

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1820
ANSWERED ON:05.03.2015
REQUIREMENT OF COAL
Patil Shri Chandrakant Raghunath

Will the Minister of COAL be pleased to state:

- (a) the total annual requirement of coal of Ukai TPS of Gujarat State Electricity Corporation Ltd. (GSECL) and where from the same is allocated;
- (b) whether the Union Government is considering to increase the firm allocation of coal to the requirement of Ukai TPS from Western coalfields Ltd. (WCL);
- (c) if so, the details thereof;
- (d) whether it will have positive impact on the saving of transportation costs;
- (e) if so, whether the Union Government also considering to allocate coal blocks to Government Generating Companies on nomination basis; and
- (f) if so the details thereof?

Answer

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

(a)to(d): Coal is supplied to Ukai Thermal Power Station (TPS) as per Fuel Supply Agreement (FSA) concluded by Gujarat State Electricity Corporation Limited (GSECL) with subsidiaries of Coal India Limited (CIL) for an annual contract quantity of 4.17 Million Tonnes as allocated by Central Electricity Authority [Western Coalfields Limited (WCL): 0.93 MT & South Eastern Coalfields Limited (SECL): 3.24 MT].

In respect of Unit-6 of Ukai TPS (500 MW) which has been allocated Mahanadi Machakata coal block by Government, Letter of Assurance for 2.081 MTPA was issued from SECL on tapering linkage basis and FSA could not be concluded due to expiry of tapering linkage period. For this Unit, in line with decision of Standing Linkage Committee (Long Term) in its meeting held on 27.06.2014, Memorandum of Understanding (MOU) under best-effort basis was concluded by SECL on 20.08.2014 for supply of 676260 tonnes with tenure of six months.

To undertake comprehensive rationalisation of sources of coal with a view to optimize transportation cost and materialization under given technical constraints, a new Inter -Ministerial Task Force (IMTF) was constituted on 13.06.2014. This IMTF has submitted its Report and the same has been circulated on 02.02.2015 to all concerned. The recommendations inter-alia include partial shifting of linkages of about 1.2 Million Tonne from South Eastern Coalfields Limited (SECL) to Western Coalfields Limited (WCL) leading to savings in transportation costs of about Rs. 100.71 Crore to Gujarat State Electricity Corporation Ltd (GSECL).

(e)&(f):For management and reallocation of 204 coal mines/blocks cancelled by Hon'ble Supreme Court of India, Government has promulgated "The Coal Mines (Special Provisions) Second Ordinance, 2014" on 26.12.2014 to ensure smooth transfer of rights, title and interests in the mines/blocks along with its land and other associated mining infrastructure to the new allottees to be selected through an auction or allotment to government company, as the case may be. The auction of coal blocks has been decided to be carried out in e-auction mode in order to keep the process transparent.