

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.5305  
TO BE ANSWERED ON 06.04.2017**

**LIQUIDITY FOR FUTURE PROJECTS**

**5305. SHRI C. MAHENDRAN:**

**Will the Minister of POWER  
be pleased to state:**

- (a) whether the Government has recently announced schemes to raise liquidity and enable swapping of coal in the country;**
- (b) if so, the details thereof;**
- (c) whether the Government was looking at making regulatory changes to enable public sector entity Power Grid to divert some of its operational assets and use the liquidity for future projects; and**
- (d) if so, the details thereof?**

**A N S W E R**

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,  
COAL, NEW & RENEWABLE ENERGY AND MINES**

**( SHRI PIYUSH GOYAL )**

**(a) & (b) : No scheme to raise liquidity has been announced by Ministry of Power. However, the Cabinet on 4<sup>th</sup> May, 2016 approved the proposal for “flexibility in utilization of domestic coal for reducing the cost of power generation”. Central Electricity Authority (CEA), in consultation with all the stakeholders, issued the methodology on 08.06.2016 for transfer of coal amongst generating stations of State/Central Gencos. The State/Central Gencos can utilize their aggregated coal after adding individual Annual Contracted Quantity (ACQ) of their Thermal Power Plants, in a flexible manner amongst their efficient power plant as well as in other State/Central Gencos power plants to generate cheaper power.**

**Further, Ministry of Power issued the methodology on 20.02.2017 for use of transferred coal by any state in Independent Power Producers (IPPs) generating stations. As per the methodology, the State can divert their coal and take equivalent power from IPP generating stations selected from the competing IPPs through an e-bidding process. The guiding principle of the methodology is that the landed cost of power from IPP generating station at the State’s periphery should be lower than the variable cost of generation of the State generating station whose power is to be replaced by generation from IPP. The landed cost of power is inclusive of the transmission charges and transmission losses.**

**(c) : No, Madam.**

**(d) : In view of (c) above does not arise.**

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