

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:156
ANSWERED ON:17.07.2014
ALLOCATION OF COAL LINKAGES
Sreeramulu Shri B.

Will the Minister of COAL be pleased to state:

- (a) the details of the policy/guidelines for regulating allocation of coal linkages to core and non-core sector consumers;
- (b) whether the Government has received proposals from the various States including Karnataka for allocation of coal linkages for various thermal projects particularly Edlapur, Yermarus and Bellary in Karnataka;
- (c) if so, the details thereof and their present status including the reasons for pendency, if any; and
- (d) the steps taken or being taken by the Government to expedite awarding of coal linkages for these projects?

Answer

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

(a)to(d) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No.156 for answer on 17.07.2014 asked by Shri B. Sriramulu

(a): The Government had approved the New Coal Distribution Policy (NCDP) on 18.10.2007 in supersession of the then existing coal distribution policy for core and non-core sectors and other instructions issued from time to time. The existing classification of consumers into core and non-core was reviewed and it was decided to dispense with the same. Instead, it was decided that, each sector/consumer would be treated on merit, keeping in view, inter-alia, the regulatory provisions thereto and other relevant factors.

(b) to (d): The requests for grant of long term coal linkage/Letter of Assurance (LoA) have been received from various States including Karnataka. Requests in respect of Thermal Power Projects (TPPs), including Edlapur (1x800 MW), Yermarus TPP (2x800 MW) and Beilary (Unit-3) (1x700 MW) in Karnataka were forwarded to the Ministry of Power for recommendations. Ministry of Power subsequently recommended these three TPPs for grant of coal linkage. These recommendations have not yet been placed before the Standing Linkage Committee (Long Term) {SLC(LT)}for a decision.

Keeping in view the negative coal balance reported by subsidiary coal companies of Coal India Limited (CIL), no new linkage/ Letter of Assurance (LoA) has been granted to any of the sectors since 2010. Further, subsidiary companies of Coal India Limited (CIL) have issued 175 LoAs covering the 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 have been commissioned or are 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 as per the approval accorded for Letter of Assurance holders. Bellary unit-3 of 700 MW capacity, which is expected to be commissioned by March, 2015, is part of identified 4660 MW capacity. A Presidential Directive to this effect was issued to 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 demand - supply position of coal, at present, there is no scope for grant of fresh LoAs.