

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2850
ANSWERED ON:30.03.2012
SUPPLY OF COAL TO POWER PROJECTS
Das Shri Khagen;Rathod Shri Ramesh

Will the Minister of POWER be pleased to state:

- (a) whether his Ministry has advised Coal India Limited not to supply domestic coal to power projects selling power at merchant tariffs;
- (b) if so, the details thereof;
- (c) the reasons for allowing large private companies, which have been allotted coal blocks free of cost, to sell power at merchant rates, thereby gaining a windfall profit of 50-80 per cent for themselves;
- (d) whether the Government/empowered Group of Ministries is considering to take any steps to stop sale of power at merchant rates by the companies who have been allocated captive coal blocks free of cost; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

- (a) : No, Madam.
- (b) : Does not arise in view of reply at (a) above.
- (c) : As informed by Ministry of Coal, coal blocks are allocated for captive purpose and governed as per the terms and conditions of the allocation letters.
- (d) & (e) : Ministry of Coal has been requested to advise all the coal block allocatees to participate in the bids for sale of power from end use projects as per the guidelines of Ministry of Power or face cancellation of coal block allocation. This may be made a condition in allocation letter even for already allotted coal blocks for power sector Independent Power Projects (IPPs).