

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2863
ANSWERED ON:27.08.2013
PRICE POOLING MECHANISM FOR COAL
Singh Shri Sushil Kumar;Sivasami Shri C.

Will the Minister of COAL be pleased to state:

- (a) whether the Government has constituted a Group of Ministers to implement the Price Pooling Mechanism for coal;
- (b) if so, the details thereof along with the recommendations of the said Group; and
- (c) the status of implementation of the said recommendations?

Answer

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

(a)to(c): Government has not constituted any Group of Ministers to implement the Price Pooling Mechanism for coal. The issue of pooling of price of imported coal with domestic coal was placed before the Cabinet Committee on Economic Affairs (CCEA). The CCEA considered various options to augment coal supplies to the Thermal Power Plants (TPPs) in the country including the proposal of pooling of price of imported coal with domestic coal. The CCEA in its meeting held on 21.06.2013 approved the proposal to sign Fuel Supply Agreement (FSA) for supply of coal to the power projects with a capacity of 78,000 MW during the remaining four years of 12th Plan. Actual coal supplies would, however, be available when the required long-term Power Purchase Agreements (PPAs) are tied up. Supply of domestic coal to these projects has been restricted to 65%, 65%, 67% and 75% during these four years, keeping in view the availability position of coal. To meet its balance Fuel Supply Agreement (FSA) obligations, Coal India Limited (CIL) may import coal and supply the same to the willing power plants on cost plus basis. Power plants may also directly import coal themselves, if they so opt. Accordingly, a Presidential Directive has been issued by the Ministry of Coal to CIL on 17.07.2013.