

IMMEDIATE

No. CPD-23014/5/2023-CPD

Government of India

(भारत सरकार)

Ministry of Coal

(कोयला मंत्रालय)

Shastri Bhawan,
New Delhi, the 13th July, 2023

To

1. The Chairman-cum-Managing Director,
Coal India Limited,
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. 03/23

Sir,

I am directed to forward herewith the approved minutes of the meeting of the SLC (LT) for Power Sector held on 16.06.2023 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.

Yours faithfully,

(Hitlar Singh)

Under Secretary to the Government of India

Encl: (1)

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.	Executive Director, Coal, Railway Board, Rail Bhawan, New Delhi	Member
8.	Director (Marketing), Coal India Limited	Member
9.	CMD's SCCL, BCCL, CCL, ECL, MCL, NCL, SECL & WCL	Members
10.	Chairman-cum-Managing Director, Central Mine Planning & Design Instt Ltd., Gondwana Place, Kanke Road, Ranchi	Member
11.	Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi	Member
12.	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) GM (S&M), CIL, Delhi

Copy also to –

- 1. PS to Minister of Coal
- 2. PS to Minister of State for Coal
- 3. Advisor to Secretary (Coal)
- 4. PPS to Additional Secretary (Coal)
- 5. PS to Nominated Authority
- 6. PPS to Joint Secretary (CPD)
- 7. PS to DS (CPD)
- 8. 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) for Power Sector held on 16.06.2023 [SLC (LT) 3 / 2023

At the outset, the participants to the meeting were welcomed. The discussions held on the various agenda items and the recommendations of the SLC (LT) are as under

Agenda Item No. 1: Confirmation of the Minutes of the Meeting of the SLC (LT) held on 21.04.2023

Record of Discussion: There were no comments.

Recommendation: Minutes of the Meeting of the SLC (LT) held on 21.04.2023 are confirmed.

Agenda Item No. 2: Long Term coal linkage to SJVN Thermal Power (Pvt.) Limited, Buxar Thermal Power Project Stage – II, Unit – 3 (1 x 660 MW):

Ministry of Power vide O.M dated 22.05.2023 has requested to consider the request of SJVN Thermal Power (Pvt) Limited (SJVNL) for grant of long term coal linkage to the proposed Unit – 3 (1 x 660 MW) at Buxar Thermal Power Project Stage – II of SJVNL under Para B (i) of SHAKTI Policy for the consideration of SLC (LT). Ministry of Power has stated that SJVNL has planned to install 1 x 660 MW Unit – 3 at Buxar Thermal Power Project and the same has been included by CEA as a candidate plant in the proposed additional capacity requirement by the year 2029-30. Ministry of Power has also stated that the proposed project is not linked with any captive coal mine.

Record of Discussion: Project Proponent (SJVNL) stated that Buxar Thermal Power Project Stage – II, Unit – 3 (1 x 660 MW) of SJVNL is a new unit and requested for fresh coal linkage from Coal India Limited.

Ministry of Power recommended for coal linkage under Para B (i) of SHAKTI Policy to the proposed unit of SJVNL. CEA informed that Buxar Thermal Power Project Stage – II, Unit – 3 (1 x 660 MW) of SJVNL has been included as a candidate plant in the proposed additional capacity requirement by the year 2029-30 and recommended for grant of coal linkage under Para B (i) of SHAKTI Policy.

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NITI Aayog recommended for grant of fresh coal linkage.

Representative from O/o the Nominated Authority (NA) / P&S Division confirmed that SJVNL is not allotted any coal block.

Coal India Limited stated that it can offer coal from its sources as per availability which may include cost plus sources as well.

Recommendation: In view of the recommendation of Ministry of Power and CEA, SLC (LT) recommended for grant of coal linkage to Buxar Thermal Power Project Stage – II, Unit – 3 (1 x 660 MW) of SJVNL under Para B (i) of SHAKTI Policy from Coal India Limited.

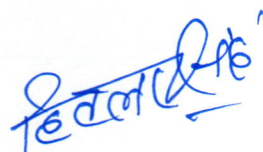
Agenda Item No. 3: Long Term coal linkage to Gujarat State Electricity Corporation Ltd. (GSECL) Super Critical Extension Unit No. 7 (1 x 800 MW) at Ukai Thermal Power Plant:

Ministry of Power vide O.M dated 10.05.2023 has requested to take up the matter of grant of long term coal linkage to the proposed Super Critical Extension Unit No. 7 (1 x 800 MW) at Ukai Thermal Power Plant of Gujarat State Electricity Corporation Ltd. (GSECL) under Para B (i) of SHAKTI Policy for the consideration of SLC (LT). Ministry of Power has stated that GSECL has planned to install 1 x 800 MW Unit No. 7 at Ukai Thermal Power Station and the same has been included by CEA as a candidate plant in the proposed additional capacity requirement by the year 2029-30.

Record of Discussion: Project Proponent (GSECL) stated that Super Critical Extension Unit No. 7 (1 x 800 MW) at Ukai Thermal Power Plant is expected to be commissioned by May, 2028 and requested for coal linkage from Coal India Limited.

Ministry of Power recommended for coal linkage under Para B (i) of SHAKTI Policy to the proposed Unit 7 of Ukai Thermal Power Plant. CEA informed that GSECL Ukai Thermal Power Plant Unit No. 7 (1 x 800 MW) has been included as a candidate plant in the proposed additional capacity requirement by the year 2029-30 and recommended for grant of coal linkage under Para B (i) of SHAKTI Policy. NITI Aayog recommended for grant of fresh coal linkage.

Representative from O/o the Nominated Authority (NA) / P&S Division stated that GSECL does not



have any captive coal block at present.

Coal India Limited stated that it can offer coal from its sources as per availability which may include cost plus sources as well.

Recommendation: In view of the recommendation of Ministry Power and CEA, SLC (LT) recommended for grant of coal linkage to GSECL Super Critical Extension Unit No. 7 (1 x 800 MW) at Ukai Thermal Power Plant under Para B (i) of SHAKTI Policy from Coal India Limited.

Agenda Item No. 4: Long term coal linkage to the proposed 2 x 800 MW Koderma Thermal Power Plant Phase – II of Damodar Valley Corporation (DVC):

Ministry of Power vide O.M dated 10.05.2023 has requested to take up the matter of grant of long term coal linkage to the proposed 2 x 800 MW Koderma Thermal Power Plant Phase – II of Damodar Valley Corporation (DVC) under Para B (i) of SHAKTI Policy for the consideration of SLC (LT). Ministry of Power has stated that DVC has planned to install 2 x 800 MW units at Koderma Thermal Power Station and these units have been included by CEA as candidate plant in the proposed additional capacity requirement by the year 2029 – 30. Further, Ministry of Power has accorded in-principal approval for the project. Ministry of Power has also stated that the proposed project is not linked to any captive coal mine of DVC.

Record of Discussion: Project Proponent (DVC) requested for coal linkage for 2 x 800 MW Koderma Thermal Power Plant Phase – II of DVC.

Ministry of Power recommended for coal linkage under Para B (i) of SHAKTI Policy to the proposed Koderma Thermal Power Plant Phase – II (2 x 800 MW) of DVC. CEA informed that proposed Koderma Thermal Power Plant Phase – II (2 x 800 MW) of DVC has been included as a candidate plant in the proposed additional capacity requirement by the year 2029-30 and recommended for grant of coal linkage under Para B (i) of SHAKTI Policy. NITI Aayog recommended for grant of fresh coal linkage.

Representative from O/o the Nominated Authority (NA) / P&S Division confirmed that the Koderma

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Thermal Power Plant Phase – II (2 x 800 MW) of DVC is not linked to any captive coal mine.

Coal India Limited stated that it can offer coal from its sources as per availability which may include cost plus sources as well.

Recommendation: In view of the recommendation of Ministry Power and CEA, SLC (LT) recommended for grant of coal linkage to Koderma Thermal Power Plant Phase – II (2 x 800 MW) of DVC under Para B (i) of SHAKTI Policy from Coal India Limited.

Agenda Item No. 5: Coal Linkage under Para B (iv) of SHAKTI Policy to the State of Madhya Pradesh:

SLC (LT) in its meeting held on 24.06.2019 had recommended earmarking of coal linkages under Para B (iv) of SHAKTI Policy from Coal India Limited for the State of Madhya Pradesh for a capacity of 2640 MW. SLC (LT) had also recommended that in case the tariff based bidding gets delayed, then the same shall be informed by the concerned State Government to the coal company, Ministry of Coal and Ministry of Power. Para B (iv) of SHAKTI Policy states that the quantity remaining unutilized for 2 years continuously shall lapse. Coal linkages earmarked under Para B (iv) of SHAKTI Policy were reviewed in the meeting of the SLC (LT) held on 21.09.2022. SLC (LT) recommended for continuation of coal linkage earmarked under Para B (iv) of SHAKTI to the State of Madhya Pradesh to the extent of power requirement procured through tariff-based bidding. SLC (LT) further recommended that FSA be signed by the successful bidders with the coal companies within 6 months of the date of issuance of the minutes of the meeting of the SLC (LT) and the balance quantity of coal linkage shall lapse. The Minutes of the Meeting of the SLC (LT) held on 21.09.2022 were issued on 17.11.2022. Therefore, in terms of the recommendations of the SLC (LT), the FSAs with the coal companies were to be signed by 16.05.2023.

Energy Department, Government of Madhya Pradesh (GoMP) vide letter dated 28.04.2023 has informed that the successful bidder i.e. Adani Power Limited (APL), had recommended to transfer Power Supply Agreement (PSA) dated 12.03.2020 to its another 100 % owned subsidiary Mahan Energen Limited, which was considered by the State Government. GoMP has also stated that the

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transfer of PSA can only be done after an amendment to the PSA, which requires prior approval of the State Electricity Regulatory Commission (SERC) and therefore, it is difficult to sign the FSA within the timelines. GoMP expects a requirement of 4 months time from the date of approval of the agreement of the PSA dated 12.03.2020 by the SERC for the execution of FSA by Mahan Energen Limited with the coal company.

Record of Discussion: MPPMCL informed that the successful bidder APL has filed a petition in the SERC for amendment to the Power Supply Agreement (PSA) and the next date of hearing in the matter is 18.07.2023. It was also informed that Mahan Energen Limited is a 100 % subsidiary of APL. MPPMCL requested for extension of timelines for signing of FSA with the coal companies for a period of 4 months from the date of approval of the agreement of the PSA by the SERC.

Ministry of Power vide O.M No. FU-4/2022-FSC dated 16.06.2023 recommended for extension of timeline by 4 months for signing of FSA. Representative from Ministry of Power recommended that the extension may be considered from the date of issuance of the Minutes of the Meeting of the SLC (LT).

CEA stated that the tariff based bidding under SHAKTI B (iv) was undertaken by the State Government of Madhya Pradesh for procurement of 1230 MW power and MPPMCL had selected APL as the successful bidder and a LoA was also issued to the successful bidder. CEA also stated that a PSA has also been signed between M/s Pench Thermal Energy (MP) Ltd. (PTEMPL), a SPV of APL and MPPMCL on 12.03.2020. Therefore, transfer of PSA to Mahan Energen Limited needs to be examined legally.

NITI Aayog recommended for extension of timelines for signing of FSA, however, also stated that there are legal issues involved in the matter.

It was discussed that SLC (LT) is not going into the merit of the transfer of PSA to the subsidiary of APL and therefore, any legality involved in the transfer of the PSA is not being examined in the SLC (LT). It was also discussed that it is the Government of Madhya Pradesh to examine the legal aspects of the transfer of PSA. SLC (LT) also discussed that timeline requested by Government of Madhya

Pradesh (GoMP) is not finite as the time required for the approval of SERC is not known. It was considered that as the time period for signing of FSAs has lapsed, hence, the extension may be considered from the date of issuance of the Minutes of the Meeting of the SLC (LT).

Coal India Limited stated that it does not have any issue if the timelines are extended, however, it is desirable that a definite time period be given for the signing of FSA as the coal companies need to work out the coal availability and supply situation.

SLC (LT) considered that Ministry of Power has recommended for extension of timeline by 4 months for signing of FSA, however, it would be better if the extension is considered for the date of issuance of the Minutes of the Meeting. SLC (LT) also reiterated that it is not considering the merits of the transfer of PSA to the subsidiary of APL and any recommendation shall be limited to the timeline for signing of FSA only.

Recommendations: In view of the recommendation of Ministry of Power, SLC (LT) recommended that the FSA be signed by the successful bidder (s) with the coal companies within 4 months of the date of issuance of the Minutes of the Meeting of the SLC (LT) and also clarified that the recommendation is for 1230 MW only for which Tariff Based Bidding has been undertaken by MPPMCL.

Agenda Item No. 6: Coal Linkage under Para B (iv) of SHAKTI Policy to the State of Gujarat:

SLC (LT) in its meeting held on 24.06.2019 had recommended earmarking of coal linkages under Para B (iv) of SHAKTI Policy from Coal India Limited for the State of Gujarat for a capacity of 4000 MW. Para B (iv) of SHAKTI Policy states that the quantity remaining unutilized for 2 years continuously shall lapse. Coal linkages earmarked under Para B (iv) of SHAKTI Policy were reviewed in the meeting of the SLC (LT) held on 21.09.2022. SLC (LT) in its meeting held on 21.09.2022 recommended for continuation of coal linkage earmarked to the State of Gujarat under SHAKTI B (iv) to the extent of power requirement to be procured through tariff-based bidding. SLC (LT) further recommended that FSA be signed by the successful bidders with the coal companies within 6 months of the date of issuance of the minutes of the meeting of the SLC (LT) and the balance quantity of coal

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