

IMMEDIATE

No. CPD-23014/7/2022-CPD
Government of India
Ministry of Coal
<<>>

Shastri Bhawan, New Delhi,
November 29th, 2022

To

1. The Chairman-cum-Managing Director,
Coal India Limited (CIL), Coal Bhawan,
Plot No-AF-III, Action Area-1A,
Newtown, Rajarhat, Kolkata - 700156

2. The Chairman-cum-Managing Director,
Singareni Collieries Company Limited,
Singareni Bhavan, PB No. 18, Red Hills,
Khairatabad PO, Hyderabad,
Telangana

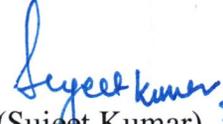
Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector -
SLC (LT) No. 06 / 22

Sir,

I am directed to forward herewith the approved minutes of the meeting of the SLC (LT) for Power Sector held on 11.11.2022 to consider the requests for coal linkages to Central / State Sector power plants and to review the status of existing coal linkages / LoAs & other related matters.

Enclosure: as above

Yours faithfully,


(Sujeeet Kumar) 29/11/2022

Under Secretary to the Government of India

Copy 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:

- (i) Coal Controller, Coal Controller Organization, Kolkata
- (ii) Director (Technical), CIL, Kolkata
- (iii) GM (S&M), CIL, Kolkata
- (iv) GM (S&M), CIL, Delhi

Copy also to –

1. PS to Minister of Coal
2. APS to Minister of State for Coal
3. PSO to Secretary (Coal)
4. PPS to Additional Secretary (Coal)
5. PPS to Nominated Authority / Additional Secretary (P&S-I & II)
6. PPS to Additional Secretary (CPD)
7. PS to Director (CPD)
9. PS to Director (T) (CPD & NA)
10. NIC, Ministry of Coal – with the request to upload the Minutes of the Meeting in the website of Ministry of Coal

Minutes of the Meeting of the Standing Linkage Committee (Long Term) [SLC (LT)] for Power Sector held on 11.11.2022 at 2.00 P.M - SLC (LT) No. 6/2022

Venue: Coal India Limited, Core 6, 6th Floor, Scope Complex, Lodhi Road, New Delhi

List of the participants is at the Annexure.

At the outset, the participants to the meeting were welcomed. The discussions held on the various agenda items are as under:

Agenda Item No. 1: Coal linkage under SHAKTI B (v): Ministry of Power vide O.M dated 10.09.2022 had requested to arrange 26.69 MT of coal for Medium Term and 17.41 MT of coal for Long Term under SHAKTI B (v) and also to intimate the subsidiary-wise allocated coal linkage, so that tariff based competitive bidding for Long & Medium Term procurement of power can be done by PFC / PFCCCL. Ministry of Power had stated that as per CEA, a requisition of 4460 MW for Medium Term and 2910 MW for Long Term has been received from various Central / State utilities. Ministry of Power vide O.M dated 11.10.2022 subsequently conveyed that the anticipated date of drawl of Power in respect of all the Central / State Utilities is April, 2023.

Ministry of Power vide O.M dated 26.10.2022 further requested to include 250 MW Medium Term power requisition of New Delhi Municipal Corporation (NDMC) in the aggregated power demand of Central / State Utilities and to arrange 1.50 MTPA of coal linkage for Medium Term (3 years) under SHAKTI B (v). The anticipated date of power drawl mentioned was March, 2023.

The matter was taken up in the meeting of the SLC (LT) held on 28.10.2022. SLC (LT) had recommended Ministry of Power to work out the power drawl timelines for all the States whose requirement has been aggregated. SLC (LT) also

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recommended to consider the matter on receipt of details and request from Ministry of Power. SLC (LT) further clarified that the SHAKTI B (v) considers cases of States only.

Thereafter, Ministry of Power vide O.M dated 01.11.2022 informed the anticipated date of drawl of power in respect of the Central / State Utilities which also included NDMC.

However, Ministry of Power vide subsequent O.M dated 09.11.2022 has informed of the following decisions taken in a meeting under Secretary (Power) on 04.11.2022:

- a. Quantum of Power shall be 4500 MW for Medium Term and no Long Term requirement would be considered.
- b. Commencement of power supply shall be April, 2023.
- c. Request of NDMC should be considered as it is a Discom and its request would be routed through MHA.

Ministry of Power has requested to arrange coal linkage for Medium Term power requirement of 4500 MW and intimate the subsidiary wise coal linkage so that tariff based competitive bidding for Medium Term procurement of Power under SHAKTI B (v) can be done by PFC / PFCCCL.

Again, Ministry of Power vide O.M dated 10.11.2022 has stated that the total request from various States / Discoms is for 3910 MW which includes NDMC's request of 250 MW for which a formal request would be received from MHA. In view of the decision of not to consider Long Term power requirement in the forthcoming bidding process, Ministry of Power has requested to compensate for Long Term power and to enhance Medium Term power requirement from 3910 MW to 4500 MW in order to have more competition and better price. The period of

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Medium Term power requirement is for 5 years. Ministry of Power has also stated that being an aggregator / procurer in terms of amendment to SHAKTI Policy in 2019, it can seek coal for the power requirement of a group of States even without requisition from such States.

Record of Discussions: It was discussed that the coal earmarked for 2500 MW generation capacity (converting roughly to ~ 10 mtpa coal) in 2019 under SHAKTI B (v) had lapsed considering the fact that tariff-based bidding was not conducted by Ministry of Power / agency designated by Ministry of Power. Another 8240 MW (converting roughly to ~34 mtpa of coal) under SHAKTI B (iv) in addition to this 10 mtpa coal capacity was set aside for the Tariff Based Bidding and earmarking of coal linkages and not using the same meant deprivation of coal linkage for Non-Regulated Sector, which makes their products uncompetitive causing losses to the country, therefore, earmarking has to be realistic as coal is a national resource to be used efficiently and economically. Further, demand of sectors other than Power has also to be kept in mind. To prevent squatting on national resource, a mechanism similar to those applicable to coal blocks should be adopted. It was discussed that in view of the experience of earlier earmarked quantity under SHAKTI B (v), a seriousness has to be attached at the stage of earmarking of coal itself and one such mechanism of attaching seriousness is financial instrument in the form of Earnest Money Deposits (EMDs).

It was also discussed that CEA has calculated the normative coal requirement for 4500 MW capacity as 26.93 MTPA at G-13 Grade considering power requirement as net power at State Periphery. SLC (LT) has considered linkages based on generation capacity in MW and it would accordingly follow the same to earmark linkage requirement in MW capacity only.

Ministry of Power stated that the coal linkage under SHAKTI B (v) was discussed

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by Secretary (Power) in a meeting held on 04.11.2022 wherein it was decided that power requirement shall be 4500 MW for Medium Term and no Long-Term requirement would be considered and the commencement of power supply shall be April, 2023. Further, the request of NDMC for Medium Term power requirement shall be routed through MHA.

CEA also stated that the power drawl will start from April, 2023. CEA informed that as per the timelines, NIT for procurement of power would be floated by PFC in November, 2022. CEA, while accepting the need for enforcing the seriousness, did not agree to the EMD mechanism suggested in the meeting; however, it sought time to deliberate on ensuring seriousness of earmarking coal

NITI Aayog agreed to the condition of attaching EMD to ensure seriousness in aggregating the power requirement, however, also suggested that a reasonable grace period for power drawl may also be provided to the nodal agency as there may be instances of re-tendering for procurement of aggregated power or delay in entering PPA by the successful bidders with the Discoms.

It was discussed that any time extension / grace period will be considered on submission of mechanism of EMDs so that seriousness, genuineness and urgency is ensured with regard to the quantity requested for earmarking. It was discussed in the meeting that PFC takes EMD from bidders for PPA as per usual practice. Discoms are also commercial entities whose demand has been aggregated by States, therefore should be subjected to EMD mechanism for earmarking of coal/linkage.

It was discussed that the aggregated requirement of States as per the list provided by Ministry of Power is 3910 MW which includes the power requirement of NDMC also, however, in order to compensate for Long Term power requirement requested earlier, Ministry of Power has decided to enhance Medium Term power



requirement from 3910 MW to 4500 MW in order to have more competition and better price.

It was discussed that in the earlier SLC (LT) meeting held on 28.10.2022 it was clarified that the SHAKTI B (v) considers cases of States only. Accordingly, SLC (LT) would only earmark the quantity requested by Ministry of Power and pursuant to earmarking coal linkage under SHAKTI B (v) for the power requirement aggregated by the nodal agency of Ministry of Power, further action by the aggregator/ Ministry of Power may be taken in terms of the provisions of SHAKTI Policy.

Coal India Limited informed that coal sources along with the grades / range of grades can be offered by it within 15 days.

SLC (LT) discussed that some EMD mechanism should be attached to earmarking of coal linkages under SHAKTI B (v). It was discussed that a mechanism may be worked out by the Ministry of Power/CEA to attach a suitable financial instrument so that seriousness is ensured with regard to the quantity requested for earmarking.

Recommendations: In view of the discussions held, SLC (LT) recommended for earmarking of coal linkage from Coal India Limited under SHAKTI B (v) for 4500 MW Medium Term power requirement and Coal India Limited will earmark the coal linkage with description to Ministry of Power under information to Ministry of Coal. Ministry of Power to come up with mechanism of EMDs so that seriousness, genuineness and urgency is ensured with regard to the quantity requested for earmarking.

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Annexure

List of Participants

Ministry of Coal

1. Shri Vinod Kumar Tiwari, Additional Secretary [In the Chair]
2. Ms Vismita Tej, Joint Secretary (CPD)
3. Shri Anandji Prasad, Advisor (Project)
4. Shri Mukesh Choudhary, Director (CPD)
5. Shri Marapally Venkateshwarlu, Director (CPD/NA)

Ministry of Power

1. Shri G. Muthuraja, Director

NITI Aayog

1. Shri Jawahar Lal, Deputy Chief Engineer (Energy)

Central Electricity Authority

1. Shri Naresh Kumar, Director
2. Shri Himanshu Katiyar, Assistant Director

Ministry of Railways

1. Shri Avinash Kumar Mishra, ED (Coal)

Ministry of Shipping

1. Shri Parmeshwar Bali, Dy. CCC

Coal Controller Organization

1. Shri Joginder Singh, OSD

Coal India Limited

1. Shri B.R. Reddy, Director Marketing
2. Shri Anurag Garg, Executive Director
3. Shri Tarak Roy, CM (M&S)

Mahanadi Coalfields Limited

1. Shri K. Prabhakar

Northern Coalfields Limited

1. Shri Shrikant Sharma, Manager (M&S)

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Western Coalfields Limited

1. Shri Vimal Singh Goondli, Senior Manager (M&S)

South Eastern Collieries Limited

1. Shri Santosh Sah, Manager (M&S)

Bharat Coking Coal Limited

1. Shri U.B. Singh

Singareni Collieries Company Limited

1. Shri N.K. Ojha, RM

NTPC Limited

1. Shri P.K. Mishra, Chief General Manager
2. Shri Muraleedharan KC, GM
3. Shri Sachin Agarwal, AGM

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