

Most Immediate

F. No. 23011/138/2012-CPD (Vol-III)  
Government of India  
Ministry of Coal

New Delhi, Dated the 16<sup>th</sup> January, 2014

To

The Chairman & Managing Director  
Coal India Limited.  
Kolkata,

**Sub: Supply of coal to Thermal Power Plants (TPPs) with tapering linkages beyond the tapering period of three years after the normative date of production-reg.**

Sir,

I am directed to refer to the Presidential Directive issued vide Ministry of Coal's letter No. 23011/138/2012- CPD (Vol. III) dated 17.07.2013 conveying the decision dated 21.06.2013 of the Cabinet Committee on Economic Affairs (CCEA) which inter-alia approved coal supplies to Thermal Power Plants (TPPs) with a capacity of 78,000 MW commissioned / to be commissioned during the period from 01.03.2009 to 31.03.2015. Domestic coal quantities were decided at 65%, 65%, 67% and 75% during the remaining four years of 12<sup>th</sup> Plan. To meet the balance obligations, Coal India Ltd. (CIL) is to import coal and supply to willing TPPs. The TPPs can also import coal themselves.

2 There were 24 TPPs / units with tapering linkages within the said 78,000 MW capacity. Only the quantities admissible under the Tapering Linkage Policy were approved for such plants. Subsequently, requests were received from developers and recommended by the MoP that some of the TPPs with tapering linkages could not develop their linked coal blocks as per the prescribed schedule for reasons beyond their control and therefore, coal supplies for such plants should continue. In case of 9 units out of these 24 units, development of coal block was delayed due to the 'Go-No-Go' Policy of the Ministry of Environment & Forests. Since these 9 projects were covered within the identified 78,000 MW projects approved by CCEA on 21.06.2013 and formed a distinct category as they were affected by the Government policy introduced subsequent to the allocation of the coal blocks Government have examined the request of these units in detail and have decided as follows:-

- (i) The power projects with tapering linkage, as indicated in the Annexure, coal blocks of which were affected due to 'no-go policy' and which are included in the list of power projects of 78,000 MW capacity approved by the CCEA on 21.06.2013, be allowed coal supplies subject to maximum approved percentage of domestic quantity as indicated in the Presidential Directive dated 17.07.2013 for a period upto 30.09.2016 or till such time the production actually starts from the blocks, whichever is earlier. For this, FSA shall be entered into with these 9 units. 'Go-no-Go' policy was in force till 31.08.2012. In the cases which came out of this 'no-go imposition' earlier than this date, the time upto 30.09.2016 will be

curtailed accordingly in those cases. Tapering of coal quantities under the 'tapering linkage policy' will commence thereafter. The Committee further decided that FSA conditions for these 9 projects will be reviewed at an interval of six months beginning March 2015 and that FSA conditions for these projects could be revised, if required.

(ii) No further extension in the above arrangement shall be granted beyond three years. However, in exceptional circumstances of a case, extension may be considered after appraisal by an expert committee on the technical and operational aspects of the development of the linked coal blocks and depending upon the domestic coal availability.

3. The above dispensation will not, in any manner, alter the terms of allotment or the normative date of production as determined by the Coal Controller. Further, this will be subject to the outcome of any showcase notice issued in pursuance of the recommendations of the Inter-Ministerial Group (IMG) set up to monitor the progress of development of captive coal blocks.

4. You are accordingly requested to take necessary action for implementing the decision of CCEA for signing of FSAs and send an action taken report immediately thereafter.

**Encls: As above**

Yours faithfully



(S. Ashraf)

Deputy Secretary to the Government of India

Copy to: Ministry of Power, Shram Shakti Bhawan, New Delhi

✓ Copy also to: Dir (NIC) - Pl. upload this letter on the MoC Website.



**Annexure**

<b>List of Projects with Tapering Linkage where coal blocks were affected by No go Policy</b>							
<b>Sl. No.</b>	<b>Name of the block</b>	<b>Date of allocation</b>	<b>Name of the allocattee</b>	<b>Project name</b>	<b>Developer</b>	<b>Linked capacity (MW)</b>	<b>Commissioning schedule</b>
1	Rampia & Dipside of Rampia	17.01.2008	Sterlite Energy Ltd. (IPP)	Jharsuguda U-3	Sterlite	400	Commissioned
2	Rampia & Dipside of Rampia	17.01.2008	Sterlite Energy Ltd. (IPP)	Jharsuguda U-4	Sterlite	600	Commissioned
3	Parsa	02.08.2006	Chhattisgarh State Electricity Board (CSEB)	Marwa U-1	CSPGCL	500	2013-14
4	Parsa	02.08.2006	Chhattisgarh State Electricity Board (CSEB)	Marwa U-2	CSPGCL	500	2013-14
5	Rampia & Dipside of Rampia	17.01.2008	GMR Energy Ltd. (IPP)	Kamalanga U-2	GMR	200	2013-14
6	Rampia & Dipside of Rampia	17.01.2008	GMR Energy Ltd. (IPP)	Kamalanga U-3	GMR	350	2013-14
7	Morga-II	02.08.2006	Gujarat Mineral Development Corpn. Ltd. (GMDCL)	KSK Mahanadi U-1	KSK Energy	600	2013-14
8	Morga-II	02.08.2006	Gujarat Mineral Development Corpn. Ltd. (GMDCL)	KSK Mahanadi U-2	KSK Energy	600	2014-15
9	Morga-II	02.08.2006	Gujarat Mineral Development Corpn. Ltd. (GMDCL)	KSK Mahanadi U-3	KSK Energy	600	2014-15