

IMMEDIATE

No. CPD-23014/5/2021-CPD

Government of India

Ministry of Coal

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Shastri Bhawan, New Delhi

December 17th, 2021

OFFICE MEMORANDUM

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector – SLC/LT No. 4/2021

The undersigned is directed to say that the meeting of the Standing Linkage Committee (Long-Term) for Power Sector (SLC/LT No. 4/2021) to consider the requests for linkages to Central / State Sector Power Plants and to review the status of existing coal linkages/LoAs and other related matters is scheduled to be held on **22.12.2021** at **11.00 A.M.** The venue for the meeting is Coal India Limited, Scope Complex, 6th Floor, Core 6, Lodhi Road, New Delhi. Agenda items for discussion in the meeting are enclosed herewith.

2. It is, therefore, requested to make it convenient to attend the meeting. The meeting shall be held in the physical presence of the Members / Project Proponents.

3. The project proponent(s) whose cases are mentioned in the Agendas are also requested to attend the meeting for presenting their views / represent their case (s) before the SLC (LT).

Encl. as above

Signed by Sujeet Kumar

Date: 17-12-2021 14:54:41

Reason: Approved

(Sujeet Kumar)

Under Secretary to the Government of India

To

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, Coal, Railway Board, Rail Bhawan, New Delhi	Member
10.	Director (Marketing), Coal India Limited	Member
11.	CMD's SCCL, BCCL, CCL, ECL, MCL, NCL, SECL & WCL	Members
12.	Chairman-cum-Managing Director, Central Mine Planning & Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi	Member
13.	Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi	Member
14.	Chairman, NTPC, Scope Complex, Lodhi Road, New Delhi-110003	Member

Copy to (with the request to attend the meeting):

- (i) Nominated Authority, Ministry of Coal
- (ii) Joint Secretary (P&S-I & II), Ministry of Coal
- (iii) Coal Controller, Coal Controller Organization, Kolkata

Copy also to:

- (i) Director (Technical), Coal India Limited, Kolkata
- (ii) GM (S&M), Coal India Limited, Kolkata
- (iii) CGM (CP), Coal India Limited, Kolkata
- (iv) GM (S&M), Coal India Limited, Delhi

Copy for information to:

- 1. PSO to Secretary (Coal)
- 2. PPS to Additional Secretary (Coal)
- 3. PPS to Joint Secretary (CPD)
- 4. PS to Director (CPD)
- 5. NIC, Ministry of Coal - with the request to place it in the website of Ministry of Coal for information of all concerned.

Enclosure**Agenda for the meeting of the Standing Linkage Committee (Long Term)
[No. 4/2021]**

Sl. No.	Issue
Agenda Item No. 1 -Long Term coal linkage for one unit of NTPC Khargone (2 x 660 MW) under SHAKTI	<p>Ministry of Power (MoP) vide O.M dated 08.10.2021 has requested to recommend coal linkage for one of the 660 MW unit of NTPC Khargone Super Thermal Power Station from the nearest source. MoP has informed that NTPC's Khargone Super Thermal Power Station (2 x 660 MW) has been sourcing coal from Pakri Barwadih coal mine. However, in the present SCED regime, NTPC Khargone is unable to compete in the merit order by sourcing coal from distantly located Pakri Barwadih coal mine and therefore, it is struggling to meet the generation scheduling requirements. Hence, country is unable to utilize the benefits of the Ultra Super Critical Technological efficiency of the station adequately. Further, after directions from Ministry of Coal / MoP to Coal India Limited (CIL), NTPC Khargone has been receiving coal from NCL / SECL under the policy of flexible utilization of domestic coal, however, the coal supplies from NCL / SECL are not commensurate to the requirement.</p> <p>MoP has also stated that as NTPC Khargone is closest to NCL / SECL mines in comparison to Pakri Barwadih coal mine, therefore, NTPC has requested for grant of long term coal linkage to Khargone station under SHAKTI Policy from the NCL / SECL mines.</p> <p>Pakri Barwadih coal block has been allocated to NTPC for exclusive use of coal in their power plants and the allocation letter dated 11.10.2004 of Pakri Barwadih coal mine states that coal linkages from CIL / SCCL would not be disturbed in any way with coal mined from Pakri Barwadih coal block and NTPC shall continue to honor its commitment towards long term linkage from these nationalized coal companies to their thermal power stations through Fuel Supply Agreements.</p>
Agenda Item No. 2 – Swapping of linkage of Dr. NTTPS	<p>Singareni Collieries Company Limited (SCCL) vide letter dated 04.05.2021 has requested to consider swapping of the entire linkage of Dr. NTTPS Thermal Power Plant of APGENCO on to SCCL considering the logistics convenience, lesser landed cost of coal and potential final benefit to the power consumers in terms of lesser rate/unit. SCCL had informed that Dr. NTTPS TPP is only 170 KMs away from the operating mines of SCCL and besides hassle free transportation, the landed cost of coal from SCCL is lesser by around Rs. 600/Tonne as compared to coal sourced from elsewhere. SCCL also</p>

	<p>informed that it is supplying coal to Dr. NTPPS under MoU to bridge the gap in supplies from the linked sources and meet the generation requirement. Further, the average offtake in the past several years by Dr. NTPPS from SCCL is around 4 – 5 MTPA. Availability of surplus coal to the tune of 8 – 9 MT for supply to Dr. NTPPS under long term linkage has been indicated by SCCL.</p> <p>APGENCO has stated that it is having Fuel Supply Agreements with Mahanadi Coalfields Limited (MCL) for coal quantities of 6 MTPA & 2.312 MTPA for supply of coal to Dr. NTPPS, however, no linkage is available from SCCL. The coal supplied by MCL is from Talcher area & Ib-valley, which are at a distance of around 930 km from Dr. NTPPS and due to the high distance, APGENCO is incurring huge Railway freight charges for transportation of coal from both areas of MCL, which results in increased cost of Power Generation. Due to high cost of Power Generation, the units of Dr. NTPPS are unable to fall in the Merit Order Dispatch of APSLDC. APGENCO has also stated that the rake movement from MCL is falling in multiple Railway Zones and it becomes difficult for movement of total Fuel Supply Agreement quantity by All Rail Route from MCL to Dr. NTPPS. In comparison, the mines of SCCL are located at a distance ranging from 150 to 225 km from Dr. NTPPS and the rake movement falls within the same Railway Zone and as a result, landed cost of coal sourced from SCCL is less than MCL, for lower grades of coal (G13 & G15). In view of the cost economics for low grade coal (G13 & G15) and also that certain units of Dr. NTPPS were designed for utilization of lower grade of coal, APGENCO has proposed to transfer 3.0 MTPA out of 6.0 MTPA linkage quantity of Dr. NTPPS (under FSA dated 27.06.2009 read with amendment dated 18.11.2013) from MCL to SCCL.</p> <p>CIL has informed that presently the linkage of Dr. NTPPS, Vijaywada of APGENCO is from MCL and that MCL is comfortable in supplying coal to Dr. NTPPS, Vijaywada. In addition, CIL / MCL is not agreeable for swapping of any linkage of Dr. NTPPS, Vijaywada as proposed by SCCL.</p>
<p>Agenda Item No. 3 - Time extension of Bridge Linkage allocated for End Use Projects of</p>	<p>Chairman, UPRVUNL vide letter dated 10.09.2021 requested time extension of Bridge Linkage allocated for End Use Projects of Saharpur Jamarpani coal block.</p> <p>It was informed that Bridge Linkage for End use plants i.e. Harduaganj Extn (1 x 660 MW), Jawaharpur TPP (2 x 660 MW), Obra C TPP (2 x 660 MW) and Panki Ext TPP (1 x 660 MW) of Saharpur Jamarpani coal block was extended in the SLC (LT) meeting held on 27.06.2018 and it</p>

<p>Saharpur Jamarpani coal block.</p>	<p>was recommended that Bridge Linkage may be extended for a further 4 years from the date on which bridge Linkage expires (i.e. 13.08.2018 to 12.08.2022) and shall be tapered off in the subsequent years as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan.</p> <p>Now, it has been stated that there is no substantial progress at site due to delay in preparation of Geological report (GR) by CMPDI. In absence of GR, the coal block could not be operationalized within the stipulated timeline. Some success has been achieved by NLC in nearby Pachwara South coal block through MDO route. Hence Government of UP. has taken a decision to develop this coal block through MDO route. Production of coal from coal block is likely to commence in 2028.</p> <p>It has been requested that Bridge Linkage of the above TPPs may be extended for further 6 years i.e. up to August, 2028, so that coal supply to these projects can be assured.</p> <p>Comments of CBA-II & Nominated Authority (NA) are as under:</p> <p>CBA-II: Development milestones of coal mines are being monitored by O/o NA.</p> <p>NA: As per the CMDPA, the scheduled date of preparation of the Geological Report (GR) is 13.06.2017 and operationalization is 13.02.2021. Exploration/Preparation of GR is still pending till date. In the absence of GR, year wise calendar coal production program is not available.</p> <p>There was delay on the part of UPRVUNL for completion of exploration, preparation of GR and submission of mining plan for which performance Security (BG) amounting to Rs. 82.50 Crore was appropriated as per the terms and conditions of the allotment agreement. The amount of BG has been deposited in the Central Government exchequer and UPRVUNL has filed Miscellaneous Case no. 1/2019 before Hon'ble CBA Act Tribunal at Godda and the matter has become sub-judice.</p> <p>The show cause notices issued to UPRVUNL, along with replies received from UPRVUNL were placed before 9th and 11th Scrutiny Committee for consideration and making recommendation. 11th Scrutiny Committee opined that allocattee has not made serious efforts for even starting the exploration work though adequate support was</p>
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	<p>offered by State Government during the series of meetings and attributed the delay in exploration and consequent delay in further clearances to allottee.</p> <p>Allottee is in the process of appointing MDO for the purpose of completion of exploration/preparation of GR and other clearances.</p>
<p>Agenda Item No. 4 - Extension of the validity towards Bridge Linkage of end use plants of DVC, Mejia TPS # 7 & 8 (2 x 500 MW) and Chandrapura TPS U # 8 (1 x 250 MW).</p>	<p>Damodar Valley Corporation (DVC) vide letter dated 31.08.2021 requested for extension of the validity towards Bridge Linkage of end use plants of DVC, Mejia TPS # 7 & 8 (2 x 500 MW) and Chandrapura TPS U #8 (1 x 250 MW).</p> <p>Standing Linkage Committee (SLC) in its meeting held on 18.11.2019 had recommended for the first extension of Bridge Linkage for MTPS U # 7 & 8 and CTPS U # 8 of DVC for another one year i.e. up to 06.10.2021. Subsequently, MoU were signed with BCCL, CCL & ECL which were valid till October, 2021. The schedule for starting of mining operation in Tubed Coal Mine was June, 2020 and achieving peak rated capacity (PRC) was in 2024-25. Operationalization of Tubed coal block could not take off for want for Forest Clearance (FC) Stage-II.</p> <p>It has been requested to extend the validity of the Bridge Linkage allocated to End Use Plants for a further period of 2 years or till PRC is achieved for continuous operation of the MTPS U # 7 & 8 and CTPS U # 8 on a sustainable basis.</p> <p>Comments of NA & CBA-II are as under:</p> <p>NA Section:</p> <ul style="list-style-type: none"> (i) Tubed coal mine was allotted to DVC vide allotment order dated 07.10.2016 and its CMDPA was executed on 08.09.2016. The scheduled date of mine opening permission as per efficiency parameter of CMDPA is June 07, 2020. (ii) Show cause notices (SCNs) were served to DVC vide letters dated 22.03.2017, 19.03.2018 & 13.09.2018 for non-compliance of mining lease application, FC application and EC as mentioned in CMDPA of Tubed coal mine. The allottee submitted the reply of all SCNs and same was put up before 13th Scrutiny Committee. (iii) Scrutiny committee has recommended Office of NA to obtain comments of State Government within one month. The Committee would take the final decision in respect of waiving or imposition of penalty after taking into

	<p>consideration the comments of State Government.</p> <p>(iv) In compliance to above recommendation, NA vide letter dated 09.03.2021 sought comments of State Government of Jharkhand. However, no comments obtained from State Government till date.</p> <p>(v) Allottee has obtained Forest Clearance (FC) -I on 13.11.2019 and FC-II is in process.</p> <p>CBA-II section:</p> <p>Under the provisions of CM (SP) Act, 2015, Tubed coal mine was allotted to DVC for their Mejia TPS Unit 7 & 8 (500 MW) and Chandrapura TPS Unit 8 (250 MW). Further, Khagra Joydev coal mine was allotted to DVC for Mejia TPS Unit 7 & 8. This information is as per O/o NA's allotment order dated 07.10.2016 & 31.03.2015.</p>
<p>Agenda Item No. 5 - Allocation of High GCV coal</p>	<p>NLC India Limited (NLCIL) vide letter dated 03.12.2021 has requested to allocate 1.0 MT of High GCV coal per annum preferably from Eastern Coalfields Limited (ECL) for its NTPL (NLC Tamil Nadu Power Limited) Thermal Power Plant (2 x 500 MW) at Tuticorin. NLCIL has stated that NTPL was having Fuel Supply Agreement (FSA) with Mahanadi Coalfields Limited (MCL) for 2.565 MTPA and ECL for 0.429 MTPA alongwith a side agreement for 1 MTPA. NLCIL was allocated Talabira II & III coal mines with NTPL as one of the end use plants. Talabira II & III coal mines is operational from April, 2020 and NTPL started lifting coal from Talabira II & III coal mines from October, 2021 onwards and thereafter, supply of coal from MCL and ECL were stopped. The coal from Talabira II & III coal mines at present is G 14 grade and NTPL units are not able to achieve the rated load of 1000 MW due to design restrictions of Boilers, milling system and ash handling system which is designed to operate with 70% Low GCV coal and 30 % High GCV coal. NTPL units can achieve rated full load of 1000 MW and can declare full availability only by blending of the G 14 grade coal from Talabira II & III coal mines with High GCV coal (1.0 MT) per annum for sustainable operation at 85 % PLF.</p> <p>Comments of P&S-II Section & Nominated Authority have been sought in the matter, which are awaited.</p>