

IMMEDIATE

**No. CPD-23014/3/2021-CPD
Government of India
Ministry of Coal**

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*Shastri Bhawan, New Delhi
9th July, 2021*


OFFICE MEMORANDUM

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector – SLC/LT No. 3/2021

The undersigned is directed to say that the meeting of the Standing Linkage Committee (Long-Term) for Power Sector (SLC/LT No. 3/2021) to consider the requests for linkages to Central / State Sector Power Plants and to review the status of existing coal linkages/LoAs and other related matters is scheduled to be held on **19.07.2021** at **11.00 A.M.** The venue for the meeting is Coal India Limited, Scope Complex, 6th Floor, Core 6, Lodhi Road, New Delhi. Agenda items for discussion in the meeting are enclosed herewith.

2. The project proponent(s) whose cases are mentioned at Agenda Item No. 1 & 2 are requested to attend the meeting for presenting their views / represent their case (s) before the SLC (LT).

Encl. as above


(P. K Chanda)
Section Officer

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 SCCL, BCCL, CCL, ECL, MCL, NCL, SECL & WCL	Members
12	Chairman-cum-Managing Director, Central Mine Planning & Design Institute 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

Copy to:

- (i) Director (Technical), Coal India Limited, Kolkata
- (ii) Coal Controller, Coal Controller Organization, Kolkata – With the request to attend the meeting
- ii) GM (S&M), Coal India Limited, Kolkata
- iii) CGM (CP), Coal India Limited, Kolkata
- iv) GM (S&M), Coal India Limited, Delhi.

Copy also to:

- i. D.B Power (Madhya Pradesh) Limited, Mumbai
- ii. RattanIndia Power Limited, New Delhi
- iii. CMD, KPCL, Karantaka.

Copy for information to –

1. PSO to Secretary (Coal)
2. PPS to Additional Secretary (Coal)
3. PS to Joint Secretary (CPD)
4. PS to Director (CPD)
5. NIC, Ministry of Coal - with the request to place it in the website of Ministry of Coal for information of all concerned.

Agenda for the meeting of the Standing Linkage Committee (Long Term) [SLC(LT) No. 3/2021]

Sl. No.	Issue
<p>Agenda Item No. 1 Letter of Assurance of D.B Power (Madhya Pradesh) Limited</p>	<p>D.B. Power (Madhya Pradesh) Limited vide letter dated 20.10.2020, which is addressed to Ministry of Power, stated that desired progress for its 1 x 660 MW Power Plant could not be achieved due to reasons beyond its control and it would not be in a position to convert the LOA to FSA, as set out for old regime LOA holders under SHAKTI Policy. D.B Power (Madhya Pradesh) Limited requested Ministry of Power for advising Ministry of Coal to issue a directive to CIL to release the Bank Guarantee deposited by it and reallocate the linkage to any plants identified as stressed for want of coal.</p> <p>D.B. Power (Madhya Pradesh) Limited letter dated 16.04.2021, which is addressed to Ministry of Coal, stated that the company had taken all efforts to meet the project development obligations and timelines, however, the project execution of its Unit-I (660 MW), Gorgi, Singrauli, Madhya Pradesh was hampered due to change in government policies w.r.t allocation of coal linked to long term power purchase agreement, deallocation of coal mine, lack of Long Term PPA from Discoms, non-availability of finance from Banks, which are completely beyond the control of the project developer. Further, the project has been under ‘Stalled Category’ by MoP/ CEA for the last couple of years. As per present situation, the LOA allocated to the project cannot get converted to FSA till 31.03.2022, the outer time limit prescribed in SHAKTI Policy. However, the Commitment Bank Guarantees for the same are being renewed by the company from time to time to avoid encashment of the BGs. Further, since actual coal supply has not been commenced in this case and there is uncertainty of the commissioning of the power plant, Ministry of Coal may take up such issues in a larger perspective, and consider to allow surrendering of all such LOAs without forfeiting the associated BG(s). It is also stated that SLC (LT) in its meeting held on 11.08.2014 approved cancellation of coal linkage and return of BG in the case of Dheeru Powergen Ltd for the reason being quashing of EC by NGT has rendered the LOA non-actionable and hardly any justification to continue with the LOA. The letter states that it was agreed in the meeting to terminate the linkage citing quashing of EC was beyond the control of party and SLC (LT) concluded the cancellation of LOA shall be without any encumbrance including forfeiture of BG. Therefore, as the issues are beyond the control of the developer hampered by industry outlook and associated developments, hence, D.B. Power (Madhya Pradesh) Limited has requested that NCL / CIL may be directed to release the Bank Guarantee deposited by it.</p> <p>Present Status of LOA : LOA dated 19.07.2010 was issued by NCL. Out of the 12 milestones, 10 milestones have been achieved within the stipulated timeframe in the LOA dated 19.07.2010. The milestones not achieved are a) Date of</p>

	Synchronization/ Synchronization of the Plant and b) Date of Commercial Operation (CoD).
Agenda Item No. 2 Letter of Assurance of RattanIndia Power Limited	<p>RattanIndia Power Limited vide letter dated 19.03.2021, addressed to Ministry of Coal and stated that Letter of Assurance (LOA) for coal for the proposed Phase-II of their Amravati Thermal Power Project were granted by WCL and MCL. However, due to unforeseeable and sectoral events which were beyond its control, it could not begin commencement of commercial operations of Phase-II. The letter further states that the company has been committed and always intended to develop Phase-II of its Amravati Thermal Power Project and this is clearly evident from the fact that all the milestones except commencement of construction for Phase-II were achieved. RattanIndia Power Limited vide its aforesaid letter also mentioned that Secretary (Power) on 24.09.2019, in a review meeting, appreciated that all such projects who want to surrender their linkages, should be allowed to do so without encashment of Commitment Guarantees (CGs).</p> <p>RattanIndia Power Limited requested to favorably consider their request for surrender of LOAs and treat them as withdrawn. It has also been requested to direct WCL and MCL to treat the LOAs as withdrawn and return their CGs amounting to Rs. 54.96 Crores in terms of Clause 3.5 of the LOAs.</p> <p>Present Status of LOA for Phase-II : LOA dated 03.11.2010 was issued by MCL and LOA dated 10.11.2010 was issued by WCL. MCL: Achieved all the milestones covered under the LOA issued by MCL. WCL: All milestones achieved except for milestones of Synchronization and COD.</p>
Agenda Item No. 3 Coal linkage Bellary TPS (BTPS) Unit-3 (700 MW) and Yermarus TPS (YTPS) (2 x 800 MW) of Karnataka Power Corporation Limited	<p>The Standing Linkage Committee (Long Term) in its meeting held on 10.04.2018 had recommended coal linkage for Bellary TPS (BTPS) Unit-3 (700 MW) and Yermarus TPS (YTPS) (2 x 800 MW) from SCCL for a period of 3 years from the date of signing of Fuel Supply Agreement (FSA) and thereafter the full linkage of these units shall be transferred to Coal India Limited (CIL).</p> <p>Karnataka Power Corporation Limited (KPCL) vide letter dated 29/31.05.2021 has requested for continuing the existing linkages from SCCL to BTPS Unit-3 and YTPS beyond 01.10.2021 which would enable the above TPSs to qualify under Merit Order Despatch (MOD). KPCL has stated that the FSA was entered with SCCL w.e.f 01.10.2018, which is going to expire on 30.09.2021.</p>