

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2823
ANSWERED ON:11.12.2012
ALLEGED DISCRIMINATION BY CIL
Annayagari Shri Sai Prathap;Sudhakaran Shri K.

Will the Minister of COAL be pleased to state:

- (a) whether the Government has received any representations from the private power companies alleging that the Coal India Limited is excessively favouring the Public Sector Undertakings against them;
- (b) if so, the details thereof and the concerns raised by the private power companies along with the response of the Government thereon; and
- (c) the measures being taken by the Government to address the issue?

Answer

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

(a)& (b): The Association of Private Power Producers through the Ministry of Power has raised the matter that certain provisions of the Model Fuel Supply Agreements (FSAs) are discriminatory between the Private and Public Sector Undertaking (PSU) Power plants. Considering the fact that majority stakes in both Coal India Limited (CIL) and PSU power stations are being controlled by the Government, some provisions to reduce the operational issues in the clauses relating to dispute resolution, requirement of security deposit etc. have been made for the PSU/Government power stations. However, there is no discrimination in the clauses concerning the key parameters of FSAs, viz. level of supply, tenure of FSA, requirement of Power Purchase Agreement, trigger for compensation/incentives etc.

(c): Initiatives have been taken by CIL for addressing some of the issues raised by the Private Power Producers by taking the same to the forthcoming Board Meeting of their Company for consideration.