

IMMEDIATE

No. CPD-23014/1/2021-CPD
Government of India
Ministry of Coal
<<>>

Shastri Bhawan, New Delhi

January 29, 2021

OFFICE MEMORANDUM

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector – SLC/LT No. 1/2021

The undersigned is directed to say that the meeting of the Standing Linkage Committee (Long-Term) for Power Sector (SLC/LT No. 1/2021) 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 **04.02.2021** at **03.30 P.M** through **Video Conference**. Agenda items for discussion in the meeting are enclosed herewith.

2. It is requested to make it convenient to attend the meeting through Video Conference. Webroom link for the meeting shall be shared.

3. The project proponent (s) whose cases are mentioned in the agenda may also attend the meeting, if they wish to represent their case (s) before the SLC (LT). However, willingness to attend the meeting should be informed well in advance so that the webroom link can be shared with them.

Encl. as above

(Sudheer Babu Motana)

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, Room No. 261, 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
15.	Nominated Authority, Ministry of Coal	With the request to attend the meeting
16.	Joint Secretary, (P&S), Ministry of Coal	

Copy to:

- (i) Director (Technical), Coal India Limited, Kolkata
- (ii) Coal Controller, Coal Controller Organization, Kolkata – With the request to attend the meeting
- ii) GM (S&M), Coal India Limited, Kolkata
- iii) CGM (CP), Coal India Limited, Kolkata
- iv) GM (S&M), Coal India Limited, Delhi.

Copy also to –

1. PSO to Secretary (Coal)
2. PPS to Additional Secretary (Coal)
3. PS to Joint Secretary (CPD)
4. PS to Director (CLD)

Copy also to - NIC, Ministry of Coal with the request to place it in the website of the Ministry of Coal for information of all concerned.

Enclosure**Agenda for the meeting of the SLC (LT)**

Sl. No.	Issue
Agenda Item No. 1 Enhancement of ACQ of coastal power plants	<p>In view of the negative coal balance at Coal India Limited during the period, SLC (LT) in its meeting held on 12.11.2008 had recommended as under:</p> <ol style="list-style-type: none">All the recommended projects considered as coastal projects will have an import component of 30% for which developer has to tie up sources directly. LOA will be for 70% of the recommended capacity only.In case of projects other than coastal, the normative quantities for only 90% of the recommended capacity would be met through Coal India Limited sources including coal to be imported by Coal India Limited and remaining 10% is to be tied up by the project developers themselves through direct import or any other source(s). <p>In line with the above decision, LoAs were issued to power utilities by Coal India Limited to non-coastal plants at 90% of their normative requirement and to coastal plants at 70% of their normative requirement.</p> <p>Considering the request dated 13.07.2020 of Coal India Limited to enhance the ACQ upto 100% of normative requirement for the year 2020-21 in view of their comfortable coal stock position, the matter was taken up in the meeting of the SLC (LT) held on 27.07.2020. In view of the request of CIL and recommendations of Ministry of Power / CEA, SLC (LT) recommended to increase the ACQ upto 100% of the normative requirement in the cases where the ACQ was reduced to 90% of normative requirement based on the SLC (LT) decision of 12.11.2008 and this increase shall be for all regular linkages granted/recommended through SLC (LT). Also, in case of linkages obtained through auction mechanism, the entitled quantity shall be revised based on the new norms and the consumers shall have to participate in auctions to obtain the linkages for the increased entitlements of ACQ.</p>



	<p>With regard to the increase in ACQ of the coastal power plants, representative of CEA had informed during the meeting of the SLC (LT) held on 27.07.2020 that the 5 coastal power plants may not require 100% ACQ based on domestic coal because of the boiler design which may be built on a mix of imported as well as domestic coal and the future coal requirement of these power plants can be worked out if changes are carried out in the boiler design of the power plants. Further, terms and conditions of the PPA of these 5 coastal power plants will have to be examined and CEA could give suitable recommendations only after examining it. Considering the comments of CEA, it was suggested that recommendations in the case of coastal power plants can be made after examination of the issue by Ministry of Power and CEA and after receipt of suitable recommendations from Ministry of Power. Therefore, in case of the increase of ACQ of coastal power plants, SLC (LT) in its meeting dated 27.07.2020 had recommended that Ministry of Power / CEA would examine the issues involved and matter would be taken up in SLC (LT) after receipt of recommendations from Ministry of Power.</p> <p>In reference to the above decision in the case of enhancement of ACQ of coastal power plants, Ministry of Power vide O.M dated 15.10.2020 has informed that out of 5 coastal power plants under this category (70% domestic: 30% imported), 3 have expressed their willingness to substitute imported coal with domestic coal if domestic coal meets the boiler design values of GCV & ash content, whereas, inputs / comments of 1 TPS is awaited. Ministry of Power has requested to increase the ACQ upto 100% of the normative requirement in the cases where the ACQ was reduced to 70% of normative requirement for the coastal plants based on the SLC (LT) decision of 12.11.2008, so that TPPs can maximize their domestic coal intake as per their need.</p> <p>SLC (LT) to take a view in the matter.</p>
<p>Agenda Item No. 2</p> <p>Extension of NALCO CPP Unit (& 10 (120 MW each)</p>	<p>NALCO vide letter dated 28.11.2020 has requested for extension of Bridge Linkage to NALCO Unit 9 & 10 (120 MW each) for a further period of 3 years w.e.f 01.04.2021.</p> <p>Earlier, SLC (LT) in its meeting held on 01.09.2016 had granted Bridge Linkage from CIL to Unit 9 & 10 (120 MW each) of CPP of NALCO based on the allotment of Utkal D & Utkal E coal mines to NALCO vide order dated 02.05.2016.</p>

NALCO vide application dated 27.09.2018 informed that due to unavoidable circumstances, it could not stick to the commencement plan for the allotted coal blocks like forest clearances and environment clearances, not transfer of Railway siding land to NALCO by IDCO etc. The matter was taken up in the SLC (LT) meeting held on 21.12.2018 and extension of Bridge Linkage was recommended to NALCO CPP Unit 9 & 10 (120 MW each) up to March' 21 or from the actual date of start of production, whichever is earlier. Extension MoU was signed with MCL on 04.05.2019.

Now, NALCO has informed that due to unavoidable circumstances, it could not stick to the commencement plan for the allotted blocks and in view of delay in obtaining approval of mining plan of Utkal D & Utkal E coal block, due to bounding coordinates issue, finalization of lease boundary of Utkal D, requirement of Forest Clearance of Safety zone of Utkal D and delay in acquisition of balance land in Utkal E, Nalco submitted a revised commencement plan to Ministry of Coal on 12.11.2020.

NALCO has requested to consider extending the period of Bridge Linkage for another period of 3 years i.e. from 01.04.2021 to 31.03.2024 so that sustainable production and rated capacity utilization of Aluminium Smelter plant as well as CPP units can be achieved.

Comments of Nominated Authority (NA), CBA-II and M/o Mines are as under:

NA : Utkal D & Utkal E coal mine was allotted to M/s NALCO vide order dated 02.05.2016 for Units 9 & 10 (120 MW each) and Unit 11 & Unit 12 (proposed units, 250 MW each). NALCO was the prior allottee of Utkal E coal mine. Even though the allotment of the merged mine was made to allottee by allotment order dated 02.05.2016, the Act and the Rules, the rights and obligations of the respective prior Allottees and the Allottee vis-a-vis the mines, transition and vesting were to be considered separately for each of Utkal D & Utkal E coal mine. The separate mining plan and mining lease was vested to the allottee along with Allotment order. Allottee has submitted that the combined mining plan is under preparation at CMPDI for Utkal D & Utkal E coal mine. With regard to Efficiency parameters, schedule date of

	<p>operationalization of coal mine was Jan'2020 for which show cause notice has already been issued.</p> <p>CBA-II: Under the provisions of CM(SP) Act, 2015, Utkal D & Utkal E coal blocks located in Odisha has been allotted to M/s NALCO for Unit 9 to Unit 12 of CPP.</p> <p>M/o Mines: As on date, due to delay in obtaining approval of Mining plan of Utkal D & E (combined) coal block, due to bounding coordinates issue, finalization of lease boundary of Utkal D, requirement of Forest clearance of safety zone of Utkal D and delay in acquisition of balance land in Utkal E, the allotted coal mines has not yet been made operational for the reasons not attributable to NALCO. In the absence of Bridge Linkage coal from 01.04.2021, there shall be uncertainty in coal availability to CPP for meeting the sustainable power supply to its smelter units, which will result in idling of huge investment and there will be huge loss to the national ex-chequer as well as to company on account of under capacity utilization.</p> <p>M/o Mines has requested to consider the proposal of NALCO to continue with Bridge Linkage coal (0.98 Million MT per annum) to CPP for its unit 9 & 10 for another period of 3 years from 01.04.2021 till Utkal D coal block reaches near its rated capacity.</p> <p>SLC (LT) to take a view in the matter.</p>
<p>Agenda Item No. 3</p> <p>Extension of bridge Linkage for further 3 years for Chandrapur Unit 8 & 9, (2 x 500 MW), Koradi Unit 8, 9 & 10 (3 x 660 MW) and Parli Unit 8 (250 MW)</p>	<p>CMD, Mahagenco vide letter dated 06.01.2021 has requested for extension of Bridge Linkage period for further 3 years i.e. up to August' 2024 for Chandrapur Unit 8 & 9, (2 x 500 MW), Koradi Unit 8, 9 & 10 (3 x 660 MW) and Parli Unit 8 (250 MW).</p> <p>SLC (LT) in its meeting held on 18.03.2016 granted Bridge Linkage to Chandrapur Unit 8 & 9, (2 x 500 MW), Koradi Unit 8, 9 & 10 (3 x 660 MW) and Parli Unit 8 (250 MW) for a period of 3 years from the date of allotment of coal block i.e. 31.08.2015.</p> <p>In 2018, Mahagenco had requested for extension of Bridge Linkage for further 3 years up to August, 2021 considering delay in start of coal production from Gare Palma-II due to delay in getting approval of EC & FC incorporating modified bounding</p>

coordinates. The matter was taken up in the SLC (LT) meeting held on 27.06.2018 and Bridge Linkage was extended for a further period of 3 years i.e. 31.08.2018 to 30.08.2021.

Now, Mahagenco has informed that due to change in Bounding Coordinates of Gare Palma-II. Mahagenco restarted procedure of revised approval application, EC & FC by incorporating modified bounding co-ordinates, which delayed in FC & EC. Recently, the Expert Appraisal Committee recommended the proposal of Mahagenco for grant of EC subject to compliance of certain terms & conditions / specific conditions. FC certificate is expected shortly, however granting of Mining lease and land Acquisition processes have been hampered. Considering above mentioned constraints and time required to complete above milestones, production from Gare Palma-II is expected to start in Oct' 2023. Full production shall be within the span of 6-7 years from commencement of mine in Oct' 2023. The extended Bridge Linkage is expiring in August' 2021. It has been requested to extend Bridge Linkage coal supply for a further period of 3 years up to August' 2024 for Mahagenco's Chandrapur TPS - Units 8 & 9 (2 x 500 MW), Koradi TPS Units 8, 9 & 10 (3 x 660 MW), Parli TPS - Unit 8 (1 x 250 MW).

Comments of CBA-II are as under:

CBA-II: Under the provisions of CM(SP) Act, 2015, Gare Palma Sector-II was allotted to MAHAGENCO for Chandrapur Unit 8 & 9 (2 x 500 MW), Koradi TPS Unit 8, 9, 10 (3 x 660 MW) and Parli Unit 8 (1 x 250 MW).

Comments of NA are awaited in the matter.

SLC (LT) to take a view in the matter.