

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.568
TO BE ANSWERED ON 13.12.2018**

EMPOWERED COMMITTEE FOR STRESSED POWER PLANTS

**†568. SHRI DHARMENDRA YADAV:
DR. PRITAM GOPINATH MUNDE:
SHRI S. RAJENDRAN:
SHRI S.R. VIJAYAKUMAR:
SHRI ANANDRAO ADSUL:
SHRI SHRIRANG APPA BARNE:
KUNWAR HARIBANSH SINGH:
SHRI ADHALRAO PATIL SHIVAJIRAO:
SHRI SUDHEER GUPTA:
SHRI T. RADHAKRISHNAN:**

**Will the Minister of POWER
be pleased to state:**

- (a) whether the empowered Committee headed by Cabinet Secretary suggested policy measures to revive stressed power plants with improved coal availability and if so, details of the main recommendations made by the aforesaid Committee;**
- (b) whether some of the recommendations are for allowing coal linkage for short-term contracts or bill discounting mechanism to address overdue payments;**
- (c) if so, the steps taken by the Central Government of India for implementation of the recommendations/ suggestions made by the aforesaid Committee;**
- (d) whether aforesaid Committee suggested reserving 60% of coal spot auctions for power plants, change in coal allocation policy to offer future incremental coal without auction to PPA holders and offering more coal to efficient plants; and**
- (e) if so, the action taken by the Government in this regard?**

A N S W E R

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER
AND NEW & RENEWABLE ENERGY**

(SHRI R. K. SINGH)

(a), (b) & (d) : Yes, Madam.

The High Level Empowered Committee (HLEC) has made following recommendations in their report:

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1. Recommendations for Coal allocation/supply

- 1.1.Coal Linkage for short-term PPA: Linkage coal may be allowed to be used against short term PPAs and power be sold through Discovery of Efficient Energy Price (DEEP) portal following a transparent bidding process.**
- 1.2.Coal Supply in case of termination of PPAs due to Payment default by DISCOMs: A generator should be able to terminate PPA in case of default in payment from the DISCOM with the facility to use linkage coal for short term PPAs for a period of maximum of 2 years or until they find another buyer of power under long/medium term PPA, whichever is earlier.**
- 1.3.Procurement of bulk power by a nodal agency against pre-declared linkages: A nodal agency may be designated which may invite bids for procurement of bulk power for medium term for 3 to 5 years in appropriate tranches, against pre declared linkage by Coal India Limited (CIL).**
- 1.4.PSU to act as an aggregator of power: NTPC can act as an aggregator of power, i.e., procure power through transparent competitive bidding process from such stressed power plants and offer that power to the DISCOMs against PPAs of NTPC till such time as NTPC's own concerned plants/units are commissioned.**
- 1.5.Increase in quantity of coal for special forward e-auction for power sector: Ministry Of Coal may earmark for power, at least 60 per cent of the e-auction coal, and this should be in addition to the regular coal requirement of the power sector.**
- 1.6.Linkage to be provided at notified prices without bidding: The generator should be required to bid only once, for the procurement of PPA and linkage should be granted at notified price without any further bidding, to the extent of incremental coal production.**
- 1.7.Non-accrual of short supplies of coal: If there is a shortfall in the supply of coal and it is attributable to the Ministry of Coal or Railways; such shortfall need not lapse and be carried over to the subsequent months up to a maximum of three months.**
- 1.8.ACQ to be determined based on efficiency: Upper ceiling for the ACQ/MW may be prescribed by the CEA on the basis of efficiency parameters and irrespective of the capacity and actual consumption of that plant, the coal may be supplied on that basis.**

2. Recommendations to facilitate sale of power of the stressed power plants

- 2.1.Retirement of old and inefficient Plants: Old and high heat rate plants not complying with new environment norms may be considered for retirement in a phased and time bound manner at the same time avoiding any demand/supply mismatch.**

3. Recommendations on Regulatory & DISCOM payment issues:

3.1.Mandatory payment of Late Payment Surcharge (LPS): Late Payment Surcharge be mandatorily paid in the event of delay in payment by the DISCOM.

3.2.Payment Security mechanism for IPPs: PFIs providing the Bill Discounting facility may also be covered by TPA i.e. in case of default by the DISCOM, the RBI may recover the dues from the account of States and make payment to the PFIs.

4. Other Recommendations

4.1.Cancellation of PPA/FSA/LTOA post NCLT scenario: PPAs, FSA and LTOA for transmission of power, EC/FC clearances, and all other approvals including water, be kept alive and not cancelled by the respective agencies even if the project is referred to NCLT or is acquired by any other entity. All of these may be linked to the plant and not the Promoter.

4.2.Cancellation of PPA for non-compliance of COD: In case there is a delay in the commissioning of a project, the DISCOMs may be advised not to cancel the PPAs signed with the Generator and the same be kept on hold for a certain period of time.

4.3.Low utilization of Gas plant capacity due to paucity of natural gas: In order to revive gas based power plants, Ministry of Power and Ministry of Petroleum & Natural Gas may jointly devise a scheme in line with the earlier e-bid RLNG Scheme (supported by PSDF).

(c) & (e) : Report has been circulated by the Government to all members. It has also been published on the website of the Ministry.
