

MOST IMMEDIATE

No. 23011/19/2015-CPD
Government of India
Ministry of Coal

Shastri Bhawan,
New Delhi the 21st August, 2015

To

Chairman,
Coal India Limited,
Coal Bhawan, New Town,
Rozar Hat, Kolkata-700 0156

Subject: Coal supplies for Power Projects beyond 30.06.2015- Modalities of e- auction for Power Sector-reg.

The undersigned is directed to refer to Ministry of Coal's OM of even number dated 30.6.2015 and clarifications sought by Coal India Limited vide their letters No. CIL/S&M/Ministry/344 dated 08.07.2015, CIL/S&M/Ministry/360 dated 16.07.2015 and CIL:S&M :New Pol: 47252:672 dated 18.08.2015. The clarifications regarding queries pertaining to e- auction of power sector are as follows:

1. The broad guidelines for e- auction of power sector shall be as under:

- I) Before participating in every round of e-auction, every bidder (IPP) shall produce a self-certification of long term/medium term/short term PPA/agreement entered into by them with State DISCOMs/PTC/Power Exchange/Power Traders etc. on a duly notarised affidavit. Self-certified photocopies of such PPAs/agreements should also be enclosed therewith.
- II) Other documents regarding coal produced/available from captive coal mines, coal procured from other sources viz imported coal, normal e-auction coal etc. for power generation, if any, are also to be submitted on self-certification basis at the time of bidding.
- III) CIL will determine the total coal requirement based on the PPAs claimed/produced by the prospective bidders. For the first window, only the long and medium term PPAs shall be considered. Taking into account coal supplied under FSA/MoU, coal mined/used from captive coal mines, and that procured under imports and normal e-auction, the balance coal requirement which is eligible for e-auction, shall be determined for each prospective bidder.
- IV) Thereafter, e-auction may go ahead.
- V) The successful bidders shall be required to produce a certificate by the concerned State DISCOMs/PTC/Power exchange/ Power Traders etc that the claimed/produced PPA/agreement is valid as on date (and the date of its expiry).

Other certificates/documents shall also be submitted duly certified by respective agencies.

VI) Based on these certificates/documents, the coal supplies can commence to the successful bidders.

VII) Subsequently, the verification of the documents produced by successful bidders shall be undertaken. The verification and confirmation of the certificate of PPAs issued by State DISCOMs and produced by successful bidders shall be undertaken by the CEA and informed to CIL within a period of 2 months.

VIII) If at any later stage, it is found that the documents produced were false, misleading or any misrepresentation was made, the defaulting bidder shall be debarred from participating in auction of coal by CIL for next 5 years. Besides, the concerned bidder shall be liable for any further civil/criminal action against such misrepresentation or falsification etc.

IX) At the end of every quarter, the coal supplied to each TPP under such e-auction shall be informed by CIL to the concerned State DISCOMs/PTC/Power Exchange/Power Traders etc. The State DISCOMs/PTC/Power Exchange/Power Traders will issue a certificate to IPP with a copy to CIL regarding power supplied to them by IPP during the quarter. IPP would submit these certificates and coal consumed for this purpose to CIL for reconciliation. Eligibility of coal of IPP for next quarter shall be assessed accordingly by CIL.

X) Periodicity of e-auction may be decided by CIL.

The detailed operational guidelines based on above framework may be worked out by CIL.

2. Further, it has been decided that those power plants may also be eligible for supply of coal under e-auction windows which have FSAs/MoUs and also those who have captive coal mines. This implies that power plants already having FSA/MoU or coal blocks shall also be eligible to participate in these e-auction windows and their eligibility to draw coal under e-auction shall be to the extent of shortfall between its total requirement and the availability of coal from these sources. Therefore, the sum total of coal supplied to them shall not be more than their requirement to serve long and medium term PPAs.

3. It is also clarified that the category of TPPs eligible for first window with 20% premium are those having long and medium term PPAs and those eligible for second window with 40% premium are those having short term or no PPAs.

This has the approval of Hon'ble Minister for Power, Coal & NRE.

19-4-2
21/8/2015
(Pilli Ravi Kumar)

Under Secretary to the Govt. of India

To:

- (i) Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
- (ii) Director (Marketing), Coal India Limited, Coal Bhawan, New Town, Rozar Hat, Kolkata-700 0156

Copy also for information to:

1. Sr. PPS to Secretary, Ministry of Coal.
2. PPS to Additional Secretary(Coal), Ministry of Coal.
3. PPS to JS(RKS), Ministry of Coal.
4. Director(CPD)

Copy also to: Director, NIC,MOC for placing the same on the website of this Ministry.

19-4-2015/2015
(Pilli Ravi Kumar)

Under Secretary to the Govt. of India