

No. CPD-23014/6/2022-CPD
Government of India
Ministry of Coal

<<>>

Shastri Bhawan, New Delhi
October 25th, 2022

OFFICE MEMORANDUM

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector – SLC/LT No. 5/2022 - Additional Agenda Item

The undersigned is directed to enclose herewith the Additional Agenda Item for the meeting of the Standing Linkage Committee (Long-Term) for Power Sector (SLC/LT No. 5/2022) to be held on **28.10.2022** at **3.00 P.M.**

Encl. as above


(Sujeet Kumar) *25/10/2022*

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

Copy to:

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. GM (S&M), Coal India Limited, Delhi

Copy for information to:

- i. PSO to Secretary (Coal)
- ii. PPS to OSD (Coal)
- iii. PPS to Additional Secretary (Coal)
- iv. PPS to Joint Secretary (CPD)
- v. PS to Director (CPD)
- vi. PS to Director (T) (NA) & (CPD)
- vii. NIC, Ministry of Coal - with the request to place it in the website of Ministry of Coal for information of all concerned.

Additional Agenda for the meeting of the Standing Linkage Committee (Long Term) [No. 5/2022]

Sl. No.	Issue
<p>Additional Agenda Item No. 2: Acceptance of Long / Medium Term PPA beyond 31.03.2022 under FSA</p>	<p>The Condition Precedents (CPs) as per Clause 2.8.2 of Fuel Supply Agreement (FSA) are as below:</p> <p>2.8.2.1 The Purchaser shall have obtained from the lawful authority all necessary clearances, authorizations, approvals and permissions required for construction, commissioning, operation and maintenance of the Plant.</p> <p>2.8.2.2 The purchaser shall have completed the construction and the completion of such construction along with readiness of the power plant for lighting up has been certified by an Independent Engineer within the Condition Precedent Period.</p> <p>2.8.2.3 [Applicable to Purchaser who has signed FSA without entering into long term PPA]</p> <p>The Purchaser shall have to furnish the long term Power Purchase Agreements (PPA) either directly with Distribution Companies (DISCOMs) or through Power Trading Company (ies) (PTC) who has / have signed back to back PPA(s) (long term) with DISCOMs within the Condition Precedent (CP) period as per clause 2.8.3.1.</p> <p>Clause 2.8.3.1 of the FSA states "The Conditions Precedents shall be fulfilled / achieved within a period of twenty four (24) months from the Signature Date or such further period (up to a maximum of 180 days) as may be extended on account of Force Majeure under Clause 17 of this Agreement ("Condition Precedent Period").</p> <p>As per the CP Clause 2.8.2.3 of the FSA, the purchaser has to furnish PPA, entered directly with the Distribution Companies (DISCOMs) or through power trading companies who have back to back PPAs with DISCOMs</p>

within 24 months from the date of signing of FSA.

The earlier cases of extension of timelines for entering into PPA as per the CP requirement under the FSA have been considered in the meetings of the SLC (LT). Based on the recommendations of the SLC (LT), timelines for submission of PPA have been extended a number of times. The last extension was granted based on the recommendation of the SLC (LT) meeting held on 03.02.2022. SLC (LT) in its meeting held on 03.02.2022 had recommended that *“the request for extension of Condition Precedent (CP) Clause for 2 years from 31.12.2021 cannot be agreed to. However, in view of provisions of SHAKTI Policy where timelines have been prescribed and also the guideline on fading away of the old regime of the LoA-FSA, SLC (LT) recommended for extension of timeline for obtaining PPA as per the CP clause under FSA till 31.03.2022.”*. The recommendation of the SLC (LT) were approved by the Government.

Coal India Limited has sought confirmation on whether the FSAs which are effective on or before 31.03.2022 on submission of partial PPAs will be eligible to submit further / additional PPAs (Long / Medium term) beyond 31.03.2022 within the validity of FSA. Coal India Limited has informed that some of the LoA route FSA holders have submitted Medium Term PPAs after 31.03.2022 for a part capacity covered under their FSAs, for acceptance of PPA beyond 31.03.2022. Coal India Limited has provided a list of power plants whose FSAs were made effective on submission of partial PPAs and still having balance untied capacity as on 31.03.2022. The list has 15 power plants with a combined LoA capacity for 11,514 MW.

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