

File No.23014/1/2017-CLD
Government of India
Ministry of Coal
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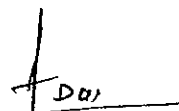
New Delhi, the 28 March, 2017

OFFICE MEMORANDUM

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power/Sponge/Cement Sector to review status of existing coal linkages/LoAs and other related matters – SLC/LT No. 1/2017.

In continuation of this Ministry's O.M. of even No. dated 23rd March, 2017 on the above mentioned subject, the undersigned is directed to enclose herewith additional agenda items to be discussed in the above mentioned meeting. The project proponents whose cases are mentioned in the additional agenda may also attend the meeting, if they wish to represent their cases before the SLC(LT).

Encl: as above


(A.K. Das)

Under Secretary to the Govt. of India

To

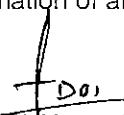
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|--|-----------------|
| 1. Additional Secretary, Ministry of Coal | Chairperson |
| 2. Principal Advisor (Energy), NITI Aayog, Yojana Bhawan New Delhi. | Member |
| 3. Joint Secretary (Coal), Ministry of Coal | Member |
| 4. Advisor (Projects), Ministry of Coal | Member |
| 5. Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi | Member |
| 6. Joint Secretary (Ports), Ministry of Shipping, Transport Bhawan, New Delhi | Member |
| 7. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi | Member |
| 8. Joint Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi | Member |
| 9. Executive Director, T. T. (F), Railway Board, Room No. 261, Rail Bhawan, New Delhi. | Member |
| 10. Chairman-cum-Managing Director, Coal India Limited. | Member |
| 11. Director (Marketing), Coal India Limited. | Member |
| 12. CMD's BCCL, CCL, ECL, MCL, NCL, SECL & WCL | Members |
| 13. Chairman-cum-Managing Director, Central Mine Planning & Design Instt Ltd., Gondwana Place, Kanke Road, Ranchi. | Member |
| 14. Chairman-cum-Managing Director, SCCL, P.O. Kothagudem Collieries, Distt. Khammam-507101 | Member |
| 15. Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi | Member |
| 16. Chairman, NTPC, Scope Complex, Lodhi Road, New Delhi-110003 | Member |
| 17. Joint Secretary (CA-III Section), Ministry of Coal | Special Invitee |

Copy to:

(i) Director (Technical), CIL ii) GM (S&M), CIL, Kolkata iii) CGM (CP), CIL, Kolkata iv) GM (S&M), CIL, Delhi.

Copy also to:-1. PS to Minister of State (I/C) for Power, Coal, NRE and Mines 2. OSD to MoS (I/C) for Coal 3. PSO to Secretary (Coal) 4. PPS to Additional Secretary (Coal) 5. PPS to Joint Secretary (RKS), 6. PPS to Joint Secretary(RPG), 7. PPS to Joint Secretary (VB).

✓ Copy also to - NIC, Ministry of Coal with a request to place it on the Website of the Ministry for information of all concerned.


(A.K. Das)

Under Secretary to the Govt. of India

No. 23014/1/2017-CPD
Government of India
Ministry of Coal

New Delhi, Dated 28th March, 2017

Additional Agenda for the meeting of the Standing Linkage Committee (Long Term) for Power to be held on 29th March, 2017.

A meeting of the Standing Linkage Committee (Long Term) for Power will be held on 29.03.2017 under the Chairmanship of Additional Secretary (Coal) to review the status of existing coal linkages/LoAs and other related matters. The additional agenda shall be as follows :

Additional Agenda	Brief description of the additional Agenda item																																									
1. NTPC Coal allocation for new upcoming projects under special dispensation	<p>Issue: Coal allocation for new upcoming projects (8010 MW) under special dispensation</p> <p>It has been stated by the project proponent that –</p> <p>About 8010 MW capacity comprising of 4210 MW proposed NTPC projects/units and 3800 MW JVs are in advance stage of construction and are scheduled to be commissioned in FY 2016-17 & onwards. Detailed list of projects are as follows:</p> <p>NTPC Projects:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">S. No.</th> <th style="text-align: center;">Project/ Unit</th> <th style="text-align: center;">Capacity (in MW)</th> <th style="text-align: center;">LOA Quantity (MMT)</th> <th style="text-align: center;">LOA Dated</th> <th style="text-align: center;">Coal Company</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Bongaigaon U#3 (1 X 250)</td> <td style="text-align: center;">250</td> <td style="text-align: center;">0.97</td> <td style="text-align: center;">28-04-2007</td> <td style="text-align: center;">ECL</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Barh Stage-I U#2&3 (2X660 MW)</td> <td style="text-align: center;">1320</td> <td style="text-align: center;">6.67</td> <td style="text-align: center;">18-11-2010</td> <td style="text-align: center;">CCL</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Solapur STPP (2X660 MW)</td> <td style="text-align: center;">1320</td> <td style="text-align: center;">5.09</td> <td style="text-align: center;">11-11-2010</td> <td style="text-align: center;">MCL</td> </tr> <tr> <td style="text-align: center;">4</td> <td>Mouda Stage-II (2X660 MW)</td> <td style="text-align: center;">1320</td> <td style="text-align: center;">5.09</td> <td style="text-align: center;">11-11-2010</td> <td style="text-align: center;">MCL</td> </tr> <tr> <td colspan="2" style="text-align: center;">SUB TOTAL</td> <td style="text-align: center;">4210</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						S. No.	Project/ Unit	Capacity (in MW)	LOA Quantity (MMT)	LOA Dated	Coal Company	1	Bongaigaon U#3 (1 X 250)	250	0.97	28-04-2007	ECL	2	Barh Stage-I U#2&3 (2X660 MW)	1320	6.67	18-11-2010	CCL	3	Solapur STPP (2X660 MW)	1320	5.09	11-11-2010	MCL	4	Mouda Stage-II (2X660 MW)	1320	5.09	11-11-2010	MCL	SUB TOTAL		4210			
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SUB TOTAL		4210																																								

NTPC JV Projects:					
5	Nabinagar TPP	500	2.500	14/11/2010	CCL
6	Meja STPS (2x660 MW)	1320	5.49	13/11/2010	SECL
7	Nabinagar STPS (3X660 MW)	1980	7.04	03/11/2010	CCL
SUB TOTAL		3800			
TOTAL		8010			

NTPC has stated that the matter was deliberated in the SLC (LT) held on 01.09.2016 wherein it was informed that the decision of signing of FSA should be taken as per the provisions of the new linkage policy which is under consideration.

2. NTPC

Allocation of Special Bridge Linkage or Long term Linkage for Gadarwara (2x800 MW) and Unchahar-IV (1x500 MW) TPP

Issue: Allocation of Special Bridge Linkage or Long term Coal Linkage for Gadarwara (2x800 MW) and Unchahar-IV (1x500 MW) TPP of NTPC

It has been stated by the project proponent that –

Chandrabila coal block was allocated to NTPC. Coal from this block was linked to Gadarwara (1600 MW) and Unchahar-IV (1x500 MW) power project of NTPC. Subsequently, allocation of Chandrabila coal block was changed to Govt. of Tamil Nadu. Presently, there is no coal linkage/block available for Gadarwara and Unchahar-IV and execution of these projects are in advance stage. PPAs are already in place. NTPC has requested either to allocate bridge linkage under special dispensation for this project till it's yet to be allotted captive block is operational or to accord long term linkage.

3. NTPC

Revision of norms for Bridge Linkage

Issue - Revision of norms for Bridge Linkage for at least 5 years & till coming to production capacity of the coal block/mine allocated, in line with MoEF recommendation

It has been stated by the project proponent that –

While coal mine development takes 6-7 years after allocation of coal block and at the same time commissioning of power plant takes at least 4 years after all clearances are obtained. As a result for many of the upcoming NTPC stations there will be a considerable gap between expiry of the bridge linkage coal and availability of coal from their respective linked coal block. In view of this, EAC of MOEF in its 63rd meeting suggested that the Bridge Linkage be done for a t least 5 years & till

	<p>coming to production capacity of the coal block/mine allocated and also advised that MoEFF&CC may consider taking up this issue with MoC. NTPC has requested that SLC (LT) may consider revision of norms for Bridge Linkage for at least 5 years & till coming to production capacity of the coal block/mine allocated.</p>
<p>4. NTPC Grant of Long term Coal Linkage For Pudimadaka TPP</p>	<p>Issue - Grant of Long term Coal Linkage as well as allocation of Captive Coal Block with high grade coal for proposed Pudimadaka TPP (4x1000 MW) of NTPC at Visakhapatnam in Andhra Pradesh.</p> <p>The matter has been dealt on file. A reply has been sent to Govt. of A.P. stating that a new policy for grant of long term coal linkages to power sector is under consideration with the Govt. and Coal linkages shall be considered as per the provisions of the new coal linkage policy.</p>
<p>5. Supply of coal under Bridge Linkage MoUs at notified price</p>	<p>Issue - Supply of coal under Bridge Linkage MoUs at notified price</p> <p>Ministry of Power has stated that MoC vide letter dated 01.09.2015 advised CIL to supply coal through MoU route on notified prices to Barh-II till the grant of Tapering linkage as a special case. On allocation of bridge linkage CIL informed that the supplies shall be at 10% premium over notified price. NTPC has been requesting for such linkage to be at notified price. MoP has further stated that recently CAG in its report on "Performance Audit of Fuel Management of coal based stations of NTPC Ltd." has noted that it is prudent to have a policy to supply coal at notified price under Bridge Linkage MoUs in line with coal supplied under linkage route since this adds to the burden on consumers. MoP has requested SLC (LT) to direct CIL to supply coal at notified prices under the bridge linkages.</p>
<p>6. M/s Lanco Amarkantak Power Limited (Condition Precedent under FSA)</p>	<p>Project Proponent has requested for extension of time line for fulfilment of Condition Precedent under FSA.</p> <p>The issue of extension of Condition Precedent clause No. 2.8.2.3 of FSA was placed before the SLC (LT) in its meeting held on 17.07.2015 in the context of a particular TPP. However, the Committee made a general recommendation that extension of time for fulfilling all the condition precedent of all such projects, except COD and commissioning may be granted upto 31.03.2016. The recommendation of the SLC (LT) was submitted to the competent authority, ie. Hon'ble MoS (I/C) for Coal. Competent authority directed that a policy may be formulated in this regard.</p> <p>MoP vide its O.M. dated 21.03.2016 recommended extension of time for Condition Precedent under clause 2.8.2.3 only which relates to signing of PPA. However, in view of the recommendation of SLC (LT) for extension of time for fulfilling all the condition precedent except COD and commissioning, MoP was requested to furnish its views on extension of time for fulfilling all the CPs. Subsequently, MoP requested MoC to</p>

consider the extension of the time period for fulfilment of CP mentioned in Clause 2.8.2 for FSA holders upto revised date of COD/anticipated commissioning.

The clause 2.8.2 is as below:

2.8.2.1 The Purchaser shall have obtained from the lawful authority all necessary clearances, authorizations, approvals and permissions required for construction, commissioning, operation and maintenance of the Plant.

2.8.2.2 The purchaser shall have completed the construction and the completion of such construction along with readiness of the power plant for lighting up has been certified by an Independent Engineer within the Condition Precedent Period.

2.8.2.3 [Applicable to Purchaser who has signed FSA without entering into long term PPA]

The Purchaser shall have to furnish the long term Power Purchase Agreements (PPA) either directly with Distribution Companies (DISCOMs) or through Power Trading Company (ies) (PTC) who has/have signed back to back PPA(s) (long term) with DISCOMs within the Condition Precedent (CP) period as per clause 2.8.3.1.

SLC (LT) in its meetings dated 21.06.2016 recommended that Condition Precedent clause No. 2.8.2.3 of FSA should be considered for extension of time period for fulfilment upto March 2017. However, during the SLC (LT) meeting held on 01.09.2016, representative of NTPC indicated that MoP had recommended for extension of time for fulfillment of conditions under clause 2.8.2. SLC (LT) approved the minutes of the SLC (LT) meeting held on 21.06.2016 with the modification that expression "Condition Precedent clause No. 2.8.2.3" would be replaced by "Condition Precedent clause No. 2.8.2".