

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1816
ANSWERED ON:30.07.2015
Tapering Coal Linkage System
Kumar Shri Kaushalendra

Will the Minister of COAL be pleased to state:

- (a) the criteria of tapering coal linkage system to provide coal to the power producing companies;
- (b) whether it is a fact that only 25 per cent supply is being made under this provision to the power producing companies;
- (c) if so, the details thereof ;
- (d) whether the Government has any plan to make 100 per cent supply to those power producing plants, which are directly affected due to cancellation of coal blocks; and
- (e) 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): Thus far, "Tapering linkage" has been the "short term linkage" which is provided to the coal consumers, who were allocated captive coal block (s), for meeting coal requirements of their linked End Use Plant (s) (EUP) in such cases where the development/production of coal block(s) allocated for their particular EUP is not synchronized with the operation/requirement of coal of the EUP.

Coal Block(s) allocated to State Government for commercial use are not eligible for Tapering Linkage. Normal linkage of EUP, if any, linked to coal block(s) subsequently allocated is converted into Tapering Linkage from the date of allocation of block.

The tapering linkage may be approved by the Competent Authority from the date of allocation of the coal block (zero date) and till scheduled date of commencement of production as per milestones indicated in the Block(s) allocation letter ("normative date of commencement of production"), and to the extent of "normative requirement" as per the New Coal Distribution Policy (NCDP).

For the period subsequent to normative date of commencement of production from coal block, the tapering linkage is considered for a maximum period of three years with entitlements every year reduced by 25%. Coal production from the block is expected to attain peak rate in these three years.

(b)to(e):Consequent to the cancellation of coal blocks by Hon"ble Supreme Court, the erstwhile coal block owners who had tapering linkages earlier, cease to be entitled to tapering linkage any longer. But some of these plants have come up. In order to ensure that there is no disruption in the present power generation arrangements for these plants, these plants are entitled to supply of coal through a separate MOU till 31.03.2016. The quantity would be as per the level prevailing as on 30.06.2015.
