

IMMEDIATE

No. CPD-23014/6/2024-CPD

Government of India

(भारत सरकार)

Ministry of Coal

(कोयला मंत्रालय)

Shastri Bhawan,
New Delhi, the 03 December, 2024

To


- i. Chairman-cum-Managing Director,
Coal India Limited, Coal Bhawan, Plot No. AF-III, Action Area - IA, Newtown,
Rajarhat, Kolkata- 700156
- ii. Chairman-cum-Managing Director, Singareni Collieries Company Limited, Singareni
Bhawan, PB No. 18, Red Hills, Khairatabad PO, Hyderabad, Telangana

**Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector –
SLC (LT) No. 07/2024**

Sir,

I am directed to forward herewith the approved Minutes of the Meeting of the SLC (LT) for Power Sector held on 27.11.2024 to consider the request for coal linkage to Central / State Sector power plants and to review the status of existing coal linkages / LoAs & other related matters.

Yours faithfully,



(Sudarshan Bhagat)

Deputy Secretary to the Government of India
Tele. No. 011-23381536 / email – dircpd.moc@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 Institute 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. PS to Minister of Coal
- 2. PS to Minister of State for Coal
- 3. PSO to Secretary (Coal)
- 4. PPS to Additional Secretary (VT)
- 6. PPS to Joint Secretary (CPD)
- 7. PS to ED (CTC)
- 8. PS to Director, O/o the Nominated Authority
- 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 on 27.11.2024 [SLC (LT) 7 / 2024]

Agenda Item No. 1: Confirmation of the Minutes of the Meeting of the SLC (LT) held on 16.08.2024 and 22.08.2024.

Record of Discussion: There were no comments from any of the members.

Recommendations: Minutes of the Meeting of the SLC (LT) held on 16.08.2024 and 22.08.2024 are confirmed

Agenda Item No. 2: Coal linkage to the State of Madhya Pradesh under Para B (iv) of SHAKTI Policy:

Ministry of Power vide O.M dated 09.07.2024 had recommended to earmark long-term coal linkage to the Government of Madhya Pradesh under SHAKTI Para B (iv) to tie-up power for 4000 MW through coal-based capacity in order to meet the required addition of coal-based capacity in the country. Ministry of Power had stated that it has envisaged around 80 GW of additional coal-based capacity requirement in the country by FY 2031-32 and about 26 GW of coal-based plants are already under construction. Considering this, Ministry of Power has requested the States including the State of Madhya Pradesh, where Resource Adequacy studies have been completed to urgently plan to meet the gap by either addition of new capacity through its own resources or by floating power procurement bids under Tariff Policy, 2016 or under Para B (iv) of SHAKTI Policy. Anticipated date of coal drawl has been indicated by Government of Madhya Pradesh as FY 2028-29 / 2029-30 and the duration of power requirement is for long-term.

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 to the State of Madhya Pradesh for a capacity of 2640 MW. 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 MPPMCL in the State of Madhya Pradesh undertook a bidding process for procurement of 1230 MW of electricity on a long-term basis from a new Power Station to be set up in the State of Madhya Pradesh by sourcing fuel from the earmarked coal linkage. SLC (LT) had 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 TBCB.

Ministry of Power vide O.M dated 25.09.2024 has now informed that the Resource Adequacy plan finalized for 2024 – 2035 for the State of Madhya Pradesh forecasts a requirement of an additional 4100 MW of coal-based capacity by 2031-32 for the State of Madhya Pradesh. Ministry of Power has clarified that the additional coal-based capacity requirement of 4100 MW for the State of Madhya Pradesh is over and above 1230 MW (net) already earmarked under Para B (iv) of the SHAKTI Policy. Ministry of Power has requested to consider the request of State of Madhya Pradesh for additional coal linkage for the new requirement of 4100 MW under Para B (iv) of SHAKTI Policy.

Record of Discussions: Additional Chief Secretary, Energy Department, Government of Madhya Pradesh (GoMP) informed that the Resource Adequacy plan for 2024 – 2035 for the State of Madhya Pradesh has been finalized and the new capacity requirement of 4100 MW recommended by Ministry of Power is based on this plan. It was also informed that 4100 MW requirement is mainly to meet the demand of the Non-Solar hours in the State. ACS, Energy Department, GoMP apprised the committee that out of the earlier earmarked coal linkage to the State for 2640 MW under Para B (iv) of SHAKTI Policy, tender for Tariff-Based Competitive Bidding (TBCB) were floated by GoMP for 1230 MW and the linkage earmarked for 1230 MW has been utilized. Further, the balance linkage has lapsed as per the recommendation of the SLC (LT) on 21.09.2022.

Ministry of Power stated that based on the Resource Adequacy plan, 4100 MW coal-based capacity is the new requirement for the State of Madhya Pradesh and the same has been recommended by it. Ministry of Power further stated that the preferred source of coal for the State is Coal India Limited. Ministry of Power also confirmed that the additional coal-based capacity requirement of 4100 MW for the State of Madhya Pradesh is over and above 1230 MW (net) already earmarked under Para B (iv) of the SHAKTI Policy. With regard to 1230 MW (net) capacity tied up by the State of Madhya Pradesh through TBCB, Central Electricity Authority (CEA) clarified that the supplier shall dedicate the generating capacity of 1230 MW, at the point of Grid Connection (after accounting for Auxiliary consumption), as the contracted capacity and thus, the contracted capacity of 1230 MW for which GoMP has undertaken TBCB, corresponds to the gross capacity of 1320 MW.

Considering the future power requirement of the State, NITI Aayog also recommended for earmarking for coal linkage under Para B (iv) of SHAKTI Policy to the State of Madhya Pradesh.

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

Coal India Limited stated that coal can be offered from the available sources.

Recommendations: SLC (LT) recommended for earmarking of coal linkage from Coal India Limited for a capacity of 4100 MW under Para (iv) of SHAKTI Policy to the State of Madhya Pradesh. Coal India Limited shall intimate the earmarked linkage with description to the State of Madhya Pradesh with information to Ministry of Coal and Ministry of Power. The tripartite agreements in terms of LoA / FSA may be entered into between the concerned coal company, State Government and the successful bidder, as may be the case. This intimation shall also be furnished to Ministry of Coal and Ministry of Power. SLC (LT) also recommended that in case the TBCB gets delayed, then the same shall be informed by the State of Madhya Pradesh to the coal company, Ministry of Coal and Ministry of Power.

Additional Agenda Items

Additional Agenda Item No. 1: Grant of balance requirement of Sagardighi TPS (SGTPP) Stage- III (Unit-5) (1 x 660 MW) of West Bengal Power Development Corporation Limited (WBPDCCL) as coal linkage:

Ministry of Power vide O.M dated 19.11.2024 has requested to consider the request of West Bengal Power Development Corporation Limited (WBPDCCL) for grant of balance coal requirement of Sagardighi TPS (SGTPP) Stage- III (Unit – 5) (1 x 660 MW) of WBPDCCL as coal linkage under Para B (i) of SHAKTI Policy. SGTPP Stage-III (Unit- 5) is a under construction brownfield expansion project linked with Deocha Pachami coal block and the commissioning of the power plant is scheduled in March, 2025. Ministry of Power has informed that Deocha Pachami coal block is under development and a conceptual report on coal block has been prepared by CMPDIL which has indicated the tentative PRC of the coal block as 2 MTPA. As per the ACQ norms, the coal requirement of SGTPP Stage-III (Unit – 5) (1 x 660 MW) is 3.385 MTPA (@ G 13 grade). Ministry of Power has mentioned that the tentative PRC of 2 MTPA of Deocha Pachami coal block shall not be sufficient to fulfil the requirement of the unit. Accordingly, Ministry of Power has requested for grant of balance coal quantity requirement of 1.385 MTPA [3.385 – 2] for SGTPP Stage-III (Unit-5) of WBPDCCL as coal linkage under Para B (i) of SHAKTI Policy.

Record of Discussions: Project Proponent (WBPDCCL) stated that Sagardighi TPS (SGTPP) Stage-III (Unit – 5) (1 x 660 MW) of WBPDCCL is linked to its captive Deocha Pachami coal block and as per the report of CMPDIL, the tentative PRC of the coal block is indicated to be 2 MTPA. It was further stated that Deocha Pachami coal block is also linked with its other Thermal Power Plants as well. It was informed that SGTPP Stage-III is scheduled for commissioning in March, 2025 and the coal requirement of the unit is 3.385 MTPA and therefore, considering the tentative PRC of Deocha Pachami coal block, there is a balance coal requirement of 1.385 MTPA for SGTPP Stage-III, which may be granted as long-term coal linkage.

Representative of WBPDCCL also stated that considering the delay in operationalization of Deocha Pachami coal block, it is also exploring the possibility of meeting the requirement of the End Use Plants of Deocha Pachami coal block including SGTPP Stage-III from its other captive coal mines, whose PRC may have to be re-worked. It was also informed that WBPDCCL has not taken any Bridge Linkage against the coal block.

Ministry of Power informed the committee that SGTPP Stage-III is likely to be commissioned by March, 2025 and it recommends coal linkage for the balance coal requirement of 1.385 MTPA under Para B (i) of SHAKTI Policy.

Representative of Nominated Authority & Director (P & S-I) informed the committee that Deocha Pachami coal block initially estimated with PRC of 20 MTPA was allocated to WBPDCCL in the year 2018 and is linked to various End Use Plants of WBPDCCL including SGTPP Stage-III (660 MW). It was further stated that the data related to Geological Reserves for the coal block has been submitted by WBPDCCL, however, the Mining Plan is not finalized till now. It was also informed that PRC of Deocha Pachami coal block will be available only when the Mining Plan is finalized. Director (P&S-I) also stated that it will take another 3 – 4 years for the coal production to commence from the coal block.

Director (Marketing), Coal India Limited stated that since Deocha Pachami coal block will take another 3 – 4 years to operationalize, hence, WBPDCCL may opt for Bridge Linkage, which may be provided for the corresponding capacity of Deocha Pachami coal block. Alternatively, WBPDCCL may opt to delink its SGTPP Stage-III (660 MW) from Deocha Pachami coal block and request for the full coal quantity requirement of the power plant under Para B (i) of SHAKTI Policy.

NITI Aayog also suggested that WBPDCCL may explore the possibility of applying for Bridge Linkage as well.

Representative of the CCO stated that even for arriving at the quantum of Bridge Linkage, the PRC/mining plan of the mine would be required.

Director (P&S-I) stated that for delinking or linking certain capacity of the End Use Plants to a captive coal block, PRC/mining plan of the coal block would be required.

Project proponent conveyed that at this stage, they were neither considering Bridge Linkage nor delinking certain capacity of the End Use Plants of Deocha Pachami coal block. They would pursue to expedite the approval of mining plan to arrive at a firm PRC of the mine.

Recommendations: In view of the discussions held, SLC (LT) recommended that WBPDCCL may finalize the Mining Plan of Deocha Pachami coal block for having a firm PRC and then approach Ministry of Power for appropriate recommendations for a coal linkage for SGTPP Stage-III (660 MW).

Additional Agenda Item No. 2: Transfer of coal linkage for Dr. NTTPS and Dr. M.V.R RTPP of APGENCO:

Andhra Pradesh Power Generation Corporation Limited (APGENCO) vide letter 20.11.2024 has requested for transfer of 4.8 MT (i.e. 2 MT of Dr. NTTPS and 2.8 MT of Dr. M.V.R RTPP) of existing Fuel Supply Agreement (FSA) coal quantity with Singareni Collieries Company Limited (SCCL) to Coal India Limited (CIL). APGENCO has informed that it is having FSA with Mahanadi Coalfields Limited (MCL) and SCCL for supply of coal to its Thermal Power Plants Dr. NTTPS and Dr. M.V.R RTPP. APGENCO has mentioned that a quantity of 3 MTPA of coal linkage of Dr. NTTPS was transferred from MCL to SCCL in 2022 keeping in view of the shorter lead distance from SCCL mines to Dr. NTTPS, supply of more number of rakes and lesser transportation cost of coal. APGENCO has stated that SCCL has revised the prices of coal a number of times after entering of FSA, as a result of which, the coal prices have increased by almost ₹ 1000 - ₹ 1800 per tonne, in comparison to MCL prices and due to this, cost of generation has increased more than the allowable limit fixed by APERC, which is leading to huge financial loss to APGENCO. Further, due to inferior quality of coal received from SCCL, the specific coal consumption and other parameters of the units

are adversely impacted. APGENCO has mentioned that the objective of transferring the coal linkage from MCL to SCCL is not fulfilled and has requested to transfer 4.8 MTPA (2 MTPA of Dr. NTTPS and 2.8 MTPA of Dr. M.V.R RTPP of existing FSA quantities with SCCL to the subsidiaries of CIL.

The matter of transfer of coal linkage of Dr. NTTPS of APGENCO has been earlier taken up in the meeting of the SLC (LT) held on 22.12.2021. The request of APGENCO was for transfer of coal linkage of Dr. NTTPS from MCL / CIL to SCCL. The reasons cited by APGENCO at that time was that 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 ₹ 600 / Tonne in comparison to the coal from MCL. APGENCO had also stated that the potential benefits to APGENCO under the rationalization would be around ₹ 180 Crore per annum. APGENCO had 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. 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) had recommended for transfer of 3 MT linkage of Dr. NTTPS from MCL to SCCL

Record of Discussions: Project Proponent (APGENCO) stated that the coal linkage of Dr. NTTPS of APGENCO was transferred from MCL / CIL to SCCL in 2022, however, after the execution of FSA with SCCL, the prices of coal has been increased by SCCL by almost 40 %, which has resulted in increase in the cost of power generation. APGENCO further stated that even the landed price of coal procured through RSR route is cheaper than the landed price of SCCL coal. APGENCO also stated that the coal supplied by SCCL is of inferior quality and the same is impacting the performance of its power plants. APGENCO informed that Dr. NTTPS and Dr. M.V.R RTPP is located at a distance of around 900 km from the MCL sources, as against existing linkage at 170 km.

SCCL stated that the company is considering reduction in the prices of coal and APGENCO sourcing coal from SCCL will definitely be beneficial. Further, SCCL is also working on the quality issues of the coal supplied by it and will ensure that the coal supplied is as per the terms & conditions of the FSA.

Representative from Ministry of Railways stated that for coal supplies, there is only one Railway route from MCL and in case the part linkage of APGENCO is transferred to MCL, it may lead to multiple congestions in the route and uncertainty in coal supply to APGENCO plants. Therefore, it will become difficult for movement of coal in All Rail Route from MCL to Dr. NTTPS and Dr. M.V.R RTPP of APGENCO. It was also stated that there are multiple Railway routes from SCCL and therefore, transportation of coal from SCCL would be suitable for APGENCO as per operational convenience of Railways.

Coal India Limited stated that frequent requests of changes in linkages by APGENCO may in the long run impact the production planning of any coal company. However, in case the linkage was considered to be transferred to CIL, then they would be in a position to offer coal to the plants of APGENCO from available sources.

SLC (LT) discussed that the main concerns highlighted by APGENCO is about the price and the quality of coal supplied by SCCL and that SCCL has assured that it is working on the issue of quality and price of coal, therefore, it would be advisable that the terms and conditions of the FSA entered between APGENCO and SCCL are examined by both the parties and the issue is resolved bilaterally, since the matter primarily pertains to commercial terms and conditions as per contractual agreements between the parties.

Recommendations: In view of the discussions held, SLC (LT) recommended that since the issues of APGENCO are primarily related to price and quality of coal, which are commercial matters, the same may be resolved bilaterally between APGENCO and SCCL.

List of Participants

Ministry of Coal

1. Smt Vismita Tej, Additional Secretary [In the Chair]
2. Shri Sanjeev Kumar Kassi, Joint Secretary (CPD)
3. Shri Rama Kant Singh, Executive Director (CTC)
4. Shri Ajitesh Kumar, Director (NA & P&S Division)
5. Shri Sudarshan Bhagat, Deputy Secretary (CPD)

Ministry of Power

1. Shri Piyush Singh, Joint Secretary

Ministry of Railways

1. Shri Pulkit Singhal, Director (Traffic)

NITI Aayog

1. Shri Jawahar Lal, General Manager (Energy)

Central Electricity Authority

1. Shri Kumar Saurabh, Director
2. Shri Lavkush Singh, Deputy Director
3. Shri Himanshu Katiyar, Assistant Director

Coal India Limited

1. Shri Mukesh Choudhary, Director (Marketing) (Through VC)

Mahanadi Coalfields Limited

1. Shri K. Prabhakar, Chief Manager (Through VC)

Northern Coalfields Limited

1. Shri D.K. Maitin, GM (M&S) (Through VC)

South Eastern Coalfields Limited

1. Shri T.S Behera, General Manager (M&S) (Through VC)

Eastern Coalfields Limited

1. Shri P.K. Mishra, GM (M&S)

Western Coalfields Limited

1. Shri Anand Temurnikar, GM (M&S) (Through VC)

Central Coalfields Limited

1. Shri Ajit Singh, General Manager (M&S) (Through VC)

Bharat Coking Coal Limited

1. Shri Nishant Virmani, Senior Manager (Through VC)

Singareni Collieries Company Limited

1. Shri G Venkateswara Reddy, Director (Planning & Projects) (Through VC)
2. Shri Ravi Prasad, General Manager (Marketing) (Through VC)

NTPC Limited

1. Shri Satish Upadhyay, Executive Director

Coal Controller Organisation

1. Shri Joginder Singh, OSD

Government of Madhya Pradesh / MPPMCL

1. Shri Neeraj Mandloi, Additional Chief Secretary, Government of Madhya Pradesh
2. Shri Anil Kumar, General Manager
3. Shri F. K. Meshram, CGM
4. Dr. R. V. Saxena, ACGM

WBPDCCL

1. Shri Chanchal Goswami, Director (Through VC)
2. Shri Susnath Aich, ED (Fuel)
3. Shri Niladri Ghosh, Senior Manager
4. Shri Priyant Kumar, Manager

APGENCO

1. Shri P. Ashok Kumar Reddy, Director

2. Shri K. Chakradhara Rao, DEE