

IMMEDIATE

No. CPD-23014/1/2024-CPD

Government of India

(भारत सरकार)

Ministry of Coal

(कोयला मंत्रालय)

Shastri Bhawan,
New Delhi, the 28th February, 2024

To

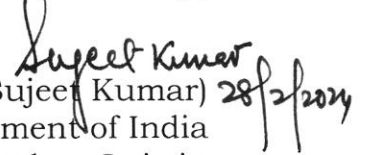
1. The Chairman-cum-Managing Director,
Coal India Limited,
Coal Bhawan, Plot No-AF-III, Action Area-1A,
Newtown, Rajarhat, Kolkata – 700156
2. The Chairman-cum-Managing Director,
Singareni Collieries Company Limited,
Singareni Bhavan, PB No. 18, Red Hills,
Khairatabad PO, Hyderabad, Telangana

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector – SLC (LT) No. 02/2024

Sir,

I am directed to forward herewith the approved minutes of the meeting of the SLC (LT) for Power Sector held on 13.02.2024 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,


(Sujeet Kumar) 28/2/2024

Under Secretary to the Government of India
Tele. No. 011-23384112 / email – sujeet.kmr@nic.in

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, Delhi
- (ii) Director (Technical), CIL, Kolkata
- (iii) GM (S&M), CIL, Kolkata
- (iv) GM (S&M), CIL, Delhi

Copy also to –

1. APS 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 ED (CTC)
8. PS to DS (CPD)
9. 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 13.02.2024 [SLC (LT) 2 / 2024]

Venue: Coal India Limited, Core 6, 6th Floor, Scope Complex, Lodhi Road, New Delhi

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

At the outset, the participants to the meeting were welcomed. The discussions held on the various agenda items are as under:

<p>Agenda Item No. 1: Confirmation of the Minutes of the Meeting of the SLC (LT) held on 03.01.2024.</p> <p>Record of Discussion: There were no comments from any of the Members.</p> <p>Recommendations: Minutes of the Meeting of the SLC (LT) held on 03.01.2024 are confirmed.</p>
<p>Agenda Item No. 2: Coal linkage to the State of Uttar Pradesh under B (iv) of SHAKTI Policy:</p> <p>Ministry of Power vide O.M dated 03.02.2024 has requested to earmark fresh long-term coal linkage to the State of Uttar Pradesh under SHAKTI B (iv) to set up 1600 MW coal based Thermal Power Plants through Tariff Based Competitive Bidding in order to meet the required addition of coal based capacity in the country. UPERC vide its Order dated 23.06.2023 has allowed UPPCL to tie-up Long Term Power through coal, hydro, nuclear, gas etc. and has projected Round the Clock (RTC) deficit of 5943 MW & Peak deficit of 26139 MW by FY 2031-32 for the State of Uttar Pradesh. Ministry of Power has stated that as per the initial results of Resource Adequacy analysis of State of Uttar Pradesh conducted by CEA along with the State Authorities, till FY 2031-32, about 10800 MW additional coal based capacity shall be required. Ministry of Power has envisaged requirement of around 80 GW of additional coal based capacity by FY 2031-32 in the country and</p>

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accordingly, all the States, including Uttar Pradesh, have been advised to ensure Resource Adequacy by urgently planning capacity addition through its own resources or by floating power procurement bids under Tariff Policy 2016 / under Para B (iv) of SHAKTI Policy.

SLC (LT) in its meeting held on 24.06.2019 had recommended earmarking of coal linkage under Para B (iv) of SHAKTI Policy from Coal India Limited to the State of Uttar Pradesh for a capacity of 1600 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.

Coal linkages earmarked under Para B (iv) of SHAKTI Policy were reviewed in the meeting of the SLC (LT) held on 21.09.2022. During the meeting, CEA had informed that UPERC vide Order dated 09.07.2019 had directed UPPCL to restrain from entering into long term contract for procurement of power from coal based thermal power plant till December, 2022. Therefore, no tariff-based bidding was undertaken by the State of Uttar Pradesh for the earmarked linkage under B (iv) of SHAKTI Policy. Para B (iv) of SHAKTI Policy states that the quantity remaining unutilized for 2 years continuously shall lapse. As no tariff based competitive bidding was undertaken by the State of Uttar Pradesh, SLC (LT) in its meeting held on 21.09.2022 recommended that the coal linkage earmarked to the State of Uttar Pradesh under Para B (iv) of SHAKTI Policy shall lapse. Hence, the linkage earmarked earlier to the State of Uttar Pradesh under B (iv) of SHAKTI Policy for undertaking tariff based competitive bidding has lapsed.

Record of Discussion: Representative (s) of Government of Uttar Pradesh were not present in the meeting.

Ministry of Power informed that it has planned for addition of 80 GW of coal based Thermal Power Plants to the existing

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capacity in the country by FY 2031-32 and accordingly, all the States have been advised / requested to undertake Tariff Based Competitive Bidding under Para B (iv) of SHAKTI Policy to tie-up the coal requirement of these capacity addition coal-based power plants. In response, Government of Uttar Pradesh has requested to allot coal linkage for 1600 MW coal-based capacity under Para B (iv) of SHAKTI Policy for undertaking Tariff Based Competitive Bidding. Ministry of Power also informed that UPERC had earlier directed UPPCL to restrain from entering into long term contract for procurement of power from coal based thermal power plant till December, 2022. Therefore, no tariff-based bidding was undertaken by the State of Uttar Pradesh for the earlier earmarked linkage to the State under B (iv) of SHAKTI Policy. However, UPERC has now allowed UPPCL to tie-up long term Power through coal, hydro, nuclear etc. Ministry of Power stated that 10,800 MW is the overall additional coal-based capacity requirement of the State of Uttar Pradesh by FY 2031-32 and at present, coal linkage under B (iv) of SHAKTI Policy is required to the State for 1600 MW.

CEA stated that Tariff Based Competitive Bidding for the linkage earmarked earlier under B (iv) of SHAKTI was not undertaken by the State of Uttar Pradesh due to the restriction from UPERC, however, procurement of power through coal-based power plants has now been allowed. CEA also stated as per the resource adequacy analysis of the State of Uttar Pradesh carried out by it, there will be an additional requirement of 10,800 MW coal-based capacity power plants by FY 2031-32. CEA also stated that as per Para B (iv) of SHAKTI Policy, the quantity remaining unutilized for 2 years continuously shall lapse and considering the time required for commissioning of new thermal power plants, two years window for the utilization of linkage is not sufficient and may be increased to 5 years.

It was discussed that any amendment in the SHAKTI Policy, if required, may be taken up by CEA/Ministry of Power in appropriate forums.

NITI Aayog recommended for earmarking of coal linkage under Para B (iv) of SHAKTI Policy to the State of Uttar Pradesh.

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SCCL stated that it would not be able to offer coal linkage under B (iv) of SHAKTI Policy.

Coal India Limited indicated availability of coal which can be offered from the various subsidiaries for the above capacity as requested by Ministry of Power.

Recommendation: SLC (LT) recommended for earmarking of coal linkage from Coal India Limited for a capacity of 1600 MW under Para B (iv) of SHAKTI Policy to the State of Uttar Pradesh. Coal India Limited shall intimate the earmarked linkage with description to the State of Uttar Pradesh with information to Ministry of Coal and Ministry of Power. The tripartite agreements in terms of LoA / FSA may be entered into between concerned coal company, State Government and the successful bidder, as may be the case. This information shall also be furnished to Ministry of Coal and Ministry of Power. SLC (LT) also recommended that in case the Tariff Based Competitive Bidding gets delayed, then the same shall be informed by the State of Uttar Pradesh to the coal company, Ministry of Coal and Ministry of Power.

Additional Agenda Items

Additional Agenda Item No. 1: Extension of Bridge Linkage of NTPC Tanda TPS Stage-II (2 x 660 MW):

Ministry of Power vide O.M dated 12.02.2024 has requested to consider the request of NTPC for extension of Bridge Linkage of NTPC Tanda TPS Stage-II (2 x 660 MW) for the consideration of the SLC (LT). Kerandari coal block is allocated to NTPC to meet the coal requirement of Tanda TPS Stage-II (2 x 660 MW). Ministry of Power has informed that both the units of Tanda TPS Stage-II are under commercial operation.

SLC (LT) in its meeting held on 21.02.2023 recommended extension of Bridge Linkage of Tanda TPS Stage-II (2 x 660 MW)

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for a period of 1 year on tapering basis. Bridge Linkage of NTPC Tanda TPS Stage-II (2 x 660 MW) is valid upto 31.03.2024.

Ministry of Power has informed that mining operations have commenced in Kerandari coal block since 05.04.2023 and presently, overburden removal is under progress. Ministry of Power has also informed that Kerandari coal block is expected to start production in the last quarter of FY 2023-24 and expected to attain its PRC of 6 MTPA by FY 2026-27.

Record of Discussion: Project Proponent (NTPC) informed that Kerandari coal block was allocated to it in 2015 for the Specified End Use Plant Tanda TPS Stage-II (2 x 660 MW), however, mining operations got delayed. NTPC informed that coal production has started in Kerandari coal block in January, 2024 and PRC of Kerandari coal mine would be achieved in 2026-27. NTPC stated that both the units of Tanda TPS Stage-II are under commercial operation and therefore, requested for extension of Bridge Linkage to meet the requirement of these power plants.

Ministry of Power & CEA recommended for extension of Bridge Linkage of Tanda TPS Stage-II for maintaining sustained generation in the linked power plants of Kerandari coal mine.

NITI Aayog also recommended for extension of Bridge Linkage.

Representative from Nominated Authority stated that Kerandari coal mine was allocated to NTPC on 08.09.2015 for the Specified End Use Plant Tanda TPS Stage-II (2 x 660 MW) and the scheduled date of operationalization of the coal mines was 08.05.2019. It was informed that the mining operation in the coal mine started in April, 2023 and the production from coal mine has started from January, 2024 and 0.5 MT is likely to be produced in this financial year. Representative from Nominated Authority also informed that there has been a delay by NTPC in obtaining most of the clearances for the coal

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mine and appropriate action has been taken up at the Nominated Authorities for delays etc. Representative of Nominated Authority recommended for granting Bridge Linkage as per applicable policy.

Coal India Limited stated that it can offer coal from its sources as per the availability.

Recommendation: In view of the discussions held and the recommendations of Ministry of Power, SLC(LT) recommended for extension of Bridge Linkage, from Coal India Limited, for Tanda TPS Stage-II (2 x 660 MW) of NTPC for a period of 1 year on tapering basis. The rate and source of coal supplies against the extended Bridge Linkage would be decided by Coal India Limited.

Additional Agenda Item No. 2: Extension of Bridge Linkage of PVUNL Patratu-I (3 x 800 MW) (subsidiary of NTPC with JBVNL):

Ministry of Power vide O.M dated 12.02.2024 has requested to consider the request of NTPC for the extension of the Bridge Linkage of Patratu Vidyut Utpadan Nigam Limited (PVUNL) Patratu-I (3 x 800 MW) for the consideration of the SLC (LT). Banhardih coal block is allocated to PVUNL to meet the coal requirement of Patratu-I STPP (3 x 800 MW) and currently, Patratu-I STPP is under construction and its units are expected to be commenced in second and fourth quarter of 2024-25 and second quarter of 2025-26 respectively.

The Banhardih coal block was formally assigned in favour of PVUNL on 25.06.2018. SLC (LT) in its meeting held on 19.05.2021 recommended extension of Bridge Linkage of PVUNL Patratu-I (3 x 800 MW) for a 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. Bridge Linkage of Patratu-I (3 x 800 MW) is valid upto 24.06.2024

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