

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:6839
ANSWERED ON:07.05.2015
ADDITIONAL COAL LINKAGES
Ram Mohan Naidu Shri Kinjarapu

Will the Minister of COAL be pleased to state:

- (a) whether Coal India Limited (CIL) is denying to provide additional coal linkages to private sector power projects which has adversely affected their production and expansion plans and may further affect the power production in the country;
- (b) if so, the reasons therefor; and
- (c) the remedial measures the Government proposes to take in this regard in the interest of the power sector?

Answer

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

(a) to (c): As per New Coal Distribution Policy (NCDP), 2007, Standing Linkage Committee (Long-Term) {SLC(LT)} is authorized to recommend Letters of Assurance (LOAs) for supply of coal. Based on the SLC (LT)'s recommendation, so far 177 LOAs have been issued to various power plants including Central/State Government Sector as well as IPPs (Independent Power Producers i.e., private companies) covering capacity of 1,08,000 MW. Out of this 1,08,000 MW capacity, the competent authority in 2013 had approved signing of Fuel Supply Agreements (FSAs) in respect of 78,000 MW capacity power plants which had been commissioned or were likely to be commissioned by 31.03.2015. It was further decided that coal may also be supplied to power plants of 4660 MW capacity and other similarly placed power plants that do not have any fuel linkage subject to the availability of coal and on the condition that such supplies would not adversely impact the availability of coal for the identified plants of 78,000 MW capacity and other LOA holders. A Presidential Directive to this effect was issued to Coal India Limited (CIL) on 17.07.2013. The power projects of the remaining capacity of 30,000 MW are yet to be authorized for signing of FSAs. Keeping in view the negative coal balance reported by subsidiary coal companies of CIL, new linkages/ Letters of Assurance (LoAs) have not been granted to any of the sectors since 2010. At present, there is no proposal to provide fresh coal linkages to private companies for new and upcoming projects.

Government of India is taking steps to increase coal production to 1 billion tonnes by 2019-20.