

**IMMEDIATE**

**No. CPD-23014/5/2021-CPD**  
**Government of India**  
**Ministry of Coal**  
<<>>

Shastri Bhawan, New Delhi,  
January 18<sup>th</sup>, 2022

To

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

2. The Chairman-cum-Managing Director,  
Singareni Collieries Company Limited,  
Singareni Bhavan, PB No. 18, Red Hills,  
Khairatabad PO, Hyderabad,  
Telangana

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector – SLC  
(LT) No. 04/21

Sir,

I am directed to forward herewith the approved minutes of the meeting of the SLC (LT) for Power Sector held on 22.12.2021 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.

*Enclosure as above*

Yours faithfully,

Signed by Sujeet Kumar

Date: 18-01-2022 17:46:11

(Sujeet Kumar)  
Reason: Approved

Under Secretary to the Government of India

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 for Promotion of Industry and Internal Trade, Udyog Bhawan, New Delhi	Member
9.	Executive Director, Coal, Railway Board, 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

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 –

- i. PS to Minister of Coal
- ii. APS to Minister of State for Coal
- iii. PSO to Secretary (Coal)
- iv. PPS to Additional Secretary (Coal)
- v. PPS to Nominated Authority
- vi. PS to Joint Secretary (CPD)
- vii. PS to Joint Secretary (P&S-I & II)
- viii. PS to Director (CPD)
- ix. NIC, Ministry of Coal – with the request to upload the Minutes of the Meeting in the website of Ministry of Coal.

**Minutes of the Meeting of the Standing Linkage Committee (Long Term) [SLC(LT)] for Power Sector held on 22.12.2021 at 11.00 A.M - SLC (LT) No. 4/2021**

**Venue: Coal India Limited, Core 6, 6<sup>th</sup> Floor, Scope Complex, Lodhi Road, New Delhi**

**List of the participants is at the Annexure.**

**Agenda Item No. 1** – Confirmation of the Minutes of the Meeting of the SLC (LT) held on 19.07.2021.

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

**Recommendations:** Minutes of the Meeting of the SLC (LT) held on 19.07.2021 are confirmed.

**Agenda Item No. 2 – Long Term coal linkage for one unit of NTPC Khargone (2 x 660 MW) under SHAKTI:**

Ministry of Power (MoP) vide O.M dated 08.10.2021 has requested to recommend coal linkage for one of the 660 MW unit of NTPC Khargone Super Thermal Power Station from the nearest source. MoP has informed that NTPC's Khargone Super Thermal Power Station (2 x 660 MW) has been sourcing coal from Pakri Barwadih coal mine. However, in the present SCED regime, NTPC Khargone is unable to compete in the merit order by sourcing coal from distantly located Pakri Barwadih coal mine and therefore, it is struggling to meet the generation scheduling requirements. Hence, country is unable to utilize the benefits of the Ultra Super Critical Technological efficiency of the station adequately. Further, after directions from Ministry of Coal / MoP to Coal India Limited (CIL), NTPC Khargone has been receiving coal from NCL / SECL under the policy of flexible utilization of domestic coal, however, the coal supplies from NCL / SECL are not commensurate to the requirement.

MoP has also stated that as NTPC Khargone is closest to NCL / SECL mines in comparison to Pakri Barwadih coal mine, therefore, NTPC has requested for grant of long term coal linkage to Khargone station under SHAKTI Policy from the NCL / SECL mines.

P&S-I Section, Ministry of Coal has informed that Pakri Barwadih coal block has been allocated to NTPC for exclusive use of coal in their power plants and the allocation letter dated 11.10.2004 of Pakri Barwadih coal mine states that coal linkages from CIL / SCCL would not be disturbed in any way with coal mined from Pakri Barwadih coal block and NTPC shall continue to honor its commitment towards long term linkage from these nationalized coal companies to their thermal power stations through Fuel Supply Agreements.

**Record of Discussions:** NTPC stated that linkage has been requested for its Khargone Super Thermal Power Station (Unit-I) (660 MW) and with the present supplies of coal, Khargone Super Thermal Power Station is not able to come under Merit Order Despatch (MoD). NTPC informed that with G 11 – G 12 grade of coal, the specific coal consumption (SCC) of the plant will be .558, which is on the higher side and actually SCC should be on the lower side. It was stated that PLF of the plant is still very low.

Ministry of Power stated that its recommendation is because NTPC Khargone Super Thermal Power Station (Unit-I) (660 MW) is the highest efficiency power plant in the country and will consume less coal even when the plant is running at a high PLF. Ministry of Power also stated that recommendation of linkage for NTPC Khargone Super Thermal Power Station (Unit-I) (660 MW) is under B (i) of SHAKTI Policy.

Coal India Limited stated that it is not having any issues in the matter.

**Recommendations:** In view of the recommendation of Ministry of Power, SLC (LT) recommended coal linkage under SHAKTI B (i) for NTPC Khargone Super Thermal Power Station (Unit-I) (660 MW) from Coal India Limited.

### **Agenda Item No. 3 - Swapping of linkage of Dr. NTTPS:**

Singareni Collieries Company Limited (SCCL) vide letter dated 04.05.2021 has requested to consider swapping of the entire linkage of Dr. NTTPS Thermal Power

Plant of APGENCO on to SCCL considering the logistics convenience, lesser landed cost of coal and potential final benefit to the power consumers in terms of lesser rate/unit. SCCL had informed that Dr. NTPPS TPP is only 170 KMs away from the operating mines of SCCL and besides hassle free transportation, the landed cost of coal from SCCL is lesser by around Rs. 600/Tonne as compared to coal sourced from elsewhere. SCCL also informed that it is supplying coal to Dr. NTPPS under MoU to bridge the gap in supplies from the linked sources and meet the generation requirement. Further, the average offtake in the past several years by Dr. NTPPS from SCCL is around 4 – 5 MTPA. Availability of surplus coal to the tune of 8 – 9 MT for supply to Dr. NTPPS under long term linkage has been indicated by SCCL.

APGENCO has stated that it is having Fuel Supply Agreements with Mahanadi Coalfields Limited (MCL) for coal quantities of 6 MTPA & 2.312 MTPA for supply of coal to Dr. NTPPS, however, no linkage is available from SCCL. The coal supplied by MCL is from Talcher area & Ib-valley, which are at a distance of around 930 km from Dr. NTPPS and due to the high distance, APGENCO is incurring huge Railway freight charges for transportation of coal from both areas of MCL, which results in increased cost of Power Generation. Due to high cost of Power Generation, the units of Dr. NTPPS are unable to fall in the Merit Order Dispatch of APSLDC. APGENCO has also stated that the rake movement from MCL is falling in multiple Railway Zones and it becomes difficult for movement of total Fuel Supply Agreement quantity by All Rail Route from MCL to Dr. NTPPS. In comparison, the mines of SCCL are located at a distance ranging from 150 to 225 km from Dr. NTPPS and the rake movement falls within the same Railway Zone and as a result, landed cost of coal sourced from SCCL is less than MCL, for lower grades of coal (G13 & G15). In view of the cost economics for low grade coal (G13 & G15) and also that certain units of Dr. NTPPS were designed for utilization of lower grade of coal, APGENCO has proposed to transfer 3.0 MTPA out of 6.0 MTPA linkage quantity of Dr. NTPPS (under FSA dated 27.06.2009 read with amendment dated 18.11.2013) from MCL to SCCL.

CIL has informed that presently the linkage of Dr. NTPPS, Vijaywada of APGENCO is from MCL and that MCL is comfortable in supplying coal to Dr.

NTTPS, Vijaywada. In addition, CIL / MCL is not agreeable for swapping of any linkage of Dr. NTTPS, Vijaywada as proposed by SCCL.

**Record of Discussions:** APGENCO stated that the Dr. NTTPS TPP is only 170 KMs away from the mines of SCCL and the coal from SCCL comes in 2-3 hours duration. Hence, the landed cost of coal from SCCL would be lesser by around Rs. 600/Tonne in comparison to the coal from MCL and out of 6 MTPA linkage quantity of Dr. NTTPS, APGENCO requested for shifting of 3 MTPA coal linkage from MCL to SCCL. APGENCO also stated that the potential benefits to APGENCO under this rationalization would be around Rs. 180 Crore per annum. It was also informed that due to Railway traffic congestion in Vishakhapatnam and Vijaywada, railway movement from MCL gets affected. Hence, the shifting of coal linkage would also result in faster movement of coal.

Ministry of Power recommended for shifting of 3 MT linkage of Dr. NTTPS from MCL to SCCL as power consumers of the unit would be benefitted and the country will also be benefitted.

It was discussed that CIL conducts the linkage rationalization within its subsidiaries, however, linkage transfer from CIL to SCCL and vice versa requires the recommendation of SLC (LT). Further, the railways burden to the extent of the quantity rationalized would be reduced and power plants in Southern part of the country will benefit from reduced railway congestion.

**Recommendations:** In view of the recommendations of Ministry of Power, savings to the consumers and in pursuance to the Government objective of linkage rationalization for benefit of consumers and for reducing congestions in the Railway traffic, SLC (LT) recommended for transfer to 3 MT linkage of Dr. NTTPS from MCL to SCCL.

**Agenda Item No. 4 - Time extension of Bridge Linkage allocated for End Use Projects of Saharpur Jamarpani coal block:** Chairman, UPRVUNL vide letter dated 10.09.2021 requested time extension of Bridge Linkage allocated for End Use Projects of Saharpur Jamarpani coal block.

It was informed that Bridge Linkage for End use plants i.e. Harduaganj Extn (1 x 660 MW), Jawaharpur TPP (2 x 660 MW), Obra C TPP (2 x 660 MW) and Panki Ext TPP (1 x 660 MW) of Saharpur Jamarpani coal block was extended in the SLC

(LT) meeting held on 27.06.2018 and it was recommended that Bridge Linkage may be extended for a further 4 years from the date on which bridge Linkage expires (i.e. 13.08.2018 to 12.08.2022) and shall be tapered off in the subsequent years as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan.

Now, it has been stated that there is no substantial progress at site due to delay in preparation of Geological report (GR) by CMPDI. In absence of GR, the coal block could not be operationalized within the stipulated timeline. Some success has been achieved by NLC in nearby Pachwara South coal block through MDO route. Hence Government of UP. has taken a decision to develop this coal block through MDO route. Production of coal from coal block is likely to commence in 2028.

It has been requested that Bridge Linkage of the above TPPs may be extended for further 6 years i.e. up to August, 2028, so that coal supply to these projects can be assured.

Comments of CBA-II & Nominated Authority (NA) are as under:

**CBA-II:** Development milestones of coal mines are being monitored by O/o NA.

**NA:** As per the CMDPA, the scheduled date of preparation of the Geological Report (GR) is 13.06.2017 and operationalization is 13.02.2021. Exploration/Preparation of GR is still pending till date. In the absence of GR, year wise calendar coal production program is not available.

There was delay on the part of UPRVUNL for completion of exploration, preparation of GR and submission of mining plan for which performance Security (BG) amounting to Rs. 82.50 Crore was appropriated as per the terms and conditions of the allotment agreement. The amount of BG has been deposited in the Central Government exchequer and UPRVUNL has filed Miscellaneous Case no. 1/2019 before Hon'ble CBA Act Tribunal at Godda and the matter has become sub-judice.

The show cause notices issued to UPRVUNL, along with replies received from

UPRVUNL were placed before 9th and 11th Scrutiny Committee for consideration and making recommendation. 11th Scrutiny Committee opined that allocattee has not made serious efforts for even starting the exploration work though adequate support was offered by State Government during the series of meetings and attributed the delay in exploration and consequent delay in further clearances to allocattee.

Allottee is in the process of appointing MDO for the purpose of completion of exploration/preparation of GR and other clearances.

**Record of Discussions:** Ministry of Power stated that this matter may be considered in the SLC (LT) in June, 2022 as the Bridge Linkage is still valid upto August, 2022 and they are reviewing this case.

UPRVUNL stated that there is law & order problem in the coal block area because of which exploration work could not be taken up in the coal block. However, the matter of appointment of MDO has been given to NLCIL for which the contract for the NIT would be given by 31.12.2021 and the MDO would be appointed by June, 2022.

It was discussed that in the cases where Bridge Linkage is extended beyond its original tenure, CIL may consider revising its prices keeping in view the opportunity lost by CIL.

**Recommendations:** In view of the recommendations of Ministry of Power, SLC (LT) recommended to defer the case to June, 2022.

**Agenda Item No. 5 - Extension of the validity towards Bridge Linkage of end use plants of DVC, Mejia TPS # 7 & 8 (2 x 500 MW) and Chandrapura TPS U # 8 (1 x 250 MW):** Damodar Valley Corporation (DVC) vide letter dated 31.08.2021 requested for extension of the validity towards Bridge Linkage of end use plants of DVC, Mejia TPS # 7 & 8 (2 x 500 MW) and Chandrapura TPS U # 8 (1 x 250 MW).

Standing Linkage Committee (SLC) in its meeting held on 18.11.2019 had recommended for the first extension of Bridge Linkage for MTPS U # 7 & 8 and CTPS U # 8 of DVC for another one year i.e. up to 06.10.2021. Subsequently,



MoU were signed with BCCL, CCL & ECL which were valid till October, 2021. The schedule for starting of mining operation in Tubed Coal Mine was June, 2020 and achieving peak rated capacity (PRC) was in 2024-25. Operationalization of Tubed coal block could not take off for want of Forest Clearance (FC) Stage-II.

It has been requested to extend the validity of the Bridge Linkage allocated to End Use Plants for a further period of 2 years or till PRC is achieved for continuous operation of the MTPS U # 7 & 8 and CTPS U # 8 on a sustainable basis.

Comments of NA & CBA-II are as under:

**NA Section:**

- (i) Tubed coal mine was allotted to DVC vide allotment order dated 07.10.2016 and its CMDPA was executed on 08.09.2016. The scheduled date of mine opening permission as per efficiency parameter of CMDPA is June 07, 2020.
- (ii) Show cause notices (SCNs) were served to DVC vide letters dated 22.03.2017, 19.03.2018 & 13.09.2018 for non-compliance of mining lease application, FC application and EC as mentioned in CMDPA of Tubed coal mine. The allottee submitted the reply of all SCNs and same was put up before 13th Scrutiny Committee.
- (iii) Scrutiny committee has recommended Office of NA to obtain comments of State Government within one month. The Committee would take the final decision in respect of waiving or imposition of penalty after taking into consideration the comments of State Government.
- (iv) In compliance to above recommendation, NA vide letter dated 09.03.2021 sought comments of State Government of Jharkhand. However, no comments obtained from State Government till date.
- (v) Allottee has obtained Forest Clearance (FC) -I on 13.11.2019 and FC-II is in process.

**CBA-II section:**

Under the provisions of CM (SP) Act, 2015, Tubed coal mine was allotted to DVC for their Mejia TPS Unit 7 & 8 (500 MW) and Chandrapura TPS Unit 8 (250 MW). Further, Khagra Joydev coal mine was allotted to DVC for Mejia TPS Unit 7 & 8. This information is as per O/o NA's allotment order dated 07.10.2016 & 31.03.2015.

**Record of Discussions:** DVC informed that the Tubed coal block could not be operationalized for pending Forest Clearance (FC) Stage-II, however, FC Stage-II would be obtained by January, 2022. DVC also informed that all the necessary support has been extended by the State Government. DVC also stated that earlier Bridge Linkage for the units of DVC has expired. Further, Tubed coal block would be operationalized in the April- May, 2022.

Ministry of Power stated that DVC has been pressing very hard to get the coal block operationalized. It was recommended to extend the Bridge Linkage for 2 years and the Bridge Linkage may be tapered on the basis of coal production.

**Recommendations:** Based on the deliberations and in view of the recommendation of Ministry of Power, SLC (LT) recommended to extend the Bridge Linkage for Mejia TPS # 7 & 8 (2 x 500 MW) and Chandrapura TPS U #8 (1 x 250 MW) of DVC for 2 years from the date of extension of Bridge Linkage. However, Bridge Linkage would be proportionately reduced by the quantity that comes into production from Tubed coal block.

**Agenda Item No. 6 - Allocation of High GCV coal:** NLC India Limited (NLCIL) vide letter dated 03.12.2021 has requested to allocate 1.0 MT of High GCV coal per annum preferably from Eastern Coalfields Limited (ECL) for its NTPL (NLC Tamil Nadu Power Limited) Thermal Power Plant (2 x 500 MW) at Tuticorin. NLCIL has stated that NTPL was having Fuel Supply Agreement (FSA) with Mahanadi Coalfields Limited (MCL) for 2.565 MTPA and ECL for 0.429 MTPA alongwith a side agreement for 1 MTPA. NLCIL was allocated Talabira II & III coal mines with NTPL as one of the end use plants. Talabira II & III coal mines is operational from April, 2020 and NTPL started lifting coal from Talabira II & III coal mines from October, 2021 onwards and thereafter, supply of coal from MCL and ECL were stopped. The coal from Talabira II & III coal mines at present is G 14 grade and NTPL units are not able to achieve the rated load of 1000 MW due to

design restrictions of Boilers, milling system and ash handling system which is designed to operate with 70% Low GCV coal and 30 % High GCV coal. NTPL units can achieve rated full load of 1000 MW and can declare full availability only by blending of the G 14 grade coal from Talabira II & III coal mines with High GCV coal (1.0 MT) per annum for sustainable operation at 85 % PLF.

**Record of Discussions:** NLCIL informed that the annual PLF of NTPL Units is 64 %, which is higher than the national average and their request for High Grade coal is because of the restrictions of the plant, which is designed to operate with 70% Low GCV coal and 30 % High GCV coal.

Representative of Nominated Authority stated that no capacity of the end use power plants of Talabira II & III coal mines are presently delinked and for this, the directions of the Government are required.

Ministry of Power stated that the BHEL boiler of NTPL power plants (2 x 500 MW) which are designed on G-12 grade of coal (3700 GCV) can also utilize coal with a variation of  $\pm 400$  GCV and therefore, 3300 GCV coal can also be utilized in the power plant. Further, the mechanism in the NTPL power plants (2 x 500 MW) is already capable of firing this coal. NLC agreed to this but have issue of handling ash. Ministry of Power also stated that this was on account of poor management by NLCIL.

SCCL, which is nearest source, stated that it is willing to supply coal to the power plant provided the capacities are delinked from the allocated coal block and linkage is recommended from SCCL.

It was discussed that delinking of the end use plants of Talabira II & III coal mines may require the recommendation of Ministry of Power and if no capacity of the end use plants of Talabira II & III is delinked, then the linkage cannot be granted. It was stated by NITI Ayog that this case may become a precedence and other coal block allocattees may raise technical issues in future on account of low grade coal and/or high landed price of coal from the allotted coal blocks and may ask for additional linkages of coal. Further, if the delinking is accepted by the Competent Authority and Ministry of Power recommends for granting of linkage under B (i) of SHAKTI Policy, then the SLC (LT) may consider recommending coal linkage for the units of NTPL from SCCL. It will be treated as fresh case of grant of linkage.

**Recommendations:** In view of the deliberations held and recommendation of

Ministry of Power, SLC (LT) recommended that the request may be considered by the Committee only when certain generation capacity of the power plant is delinked from its existing Talabira II & III coal mines.

**With the permission of the Chair, following additional agenda was taken up.**

**Table Agenda Item No. 1 – Time line for entering into PPA as per Condition Precedent requirement under FSA:**

SLC (LT) in its meeting held on 28.05.2020 had recommended for extension of timeline for entering into PPA as per the Condition Precedent Clause under FSA till 31.12.2021. As the present extended timeline for signing of PPA is going to expire on 31.12.2021, therefore, in view of the provisions of SHAKTI Policy, Ministry of Power vide O.M dated 22.12.2021 has requested to extend the timeline for signing of PPA by the power plants getting commissioned by 31.03.2022 by further 2 years to allow the power plants to have sufficient time to execute PPA against the existing LoAs / FSAs.

**Record of Discussions:** It was discussed that the matter needs to be examined by CIL and comments / views of the coal companies may also be required.

**Recommendations:** In view of the deliberations, the matter was not considered by the SLC (LT).

**List of Participants**

**Ministry of Coal**

1. Shri Vinod Kumar Tiwari, Additional Secretary [In the Chair]
2. Shri M. Nagaraju, Additional Secretary & Nominated Authority
3. Ms Vismita Tej, Joint Secretary (CPD)
4. Ms Santosh, Coal Controller & DDG
5. Shri Mukesh Choudhary, Director (CPD)
6. Shri Ajitesh Kumar, Deputy Secretary
7. Shri Sujeet Kumar, Under Secretary

**Ministry of Power**

1. Shri Sanjeev Kumar Kassi, Chief Engineer

**NITI Aayog**

1. Shri Jawahar Lal, Deputy Chief Engineer (Energy)

**Central Electricity Authority**

1. Shri M.P. Singh, Chief Engineer (TPP&D)
2. Shri Naresh Kumar, Director

**Coal India Limited**

1. Shri S.N.Tiwary, Director (Marketing)
2. Shri Tarak Roy, Senior Manager
3. Shri S. Goyal, CM (M&S)

**Mahanadi Coalfields Limited**

1. Shri K. Prabhakar, CM (M&S)

**Central Coalfields Limited**

1. Shri Ajit Singh, GM (M&S)

**Northern Coalfields Limited**

1. Shri Sunil Kumar Roy, GM (M&S)

### **South Eastern Coalfields Limited**

1. Shri C.B Singh

### **Bharat Coking Coalfields Limited**

1. Shri U.B Singh

### **NLC India Limited**

1. Shri Shaji John, Director (Power)
2. Shri V. Rajasevaran
3. Shri J. Subbiah
4. Shri Mahipal Singh Ranavat

### **Singareni Collieries Company Limited**

1. Dr. J. Allwyn, ED(CM)
2. Shri M. Venkateshwarly, DGM
3. Shri Avinash Dubey

### **Central Mine Planning & Design Institute Limited (CMPDIL)**

1. Shri Manoj Kumar

### **NTPC Limited**

1. Shri Sivakumar C., Executive Director
2. Shri Ajay Singhal, GM (CC-FM)
3. Shri Yoosuf Ameen, Senior Manager

### **APGENCO**

1. Shri Antony Raja, Director (C&L)
2. Shri G. Vamsee Mohan

### **Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL)**

1. Shri A.K Tewary, Director (Technical)
2. Shri Mahendra Kumar, Chief Engineer

### **Damodar Valley Corporation**

1. Shri M. Raghuram, Member (T)
2. Shri J.K Mandiye, Chief Engineer

3. Shri Sanjay Kumar, Dy. Chief Engineer