

IMMEDIATE

**No. CPD-23014/2/2021-CPD
Government of India
Ministry of Coal**

<<>>

Shastri Bhawan, New Delhi,
06 July , 2021

To

1. The Chairman-cum-Managing Director,
Coal India Limited, Coal Bhawan,
Premise No-04 MAR, Plot No-AF-III, Action Area-1A,
Newtown, Rajarhat, Kolkata - 700156

2. The Chairman-cum-Managing Director,
Singareni Collieries Company Limited,
18, Red Hills, Khairatabad PO, Hyderabad,
Telangana.

**Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector –
SLC (LT) No. 02/21**

Sir,

I am directed to forward herewith the Minutes of the Meeting of the SLC (LT) for Power Sector held on 19.05.2021 to consider the requests for coal linkages to Central / State Sector Power Plants and to review the status of existing coal linkages/ LoAs & other related matters.

2. The recommendation of the SLC (LT) in respect of Agenda Item No. 3 is under examination.

3. Recommendation of the SLC (LT) in respect of other Agenda Items has been approved by the Competent Authority. In the case of Agenda Item No. 2 i.e. Letter of Assurance (LoA) of SJVN Thermal Pvt. Ltd., since the time line recommended by the SLC (LT) for submission of the documents to CCL / CIL till 30.06.2021 is already over, the Competent Authority has also extended the time line for submission of the documents to CCL / CIL to one (1) month from the date of the issuance of this letter

Enclosure as above

Yours faithfully,


(Mukesh Choudhary)
Director

Copy to -

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, Coal, Railway Board, Room No. 261, Rail Bhawan, New Delhi	Member
10.	Director (Marketing), Coal India Limited.	Member
11.	CMD's BCCL, CCL, ECL, MCL, NCL, SECL & WCL	Members
12.	Chairman-cum-Managing Director, Central Mine Planning & Design Instt. Ltd., Gondwana Place, Kanke Road, Ranchi.	Member
13.	Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi	Member
14.	Chairman, NTPC, Scope Complex, Lodhi Road, New Delhi-110003	Member
15.	Nominated Authority, Ministry of Coal	
16.	Joint Secretary, (P&S), Ministry of Coal	

Copy to:

- (i) Coal Controller, Coal Controller Organization, Kolkata
- (ii) Director (Technical), CIL, Kolkata
- (iii) GM (S&M), CIL, Kolkata
- (iv) CGM (CP), CIL, Kolkata
- (v) GM (S&M), CIL, Delhi

Copy also to -

1. PS to Minister of Coal
2. PSO to Secretary (Coal)
3. PPS to Additional Secretary (Coal)
4. PS to JS (VT)
4. PS to Director (CPD)

(Handwritten signature)

Minutes of the Meeting of the Standing Linkage Committee (Long Term) [SLC (LT)] for Power Sector held on 19.05.2021 at 11.30 P.M through Video Conference - SLC (LT) No. 2/2021

List of participants is at the Annexure

Agenda Item No. 1: Confirmation of the Minutes of the Meeting of the SLC (LT) held on 04.02.2021

Record of Discussions: There were no comments from any member.

Recommendations: Minutes of the Meeting of the SLC (LT) held on 04.02.2021 are confirmed.

Agenda Item No. 2: Letter of Assurance (LoA) of SJVN Thermal Pvt. Ltd.

SJVN Limited (SJVNL), a CPSE, under the administrative control of Ministry of Power is setting up 1320 MW Buxar Thermal Power Project (BTPP) at Buxar, Bihar through a wholly owned subsidiary – SJVN Thermal Pvt. Ltd. (STPL) and the investment approval of Cabinet Committee on Economic Affairs (CCEA) was accorded for this project on 08.03.2019. The SLC (LT) of Ministry of Coal in its meeting held on 21.08.2017 had recommended long term coal linkage to 1320 MW BTPP of STPL from Coal India Limited (CIL) subject to the condition that the PP submits a clearance from Ministry of Coal that no coal block is allotted to it and all issues related to any coal blocks allocation are settled by the PP.

The Letter of Assurance (LoA) was issued by Central Coalfields Ltd. (CCL) vide its letter dated 10.12.2018 to STPL towards coal linkage of BTPP, wherein a total of 9 milestones were to be achieved within a period of 24 months from the date of LoA for signing of Fuel Supply Agreement (FSA). All the milestones, except the milestone which was with regard to the financial closure (FC) of the project, were completed well within the stipulated time. SJVNL has signed MoU with Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) on 26.11.2020 for debt funding of the project and achieved FC of the project. However, due to LoA requirement wherein the LoA clause required the final sanction letters, the completion of the 9th i.e. the last milestone was not considered as achieved by CCL. Subsequently, STPL vide letter dated 27.01.2021 has submitted the intimation of loan sanction issued by PFC and REC in favour of BTPP to CCL and informed that the loan documentation process is underway with both the financial institutions. STPL envisages the FC documentation as required for consideration of the FC milestone as achieved to be complied by 31.03.2021.

CCEA approval was granted to the generating company with a condition to complete the project with no cost and time overrun.



Ministry of Power has requested vide O.M dated 08.03.2021 to condone the apparent delay in achievement of the FC and waive off the requirement of additional Commitment Guarantee. Ministry of Power has also requested to extend the validity of the LoA suitably so that the FSA for the project be signed.

Record of Discussions: It was discussed that long term coal linkage under B (i) of SHAKTI Policy has been granted to 1320 MW BTTP of STPL from CIL and STPL has not been able to achieve the last milestone with regard to financial closure (FC) within the stipulated time as per the LoA conditions for signing of FSA. Further, Ministry of Power has recommended to condone the delay in achievement of the FC, waive off the requirement of additional Commitment Guarantee and also to extend the validity of the LoA suitably so that the FSA for the project can be signed.

Project Proponent informed that the final loan sanction letter has been issued by PFC and REC in favour of BTTP and they have also entered into an agreement with a Bank's consortium on 16.03.2021. Project Proponent requested to extend the validity of the LoA as an agreement has been entered with the Bank's consortium and this is the last LoA condition, which was delayed due to the prevailing Covid Pandemic situation in the country. It was also stated that they have been waiting for an extension of the LoA, so that the final loan sanction letter & the agreement entered into with the Bank's consortium be intimated to CIL for signing of an FSA. CCL & CIL informed that the final letter of loan sanction as per the LoA conditions has not been deposited by the Project Proponent to CCL.

Ministry of Power recommended to condone the apparent delay in achievement of the FC, waiver of the requirement of additional Commitment Guarantee and extension of the validity of the LoA. It was also stated that the Project Proponent would have submitted the final loan sanction as an agreement has been entered with SBI consortium, however, the Project Proponent have been waiting for an extension of the LoA. Further, as per the LoA, the FC was to be achieved by December, 2020 and in view of the delay, Ministry of Power requests for an extension of the validity of the LoA till March, 2021.

Recommendations: Keeping in view of the request of the Project Proponent as well as the recommendation of Ministry of Power, SLC (LT) recommended to condone the delay in achievement of LoA condition of FC, extension of the validity of the LoA till 31st March, 2021 and submission of the documents to CCL/CIL till 30.06.2021 as well as waiver of the requirement of additional Commitment Guarantee.

Agenda Item No. 3: Bridge Linkage coal for Ghatampur TPP (3 x 660 MW)



NLCIL vide letter dated 23.01.2021 requested Bridge Linkage coal from NCL mines for Ghatampur TPP of Neyveli Uttar Pradesh power Limited (NUPPL) (3 x 660 MW).

Pachwara South coal block was allocated to NUPPL. Pre-project activities of Pachwara South OCP like Geological Exploration and Geological report approval, Site survey, Mining plan and Mine closure plan approval have been completed and the remaining activities like Socio Impact Assessment study, Environmental Impact Assessment, obtaining FC are in progress.

SLC (LT) in its meeting held on 18.11.2019 granted Bridge Linkage of 0.5 MT for 2020-21 for Ghatampur TPP (3 x 660 MW) and the balance requirement to be reviewed in 2020-21 after taking into account the inputs on development of coal block from the Project proponent and the NA.

As per the approved mining plan, coal production from Pachwara South OCP is expected to commence from 2023-24. Estimated coal production in 2023-24 is 1.68 MT. Coal requirement of the TPP for 2021-22, 2022-23 and 2023-24 is 2.33 MT, 7.92 MT and 8.35 MT. Additional coal requirement after supplying coal from Pachwara South OCP is 2.33 MT for 2021-22, 7.92 MT for 2022-23 and 6.67 MT (8.35 MT - 1.68 MT) for 2023-24.

NLCIL has requested to grant balance coal requirement of GTPP after supplying coal from Pachwara South OCP as Bridge Linkage from the nearest mines of NCL.

Record of Discussions: It was discussed that SLC (LT) in its meeting held on 18.11.2019 had granted Bridge Linkage of 0.5 MT for 2020-21 for Ghatampur TPP (3 x 660 MW) and the balance requirement to be reviewed in 2020-21 after taking into account the inputs on development of Pachwara South coal block from the Project proponent. It was also discussed that the coal production from Pachwara South coal block is expected to commence from 2023-24.

Project Proponent informed that the coal block would be operational as per the approved mining plan in 2023-24. However, certain clearances required from the State Government of Jharkhand have been impacted due to the lockdown conditions as a result of Covid Pandemic. In addition, notification under Section 11 (1) of the CBA Act would be issued shortly. It was stated that the project is progressing well. With regard to the power plants, it was informed that COD of Unit-I of Ghatampur TPP is expected in November, 2021. Further, COD for Unit-II and Unit-III is expected in April, 2022 & September, 2022 respectively. Project Proponent also stated that no other coal block is linked with Ghatampur TPP and requested to extend the Bridge Linkage upto 2023-24.



It was discussed that in the current financial year, coal would be required under Bridge Linkage for Unit-I and the requirement for all the three Units would commence from the next financial year i.e. 2022-23. Representative from Ministry of Power recommended for the extension of the bridge linkage of the plant.

Representative from P&S-I Section, Ministry of Coal informed that Geological Report and Mining Plan for the coal block have been approved and CMPDIL has been requested to calculate the upfront amount for the coal block. Mining Plan for the coal block was approved in 2020.

Representative from CMPDIL stated that the upfront amount for the coal block has been calculated and already sent to Ministry of Coal.

Recommendations: Based on the deliberations, SLC (LT) recommended extension of Bridge Linkage for the Ghatampur TPP (3 x 660 MW) of NUPPL upto 2023-24.

*** Recommendation of the SLC (LT) on the Agenda Item No. 3 is under examination.**

Additional Agenda Item No. 1: Extension of Bridge Linkage of PVUNL, Patratu (3 x 800 MW)

Ministry of Power vide O.M dated 17.05.2021 has stated that pursuant to take over from JUUNL (Jharkhand Urja Utpadan Nigam Limited), Patratu Super Thermal Power Project (3 x 800) is being established by PVUNL (Patratu Vidyut Utpadan Nigam Limited), a subsidiary of NTPC in JV with JBVNL (Jharkhand Bijli Vitran Nigam Limited). Ministry of Power has stated that Patratu Project is linked with Banhardih captive coal block which was formally allocated to JUUNL and on 02.06.2017, PVUNL signed deed of adherence with Ministry of Coal for transfer of coal block from JUUNL. Subsequently, based on the application of PVUNL for Bridge Linkage against the allocated coal block, SLC (LT) in the meeting held on 29.06.2017 recommended for grant of Bridge Linkage to PVUNL from Coal India Limited (CIL) for 3 years from the date of assignment of allotment agreement of the coal mine in favour of PVUNL. The Banhardih coal block was formally assigned in favour of PVUNL on 25.06.2018 and hence, the Bridge Linkage is valid upto 24.06.2021 (which is 3 years from 25.06.2018). Thereafter, MoU under the Bridge Linkage was signed with Central Coalfields Limited with validity upto 24.06.2021.

Ministry of Power has also stated that Patratu Project is presently under construction and its 1st unit is expected to be commissioned in 2022-23. However, production from Banhardih coal mine has got delayed (expected 2024-25), mainly attributed to late receipt of Geological Report (GR) of the mine from the previous allottee. It has been stated that GR was received from JUUNL on 27.07.2019 and subsequently, Mining Plan was submitted in the Ministry of Coal on 30.03.2020 for approval, which is presently under consideration of



the Ministry of Coal. NTPC has requested for extending the linkage for further period of three years for meeting the coal requirement of Patratu plant after commissioning.

Ministry of Power has recommended the request of NTPC for consideration by SLC (LT).

Record of Discussions: It was discussed that SLC (LT) in its meeting held on 29.06.2017 recommended for grant of Bridge Linkage for Patratu Super Thermal Power Project (3 x 800) of PVUNL from CIL for 3 years from the date of assignment of allotment agreement of the coal mine in favour of PVUNL. The Banhardih coal block was formally assigned in favour of PVUNL on 25.06.2018 and hence, the Bridge Linkage given is valid upto 24.06.2021 (which is 3 years from 25.06.2018). Further, the Banhardih coal block is expected to commence production in 2024-25. Extension of Bridge Linkage has been recommended by Ministry of Power for further period of three years.

Project Proponent informed that as per the revised Mining Plan, which is submitted for the approval of Ministry of Coal, the coal production from Banhardih coal block would start from 2024-25 and the Peak Rated Capacity of 12 MT would be achieved in 2030-31. Further, the three Units of Patratu Super Thermal Power Project would be operational in November, 2023, May, 2024 & November, 2024 respectively.

Ministry of Power stated that they have already recommended for an extension of Bridge Linkage and should be considered.

Representative from O/o the Nominated Authority informed that the Mining Plan submitted by the Project Proponent is presently under consideration of Ministry of Coal and the facts mentioned by NTPC are correct as per their records.

Nominated Authority recommended for an extension of the Bridge Linkage but with the caveat that as and when the coal block is operational, the linkage quantity be reduced.

Recommendations: Based on the deliberations and the recommendation of Ministry of Power, SLC (LT) recommended to extend the Bridge Linkage for Patratu Super Thermal Power Project (3 x 800) of PVUNL for a further period of three years beyond 24.06.2021 with the caveat that as and when the coal block is operational, the linkage quantity be reduced.

Additional Agenda Item No. 2 : Transfer of part coal linkage of Solapur (2 x 660 MW) from MCL

Mwendy

(Mahanadi Coalfields Limited) / CIL to SCCL (Singareni Collieries Company Limited)

Ministry of Power vide O.M dated 17.05.2021 has stated that NTPC's Solapur station consisting of 2 x 660 MW super critical units, situated in South – Western part of Maharashtra is in commercial operation since September, 2017 / March, 2019. The plant has been allocated long term coal linkage from MCL for quantity 5.093 Million Tonne Per Annum (MTPA). However, since inception, the station is heavily deprived of generation schedules due to its very high Energy Charge Rate (ECR) with coal sourced from MCL (located at a distance more than 1500 KMs). To bring down the ECR, NTPC has approached CIL for shifting of coal linkage to Western Coalfields Limited (WCL) (at notified price) / South Eastern Coalfields Limited (SECL) under source rationalization policy. However, this has not been materialized so far.

Ministry of Power has stated that Solapur plant is distantly located from different pitheads of the country, nearest source being SCCL and WCL at distance of around 600 KMs and 800 KMs respectively. In order to ensure scheduling of power in merit order with competitive ECR and operate the plant, NTPC has been sourcing coal from SCCL specific sources under MoU and WCL specific sources under Flexible utilization of domestic coal policy.

Ministry of Power has also stated that SCCL vide its letter dated 07.09.2020 / 06.02.2021 to NTPC have informed its interest to supply coal under long term coal linkage to Solapur, while citing excess coal availability at its mines. SCCL being nearest coal source to Solapur station, the coal linkage offered by SCCL will be cheaper in terms of landed price of coal and thus the station shall have better prospects to operate with sustained generation schedule. Thus, a need is felt for shifting of 50% of the existing linkage quantity from MCL / CIL to SCCL (retaining half with CIL for flexibility in coal supplies). NTPC has requested for shifting of 50% of existing coal linkage of Solapur plant with MCL / CIL to SCCL, alongwith unconditional release of Security Deposit / Guarantee.

Ministry of Power has recommended the request of NTPC for consideration by SLC (LT).

Record of Discussions: It was discussed that NTPC has requested for shifting of 50% of the existing linkage quantity NTPC's Solapur station (2 x 660 MW) super critical units from MCL / CIL to SCCL (retaining half with CIL for flexibility in coal supplies), alongwith unconditional release of Security Deposit / Guarantee as this would reduce the landed price of coal and also bring down the ECR.

Project Proponent stated that it is a case of rationalization of coal linkage. Presently, the coal linkage quantity for both the units of Solapur Station (2 x 660 MW) is 2.54 MT each. However, they are not sourcing coal from MCL and in case the coal is sourced from MCL, the ECR is 44 Paise/unit and they won't be able to come

M. Mondy

under Merit Order Dispatch (MOD). It was also stated that Unit-II is not operational. Project Proponent requested that in order to reduce the ECR and to come under MOD, linkage may be shifted from MCL to SCCL. Project Proponent also stated that the matter of unconditional release of Bank Guarantee is withdrawn by it.

SCCL stated that 70% of the coal requirement of Unit I was supplied by SCCL in the last year and if linkage is granted on to SCCL, they are ready to supply coal in view of coal availability with them. CIL stated that if NTPC has a better deal from SCCL, they have no objection if the linkage is shifted to SCCL and NTPC can go ahead. It was discussed that NTPC has requested for shifting of 50% of existing linkage quantity, hence, entire linkage of Unit-II be shifted to SCCL. Project Proponent confirmed to this.

Ministry of Power stated that the request of NTPC has already been recommended by it and since, SCCL has agreed to supply coal, the request of NTPC should be considered.

Recommendations: In view of the deliberations, recommendation of Ministry of Power and that CIL & SCCL has agreed to it, SLC(LT) recommended for shifting of existing linkage quantity of Unit-II of NTPC's Solapur Station from MCL/CIL to SCCL.

Monally

List of Participants

Ministry of Coal

1. Shri Vinod Kumar Tiwari, Additional Secretary [in the Chair]
2. Shri M. Nagaraju, Additional Secretary
3. Ms Vismita Tej, Joint Secretary (CPD)
4. Shri Mukesh Choudhary, Director (CPD)
5. Shri Ajitesh Kumar, Deputy Secretary (NA)
6. Shri Darshan Kumar Solanki, Deputy Secretary (P&S-I & P&S-II)

Ministry of Power

1. Shri Sanjeev Kumar Kassi, Chief Engineer
2. Shri Pawan Kumar Kalarwal, Director

NITI Aayog

1. Shri Jawahar Lal, S.E (Energy)

Ministry of Railways

1. Shri Subodh Kumar Singh, ATM/FM

Central Electricity Authority

1. Shri Naresh Anand, Member (Thermal)

Coal India Limited

1. Shri S N Tiwary, Director (Marketing)
2. Shri Tarak Roy, Chief Manager
3. Shri Rajesh Mishra, Chief Manager

Central Coalfields Limited

1. Shri Ajit Singh, Chief Manager



Eastern Coalfields Limited

1. Shri A K Batula, Chief Manager

Northern Coalfields Limited

1. Shri S K Marwa, Chief Manager

NTPC

1. Shri Ajay Singhal, AGM
2. Shri Yousuf Ameen, Sr. Manager

NLC India Limited

1. Shri Prabhakar Chowki, Director (Mines)

SJVN Thermal (P.) Limited

1. Shri Sanjeev Sood, Chief Executive Officer

