

IMMEDIATE

File No.23014/3/2017-CLD
Government of India
Ministry of Coal
<<>>

New Delhi, the 17th July, 2017

To,

1. Chairman,
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/Cement Sector to review status of existing coal linkages/LoAs and other related matters – SLC/LT No. 3/2017.

I am directed to forward herewith minutes of the meeting of the SLC (LT) for Power/Cement Sectors held on 29.06.2017 to review the status of existing coal linkages/LoAs and other related matter.

2. Recommendations of the SLC(LT) in respect of all the items have been approved by the Competent Authority.

Encl: as above


(Dominic Dungdung)

Under Secretary to the Govt. of India

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, T. T. (F), 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, | Member |

- Kanke Road, Ranchi.
- | | | |
|-----|---|---------------------------|
| 13. | Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi | Member |
| 14. | Chairman, NTPC, Scope Complex, Lodhi Road, New Delhi- 110003 | Member
Special Invitee |
| 16. | Joint Secretary (CA-III Section), Ministry of Coal
CEO, Patratu Vidyut Utpadan Nigam Ltd., Post-Patratu, Dist-Ramgarh-829119, Jharkhand. | |

Copy to:

(i) Director (Technical), CIL ii) GM (S&M), CIL, Kolkata iii) CGM (CP), CIL, Kolkata iv) GM (S&M), CIL, Delhi.

Copy also to:- 1. PS to Minister of State (I/C) for Power, Coal, NRE and Mines 2. OSD to MoS (I/C) for Coal 3. PSO to Secretary (Coal) 4. PPS to Additional Secretary (Coal) 5. PPS to Joint Secretary (RKS), 6. PPS to Joint Secretary (RPG), 7. PPS to Joint Secretary (VB).

Copy also to - NIC, Ministry of Coal with the request to place it on the Website of the Ministry for information of all concerned.



(Dominic Dungdung)

Under Secretary to the Govt. of India

No. 23014/3/2017-CPD
Government of India
Ministry of Coal

New Delhi, Dated 17 July, 2017

Minutes of the meeting of the Standing Linkage Committee (Long Term) for Power Sector held on 29.06.2017.

A meeting of the Standing Linkage Committee (Long Term) for Power Sector was held on 29.06.2017 under the Chairmanship of Additional Secretary (Coal) to review the status of existing coal linkages/LoAs, consider grant of bridge linkage and other related matter.

Agenda	Brief Description of the Agenda item	Summary of discussions	Recommendations with reasons
Agenda Item No. 1 Confirmation of the Minutes of the SLC(LT) meeting held on 29.03.2017	Confirmation of the Minutes of the SLC(LT) meeting held on 29.03.2017	There were no comments from any side.	Minutes of the SLC(LT) meeting held on 29.03.2017 are approved.
Agenda Item No. 2 Request received from MoP for grant of Coal linkages Central Sector Projects.	Ministry of Coal vide its OM dated 22.05.2017 requested Ministry of Power to furnish its recommendations in respect of Central/State Gencos requiring Coal linkages as per para 1 (B) (i) of new Power Sector Coal linkage policy. MoP vide OM dated 05.06.2017 has requested to grant Coal linkages to following Central Sector Projects:	It was intimated by NTPC that Gadawara Unit – 1 will get commissioned by July, 2017, Unit-2 is likely to be commissioned by March, 2018 and Unchahar Unit-4 has already commissioned in March, 2017. It was informed by DVC that Raghunathpur Phase-1 has been commissioned and that phase-II of DVC which	After deliberations, the SLC(LT) recommended for grant of linkages to the four TPPs as per para 1(B)(i) of SHAKTI. Coal linkages to all the four TPPs shall be issued from CIL.



	<p>i. Gadawara (2x800 MW) STPS of NTPC</p> <p>ii. Unchahar-IV (1x500 MW) of NTPC</p> <p>iii. Raghunathpur TPS, Phase-I (2x600MW) of DVC</p> <p>iv. Mahanadi Basin Power Ltd (MBPL) 2x800 MW of MCL</p> <p>MoP has stated that CEA has recommended for coal linkages to the above projects.</p> <p>The SLC (LT) to take a view in the matter.</p>	<p>was having coal linkage has been shelved and shall not be coming up.</p>	
<p>Agenda Item No. 3.</p> <p>Extension of time for fulfilment of Condition precedent clause no. 2.8.2.3 of FSA.</p>	<p>The issue of extension of Condition precedent clause No. 2.8.2.3 of FSA was placed before the SLC (LT) in its meeting held on 17.07.2015 in the context of a particular TPP. However, the Committee made a general recommendation that extension of time for fulfilling all the condition precedent of all such projects, except COD and commissioning may be granted upto 31.03.2016. The recommendation of the SLC (LT) was submitted to the competent authority, ie. Hon'ble MoS (IC) for Coal.</p>	<p>Ministry of Power stated that it has already recommended for extension of Condition precedent (CP) clause 2.8.2.3 up to 31.03.2020 vide its OM No. FU-4/2016-IPC dated 21.03.2016 and that this recommendation was due to the fact that sufficient PPAs were not available in the market. Ministry of Power further stated that as it is unlikely that sufficient long term and medium term PPAs will be available in the market, the CP clause 2.8.2.3 may be extended upto March, 2020.</p>	<p>Based on the recommendation of Ministry of Power, SLC(LT) recommended that CP clause 2.8.2.3 may be extended up to 31.03.2020 for all TPPs having FSAs.</p>

Competent authority directed that a policy may be formulated in this regard.

MoP vide its O.M. dated 21.03.2016 recommended that extension of time for fulfilling the Purchaser's Conditions Precedent covered under clause 2.8.2.3 of FSA (relating to signing of PPA) may be granted up to 31st March, 2020. However, in view of the recommendation of SLC (LT) for extension of time for fulfilling all the condition precedent except COD and commissioning, MoP was requested to furnish its views on extension of time for fulfilling all the CPs. Subsequently, MoP requested MoC to consider the extension of the time period for fulfilment of CP mentioned in Clause 2.8.2 for FSA holders upto revised date of COD/anticipated commissioning.

The clause 2.8.2 is as below:

2.8.2.1 The Purchaser shall

Ministry of Power stated that the SHAKTI policy also provides for period upto March, 2022 for commissioning of projects which could not get commissioned by March, 2015, therefore, taking analogy from this the CP clause may be extended up to 31.03.2020 and this extension in CP should be applicable to all TPPs.



have obtained from the lawful authority all necessary clearances, authorizations, approvals and permissions required for construction, commissioning, operation and maintenance of the Plant.

2.8.2.2 The purchaser shall have completed the construction and the completion of such construction along with readiness of the power plant for lighting up has been certified by an Independent Engineer within the Condition Precedent Period.

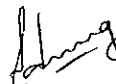
2.8.2.3 [Applicable to Purchaser who has signed FSA without entering into long term PPA] The Purchaser shall have to furnish the long term Power Purchase Agreements (PPA) either directly with Distribution Companies (DISCOMs) or through Power Trading Company (ies) (PTC) who has/have signed back to back PPA(s) (long term) with DISCOMs within the Condition



Precedent (CP)
period as per clause
2.8.3.1.

SLC (LT) in its
meetings dated
21.06.2016
recommended that
Condition
Precedent clause
No. 2.8.2.3 of FSA
should be
considered for
extension of time
period for fulfilment
upto March 2017.
However, during the
SLC (LT) meeting
held on 01.09.2016,
representative of
NTPC indicated
that MoP had
recommended for
extension of time
for fulfillment of
conditions under
clause 2.8.2.
Minutes of the SLC
(LT) meeting held
on 21.06.2016 were
approved with the
modification that
expression
"Condition
Precedent clause
No. 2.8.2.3" would
be replaced by
"Condition
Precedent clause
No. 2.8.2".

Issue of extension
of time for
fulfilment of
Condition
Precedent clause
no. 2.8.2.3 of FSA
beyond March,
2017 was
considered in the



	<p>SLC (LT) meeting held on 29.03.2017. SLC (LT) recommended for extension of time period for fulfilment upto 31.03.2018. File was submitted for approval of the Competent Authority. It was decided that there should be reasons/justification from MoP on the proposed extension date of 31.03.2020 and similarly, reason why SLC-LT is recommending up to 31.03.2018. Secretary (Coal) directed to discuss the issue in the next meeting of SLC(LT) and make recommendations duly supported by reasons thereof.</p> <p>The SLC (LT) to take a view in the matter.</p>	
<p>Agenda Item No. 4</p> <p>Additional Coal for increased capacity of RTPP of APGENCO.</p>	<p>Requests of APGENCO related to Unit – 6 of Rayalseema TPS were taken up in the meeting of the SLC (LT) held on 21.06.2016. Requests of APGENCO were as under:</p> <p>a. To revalidate the present LoA dated 18.03.2009.</p> <p>b. To exempt for submission of additional CGs.</p>	<p>The PP informed that they have given a high requirement of coal for the additional 100MW as they will be using coal after washing. The PP also informed that as per recommendations of CEA it has enhanced its capacity from 500 MW to 600 MW and for 500 MW</p>
		<p>SLC(LT) recommended that the request for linkage for additional 100 MW of the TPP may be routed through Ministry of Power as per the provisions of SHAKTI.</p>



c. To sanction additional 1.2 MT of coal for increased capacity of 100 MW

LoA all activities are completed.

SLC(LT) considered the request of APGENCO and condoned the delay in submission of additional CG. MCL shall accept the additional CG and thereafter a view shall be taken by MCL as per the procedure. The request to revalidate the present LoA and sanction the additional 1.2 MT coal shall be reviewed subsequently by SLC (LT), at the request of PP, once the CG issue was resolved.

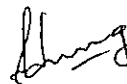
SLC (LT) in its meeting held on 02.08.2007 recommended grant of LOA for APGENCO's Rayalseema TPP Stage - III (Unit-6) for 500 MW. APGENCO had stated that consequent to the meeting with CEA on 14.07.2008 over adopting 600MW units and its benefits, APGENCO switched over from 500MW to 600MW.

Subsequent to request received from APGENCO for enhanced capacity vide letter dated 05.10.2016, comments of MCL were on status of decision taken in the SLC (LT) meeting held on 21.06.2016. MCL vide its letter dated 17.12.2016 stated that M/s APGENCO vide their letter dated



	<p>26.10.2016 has submitted the Additional CG in the form of Bank Guarantee (BG) covering all the concerned milestones. The BG has also been subsequently confirmed from the issuing Bank. MCL further stated that in view of the above, it can be construed that all the milestones have been achieved by M/s APGENCO for their Rayalseema TPS (Stage-III, Unit-VI, 600 MW), however, the above unit does not appear in the Presidential Directive dated 17.07.2013. The SLC (LT) to take a view in the matter.</p>		
<p>Agenda Item No. 5 Grant of Bridge Linkage to Patratu Super thermal power project, Phase-I (3 x 800 MW).</p>	<p>In accordance with the policy guidelines of Bridge Linkage notified vide MoC's OM no. 23021/3/2015-CPD dated 08.02.2016, PVUNL (Patratu Vidyut Utpadan Nigam Ltd.) vide their letter no. PVUNL/CEO/002 dated 07.06.2017 has submitted an application for grant of Bridge Linkage to Patratu Super Thermal Power Project, Phase-I, 3 x 800 MW with processing fee.</p> <p>In the application for grant of Bridge Linkage PVUNL has stated that Banhardih coal block has been allocated to PVUNL (JV of NTPC and Jharkhand Vidyut Vitran Nigam Ltd.) and deed of</p>	<p>It was informed by the PP that the project is a joint venture between NTPC and Jharkhand Government and the commissioning date for the project is likely to be 50 months from now. The project proponent stated that even though plant will get commissioned after 50 months, the bridge linkage is required for getting timely EC. It was also informed that pursuant to grant of prior consent of the Nominated Authority on 21.06.2017, JUUNL has not yet assigned the allotment agreement of</p>	<p>SLC(LT) recommended that Bridge Linkage may be granted to PVUNL from the date of assignment of allotment agreement of the Banhardih Coal Mine in favour of P V U N L . Bridge linkage shall be issued from CIL.</p>

<p>adherence for transfer of block from Jharkhand has been signed with MoC on 02.06.2017. Scheduled date of start of coal production from mine/block as per the Coal Mines Development and Production Agreement/Coal Block Development and Production Agreement is 44 months from preparation of GR. Actual/expected date of commissioning of specified end use plant for 1st unit is 50 months from the date of investment approval (Dec 2021) and for 2nd & 3rd unit at an interval of 6 months from COD of 1st unit.</p> <p>Comments of MoP and CBA-II Section have been sought.</p> <p>The SLC (LT) to take a view in the matter.</p>	<p>Banhardih Coal Mine in favour of Patratu Vidyut Utpadan Nigam Ltd.</p>
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New Delhi, Dated 17 July, 2017

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