

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

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Shastri Bhavan,  
New Delhi Dated the 30<sup>th</sup> June, 2015

OFFICE MEMORANDUM

Subject: Coal supplies for Power Projects beyond 30.06.2015 - reg.

CCEA had decided in its meeting held on 21.06.2013 to direct Coal India Limited to sign Fuel Supply Agreements for supply of coal to TPPs of about 78000 MW capacity commissioned or to be commissioned during the period from 01.04.2009 to 31.03.2015. This 78000 MW capacity included cases of tapering linkage which were to get coal supplies as per the then prevailing Tapering Linkage Policy. CCEA had also directed for coal supplies to power plants of 4660 MW capacity and other similarly placed power plants that do not have any fuel linkage subject to availability of coal and on the condition that such supplies do not adversely impact the availability of coal for the identified plants of 78000 MW capacity and other LoA holders. The status was reviewed in the meeting of Standing Linkage Committee (Long Term) held on 12.03.2015, it was decided by SLC (LT) that supplies under tapering linkages should continue until 30.06.2015. Now the issue of coal supplies for power projects beyond 30.06.2015 has been reviewed in the Ministry.

2. To address immediate issue for supply of coal to the power plants already commissioned or to be commissioned in 2015-16, in a transparent and objective manner, the following decisions are taken :-

- (i) Pre-2009 commissioned plants (capacity 65185 MW) and post-2009 plants as per CCEA approval dated 21.6.2013 TPPs capacity of 60000 MW (corrected to 59113 MW) and TPPs with 7000 MW (revised to 6796 MW) will continue to be governed by the CCEA decision dated 21.6.2013.
- (ii) Consequent to the cancellation of coal blocks by Hon'ble Supreme Court, the 24 power units of 9840 MW capacity (that is part of 78,000 MW) approved by CCEA cease to be entitled to tapering linkage. In order to ensure that there is no disruption in the present power generation arrangements for these plants, coal may be supplied to such plants through a separate MoU route till 31.03.2016 or until a policy is

formulated, whichever is earlier, as many of the plants are already commissioned or to be commissioned in 2015-16 and have long-term PPAs. The quantity and the price would be as per the level prevailing as on 30.06.2015. The MoP may issue necessary directions to appropriate Commission that benefits on this count, if any, are passed through to the consumers.

- (iii) CCEA had decided that coal may be supplied to the units of 4660 MW capacity and other similarly placed power plants that do not have any fuel linkage subject to availability of coal and on the condition that such supplies do not adversely impact the availability of coal for the identified plants of 78000 MW capacity and other LoA holders. Accordingly, the coal supply may be continued on MoU best effort basis on the same terms and conditions as at present till 31.3.2016 or until a policy is formulated, whichever is earlier, for plants having long-term PPAs and that are already commissioned or to be commissioned in 2015-16. The MoP may issue necessary directions to appropriate Commission that benefits on this count, if any, are passed through to the consumers.
- (iv) To make coal available for those power plants which are stressed or in short supply of coal for the reason that they do not have coal block or linkages or do not have long-term PPAs, a separate quantity within the e-auction quantity may be earmarked for power sector so that the assets created are put to use and they do not turn into NPAs. To begin with, e-auction may be conducted separately for PPA holders (long and medium term) by offering a quantity of 5 MT and for others (short-term PPAs/without PPA) offering a quantity of 5 MT. In subsequent rounds of e-auction, quantities may be reviewed based on the experience of the initial round. The floor price for the e-auction window for PPA holders will be CIL notified price plus 20% premium and for others, the floor price will be CIL notified price plus 40% premium.

3. Any particular case not covered by the above arrangement should be referred to this Ministry.

09-4-2  
30.6.2015

(Pilli Ravi Kumar)

Under Secretary to the Govt. of India

Ph. No.23384285

To:

- (i) Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.

- (ii) Chairman, Coal India Limited, Coal Bhawan, New Town, Rozar Hat, Kolkata-700 0156
- (iii) 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.

09-11-2  
30.06.2015

(Pilli Ravi Kumar)

Under Secretary to the Govt. of India

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