

**GOVERNMENT OF INDIA  
MINISTRY OF COAL  
LOK SABHA  
UNSTARRED QUESTION NO.1514  
TO BE ANSWERED ON 27.11.2019**

**Abolition of Coal Linkage Committee**

**1514.SHRI KOMATI REDDY VENKAT REDDY:  
SHRI Y.S. AVINASH REDDY:**

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

- (a) whether the Government is planning to abolish the coal linkage committees governing the distribution of coal to the companies;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the details of the method being adopted by the ministry for allocation of coal in the absence of coal linkage committees?

**ANSWER**

**MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES**

**(SHRI PRALHAD JOSHI)**

**(a) to (c):** There is no proposal with the Government to abolish the Standing Linkage Committee (Long Term) [SLC(LT)]. However, the present procedure followed for allocation of coal is as below:

(i) A policy for Auction of Coal Linkages to Non-Regulated Sector was introduced in February 2016. In this policy, it has been stipulated that all allocation of linkages/Letter of Assurance for non-regulated sector viz. Cement, Steel/Sponge Iron, Aluminum and others {excluding Fertilizer (urea sector)}, including their Captive Power plants (CPPs), shall hence forth be auction based. There is no renewal of existing Fuel Supply Agreement (FSA) except FSAs of Central Public Sector Enterprises (CPSEs) and Fertilizer (Urea).

(ii) A Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI), 2017 was introduced in May 2017 and subsequent amendment dated 25.03.2019, in which coal linkages are allocated to thermal power plants, on nomination basis to the Central/State sector power plants and through bidding/auction process to power plants in private sector. Under SHAKTI, coal linkages are granted on notified price for power producers having already concluded long term Power Purchase Agreement (PPA), wherein bidder bids for discount on tariff. Coal linkages are also made available to States for competitive tariff based bidding of PPAs.

(iii) The bridge linkages are allotted to specified end use plants of Central/State PSUs which have been allotted Schedule-III coal mines under the Coal Mines (Special Provisions) Act, 2015 and coal blocks allotted under the Mines and Minerals (Development and Regulation) Act 1957. The recommendations for the bridge linkage are made by the Standing Linkage Committee (Long Term).

(iv) The consumers of small, medium and other sectors who have coal requirement up to 10,000 tonnes/year shall be eligible to obtain coal from the State Nominated Agencies (SNAs), as per the provisions of New Coal Distribution Policy (NCDP), 2007.

(v) As per the provisions of NCDP, 2007, Coal India Limited (CIL) offers coal under e-auction. CIL offers coal through spot e-auction, special forward e-auction for power sector and exclusive e-auction for Non-Regulated sector to meet the requirements of different consumers of the economy.

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