

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4464
ANSWERED ON:07.09.2012
COAL BLOCKS TO SASAN ULTRA MEGA POWER PROJECT
Singh Shri Yashvir

Will the Minister of POWER be pleased to state:

- (a) the details of the agreement signed between the Government and the company operating Sasan Ultra Mega Power Project (UMPP) regarding allocation of coal blocks;
- (b) whether recently a third coal block has been allocated to Sasan UMPP by de-allocating the coal block from the National Thermal Power Corporation Limited;
- (c) if so, the details thereof along with the reasons and justification for allocating third coal block to the company operating Sasan UMPP;
- (d) whether the company operating the Sasan UMPP has diverted a part of the coal obtained from the third coal block to its other plants, in violation of the above said agreement; and
- (e) if so, the details thereof and the reasons therefor along with the action taken by the Government thereon?

Answer

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

(a) : No agreement between the Government and the company operating Sasan Ultra Mega Power Project (UMPP) has been signed regarding allocation of coal blocks. Three coal blocks were allocated in the name of the Special Purpose Vehicle (SPV) for Sasan UMPP. The SPV along with the coal blocks were transferred to Reliance Power Ltd., the selected developer of the project through tariff based bidding.

A Power Purchase Agreement (PPA) was signed between Sasan Power Limited (A subsidiary of Reliance Power Ltd) and the procurers for Sasan UMPP on 07.08.2007 as detailed below:

Seller Procurers

Sasan Power PashchimanchalVidyutVitran Nigam Limited
Limited PurvanchalVidyutVitran Nigam Limited
(A subsidiary of MadhyanchalVidyutVitranNigam Limited
Ltd) DakshinanchalVidyutVitranNigam Limited
Ajmer VidyutVitranNigam Limited
Jaipur VidyutVitranNigam Limited
Jodhpur VidyutVitranNigam Limited
Punjab State Electricity Board
Haryana Power Generation Corporation Limited
North Delhi Power Limited
BSES Rajdhani Power Limited
BSES Yamuna Power Limited
Madhya Pradesh Power Trading Company Limited
Uttarakhand Power Corporation Limited

(b) & (c) : All the three coal blocks were allocated by Ministry of Coal for Sasan UMPP in the year 2006 before the financial bid as per details below:

S.No. Name of Coal Block Date of Allocation Geological Reserves (MT)

1	Moher	13-Sep-06	402
2	MoherAmlori Extension	13-Sep-06	198
3	Chhatrasal	26-Oct-06	160
	Total		760

Ministry of Coal had initially allocated Moher and Moher-Amlori extension Coal block in the name of the SPV. However, since the requirement of Coal for the project was much more than what can be made available through these coal blocks, request was made by Ministry of Power to allocate one more block in the name of the SPV. Further, one of the two coal blocks namely MoherAmlori Extension was on dipside of the other allocated block namely Moher block and the same can be worked out only after exhausting Moher block. The capacity of Moher block was indicated as 15 million tones per year and that it will take five years to reach this production capacity. The Moher block and Chhatrasal blocks will need to be operated simultaneously to meet the demand of Sasan UMPP.

In discussion with Ministry of Coal and Central Electricity Authority, Chhatrasal block was identified as suitable additional block for the project as no other suitable coal block was available in the vicinity of the project. Since the Chhatrasal coal block was allocated to NTPC Ltd., CMD NTPC Ltd. had communicated its no objection for the same and had identified the blocks for which allocation can be made in lieu to NTPC.

(d)&(e): The Government has granted approval to the use of surplus quantity of coal upto a maximum of 9 million tons per annum from the coal mines of Moher, MoherAmlori extension and Chhatrasal allocated to M/s. Sasan Power Limited for Chitrangi Power Plant of M/s. Reliance Power Limited for generation of thermal power, subject to the condition that Sasan UMPP will always have the first right and overriding priority over all coal produced from the allocated blocks and the power generated by utilizing incremental coal from these captive coal blocks would be sold through tariff based competitive bidding. Sasan UMPP is yet to be commissioned.