

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3941
ANSWERED ON:05.09.2012
COAL LINKAGE
Khaire Shri Chandrakant Bhaurao

Will the Minister of COAL be pleased to state:

- (a) whether the Government had decided to give coal linkage to captive power plants of 10 MW and above capacity;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether there is any instance where deviations have been made from such policy decision; and
- (d) if so, the details thereof and the reasons therefor?

Answer

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

(a) & (b): The Standing Linkage Committee (Long Term) (SLC (LT)) for Power considers the applications seeking long term coal linkage/Letter of Assurance (LoA) for inter alia, Captive Power Plants (CPPs) based on the recommendations of Ministry of Power and other relevant factors. In its meeting held on 27.10.2004, the Committee had decided that CPPs of 5 MW and below will not be considered for granting linkage till the coal availability improved and CPPs of capacity of 10 MW and below would be accorded low priority while granting linkage.

(c) & (d): With a view to decide the pending applications which were not considered in their earlier meetings due to small size of the proposed CPPs, the SLC (LT) for Power, in its meeting held on 6.11.2007, inter-alia, decided the following:-

(i) LoA would be granted to all such CPPs above 5 MW; however at the time of FSA, which is a pre-condition for release of coal, the commissioning of end use plant would be ensured. However, where these activities were yet to be started, the conclusion of FSA would be deferred by the coal company and intimated to SLC (LT) /Ministry of Coal for specific directions.

(ii) those CPPs whose capacity is 5 or below 5 MW, the request would be examined by the Coal India Limited (CIL) in consultation with such companies and CIL would convey their decision/modalities for supply of coal to such units within one month of receiving the authorization of the committee. The coal companies were to decide the specific commercial terms and conditions for supplying coal to such CPPs.

(iii) In respect of future cases as per the OM of Ministry of Power dated 21.10.2009 regarding coal linkage for 12th Plan projects, CPPs with capacity of less than 10 MW could be dropped from consideration by SLC(LT) from a prospective date and a notification could be issued accordingly.

As per the coal linkage policy for 12th Plan projects laid down by the Ministry of Power on 21.10.2009 in this connection, coal linkage will be recommended for those CPPs which are having capacity of more than 10 MW.