

MOST IMMEDIATE

No. 23011/79/2014-CPD
Government of India
Ministry of Coal

New Delhi, the 2nd February, 2015.

To

- | | |
|--|---|
| 1. Chairman
Coal India Limited,
10-Netaji Subhas Road,
Kolkata. | 2. Chairman/Mng.-Director,
Singareni Collieries Company Ltd.,
Kothagudam Collieries P.O.,
Distt. Khammam,
Teleangana. |
|--|---|

Subject: Report of the new Inter-Ministerial Task Force (IMTF) on Rationalization of sources of Coal to Power Sector.

I am directed to forward herewith a copy of the report of the new Inter-Ministerial Task Force (IMTF) on Rationalization of sources of Coal to Power Sector.

2. The report of the IMTF has been accepted by the Competent Authority.
3. CIL and SCCL are requested to take necessary follow up action for implementation of Stage 1 recommendation of the report with immediate effect. A status report on the action taken may be intimated to this Ministry within 15 days from the date of receipt of this letter.

Encls. As above.

Pg-4-2
2.2.2015
(Pilli Ravi Kumar)

Under Secretary to the Govt. of India.

Copy to:

1. Ministry of Power (Ms Jyoti Arora, Joint Secretary), Shram Shakti Bhawan, New Delhi.
2. Ministry of Steel (Shri S. Abbasi, Joint Secretary), Udyog Bhawan, New Delhi.
3. Ministry of Shipping Transport Bhawan, (Shri Anant K. Saran, Director (Ports)), Parliament Street, New Delhi.
4. Department of Industrial Policy & Promotion (Ms Gauri Karol, Director), Udyog Bhawan, New Delhi.
5. Ministry of Railway (Shri H.S. Bajwa, Director TT (G)), Rail Bhawan, New Delhi.
6. Chairman, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi.

7. Shri B.K. Saxena, Director (Mktg.), Coal India Ltd., 15, Park Street, Kolkata.
8. Shri G.K. Vashisht, General Manager (S&M), Coal India Ltd., SCOPE Minar, Laxmi Nagar, Delhi.
9. Chairman, NTPC, SCOPE Complex, Lodhi Road, New Delhi.
10. Shri B. Nagya, ED (Coal Movement), SCCL, Kothagudam Collieries P.O., Dist Khammam, Telangana.
11. CMDs of all subsidiary of coal companies of CIL.
12. KPMG Team, Kolkata / Mumbai.

19-4-2015

(Pillai Ravi Kumar)

Under Secretary to the Govt. of India.

Copy also to :-

- i) PPS to Joint Secretary (SKS)
- ii) PS to Director (CPD)
- iii) Technical Director, NIC Cell, Ministry of Coal with the request to upload it on the Website of the Ministry for information of all concerned.

REPORT OF THE NEW INTER MINISTERIAL TASK FORCE
ON RATIONALIZATION OF SOURCES OF COAL TO POWER SECTOR

I. Background

1. Ministry of Coal vide Office Memorandum No. 23011/107/2009-CPD(Vol.II) dated 13th June 2014 constituted a new 'Inter Ministerial Task Force' to undertake a comprehensive review of existing sources of coal and consider the feasibility for rationalization of these sources with a view to optimize transportation cost and materialization under the given technical constraints. The Task Force was mandated to consider all cases in Power, Cement & Steel / Sponge Iron sectors where the consumers are already getting coal.
2. CIL engaged an external consultant to assist the above Task Force in mathematical modelling, Operations Research, optimization exercise etc. The consultancy was awarded to KPMG Advisory Services Private Ltd. vide letter no. CIL/S&M/Linkage Rationalization KPMG/286 dated 7th July, 2014. During the first meeting of KPMG with IMTF, it was agreed that current exercise will be limited to Power utilities to start with, as no new linkages had been assigned to other sectors after these were rationalized by the earlier Inter ministerial Task Force which presented its report in 2011.
3. The current Inter Ministerial Task Force held several meetings, with representatives from Ministry of Coal, Power, Railways, Steel, Shipping, DIPP, CEA, NTPC, CIL, SCCL, Subsidiary coal companies, and KPMG.
4. KPMG held meetings with various stakeholders regarding inputs for the model where several assumptions were agreed upon. Objective of the mathematical modelling methodology was to minimize landed cost and optimize

materialisation. Since the total cost of all the coal remains the same, this ultimately translated into minimization of transportation cost.

II. KPMG Report

1. Assumptions

The following assumptions were considered by KPMG while undertaking this exercise:

- i. The linkage rationalization exercise included CIL and SCCL linked TPPs only.
- ii. 5.2 MMTPA Coal @ 4000 Kcal/kg GCV was required per 1000 MW at 90% PLF. Coal requirement for each TPP was calculated based on this assumption.
- iii. Desired PLF for each plant was taken as given by CEA.
- iv. The average desired PLF of power plants as provided by CEA for the study was around 83% whereas average PLF for the country has been around 68% to 72%. The domestic production of coal falls short of meeting this desired PLF and thus for some power plants blending up-to 50% with imported coal was required.
- v. A coastal TPP was defined as a TPP which is within 400 kms of a port where currently coal is being imported.
- vi. While framing the model, MoEF stipulations were incorporated for transporting coal with ash content higher than 34%.
- vii. For the year 2014-15, distance less than 750 Km was considered
- viii. Domestic high grade coal, G1 to G5 band, was treated at par with imported coal so far as blending is considered
- ix. Supply arrangements through non-rail movement was not considered. Tenughat, Purī, Ramagundem B, Kakatiya, Koradi, Khaparkheda were thus excluded.
- x. If a coastal TPP was also a pithead TPP, it was treated as a pithead TPP

- xi. Where port capacity was not available, it was assumed based on port wise imported coal handling capacity data of 2012-13
- xii. Exclusions included supplies through linked washery, tapering linkages, captive mode of transportation, cost plus TPP of WCL. Together it meant exclusion of 50 MMTPA.
- xiii. The test results conducted by BHEL showed that 30% blending can be accepted. For higher blending levels such as 50% to 100% blending, technical changes needed to be done which will result in plant shut down for about 3 months. If in future, domestic production increases, that may limit need for use of imported coal, then the same technical changes can be reversed.
- xiv. 4.14 MMTPA of coal was excluded from CCL for supply to Lehra Mohabbat, Bhatinda and Ropar TPPs through Monnet Washery
- xv. Average GCV of imported coal was considered as 5800 Kcal/kg
- xvi. The PLF of the TPPs were given by CEA
- xvii. The cost of coal transportation per km per tonne was taken as Rs. 0.4 by sea route
- xviii. While considering railway capacity constraints, peak supply of coal production by CIL and SCCL was taken. It was agreed that this could be achieved by factoring 28/25 ratio to annual domestic coal supply to arrive at peak supply. The total peak supply had to be less than or equal to the peak capacity at railway nodes
- xix. Rake capacity was considered as 3850 metric tonne. Irrespective of whether the type of wagon is BOXN or BOBR
- xx. In near future, FY 2015, CIL was expected to crush and supply coal. Thus, the limitation of BOXN and BOBR wagon constraint may not remain in future on the loading side. It was decided that such constraints should not to be included in the model

2. Key points

Key points as per Report of KPMG for Linkage rationalization are as follows:

- i. 114 TPPs were considered for the purpose of rationalization, rest were excluded as agreed, based on cost-plus arrangement, tapering, and captive modes of transportation
- ii. The 114 TPPs were classified as Pitheads (23), Hinterland (61), Coastal (23) and Intermodal (7)
- iii. 8 CIL subsidiaries and SCCL were considered as source for domestic coal and 17 ports were considered as source for imported coal
- iv. If plants were to run at desired PLF, post-rationalization, it is observed that there would be a drop in imported coal (~20%) travelling to hinterland TPPs and a rise in imported coal (~25%) travelling to coastal TPPs
- v. The domestic supply of coal was not sufficient to meet the desired PLFs of TPPs. Thus a maximum blending ratio for TPPs other than pitheads was found to be around 50%.
- vi. In a scenario where blending is limited to ~30% of imported coal, the savings were reduced by approximately INR 1000 crores and the average PLF is around 77%
- vii. No imported coal is received by any pithead plant in the model run
- viii. The test results showed that 30% blending can be easily accepted. For higher blending limits of 50% to 100% blending, technical changes need to be done which will result in plant shut down for 3 months. If in future, domestic production increases, and blending ratios fall back to lower levels, then the same technical changes can be reversed. Expected time for reversing the changes can be assumed to be about 3 months.
- ix. The model considered domestic high grade coal at par with imported coal so far as blending is concerned. However given the availability of domestic low grade coal and the total demand for coal, up to 47% blending for non-pithead TPPs was observed and no blending for pithead TPPs except for

Farakka and Kahalgaon (25% each of high grade domestic coal) was observed.

3. Outcome

The Outcome of the KPMG Report is summarised as follows:

- i. This exercise involved optimising the allocation of coal linkages to different power plants in India with the objective of saving coal transportation costs. The exercise also covered swapping of imported coal supply with linkage coal supply to save transportation costs.
- ii. Total saving in transportation cost as a result of rationalisation of linkages, if all the steps are implemented, is likely to be in the range of INR 4,500 crores – INR 6,000 crores annually.
- iii. KPMG recommended implementation of the exercise in two parts. Part 1 comprises quick wins amounting to INR 2,200 to INR 2,700 crores if swaps regarding some relatively easy to implement arrangements are implemented. Part 2 comprises the balance.
- iv. A total of 114 TPPs were considered for the rationalization exercise. After rationalization, there are savings in transportation cost for 94 TPPs (power plants). The remaining 20 TPPs are adversely affected.
- v. Average transportation distance reduces from 597 km. to 416 km. per tonne of domestic coal as a result of the rationalization.
- vi. Blending ratio (imported coal to total coal) for TPPs, other than pithead plants, will reach a maximum value of 50% in some cases.
- vii. No imported coal is received by any pithead plant after the rationalization is done.
- viii. If plants were to run at target PLF (as given by CEA), post-rationalization, it is observed that there is a drop in imported coal (~20%) travelling to hinterland TPPs and a rise in imported coal (~25%) travelling to coastal TPPs.

- ix. Implementation requires the following key measures to be taken:
- a. A commercial framework to compensate certain plants which are adversely affected by the optimization.
 - b. Regulatory changes in tariff determination to accommodate the transactions
 - c. Appropriate pricing changes in domestic coal to reflect the GCV-Price relationship would aid the process. Currently, higher grades of coal are priced substantially higher than lower grades.
 - d. Changes in certain boilers to accommodate higher levels of imported coal. The affected plants and their customers will need to be compensated for the shutdown period.
 - e. An Implementation Office supported by a focused Program Management Unit (PMU) needs to be set up to implement these changes. A full time Director level official is needed at the Implementation office and an estimated 10 persons at the PMU will be needed.
- x. The savings calculated are at target PLF levels (given by CEA). This is an average of 83%. In recent years, the average PLF has been in the range of 68%-72%. Savings will be lower for lower PLFs as volume of coal transported reduces.
- xi. The rationalisation exercise was done considering a baseline of trigger levels of committed supply against ACQ under the FSAs for linkage coal. The output is thus a recommendation on reallocation against original entitlements and not against actual materialisation of coal. The benefit range could vary if actual materialisation is considered.
- xii. In the rationalisation exercise, contractual barriers were not considered as constraints. Further, the reallocation has been done considering the coal required at target PLF for each plant. For some plants, the coal linkages are not adequate to meet target PLF. This factor was not considered as a constraint, and as such, the plant may receive more linkage coal post

rationalisation, since this exercise was not premised on contractual constraints.

- xiii. Total number of TPPs for rationalization were 114, out of these 94 TPPs have been positively affected (that is the distance travelled by coal to these power plant is decreased) and there is saving in transportation cost. Rest 20 TPPs have been adversely affected.
- xiv. Average distance travelled by each tonne of coal before rationalization was found to be 597 km which will get reduced to 416 km post rationalisation. There is a sharp fall in the number of TPPs getting coal from distances greater than 750 Km accompanied by a rise in the number of TPPs getting coal from distances between 500-700 Km
- xv. Post rationalization average distance travelled per tonne of coal for CCL, MCL, SECL, ECL, SCCL will decrease and for BCCL, WCL & NCL it will increase.
- xvi. The pre – rationalization table shows minimum commitment levels by coal companies to TPPs based on existing contractual obligations. Imports were calculated assuming additional imported coal to meet desired PLF targets. The Actual Imports are for FY13-14.

Pre-rationalisation	ECL	MCL	BCCL	CCL	NEC	NCL	SCCL	SECL	WCL	Actual Imports	Imports
Hinterland	10.2	36.4	13.1	30.8	0.0	7.8	5.5	45.7	10.7	15.2	47.8
Intermodal	1.3	24.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.0	14.4
Coastal	2.6	21.0	3.1	1.3	0.0	0.0	3.9	19.8	4.2	4.8	20.3
Pithead	15.4	22.2	3.3	4.8	0.2	44.3	16.1	36.4	7.1	9.3	21.0
Total	29.5	104.3	19.5	36.9	0.2	52.0	25.3	101.9	22.0	38.3	103.5

*Based on target PLF

- Actual imports are the coal quantities imported by TPPs for FY 13-14
- Imports reflect the coal quantities that the TPPs have to import to meet their coal requirements for operating at desired PLF.

- The quantities considered here are the minimum commitment levels on the basis of ACQ trigger level. The actual materialization may be different, in many cases lower than this.
- xvii. The post – rationalization table shows rationalized supplies from coal companies to TPPs based on energy requirements at desired PLF and production data for FY 14-15.

Post rationalisation	ECL	MCL	BCCL	CCL	NEC	NCL	SCCL	SECL	WCL	Imports
Hinterland	8.3	30.2	14.9	28.2	0.0	8.0	5.6	50.1	4.9	38.8
Intermodal	0.0	24.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.0
Coastal	3.2	14.8	5.9	0.1	0.0	4.6	5.5	1.2	6.5	25.5
Porthead	19.2	21.5	3.8	7.6	0.8	49.5	21.4	41.3	6.2	0.0
Total	30.8	91.1	24.7	35.9	0.8	62.1	32.5	92.6	17.5	79.8

The subsidiary wise total quantity pre and post rationalisation will not match because existing linkages have been calculated based on minimum commitment levels whereas rationalised linkages have been calculated basis requirement (PLFs) and actual coal production levels.

- xviii. The difference matrix was developed reflecting the change in quantity of domestic coal supplied to TPPs before and after rationalization.
- xix. It was suggested that the realization of overall benefit of INR 4500 – INR 6000 crores was not possible to implement in one single step as it would require massive alterations and consensus build-up of all the considered plants and other affected parties. Therefore a two-part approach was envisaged for step by step realization of the benefits.
- Part I: Swapping Arrangement between two parties (bi-lateral)
 - Part II: Cluster-wise Approach (multi-lateral)

- xx. Part I: Swapping Arrangement between two parties (bi-lateral) - This involves swaps between imported coal and domestic coal, as well as pure domestic coal swaps.

S.No	State	Participating Companies	Logistics Savings (In INR Crores/year)
1.	Tamil Nadu	TANGEDCO & NTPC	370
2.	Gujarat	GSECL & NTPC	720
3.	Maharashtra	Mahagenco, Indiabulls Power, Adani Power, NTPC, NSPCL	303
4.	Rajasthan	RRVUNL & NTPC	423
5.	Haryana	HPGCL, APCPL, DVC, Lanco Anpara	281
6.	Punjab	PSPCL, DVC, UPRVUNL	175
	Additional benefits once Ennore Port expansion is complete		-150
	Total (Crores/Year)		2,423

- xxi. Part II: Cluster-wise Approach (multi-lateral)

Optimization model of KPMG computed a final allocation matrix which depicts the optimized coal allocation matrix. After implementing the bilateral swaps in Part I of implementation, a stepwise approach could be followed to reach INR 4500 - 6000 Cr. Clusters could be identified which would result in net reduction of the residual amounts on a cumulative basis. At the end of the process, the residual amounts would be netted off.

III. Recommendations of the Task Force

The Task Force after reviewing the Final Report submitted by KPMG came to the conclusion that it would be pragmatic to implement the recommendations of KPMG as a part of step-by-step approach. As per KPMG Report, there is a change in linkage of as many as 114 TPPs and this may not be acceptable to many utilities due to unconventional movements. Changing linkages of such a large number of TPPs may lead to chaos in the system and supply chain uncertainties. It would be more practical to implement 'do-able' rationalisations which are simpler to understand and execute, with minimum complications in the first stage. Also, rationalisations where stakeholders have expressed broad agreements and acceptance would result in immediate savings in the short run. When the benefits of such exercise are visible for all to see, it is likely that more such utilities can be convinced for further rationalisations. Therefore, IMTF recommends the following three step approach:

A. Stage I – Implementable immediately

The Task Force recommends rationalization of existing sources on case to case basis for 19 TPPs, keeping in view the availability of coal at each coalfield, distance of TPPs from linked sources and constraints of Railway transportation. These rationalizations are achievable with little effort and can give savings immediately. The basic criteria on identification of these proposals was proximity of the plants to the sources of coal, availability of coal at different subsidiary companies, consent of the consumers for shifting of the sources, operational feasibility of the railway network, MOEF stipulations, etc. It was decided that, to start with, only public sector units would be proposed for rationalisation. This exercise would also result in decongestion of the railway network and improved materialization of coal at the thermal plants. The whole exercise may lead to savings in transportation costs of Rs.1000 crores approximately. An added benefit would be to offload MCL by approximately 15 million tonnes, which is overbooked with linkages.

The Task Force recommends for rationalization of Linkage sources for 19 power utilities by swapping linkage/ MOU coal between different coal companies to optimize distances and maximizing despatches of coal. Some of these recommendations are interlinked, hence can be implemented only if all concerned TPPs agree to it. Utility wise rationalisation for these 19 utilities is detailed below:

1 HPGCL

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
Panipat TPS 1360 MW Pre -NCDP	BCCL	3.350	3.350	3.350	
	CCL	2.290	2.950	2.950	(-)91.39
	NCL	0.100	-	-	(-)2.42
	WCL	0.860	0.300	0.300	91.39
	TOTAL	6.600	6.600	6.600	-2.42

2 RRVUNL

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
Kota TPS 1240MW Pre- NCDP &LOA Route	SECL	5.300	3.300	3.300	253.80
	NCL	1.650	3.650	3.650	(-)217.80
	TOTAL	6.950	6.950	6.950	36.00
Suratgarh TPS 1500MW Pre- NCDP &LOA Route	SECL	5.804	7.304	7.304	(-)280.95
	NCL	2.000	0.500	0.500	262.95
	TOTAL	7.804	7.804	7.804	(-)18.00
Total RRVUNL		14.754	14.754	14.754	18.00

3 GSECL

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
Gandhinagar TPS 870 MW Pre-NCDP	SECL	3.450	2.960	2.960	
	WCL	-	0.500	0.500	48.00
	TOTAL	3.460	3.460	3.460	3.460
Wanakbori TPS 1470 MW Pre-NCDP	SECL	8.520	7.820	7.820	-
	WCL	-	0.700	0.700	52.71
	TOTAL	8.520	8.520	8.520	8.520
Total GSECL		11.980	11.980	11.980	100.71

4 MAHAGENCO

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
Bhusawal TPS 1420 MW Pre-NCDP &LOA Route	WCL	2.800	2.800	2.800	-
	MCL	4.624	2.312	2.312	-
	TOTAL	7.424	7.424	7.424	7.424
Khaperkheda TPS 1340 MW Pre-NCDP &LOA Route	SECL	-	2.312	2.312	56.18
	MCL	5.382	3.882	3.882	117.75
	SECL	1.000	2.000	2.000	(-)66.10
	TOTAL	7.312	7.312	7.312	7.312
Parli TPS 1130 MW Pre-NCDP &LOA Route	WCL	2.500	3.704	3.528	-
	MCL	1.204	-	-	123.65
	SCCL	2.300	2.300	2.300	-
	TOTAL	6.004	6.004	6.828	6.828
Total MAHAGENCO		20.740	20.740	20.564	221.83

5 NTPC

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
Simahdri TPS 1980 MW Pre-NCDP &LOA Route	MCL	9.820	8.320	8.320	(-)39.25
	ECL	-	1.500	1.500	(-)33.35
	TOTAL	9.820	9.820	9.820	9.820

Ramagudam STPS TPS 2600 MW Pre-NCDP &LOA Route	SCCL	10.200	11.200	11.200	-
	MCL	0.500	-	-	54.75
	SECL	0.500	-	-	53.80
	TOTAL	11.200	11.200	11.200	108.55
Total NTPC		21.020	21.020	21.020	35.95

6 DVC

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
KodermaTPS 1000 MW LOA Route	MCL	2.620	-	-	-
	CCL	-	2.620	2.238	148.23
	BCCL	0.759	0.759	0.759	-
	ECL	0.706	0.706	0.706	-
	TOTAL	4.085	4.085	3.703	146.23
Durgapur Steel TPS 1000MW LOA Route	CCL	1.975	-	-	-
	MCL	-	1.302	1.413	45.91
	ECL	-	0.673	0.556	(-)10.73
	BCCL	1.756	1.756	1.756	-
	TOTAL	3.731	3.731	3.725	35.18
MEJIA TPS 2340 MW Pre-NCDP	BCCL	4.200	4.200	4.200	-
	ECL	0.300	0.900	0.900	(-)11.58
	MCL	1.100	0.500	0.500	35.94
	TOTAL	5.600	5.600	5.600	24.36
Total DVC		13.416	13.416	12.815	205.77

7 NTPC/HPGCL/IPGCL/JV

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
IGTPP 1500 MW LOA Route	MCL	3.907	3.302	3.302	113.32
	NCL	1.000	1.605	1.605	(-)69.50
	ECL	1.000	1.000	1.000	-
	TOTAL	5.907	5.907	5.802	43.82

8 DPL

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
DPLTPS 880 MW Pre-NCDP	ECL	0.300	0.300	0.300	-
	BCCL	0.500	1.000	1.000	-
	MCL	1.400	0.900	0.900	20.30
	TOTAL	2.200	2.200	2.200	20.30

9 TELENGANA PGCL

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
KothgudamTPS 1720 MW Pre-NCDP & LOA ROUTE	SCCL	5.900	8.212	8.212	276.75
	MCL	2.312	-	-	-
	TOTAL	8.212	8.212	8.212	276.75

10 WBPDC

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore) Profit/ Loss (-)
			Qty	Normative Qty	
BakreshwarTPS 1050 MW Pre-NCDP	BCCL	0.200	0.900	0.900	(-)13.51
	ECL	1.200	1.200	1.200	-
	MCL	3.210	2.510	2.510	46.27
	TOTAL	4.610	4.610	4.610	32.76
Kolaghat TPS 1260MW Pre-NCDP	BCCL	0.500	1.300	1.300	(-)33.36
	ECL	0.550	0.550	0.550	-
	MCL	4.210	3.410	3.41	47.92
	TOTAL	5.260	5.260	5.260	14.56
Total WBPDC		9.870	9.870	9.870	47.32

11 NTPC, Mouda

Power Station Capacity(MW) status	Source	Existing Linkage (MT)	Proposed Linkage		Provisional (Rs Crore)
			Qty	Normative Qty	Profit/ Loss (-)
Mouda(LoA route)	MCL	2.312	-		
	SECL	-	2.312	1.917	
	TOTAL	2.312	2.312	1.917	45.39

B. Stage II – Implementable in the short run

The Task Force recommends rationalization of six swap sets as a modification to the ones suggested by KPMG in the first phase and follow up with further possible swaps based on the experience gained out of the exercise. These shall be modelled on the GSECL, Gujarat and NTPC swap between imported and domestic coal. These swaps shall be confined to public sector units, to start with. These swaps are listed below:

S.N	State	Participating Companies
1.	Tamil Nadu	TANGEDCO & NTPC
2.	Gujarat	GSECL & NTPC
3.	Maharashtra	Mahagenco, NTPC & NSPCL
4.	Rajasthan	RRVUNL & NTPC
5.	Punjab and UP	PSPCL, DVC and UPRVUNL
6.	Haryana	HPGCL, DVC and APCLP

C. Stage III – To be Implemented over long run

After implementing the rationalisation in Stage I and swap sets in Stage II, a stepwise approach could be followed to achieve further rationalisation based on the final allocation matrix which was a result of the Optimization model of KPMG. Clusters could be identified which would result in net reduction of the overall costs, and can be effected with consent of the Gencos/States.


Shailesh Kumar Singh
Joint Secretary
Ministry of Coal