

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:6014
ANSWERED ON:30.04.2015
REVERSE BIDDING FOR POWER PLANTS
George Shri (Adv.) Joice

Will the Minister of COAL be pleased to state:

- (a) whether the Government is planning for reverse bidding to help fuel starved power plants across the country;
- (b) If so, the details thereof;
- (c) the reasons before the Government in opting for reverse bidding; and
- (d) the number of power plants which are likely to be rescued by the newly implementing reverse bidding?

Answer

MINISTER FOR STATE (I/C) FOR COAL, POWER, NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) to (c): In order to ensure no rise in power tariffs, reverse bidding mechanism was adopted in the auction of coal mines earmarked for power sector under the provisions of Coal Mines (Special Provisions) Act, 2015. As Power is a regulated sector, reverse bidding methodology was adopted where bidders have to submit bids below the Coal India notified price which was the applicable ceiling price. This is taken as fuel cost in determination of power tariff. In case, bid price reaches Rs. Zero in reverse bidding, the bidding changes to a forward one. This additional premium is payable to the State Government concerned, over and above the fixed reserve price of Rs. 100/- per tonne.

(d): Nine Power Plants with a capacity of 9940 MWs are linked with coal mines auctioned through the reverse bidding process.