linkage for this project. He informed that apart from this project, they will not be able to accept any fresh linkages.

4. 

(d) CMD, ECL informed that they have already agreed for grant of additional coal linkage for expansion project of Bongaigon (Assam), NTPC. In addition, they will be able to accept new linkage for one project involving capacity of 1000 MW.

Based on recommendations of MoP, SIC (LT) recommended that the long term coal linkages granted to Chandil TPS (5.00 MTPA) and Rosa TPS (2.70 MTPA) may be cancelled and the quantity of 7.70 MTPA available as a result of cancellation of these two linkages would be considered for grant of new linkages from CCL.

Based on coal availability position indicated by coal companies, comments made by nodal Ministry and CEA the Committee took up cases listed in the Agenda, in seriatim, and took following decisions:-

PROJECTS FOR MEETING POWER REQUIREMENTS OF COMMONWEALTH, GAMES, 2010.

S.No.	Name of Thermal Power Plant	Location of the Unit	Capacity in MW
1.	NCPP Dadri Stage-II- Second Unit (NTPC)	NCPP Dadri Stage-II Second Unit , Gautam Budh Nagar, UP	980 MW (2x490 MW)

SIC (LT) approved the coal quantity of 4.62 MTPA of F grade for issue of Letter of Assurance in favour of NTPC to be given by CCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

2.	Badarpur TPP Stage II, (NTPC)	Badarpur TPP Stage II, Delhi.	1000 MW (2x500 MW)
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SIC (LT) approved the coal quantity of 4.70 MTPA of F grade for issue of Letter of Assurance in favour of NTPC to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

- 5 -

3.	Power Project at Jhajjar, Haryana named as Aravali Power Limited (Joint Venture of NTPC, IPGCL and HPGCL)	Aravali Super Thermal Power Project, Jhajjar Distt. Haryana.	1500 MW (3x500 MW)
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SLC (LT) approved the coal quantity of 6.94 of F grade for issue of Letter of Assurance in favour of NTPC/Joint Venture, to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

4.	Koderma TPS (DVC)	Koderma, Jharkhand	2x500
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SLC (LT) approved the coal quantity of 4.62 MTPA of F grade for issue of Letter of Assurance in favour of DVC to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

5.	Bokaro TPS-A (DVC)	Bokaro Thermal Bokaro, Jharkhand	1x500
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SLC (LT) approved the coal quantity of 2.31 of F grade for issue of Letter of Assurance in favour of DVC to be given by CCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

DEFERRED CASES AND NEW CASES OF CENTRAL/STATE PSUs COMING UP DURING XI FIVE YEAR PLAN

S.No.	Name of Thermal Power Plant	Location of the Unit	Cap. MW
1	Neyveli Lignite Corporation Limited, Neyveli, Tamilnadu	Sasan, Madhya Pradesh.	1000 MW (2x500)

SLC (LT) approved the coal quantity of 4.62 of F grade for issue of Letter of Assurance in favour of NLC to be given by NCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

2.	Krishnapatnam Thermal Power Project (Andhra Pradesh) (70% indigenous coal and 30% imported coal)	Krishnapatnam, A.P	1600 MW 2x800
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SLC (LT) approved the coal quantity of 5.00 MTPA of F grade for issue of Letter of Assurance in favour of APGENCO to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

3.	Darlipalli TPP (NTPC)	Darlipalli, Sundargarh, Orissa.	3200 MW (4x800)
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SLC (LT) noted that coal block had been allocated to NTPC for meeting the coal requirements for this project. NTPC requested that as coal requirement for this project may not be met out of this coal block, they may be given Tapering linkage. SLC (LT) decided that NTPC should first examine the coal availability out of this Block and then apply to Ministry of Coal for seeking tapering linkage in case required.

4.	Lara TPP. (NTPC)	Lara, Raigarh Chhattisgarh.	4000 MW (5x800)
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SLC (LT) noted that coal block had been allocated to NTPC for meeting the coal requirements for this project. NTPC requested that as coal requirement for this project may not be met out of this coal block, they may be given Tapering linkage. SLC (LT) decided that NTPC should first explore the coal availability out of this Block and then apply to Ministry of Coal for seeking tapering linkage in case required.

5.	Bongaigaon TPS, 3 rd unit(NTPC)	Bongaigaon TPS III unit, Assam.	250 MW (3 rd unit) 1x250
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SLC (LT) noted that linkage for two units of 2X 250 MW had already been granted from NEC. NEC do not have any surplus coal for meeting coal requirements for this additional capacity of 250 MW. ECL agreed for providing D/E grade coal. SLC (LT) approved the coal quantity of 0.02 MTPA of D/E grade for issue of Letter of Assurance in favour of NTPC to be given by ECL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

G. Srinivasan

6.	Yamuna Nagar TPS(HPGCL)	Yamuna Nagar, Haryana	Addl. capacity of 100 MW (500 to 600 MW)
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SLC (LT) noted that linkage for 500 MW capacity had already been granted from CCL. CCL agreed for providing coal for addl. capacity of 100 MW. SLC (LT) approved the coal quantity of 0.52 MTPA of F grade for issue of Letter of Assurance in favour of HPGCL to be given by CCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

7.	Tamil Nadu Electricity Board	Mettur TPS, Mettur Dam, Salem Distt. Tamil Nadu.	500 MW
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SLC (LT) approved the coal quantity of 2.31 MTPA of F grade for issue of Letter of Assurance in favour of TNEB to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

8.	Tamil Nadu Electricity Board	North Chennai Thermal Power Station, Puhudivakkam Village Ponneri Taluk Thiruvallur Distt. Tamil Nadu	500 MW
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SLC (LT) approved the coal quantity of 2.31 MTPA of F grade for issue of Letter of Assurance in favour of TNEB to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

9.	Hissar TPS	Hissar, Haryana	1000 MW (2x500)
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SLC (LT) approved the coal quantity of 2.31 MTPA of F grade for issue of Letter of Assurance in favour of HPGCL to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

10.	National Thermal Power Corporation Limited (NTPC)	Simadhari Expn	1000 MW (2x500)
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SLC (LT) approved the coal quantity of 2.31 MTPA of F grade for issue of Letter of Assurance in favour of NTPC to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

11.	Ennore TPS, TNEB	Ennore TPS, Ambattur, Tamil Nadu	500 MW
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SLC (LT) noted that at Ennore, two projects have been envisaged, one by TNEB and another a Joint Venture between NTPC and TNEB. The JV project was deferred in the SLC (LT) meeting of 2.6.2005. MoP informed the Committee that out of these two projects, in view of less coal availability, JV may be accorded priority. Accordingly, this case was deferred by SLC (LT)

12.	DVC - Ragunathpur TPS	Purlia, Ragunathpur, West Bengal	1000 MW (2x500)
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MoP informed that DVC has planned Ragunathpur TPS and Durgapur Steel TPS, both of 1000 MW capacity. Out of these two projects, Durgapur Steel is coming up during XI Plan and in view of less coal availability, this project may be given priority. Accordingly, SLC (LT) deferred this case.

13.	TNEB-JV-NTPC (NTECL)	Ennore TPS Tamil Nadu	1000 MW (2 x 500)
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SLC (LT) noted that this case was considered in the meeting of SLC (LT) held on 2.6.2005 and the proposal was deferred for want of information from CIL and Railways. CEA and MoP informed that this project is coming up during XI Plan. Therefore, SLC (LT) approved the coal quantity of 4.62 MTPA of F grade for issue of Letter of Assurance in favour of NTPC to be given by MCL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

14.	Durgapur Steel TPS (DVC)	Durgapur, Burdwan, West Bengal	1000 MW (2x500)
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CEA and MoP informed that this project is included in XI plan approved projects. They recommended that this project should get priority over Ragunathpur TPS of DVC. Therefore, SLC (LT) approved the coal quantity of 4.62 MTPA of F grade for issue of Letter of Assurance in favour of DVC to be given by ECL. The mode of transport would be Rail, subject to confirmation of movement by Railways.

(-/-) S. Srinivasan

After considering these projects, it was noted by SLC (L.T) that there was no further coal available for meeting the requirements of other category of applicants. **Therefore, the category of cases mentioned at S.No.III to S.No.IX were deferred.**

Category X – Other Cases

- i) **Aarti Steels Ltd.** - Case deferred
- ii) **KVK Nilachal Power Pvt Ltd.** - Case deferred
- iii) **NALCO** - Case deferred
- iv) **Kanoria Chemicals** - SLC (L.T) ratified the change of source from SECL to NCL.
- v) **Norms for Captive Power Plants** - Since this involve policy change and in view of policy for distribution of coal being revisited by Ministry of Coal, this issue may be discussed in the Sub-group meeting of Ministry of Coal. Thereafter, it would be submitted in the next meeting of SLC (L.T) for decision in its next meeting.
- vi) **Infrastructure constraints of NTPC and other Power Plants** - This issue will also be discussed in the Sub-group and submitted to SLC (L.T) for decision in its next meeting.

Note: (i) The minutes of this meeting is subject to the approval of competent authority

(ii) The coal quantity indicated against the name of the company is tentative and may be modified in accordance with the relevant norms .

Ch. Sankaran

ANNEXURE-I

LIST OF OFFICERS/EXECUTIVES PARTICIPATED IN THE
STANDING LINKAGE COMMITTEE (LONG TERM) MEETING
ON POWER PLANTS/CEMENT PLANTS HELD ON
20th DECEMBER, 2006.

MINISTRY OF COAL

1. Dr. S.P. Seth, Addl. Secretary (Coal) - Chairman
2. Sh. Rajiv Sharma, Joint Secretary (LA)
3. Sh. G. Srinivasan, Under Secretary (CPD)
4. Sh. Chander Shekhar, Section Officer (CPD)

MINISTRY OF POWER

5. Sh. Puneet K. Goel, Director
6. Sh. S. Narayanan, Under Secretary (IPC)

CENTRAL ELECTRICITY AUTHORITY

7. Sh. S.H. Khan, Chief Engineer
8. Sh. A.K. Mishra, Director
9. Sh. D.S. Arora

DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION

10. Sh. R. Murlidhar, Under Secretary

MINISTRY OF RAILWAYS

11. Sh. Mukul Saran Mathur, Director

NATIONAL THERMAL POWER CORPORATION

12. Sh. R. L. Mattoo, GM (FM)
13. Sh. N.K. Mullick

COAL INDIA LIMITED

14. Sh. D. Chakravarti, CMD, ECL
15. Sh. G.S. Chugh, CMD, WCL
16. Sh. A. Sharma, CMD, MCL
17. Sh. P.K. Kanchan, Dir (Tech), CMPDII
18. Sh. P.K. Saxena, Director (Tech), NCI
19. Sh. I. K. Singh, CGM (S&M), CIL
20. Sh. D.K. Roy, CGM (CP)
21. Sh. H.K. Vaidya, GM (S&M), CIL
22. Sh. Vijay Kachroo, GM, WCL

Cy. Saran

23. Sh. A.K. Sinha, G.M., CCL, Ranchi
24. Sh. R.L.P. Gupta, GM(S&M), BCCL
25. Sh. S.K. Singh, GM(S&M), FCL
26. Sh. P. Darbari, GM(S&M), NCL
27. Sh. K.K. Sen, CIL, Kolkatta
28. Sh. A.P. Singh, GM, SECL

COAL INDIA LIMITED, NEW DELHI

29. Sh. R.S. Kainth, GM
30. Sh. Sanjay Chawia, SM
31. Sh. G.K. Vashishtha, SM
32. Sh. J. Kumar, SL

SCCL, HYDERABAD

33. Sh. N.V.K. Srinivas, DGM

MINISTRY OF SHIPPING

34. Sh. A.M. Vijayan, Under Secretary

ANDHRA PRADESH POWER GENERATION COMP. LTD.

35. Sh. Ajay Jain, MD

G. Srinivasan