

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO.3597
TO BE ANSWERED ON 02.01.2019**

Shakti Scheme

3597. DR. KIRIT P. SOLANKI:

Will the Minister of COAL be pleased to state:

- (a) the salient features of the Shakti scheme and the status of its implementation;
- (b) the details of long term contracts to power companies through Shakti scheme and the Power Purchase Agreements till date;
- (c) the details of coal procurement made under the scheme; and
- (d) the total allocation of coal linkage to Gujarat under Shakti scheme?

**ANSWER
MINISTER OF RAILWAYS AND COAL
(SHRI PIYUSH GOYAL)**

(a) & (b) The Government approved fading away of the existing Letter of Assurance (LoA)-Fuel Supply Agreement (FSA) regime and introduced Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI), 2017, which was issued by Ministry of Coal on 22.05.2017. A few salient features under various paras of the SHAKTI policy are:

A. It has allowed continuation of the existing coal supply to the capacities of about 68,000 MW at the rate of 75% of Annual Contracted Quantity (ACQ). The coal supply may further be increased in future based on coal availability. Also, the policy has enabled about 19,000 MW capacities out of the 68,000 MW which have delayed in commissioning for signing of FSA provided these plants are commissioned within 31.03.2022. The medium term PPAs to be concluded in near future against bids invited by Discoms have also been made eligible for linkage coal supply. With these, the old regime of LoA-FSA came to finality and fade away.

B (i). Coal India Limited (CIL)/ Singareni Collieries Company Limited (SCCL) may grant coal linkages to State/Central Gencos/Joint Ventures at notified price on recommendations of Ministry of Power.

B (ii). Linkages to Independent Power Producers (IPPs) having Long Term Power Purchase Agreement (PPA) based on domestic coal but no linkage are provided where IPPs participating in auction will bid for discount on the tariff (in paise/unit).

B (iii). Linkages to IPPs/ Power Producers without PPAs shall be on auction basis where methodology would be similar to that followed under linkage auction to non-regulated sector.

B (iv). Coal linkages may also be earmarked for fresh PPAs, by pre-declaring the availability of coal linkage with description, to the States. States may indicate these linkages to Discoms/SDAs.

B (v). Power requirement of group of States can also be aggregated and procurement of such aggregated power can be made by an agency designated by Ministry of Power or authorized by such States on the basis of tariff based bidding.

B (vi). Linkages shall be granted for full normative quantity to Special Purpose Vehicle (SPV) incorporated by nominated agency for setting up Ultra Mega Power Projects (UMPP) under Central Government initiative through tariff based competitive under the guidelines for determination of tariff, on the recommendation of Ministry of Power.

B (vii). Ministry of Coal in consultation with Ministry of Power may formulate a detailed methodology of a transparent bidding process for allocating coal linkages to IPPs, having PPAs based on imported coal, with full pass through of cost saving to consumers.

As of now, coal linkages to following capacities have been granted under Para A (i), B (i) & B (ii) of the policy.

- Para A(i): Clearance has been given for signing of FSA for 6 power plants with a total capacity of 4,730 MW.
- Para B(i): 18 TPPs have been granted linkage for a total capacity of 21,880 MW,
- Para B(ii): Linkage auction under para B(ii) of SHAKTI policy was conducted in Sep'17 whereby 27.18 MT of annual coal linkage was booked by ten provisional successful bidders for 9,045 MW capacity.

Central Electricity Authority (CEA) has informed that no long term power purchase agreement has been made under SHAKTI Policy.

(c). In 2018-19 (up to 26.12.2018), total coal supplied to the Power producers under SHAKTI scheme [Para A(i), B(i) & B(ii)] is given in the table below (the figures are in Million Tonnes):

Para of SHAKTI	Coal Supply
A(i)	2.131
B(i)	2.330
B(ii)	11.085

(d). No coal linkage has been granted/allotted to Gujarat State till date under SHAKTI policy.
