

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1721
ANSWERED ON:05.03.2015
COAL FOR POWER PROJECTS
Patil Shri A.T. (Nana)

Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that power projects are getting coal from Coal India Limited (CIL) on ad-hoc basis only and the same will be stopped after March, 2015;
- (b) if so, the details thereof and the reasons therefor, project-wise; and
- (c) the steps taken for continuous supply of coal to the power projects in the country?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW AND RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a)&(b):No, Sir. However, as per the decision of Cabinet Committee on Economic Affairs (CCEA), in addition to the power projects having Fuel Supply Agreements(FSA) with Coal India Limited (CIL), provision has also been made for supply of coal by the subsidiaries of CIL through short-term Memorandum of Understanding(MOU) to a few identified power projects of 4660MW capacity identified by Inter Ministerial Committee and other similarly placed power plants of 9940MW capacity as identified by Ministry of Power, having Power Purchase Agreements(PPAs) with DISCOMS/Designated agencies and scheduled for commissioning by March, 2015. These power projects have no coal linkage. In line with the Presidential Directive (PD), supply of coal to these power projects is subject to availability of coal and on the condition that such supplies do not adversely impact the availability of coal for the identified plants of 78,000MW capacity having LoA/FSA with subsidiaries of CIL and other LoA holders. Supply to these units through MOU shall, therefore, continue till such time subsidiaries of CIL are in a position to fulfill the conditions laid down in the Presidential Directive.

(c): As per the New Coal Distribution Policy (NCDP),2007 of the Government, regular supply of coal to power projects is made on the basis of bilateral FSAs signed between power projects and the supplying subsidiary coal companies of Coal India Limited (CIL). Tenure of the FSA with power projects is twenty years or the life of the power project, whichever is earlier. The requisite system is already in place for continuous supply of coal to the power projects through the system of FSA.

Further, with a view to monitor coal supplies to Power Utility Sector, an Inter-Ministerial Sub-Group comprising representatives of Ministry of Power, Ministry of Coal and Ministry of Railways has been constituted. This Sub-Group takes various operational decisions for meeting any contingent situations relating to Power sector including critical coal stock position.