

MOST IMMEDIATE

F. No. 23011/69/2013-CPD  
Government of India  
Ministry of Coal

New Delhi, Dated 13<sup>th</sup> February, 2014

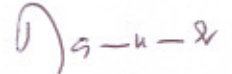
**Office Memorandum**

Subject: Minutes of the 2<sup>nd</sup> meeting of the Inter Ministerial Committee(IMC) held on 29<sup>th</sup> January, 2014 to formulate a policy on coal/rejects allocation for washery reject based power plants-reg.

The undersigned is directed to forward herewith the minutes of the 2<sup>nd</sup> meeting of the IMC held on 29<sup>th</sup> January, 2014 to formulate a policy on coal/rejects allocation for washery reject based power plants.

2. This issues with the approval of Additional Secretary(Coal)

Encl: as above



(Pilli Ravi Kumar)

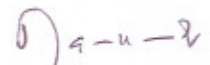
Under Secretary to the Govt. of India

1. Shri.S. K. Jha, GM (CMP), CMPDI, Ranchi.
2. Shri.V. K. Sinha, Director (Technical) CMPDI Ranchi.
3. Shri.Mahender Kumar, Joint Advisor Planning Commission.
4. Shri.A. Acharya, Coal Controller
5. Shri. Manoranjan Hota, Director Ministry of Environment & Forest.

Copy to:

1. Sr. PPS to Secretary, Ministry of Coal
2. Sr. PPS to Additional Secretary, Ministry of Coal
3. PS to Joint Secretary (SKS), Ministry of Coal
4. PS to Joint Secretary (AKB), Ministry of Coal
5. Advisor (Project) Ministry of Coal
6. PA to Deputy Secretary (CPD).

✓ Copy also to : Director, NIC with the request to place the same on the website of this Ministry.



(Pilli Ravi Kumar)

Under Secretary to the Govt. of India

**Minutes of the Second Meeting of the Inter-Ministerial Committee set up to formulate policy on coal/ rejects allocation for washery rejects based power plants held on 29.01.2014.**

The Second meeting of the Inter-Ministerial Committee (IMC) constituted by Ministry of Coal (MoC) vide order No.23011/69/2013-CPD dated 17.06.2013 was held on 29.01.2014 at 11.00 a.m. List of participants is at Annexure-I.

2. AS(Coal) welcomed the participants and drew their attention to the decision of the Committee taken in its first meeting wherein Coal India Ltd. (CIL) was requested to come out with a clear definition/ categorisation of rejects with the assistance of CMPDI/ CIMFR taking into account the JCV of the rejects. It was also decided that Ministry of Power (MoP) would prepare a technical report indicating various details such as GCV requirement for rejects to be consumed by such washery reject based power plants as well as the quantity of ROM coal required, if any.

3. MoP informed that as per the principles already decided earlier by that Ministry, 22% of ROM coal was required as sweetener for washery reject based power plants. While arriving at this formula, it was assumed that the GCV of rejects was 1500 Kcal/Kg and the GCV of F-grade coal was 3800 kcal/kg. Accordingly, MoP recommended linkages for ROM coal to the extent 22% of the total fuel requirement. MoP had further recommended that washery reject based power plants were supposed to be linked to the washeries and as such no linkage was recommended for the rejects. Any requirement of rejects other than the in-house availability of rejects may be offered by CIL through e-auction to willing users.

4. CMPDI provided statistics relating to the existing and projected availability of rejects from various CIL washeries. It indicated that the availability of rejects was 20.19 lac tonnes in 2011-12 and 12.70 lacs in 2012-13. It was further indicated that after the commissioning of new washeries planned by CIL, this quantity would reach upto 18.5 million tonnes per year by the beginning of the 13<sup>th</sup> Plan. Thus, at present,



substantial quantities of washery rejects are not available to consider linkage to power plants.

5. CMPDI has also suggested the following possible utilisation of rejects:-

- (i) Scenario 1: In Fluid Bed Combustor (FBC) based power plant set up by CIL.
- (ii) Scenario 2: Sold to FBC based power plant set up by private investors.
- (iii) Scenario 3: Sold through e-auction to small entrepreneurs.
- (iv) Scenario 4: Dumping /stacking on land/ mine void earmarked by Coal Co.

6. It was indicated that reject based FBC power plants were operating with GCV of around 1800 kcal/kg. In such plants no additional ROM coal was required. CMPDI further advised that as a matter of policy, sweetening of rejects (blending with ROM coal for use in FBC power plants) should be discouraged. However, if required, necessary technical studies could be conducted on such blending and on the efficiency and the economics of the projects. It was also stated that now boilers were available which could burn rejects with heat value of 1000 kcal/kg. Commercial viability of such projects should be assessed. It would be better to design boilers for the specific ash percentage of the rejects for optimising the efficiency.

7. Separately CIL had also obtained an advice from CIMFR on the issue. It was stated that GCV in the range 1200 kcal/kg could be used in FBC boilers and rejects of less than 2000 GCV could be blended by bio-mass or low ash GCV coal. But this needed further study/ verification. Ministry of Environment & Forest (MoEF) had suggested certain tentative guidelines in setting up such washery reject based power plants.

8. Director (Mkt.), CIL stated that no fresh linkages could be considered at this stage for ROM coal due to negative balance being reported by the subsidiaries of CIL. He further stated that CIL was finding it difficult to

honour the commitments already made and therefore, fresh linkages would further stress the situation.

9. Advisor (P) suggested that CIL should classify rejects as low grade coal based on the GCV range. Once classified, suitable price bands could be suggested. If necessary, CIL should conduct a detailed study through an expert agency and arrive at appropriate decision.

10. The Committee deliberated on the issue in detail. The Committee noted that the present quantity of rejects was not sufficient to consider any linkages for such rejects. Further, MoP had not recommended any linkages for rejects for such plants. The question of linkages for rejects could be considered, if, at a later stage the planned washeries of CIL come into operation and substantial quantities of washery rejects were generated. It would also be desirable to consider setting up rejects based power plants alongwith washeries to be set up as suggested by CMPDI and MoP. Similarly, at a later stage, the question of rejects from private washeries could be examined when the issue comes up in future.

11. After the discussions, the Committee made following recommendations:-

- (i) Keeping in view the advice of CMPDI and recommendations of MoP and also considering the fact that the quantity of rejects as of now is not sufficient to consider any linkage, no linkage of rejects is recommended.
- (ii) Keeping in view the availability position of coal and the commitment already made by the CIL, no linkage of ROM coal is recommended for such washery reject based power plants.
- (iii) CIL may consider conducting an appropriate study for grading of washery rejects and fixing suitable price bands wherever necessary.
- (iv) MoP and CIL may encourage setting up of washeries along with reject based power plants so that the rejects can be consumed *in-situ* obviating the need to transport the rejects to long distances. //

(v) MoC, CIL may review the matter by the end of 12<sup>th</sup> Plan so that the substantial quantities of rejects that are likely to be available on setting up of new washeries based, CIL get utilised appropriately. Should the need arise by then, the issues in so far as they relate to private washeries could also be examined along with it.

The meeting ended with the vote of thanks to the chair.



LIST OF PARTICIPANTS WHO ATTENDED THE 2<sup>nd</sup> MEETING OF THE "INTER-MINISTERIAL COMMITTEE" HELD ON 29<sup>TH</sup> JANUARY, 2014 TO MAKE RECOMMENDATION ON THE ISSUES RELATED TO SUPPLY OF COAL TO CERTAIN END-USE-PLANTS (EUPs) LINKED TO COAL BLOCKS.

	<b>Ministry of Coal</b>
1)	Shri A. K. Bhalla, Joint Secretary
2)	Shri Shailesh Kumar Singh, Joint Secretary
3)	Shri D. N. Prasad, Advisor(Projects)
4)	Shri S. Ashraf, Deputy Secretary
5)	Shri Pilli Ravi Kumar, Under Secretary
	<b>Planning Commission</b>
6)	Mahender Kumar, Joint Advisor
	<b>Ministry of Environment &amp; Forest</b>
7)	Shri Manoranjan Hota, Director
	<b>Coal Controller Organization, Kolkata</b>
8)	Shri A. Acharya, Coal Controller,
	<b>Coal India Limited</b>
9)	B. K. Saxena, Director (Marketing), CIL
10)	Shri V. K. Sinha, Director Technical CMPDI, Ranchi
11)	Shri S. K. Jha, GM (CMP), Ranchi