

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:317
ANSWERED ON:26.02.2013
ALLOCATION OF COAL TO POWER PLANTS
Mahto Shri Baidyanath Prasad

Will the Minister of COAL be pleased to state:

- (a) the details of the policy being followed by the Government for allotment of coal/coal blocks to power plants and other coal based industries of various States including Bihar;
- (b) the details of the coal blocks allotted to such industries in various States, State-wise;
- (c) whether the Government has received any report regarding closure of some power plants/ other coal based industries due to short/non-supply of coal during the current year;
- (d) if so, the details thereof, State-wise; and
- (e) the remedial measures taken/being taken by the Government in this regard?

Answer

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

(a): As per the New Coal Distribution Policy notified by Government in October, 2007, in respect of coal consuming sectors comprising of Power Utilities including Independent Power Plants, Captive Power Plants, Cement Plants and Sponge Iron Plants, applications for coal linkage are accepted by Ministry of Coal (MoC). After processing the applications of consumers of these sectors located in all States of the country including Bihar, MoC through an Inter-Ministerial forum of Standing Linkage Committee (Long-Term) i.e. SLC (LT), grants clearance for issuance of Letter of Assurance(LoA) by Coal India Ltd. (CIL)/Singareni Collieries Company Ltd.(SCCL).

Based on the clearance granted by SLC (LT), LoA is issued for applicable normative quantity, stipulating therein the time bound milestones after receiving commitment guarantee. On completion of milestones within the time-frame as listed in LoA, coal supply is effected by concluding FSA for the LoA quantity.

The coal requirement of new consumers in all other consuming sectors is presently met through coal offered under e-Auction from CIL sources apart from coal sold under FSA to State Government nominated agencies for meeting the requirement of small consumers in their State with annual requirement of less than 4200 tonnes.

The Mines and Minerals (Development and Regulation) Amendment Act, 2010 provides for grant of reconnaissance permit, prospecting licence or mining lease in respect of an area containing coal and lignite through auction by competitive bidding, on such terms and conditions as may be prescribed. This, would however, not be applicable in the following cases:-

where such area is considered for allocation to a Government company or corporation for mining or such other specified end use;

where such area is considered for allocation to a company or corporation that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

The Government has notified the "Auction by Competitive Bidding of Coal Mines Rules, 2012" on 2nd February, 2012 and the notification on the commencement of the said Amendment Act, 2010 has also been notified by the Ministry of Mines on 13th February, 2012

Further the Government has notified the "Auction by Competitive Bidding of Coal Mines (Amendment) Rules, 2012" on 27th December, 2012 regarding the allocation of coal blocks to the Government Companies. It contains detailed terms and conditions for selection of Govt. company for allocation on the basis of pre-determined criteria and for utilization of coal.

(b): 54 coal blocks have been identified for allocation. Under Rule 4 of the Auction by Competitive Bidding of Coal Mines Rule, 2012, the Government has invited applications from Government companies/undertakings (Central and State) on 31.12.2012 for allocation of 17 coal blocks (out of 54 blocks) for power and mining purposes. So far, no allocations have been made to any company under this new policy.

(c): CIL has informed that there is no report of closure of any power plant/coal based industry drawing supply from CIL sources, due to

short/non-supply of coal during the current year.

(d) & (e): Do not arise, in view of reply at (c) above.