

File No.23014/1/2017-CLD
Government of India
Ministry of Coal
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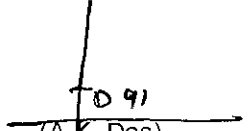
New Delhi, the 15th March, 2017

OFFICE MEMORANDUM

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power/Sponge/Cement Sector to review status of existing coal linkages/LoAs and other related matters – SLC/LT No. 1/2017.

In continuation of this Ministry's O.M. of even No. dated 15th March, 2017 on the above mentioned subject, the undersigned is directed to enclose herewith agenda items to be discussed in the above mentioned meeting. The project proponents whose cases are mentioned in the agenda may also attend the meeting, if they wish to represent their cases before the SLC(LT).

Encl: as above


(A.K. Das)

Under Secretary to the Govt. of India

To

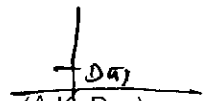
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|--|-----------------|
| 1. Additional Secretary, Ministry of Coal | Chairperson |
| 2. Principal Advisor (Energy), NITI Aayog, Yojana Bhawan New Delhi. | Member |
| 3. Joint Secretary (Coal), Ministry of Coal | Member |
| 4. Advisor (Projects), Ministry of Coal | Member |
| 5. Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi | Member |
| 6. Joint Secretary (Ports), Ministry of Shipping, Transport Bhawan, New Delhi | Member |
| 7. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi | Member |
| 8. Joint Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi | Member |
| 9. Executive Director, T. T. (F), Railway Board, Room No. 261, Rail Bhawan, New Delhi. | Member |
| 10. Chairman-cum-Managing Director, Coal India Limited. | Member |
| 11. Director (Marketing), Coal India Limited. | Member |
| 12. CMD's BCCL, CCL, ECL, MCL, NCL, SECL & WCL | Members |
| 13. Chairman-cum-Managing Director, Central Mine Planning & Design Instt Ltd., Gondwana Place, Kanke Road, Ranchi. | Member |
| 14. Chairman-cum-Managing Director, SCCL, P.O. Kothagudem Collieries, Distt. Khammam-507101 | Member |
| 15. Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi | Member |
| 16. Chairman, NTPC, Scope Complex, Lodhi Road, New Delhi-110003 | Member |
| 17. Joint Secretary (CA-III Section), Ministry of Coal | Special Invitee |

Copy to:

(i) Director (Technical), CIL ii) GM (S&M), CIL, Kolkata iii) CGM (CP), CIL, Kolkata iv) GM (S&M), CIL, Delhi.

Copy also to:-1. PS to Minister of State (I/C) for Power, Coal, NRE and Mines 2. OSD to MoS (I/C) for Coal 3. PSO to Secretary (Coal) 4. PPS to Additional Secretary (Coal) 5. PPS to Joint Secretary (RKS), 6. PPS to Joint Secretary (RPG), 7. PPS to Joint Secretary (VB).

Copy to NIC, M/o Coal with a request to place it on the Website of this Ministry for information of all concerned.


(A.K. Das)

Under Secretary to the Govt. of India

No. 23014/1/2017-CPD
Government of India
Ministry of Coal

New Delhi, Dated March, 2017

Agenda for the meeting of the Standing Linkage Committee (Long Term) for Power to be held on 29th March, 2017.

A meeting of the Standing Linkage Committee (Long Term) for Power will be held on 29.03.2017 under the Chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries in pursuance of the recommendations of the Committee and other related matters. The agenda shall be as follows:

Agenda	Brief description of the Agenda item
Agenda Item No. 1 Confirmation of Minutes of the SLC (LT) meeting held on 01.09.2016	Confirmation of Minutes of the SLC (LT) meeting held on 01.09.2016.
Power	
Agenda Item No.2 Review of ACQ of Ramagundam-III TPP of NTPC	<p>The matter of review of ACQ of Ramagundam-III TPP of NTPC was also discussed in SLC(LT) meeting held on 01.09.2016. The SLC(LT) recommended that the matter would be examined on file.</p> <p>The SLC (LT) vide its order dated 02.09.1999 had accorded linkage of 2.5 MTPA from SECL (Korba) to Ramagundam, Stage-III (500 MW) power plant. However, during the time of signing of FSA, the ACQ was set as 1.0 MTPA. Ramagundam TPP is a pre-2009 plant where the supplies are being made at 90% of ACQ as per the CCEA decision of 21.06.2013. The ACQ of the pre-2009 plants were fixed as per the communication received from CEA.</p> <p>MoP vide its O.M. dated 26.10.2016 stated that the matter has been examined in consultation with CEA. MoP had stated that a meeting was held on 08.04.2009 under the chairmanship of Chairperson, CEA on the issues related to FSA. In the meeting, based on the proposal of NTPC, ACQ for Ramagundam-III was fixed at 2.5 MTPA. However, CIL agreed to supply beyond 2007-08 level on best effort basis. The supply from CIL sources to this unit was about 0.68 MT during 2007-08. Subsequently, FSA was signed</p>

	<p>on 26.07.2011 and 15.07.2011 with MCL and SECL respectively for a quantity of 1.0 MTPA (0.5 MTPA each from MCL and SECL) instead of 2.5 MTPA as finalized in the meeting held on 08.04.2009 and accorded by SLC (LT) in its order dated 02.09.1999. The reason for less allocation, as cited by CIL, was that there were problems in supplying coal due to logistic constraints and also due to negative balance coal scenario of the subsidiaries prevailing at that time. Subsequently, as per recommendations of the new IMTF in their report dated 02.02.2015 on rationalization of coal sources, the linked source of Ramagundam-III (500MW) has been transferred from MCL & SECL to SCCL. MoP had indicated that this would now eliminate the logistic issues in supply of coal. With the enhanced availability of domestic coal, the coal supply scenario has now become comfortable and enhancement in ACQ of the plant may be considered. MoP has requested Ministry of Coal to consider increasing ACQ of Ramagundam-III to 2.5 MT as finalized in the meeting held in CEA on 08.04.2009 and approved by SLC (LT) in its order dated 02.09.1999.</p> <p>SLC(LT) to take a view in the matter.</p>
<p>Agenda Item No.3</p> <p>Transfer of coal linkage to Vindhyachal and Katwa from Badarpur TPP</p>	<p>A request was received from NTPC for supply of coal a/c its Badarpur TPS (BTPS) to Vindhyachal V (Unit 13) under the new policy of "Flexible utilization of Domestic coal" and it was sent to MoP for their comments. MoP examined the request of NTPC in consultation with CEA and indicated that as per the methodology for flexible utilization of domestic coal by reducing the cost of power generation, domestic coal can be used in the optimal manner in different stations of the Central state generating companies. MoP indicated that NTPC may be allowed to utilize coal in optimal manner from the overall ACQ clubbed to their generating stations as per the scheme including diversion of coal about 2.2 MT from Badarpur TPS to Vindhyachal-V.</p> <p>Clarifications received from MoP were sent to CIL for taking necessary action. CIL further sought certain clarifications on the following issues:</p> <ul style="list-style-type: none"> (i) Whether TPPs of State/Central Gencos not having FSA with CIL sources would be included in the coal supply matrix. Such TPPs may be new one or having erstwhile tapering linkage. (ii) Whether TPPs having Bridge Linkage would be included in the supply matrix Aggregated Annual Contracted Quantity (AACQ) since the price applicable for supply of coal under bridge linkage is 10 % over and above the notified price (except for WCL coal and coal of G1 to G5 for all subsidiaries).

	<p>The issue related to request of NTPC for utilization of coal a/c NTPC Badarpur TPS to Vindhyachal-V (Unit 13) was deliberated in the SLC (LT) meeting held on 01.09.2016 wherein SLC (LT) considered the matter and was of the opinion that the request would be examined in receipt of views/recommendations of MoP. Clarification on the issues raised by CIL was required from MoP. Comments of MoP are awaited.</p> <p>NTPC meanwhile requested to MoP, (with a copy endorsed to MoC), for transfer of coal linkage of BTPS (705 MW) Delhi to proposed Super Critical Power Project KATWA (2 x 660 MW) at West Bengal as per the policy for automatic transfer of coal linkage on closure of the plant and as decided by SLC(LT) in its meeting held on 21.6.2016. MoP's comments were sought in this regard and they have request to consider the request of NTPC as per the policy for automatic transfer of coal linkage.</p> <p>SLC(LT) to take a view in the matter.</p>
<p>Agenda Item No.4</p> <p>Transfer of existing coal linkage of 4 units of 110 MW each Panipat Thermal Power Station (PTPS) to proposed 1x800 MW supercritical unit at PTPS</p>	<p>At present PTPS is having pre-2009 FSA for 6.600 MTPA of coal for a capacity of 1360 MW. As 1 to 4 unit of 110 MW each is being retired, therefore the pro-rata quantity of the retiring plants i.e. 2.315 MT (6.600/1360 x 440) is proposed to be allocated to 1x800 MW supercritical unit of PTPS under the policy of automatic transfer. One of the condition of this policy is that transfer shall take place on commissioning of the new unit.</p> <p>SLC(LT) to take a view in the matter.</p>
<p>Agenda Item No.5</p> <p>Change of name of the company from M/s Indsil Energy & Electrochemicals Limited to M/s Indsil Energy & Electrochemicals Private Limited.</p>	<p>M/s Indsil Energy & Electrochemical Ltd. applied for long term coal linkage for its 11 MW CPP. SLC (LT) in its meeting held on 27.10.2004 approved long term coal linkage to the tune of 72,000 tpa from Raigarh coalfields of SECL. Ministry of Railways was agreed movement of coal from Raigarh coalfield.</p> <p>In this context a letter was received from INDSIL Energy and Electrochemicals Limited regarding correction in the name of Long Term Coal Linkage order. It has been mentioned that name of organization is mentioned as 'Indsil Energy and Electrochemical Limited' instead of Indsil Energy and Electrochemicals Limited. The last letter 's' in the word Electrochemicals has been omitted in the said order.</p>

Indsil requested MoC to issue a letter to the effect that the name of the company to be read as Indsil Energy and Electrochemicals Limited. MoC issued letter no. 23021/187/2004-CPD dated 21.05.2006 to Chief General Manager, CIL regarding long term coal linkage for 11 MW of M/s Indsil Energy and Electrochemicals Limited, Chhattisgarh and it has been mentioned that the name of the company may please be read as M/s Indsil Energy and Electrochemicals Limited instead of Indsil Energy and Electrochemical Limited.

SECL, vide their letter dated 17.01.2017, informed MoC regarding change in name of the company from Indsil Energy and Electrochemicals Limited to Indsil Energy and Electrochemicals Private Limited. It has been stated that aforesaid change in the name of the company does not involve change in its management, shareholding pattern, amalgamation, demerger, court order etc.

SLC(LT) to take a view in the matter.

New Delhi, Dated March, 2017

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Agenda	Brief description of the Agenda item
Agenda Item No.1 M/s J. K. Cement	M/s. JK Cement Ltd., vide its letter dated 06.06.2016 had indicated that their CPP at Village Bamania, Distt. Nimbahera, Rajasthan was commissioned in 1985-86 and has been in operation since then. The boilers have become technologically obsolete and have almost out lived their useful life. Maintaining safe and consistent operation has become very difficult. Availability of spares is also a major challenge. Further, the permission granted under sector 21[4] of the Air [Pollution & Control of Pollution] Act 1981 as 'Consent to Operate' prescribes particulate emission limit of only 100 mg/NM which is the same as for any modern CFBC/AFBC Boiler and does not take into consideration the old design and age of the boilers and therefore, it is increasingly becoming very difficult to achieve these parameters with such old and outdated units. The "consent" was valid upto 31.08.2015 and is yet to be renewed further. They have no option but to close down the present units of the CPP and replace them with modern and more efficient units. The company has brought to the notice of Ministry of Power and its administrative Ministry i.e. Ministry of Commerce & Industry, Deptt. of Industrial Policy & Promotion to close the CPP and surrender the coal linkage. In view of the time required for dismantling these old units and erection of new ones in their place, they will not be able to use the coal linkage allocated to it by the SLC (LT) in its meeting held on 20.03.2008, pursuant to which an FSA had been signed with SECL and WCL for supply of 39600 TPA each. The company has requested to accept the surrender of coal linkage and accordingly permit discontinuation of coal supply under the FSA and also advise WCL/SECL to accept the same without forfeiture of the Bank Guarantee.

GM (S&M), WCL intimated regarding request of M/s. J.K. Cement Ltd. for surrender of its Long Term Coal Linkage due to closure of the old, out dated units of CPP that presently WCL is having FSA with M/s. J.K. Cement Ltd. for its CPP plant located at J.K. Cement Works, Nimbahera, Shambhupura, Rajasthan for a quantity of 39,600 tonnes per annum. The FSA executed on 31.07.2008 is valid upto 31.07.2018. Further, as per present FSA provisions, premature termination of FSA attracts forfeiture of Security Deposit. WCL has requested for further advise of MoC in the matter.

GM (S&M), WCL has been requested to obtain documents/information in this regard from the State Government and bring the same for placing it before the SLC (L-T) meeting.

It has proposed that the proposal of the company for surrender of linkage and BG forfeiture be referred to the SLC (LT) for decision.

SLC(LT) to take a view in the matter.

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