

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:5320
ANSWERED ON:09.05.2012
POWER PURCHASE AGREEMENTS
Nimmala Shri Kristappa

Will the Minister of COAL be pleased to state:

- (a) whether many of the private coal blocks allocatees are selling power at market rate thereby earning undue profits;
- (b) if so, the details thereof;
- (c) whether Ultra Mega Power Projects (UMPPs), who have been allotted coal blocks are forced to sell power at well below the market rates as per the power purchase agreements;
- (d) if so, whether the Government proposes to revisit the earlier agreements made with the private coal blocks in line with the UMPPs to ensure that there is no windfall gain to the private coal companies; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

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

- (a) & (b): Coal blocks are allocated to the private companies for captive purpose for power generation and are governed as per the terms and conditions of the allocation letters.
- (c): UMPPs are awarded by following a transparent competitive bidding process following the guidelines issued by Ministry of Power. The tariff is quoted by the bidders on their own.
- (d) & (e): No separate agreements have been entered into with the allocatees of coal blocks for captive use for power and the allocations are governed by the terms and conditions of the allocation letters.