

No.H0111/2/2017-Coord.  
Government of India  
Ministry of Coal

Shastri Bhawan, New Delhi,  
Dated 14<sup>th</sup> September, 2017

**Office Memorandum**

**Subject: Monthly Summary for the Cabinet for the month of August, 2017  
in respect of Ministry of Coal.**

The undersigned is directed to say that unclassified portion of the Monthly Summary of the Ministry of Coal for the month of August, 2017 has been uploaded on the website of this Ministry i.e. [www.coal.nic.in](http://www.coal.nic.in). This is for kind information.

2. This issues with the approval of the competent authority.



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To

- (i) Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
  - (ii) Technical Director (NIC), Ministry of Coal- for uploading on website of the Ministry.
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**Monthly Summary for the Cabinet for the month of August, 2017 in respect of Ministry of Coal****A. Principal Activities**

The core objectives of the Ministry of Coal are to augment coal production by adopting state-of-the-art clean-coal technologies; enhancing exploration efforts with thrust on increasing proven coal resources and developing necessary infrastructure for prompt evacuation of coal for securing its availability to meet the demand of different sectors of the economy in an eco-friendly and sustainable manner.

**B. Important decisions taken during August, 2017**

The Ministry is formulating a policy for auction of coal blocks for sale of coal under the provisions of Coal Mines (Special Provisions) Act, 2015.

The Ministry is formulating a methodology to provide the coal block allottee PSU's with some flexibility in utilization of coal extracted from the coal mines allotted under the Coal Mines (Special Provisions) Act, 2015 for optimum utilization of coal mine for the same end uses in the public interest and to achieve cost efficiencies.

- A meeting was held on 30.01.2017 under the Chairmanship of Secretary (Coal) with Secretary (Ministry of Mines), Joint Secretary MoEF&CC, CMD CIL and CMD CMPDIL, Chief Secretary and Additional Chief Secretary, State Government of Meghalaya to discuss the issues relating to coal mining in the State of Meghalaya.
- After details deliberations on various options for mining, the only viable option in the present statutory regime seems to be mining by State Government Corporations. The State Government Corporations can be allocated the coal blocks in the State under current provisions of law. The State Government Corporations can involve the local communities/ land owners through any suitable arrangement, i.e. either by making them shareholder in the corporations or entering into contractual agreements with them for revenue/ profit sharing or any other mode found suitable in the context of State.
- The Chief Secretary of State Government of Meghalaya agreed to examine the proposed option and assured to send their comments.
- The State Govt. vide letter dated 20.07.2017 has informed that they have identified the Meghalaya Mineral Development Corporation Ltd. for undertaking coal mining in the State and they have been engaging with the concerned stakeholders in the matter. It was requested that a notification designating the Meghalaya Mineral Development Corporation Ltd. as the agency to undertake coal mining activities in the State of Meghalaya may be issued by MoC.
- In response thereto, MoC issued a letter dated 10.08.2017 to Government of Meghalaya acknowledging and concurring with the identification of Meghalaya Mineral Development Corporation for undertaking coal mining in the State and further advised the State Government to grant a Mining Lease to the Meghalaya Mineral Development Corporation Ltd. in accordance with the provisions of the MMDR Act, 1957. It was also informed that MoC shall grant prior permission under section 5(1) of the Act on receipt of suitable proposal from the State Government.

**C. Report on Progress:** Details of progress in coal production, dispatch, e-auction of Coal viz-a viz target for the month of August, 2017 is given below-

**1. (a) Coal production**

Company	August, 2017		% Achievement	April- August, 2017		% Achievement
	Target	Actual		Target	Actual	
	CIL	40.3		37.6	223.3	
SCCL	4.5	4.5	24.9	23.2		

(in MT)

**(b) Overall coal dispatch**

Company	(in MT)					
	August, 2017	August, 2016	% Growth	April-August, 2017	April-August, 2016	% Growth
CIL	43.7	36.8	18.8%	225.4	211.4	6.6%
SCCL	4.8	4.4	8.5%	25.2	22.4	12.5%

**(c) Coal despatch to Power Sector**

Company	(in MT)					
	August, 2017	August, 2016	% Growth	April-August, 2017	April-August, 2016	% Growth
CIL	34.3	28.6	20%	172.5	164.1	5.1%
SCCL	3.9	3.8	4.8%	21.0	19.1	10.1%

**(d) Spot E-auction of coal**

Company	(in MT)					
	Coal Qty. Allocated August, 2017	Coal Qty. Allocated August, 2016	Increase over notified price	Coal Qty. Allocated April-August, 2017	Coal Qty. Allocated April-August, 2016	Increase over notified price
CIL	3.38	4.49	65%	19.09	20.74	25%

**(e) Special Forward E-auction for Power**

Company	(in MT)					
	Coal Qty. Allocated August, 2017	Coal Qty. Allocated August, 2016	Increase over notified price	Coal Qty. Allocated April-August, 2017	Coal Qty. Allocated April-August, 2016	Increase over notified price
CIL	-	21.42	-	20.03	33.87	16%

**(f) Exclusive E-auction for Non-Power**

Company	(in MT)					
	Coal Qty. Allocated August, 2017	Coal Qty. Allocated August, 2016	Increase over notified price	Coal Qty. Allocated April-August, 2017	Coal Qty. Allocated April-August, 2016	Increase over notified price
CIL	0.32	2.76	17%	5.48	2.76	14%

**(g) Special Spot E-Auction**

Company	(in MT)					
	Allocated August, 2017	Allocated August, 2016	Over notified price	Allocated April-August, 2017	Allocated April-August, 2016	over notified price
CIL	-	-	-	0.35	-	20%

A policy on coal linkages allocation for Power Sector has been issued on 22.05.2017 with the approval of Cabinet Committee on Economic Affairs. Thereafter a meeting was convened to finalize the implementation strategy. As a follow up action, an IMC was constituted under Chairmanship of Additional Secretary (Coal) for formulating the methodology for auction of linkages to IPPs having PPA based on domestic coal and also for those having PPA based on imported coal. With the approval of Hon'ble MoS (IC) for Coal, the methodology for auction of linkages for IPPs having PPA based on domestic coal was issued on 12.06.2017. Standing Linkage Committee in its meeting held on 29.06.2017 & 21.08.2017 recommended coal linkages to 9 Central Government PSUs based on recommendation of Ministry of Power. Coal supply to Thermal power plants which were part of 68,000 MW has started, wherever the plants have been commissioned.

Action Plan and Progress on implementation of Power Sector linkage policy:

Sl. No.	Policy Guidelines	Status & Timeline
A(i)	To sign FSA with pending LoA holders.	Commissioning status received from CEA and has been sent to CIL.

		Letter issued to CIL on 25.08.2017 for taking necessary action with regard to signing of FSA of 4 power plants.
(ii)	Closure of pending applications for LoA.	Notice has been updated on MoC website and DAVP has published in the leading national dailies on 19.08.2017.
(iii)	Continuation of coal supply to 68,000 MW @75% of ACQ	Implemented
(iv)	Coal supply to 19,000 MW (out of 68,000 MW) which could not be commissioned by 31.03.2015	Implemented; coal supply started for commissioned plants.
(v)	Eligibility to draw coal for medium term PPAs	Implemented; Coal companies enabled to supply coal by policy letter dated 22.05.2017
B(i)	Linkages to State/Central PSUs	SLC (LT) on 29.06.2017 & 21.08.2017, recommended linkages to 9 cases of Central & State PSUs SLC (LT) enhanced capacity of 1 power plant in meeting held on 21.08.2017.
(ii)	Linkages for IPPs having PPA based on domestic coal	CIL obtained Board approval of the methodology on 19.07.2017  Auction process has started and shall be completed by 13 <sup>th</sup> September, 2017
(iii)	Linkages for IPPs without PPA	Auction process to start in September 2017.
(iv)	Earmarking Linkages to States for fresh PPAs	Policy guidelines to be framed by Ministry of Power
(v)	Earmarking of linkage for aggregated Power requirement of group of States	Methodology to be formulated by Ministry of Power
(vi)	Linkages to SPV for setting up of UMPP	Recommendation to be received from Ministry of Power
(vii)	Linkages to IPPs having PPA based on imported coal (without adversely impacting the coal availability to other domestic coal based plants)	IMC constituted for framing methodology  IMC meetings held on 07.07.2017, 26.07.2017 & 04.08.2017.

#### Performance of NLC India Limited in August, 2017.

S. No	Product & Unit	Target August, 2017	Actual August, 2017	Actual August, 2016	% variation of Actual with Target August, 2017	% variation of actual in August, 2016 compared to August, 2017
1.	Overburden (LM <sup>3</sup> )	148.45	148.05	168.84	-0.27	-12.31
2.	Lignite (LT)	26.50	24.40	20.67	-7.92	18.05
3.	Power Gross (MU)	1760.02	1606.94	1744.54	-8.70	-7.89
4.	Power Generation (MU)	1488.02	1345.69	1468.30	-9.57	-8.35

#### 2. Promotional and Detailed drilling

**Promotional Drilling:** In Annual Plan 2017-18, a target of 1.75 lakh meter of Promotional drilling (0.90 lakh meter in coal and 0.85 lakh meter in lignite) had been envisaged. As against this, the achievement of drilling up to the month of August, 2017 is 0.51 lakh meter, against the target of 0.56 lakh meter.

**Overall Progress of Detailed Drilling in 2017-18:** For 2017-18, a target of 12.50 lakh metre of drilling (Departmental: 4.75 lakh meter, Outsourcing: 7.75 lakh meter) has been envisaged. As against this, 5.48 lakh meter of drilling has been carried out up to the month of August, 2017 against the target of 4.16 lakh meter, which is 132% of the target and registering a growth of 49% over the same period last year.

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