

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1232

ANSWERED ON:21.03.2012

FUEL SUPPLY AGREEMENT

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Kishor Shri Kamal; Yadav Shri Arun
Subhashchandra; Yadav Shri Dharmendra

Will the Minister of COAL be pleased to state:

- (a) whether Coal India Limited (CIL) has been instructed to sign coal supply agreements with power projects commissioned or expected to be commissioned by March, 2015 and have long term power purchase agreements in place and if so, the details thereof and the reasons therefor;
- (b) whether CIL has since signed any such agreements with power projects and if so, the details thereof;
- (c) whether the captive power plants will also be able to benefit from the coal supply agreements and if so, the details thereof;
- (d) whether CIL has refused to enter into contracts with more than 60 percent trigger level and if so, the details thereof;
- (e) whether CIL would be in a position to supply the stipulated quantity of coal;
- (f) if so, the details thereof and if not, the reasons therefor; and
- (g) the steps proposed to be taken to fulfil the supply of agreed quantity of coal to power projects?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a): The Government has decided that Coal India Limited (CIL) will sign Fuel Supply Agreements (FSAs) with power plants that have entered into long term Power Purchase Agreements (PPAs) with Distribution Companies (DISCOMS) and have been commissioned/would get commissioned on or before 31st March, 2015. This decision has been taken to make adequate coal availability for the power plants that have been commissioned/are being commissioned.

(b): The subsidiary companies of CIL are yet to sign any FSA as per this decision.

(c)&(d): No, Sir. The captive power plants are getting supplies of coal under the applicable Fuel Supply Agreement (FSA) which is different from that of the proposed FSA for power plants having Power Purchase Agreement (PPA) with Distribution Companies (DISCOMS). The applicable FSAs for existing and new captive power plants have trigger level for penalty for short supply at 60% and 50% of Annual Contracted Quantity (ACQ) respectively.

(e)to(g): Yes, Sir. The estimated coal production will be adequate to meet the demand of the said FSA holders. However, in case of any shortfall in fulfilling its commitment under the FSAs from its own production, CIL may arrange for supply of coal through imports or through arrangements for obtaining coal from State/Central Public Sector Undertakings (PSUs) who have been allotted coal blocks and have started production of coal but have not commissioned their end use plants.