

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4376
ANSWERED ON:20.12.2012
FUEL SUPPLY AGREEMENTS BY NTPC
Sugumar Shri K.

Will the Minister of POWER be pleased to state:

- (a) whether the Government has asked the National Thermal Power Corporation Limited (NTPC) to sign Fuel Supply Agreements before 30 November deadline;
- (b) if so, the details and the present status thereof;
- (c) whether the Government has decided to allow the NTPC medium and long-term power purchase agreements; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b) : In accordance with the decision taken in the meeting held in the Prime Ministers Office on 10.10.2012, Ministry of Power vide letter dated 31.10.2012 (as at Annex) has asked NTPC to take necessary action on signing the Fuel Supply Agreements (FSAs) in respect of NTPC projects before 15.11.2012 by settling pending commercial issues, if any, between NTPC and Coal India Limited (CIL).

Subsequently, NTPC had written a letter on 8th November, 2012 conveying readiness to sign model FSA on the lines of its comments sent to CIL. Further, a follow up letter has been sent to the CIL, Kolkata on 14th November, 2012, regarding confirmation of acceptance in line with the above mentioned letter dated 8th November, 2012 so that model FSA can be signed with CIL subsidiaries as early as possible. Further, an APEX level meeting between NTPC and CIL on 10.12.2012 wherein NTPC stated that they want to sign the FSAs within December, 2012. Since the resolution of FSA issues are taking time, Ministry of Coal has been requested to extend the present arrangement of supply of coal through Memorandum of Understanding (MoU) for the units commissioned after March, 2009.

(c) & (d): All the power purchase agreements signed by NTPC are long-term in nature except for 75 MW each from Korba-III (500 MW) and Farakka-III (500 MW) projects, wherein Government of India has allowed NTPC for sale of such power outside long-term PPAs.